



Meeting Notice

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

Commission Chair
Supervisor Scott Haggerty, District 1

Commission Vice Chair
Councilmember Rebecca Kaplan,
City of Oakland

AC Transit
Director Elsa Ortiz

Alameda County
Supervisor Richard Valle, District 2
Supervisor Wilma Chan, District 3
Supervisor Nate Miley, District 4
Supervisor Keith Carson, District 5

BART
Director Thomas Blalock

City of Alameda
Mayor Marie Gilmore

City of Albany
Mayor Peggy Thomsen

City of Berkeley
Councilmember Laurie Capitelli

City of Dublin
Mayor Tim Sbranti

City of Emeryville
Councilmember Ruth Atkin

City of Fremont
Mayor William Harrison

City of Hayward
Councilmember Marvin Peixoto

City of Livermore
Mayor John Marchand

City of Newark
Councilmember Luis Freitas

City of Oakland
Vice Mayor Larry Reid

City of Piedmont
Mayor John Chiang

City of Pleasanton
Mayor Jerry Thome

City of San Leandro
Vice Mayor Michael Gregory

City of Union City
Mayor Carol Dutra-Vernaci

Executive Director
Arthur L. Dao

Finance and Administration Committee

Monday, January 13, 2014, 1:30 p.m.*

*Or immediately following the Programs and Projects Committee meeting

**1111 Broadway, Suite 800
Oakland, CA 94607**

Mission Statement

The mission of the Alameda County Transportation Commission (Alameda CTC) is to plan, fund and deliver transportation programs and projects that expand access and improve mobility to foster a vibrant and livable Alameda County.

Public Comments

Public comments are limited to 3 minutes. Items not on the agenda are covered during the Public Comment section of the meeting, and items specific to an agenda item are covered during that agenda item discussion. If you wish to make a comment, fill out a speaker card, hand it to the clerk of the Commission, and wait until the chair calls your name. When you are summoned, come to the microphone and give your name and comment.

Reminder

Please turn off your cell phones during the meeting. Please do not wear scented products so individuals with environmental sensitivities may attend the meeting.

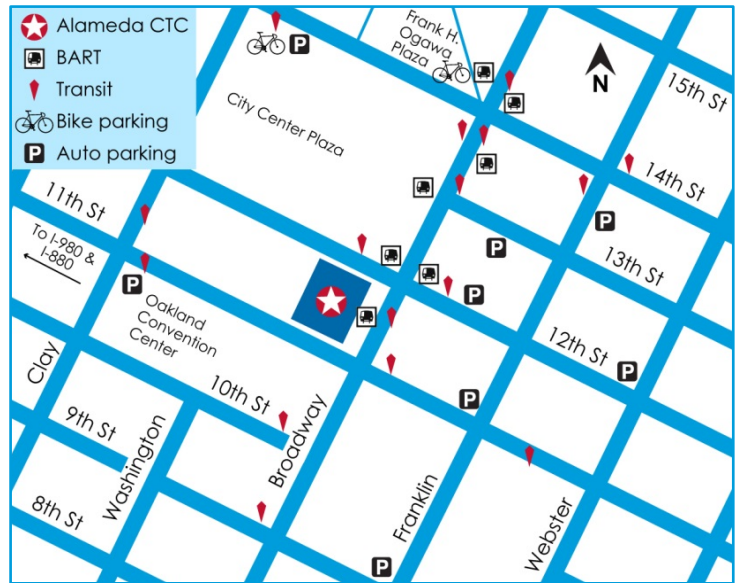
Glossary of Acronyms

A glossary that includes frequently used acronyms is available on the Alameda CTC website at www.AlamedaCTC.org/app_pages/view/8081.

Location Map

★ Alameda CTC
1111 Broadway, Suite 800
Oakland, CA 94607

Alameda CTC is accessible by multiple transportation modes. The office is conveniently located near the 12th Street/City Center BART station and many AC Transit bus lines. Bicycle parking is available on the street and in the BART station as well as in electronic lockers at 14th Street and Broadway near Frank Ogawa Plaza (requires purchase of key card from bikelink.org).



Garage parking is located beneath City Center, accessible via entrances on 14th Street between 1300 Clay Street and 505 14th Street buildings, or via 11th Street just past Clay Street. To plan your trip to Alameda CTC visit www.511.org.

Accessibility

Public meetings at Alameda CTC are wheelchair accessible under the Americans with Disabilities Act. Guide and assistance dogs are welcome. Call 510-893-3347 (Voice) or 510-834-6754 (TTD) five days in advance to request a sign-language interpreter.



Meeting Schedule

The Alameda CTC meeting calendar lists all public meetings and is available at www.AlamedaCTC.org/events/upcoming/now.

Paperless Policy

On March 28, 2013, the Alameda CTC Commission approved the implementation of paperless meeting packet distribution. Hard copies are available by request only. Agendas and all accompanying staff reports are available electronically on the Alameda CTC website at www.AlamedaCTC.org/events/month/now.

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Finance and Administration Committee Meeting Agenda Monday, January 13, 2014, 1:30 p.m.*

*Or immediately following the Programs and Projects Committee meeting

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www.AlamedaCTC.org

Chair: Mayor John Chiang, City of Piedmont
Vice Chair: Director Tom Blalock, BART
Commissioners: Marie Gilmore, Peggy Thomsen, Richard Valle
Ex-Officio Members: Scott Haggerty, Rebecca Kaplan
Staff Liaison: Patricia Reavey
Executive Director: Arthur L. Dao
Clerk: Vanessa Lee

1. Roll Call

2. Public Comment

3. Consent Calendar

3.1 [November 4, 2013 FAC Meeting Minutes](#)

Page A/I

1 A

Recommendation: Approve the November 4, 2013 meeting minutes.

4. Regular Matters

4.1. [FY2014-15 Administration Support Professional Contracts Plan](#)

5 A

Recommendation: Approval of the FY2014-15 Administration Support Professional Services Contracts Plan

4.2. [Results of Solicitation of Ratings for Debt Issuance](#)

11 I

Recommendation: Receive an update on the results of the solicitation for ratings from Standard and Poor's Rating Services and Fitch Ratings.

4.3. [Debt Issuance for the 2000 Measure B Capital Program](#)

17 A

Recommendation: It is recommended that the Commission approve the:

1. Structure and Issuance of Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 for the delivery of the 2000 Measure B Capital Program for a Par Amount Not to Exceed \$165 Million;
2. The Bond Documents and Bond Resolution, in their substantially final form;
3. The State Board of Equalization (SBOE) Amended and Restated Agreement and SBOE Resolution;

Adopt Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds; and

Authorize the Chair, the Executive Director and/or the Director of Finance to Execute all Documents Required for the Issuance of the

Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014.

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|---|-----|---|
| 4.4. <u>Alameda CTC HRA Retiree Health Benefit for the 2014 Calendar Year</u> | 235 | A |
| Recommendation: Approval of the Alameda CTC Retiree Health Benefit for the 2014 Calendar Year | | |
| | | |
| 4.5. <u>Alameda CTC General Fund Balance Reserve Policy</u> | 237 | A |
| Recommendation: Approve the Alameda CTC General Fund Balance Reserve Policy | | |
| | | |
| 4.6. <u>Alameda CTC 2014 Meeting Schedule</u> | 239 | A |
| Recommendation: Approve the Alameda CTC meeting schedule for the 2014 Calendar Year | | |

5. Staff Reports (Verbal)

6. Adjournment

Next Meeting: February 3, 2014

All items on the agenda are subject to action and/or change by the Commission.



Finance and Administration Committee Meeting Minutes Monday, November 4, 2013, 1:30 p.m.

3.1

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1. Roll Call

A roll call was conducted and a quorum was confirmed.

2. Public Comment

There were no public comments.

3. Consent Calendar

3.1. October 14, 2013 FAC Meeting Minutes

Commissioner Haggerty motioned to approve the Consent Calendar. Commissioner Thorne seconded the motion. The motion passed unanimously.

4. Regular Matters

4.1. Alameda CTC Draft Audited Comprehensive Annual Financial Report and the ACTIA Limitations Worksheet for the Year Ended June 30, 2013

Patricia Reavey recommended that the Commission approve the Alameda CTC draft audited Comprehensive Annual Financial Report and the ACTIA Limitations Worksheet for the year ended June 30, 2013. Ahmad Gharaibeh, partner with Vavrinek, Trine, Day & Co., LLP, presented the report highlighting the scope of the audit. He stated that there were no deficiencies or difficulties encountered in the audit. Mr. Gharaibeh provided financial highlights as of June 30, 2013 including the agencies net position of \$219.2 million, a decrease in assets of \$41.9 million to \$331.7 million, sales tax revenues of \$121.1 million, and a decrease in liabilities of \$20.0 million to \$90.5 million. He reviewed revenues and expenses and provided an unmodified or clean auditor opinion. Mr. Gharaibeh concluded by reviewing the limitations calculations and new accounting pronouncements, GASB No. 68, concerning accounting and reporting for pensions which will be effective for fiscal year 2015.

Commissioner Chiang wanted to know the timeline for the CAFR award. Patricia stated that it could take up to six months before we see an award, and it will not be available to release to the public before going to market with our inaugural bond issuance.

Commissioner Kaplan motioned to approve the item as amended. Commissioner Thomsen seconded the motion. The motion passed unanimously.

4.2. Alameda CTC FY2013-14 First Quarter Investment Report

Patricia Reavey recommended that the Commission approve the Alameda CTC FY2013-14 First Quarter Investment report. She stated that all Alameda CTC investments are in compliance except for a small excess in the governmental money

market fund due to timing of investment settlements. Ms. Reavey informed the committee that the Alameda CTC has sufficient cash flow to meet expenditure requirements over the next six months. She stated that, as of September 30, 2013, total cash and investments were \$242.6 million. The ACTA investment balance decreased \$2.1 million, ACTIA's balance decreased by \$2.4 million, ACCMA's balance increased by \$6.1 million. Ms. Reavey concluded by stating that investment yields have declined compared to prior years, and cash flow projections show that ACTIA's Capital Fund will need debt financing by the 3rd quarter of FY2013-14 to satisfy capital project obligations. She then introduced the Alameda CTC's New investment advisor, Bill Osher, from SunTrust Bank who informed the Committee of his background and experience related to managing investments for governmental agencies in California.

Commissioner McPartland motioned to approve this item. Commissioner Kaplan seconded the motion. The motion passed unanimously.

4.3. Alameda CTC FY2013-14 First Quarter Financial Report

Patricia Reavey recommended that the Commission approve the Alameda CTC FY2013-14 First Quarter Financial Report. Ms. Reavey stated that as of the end of the first quarter of FY2013-14, the Alameda CTC is showing a net decrease in fund balance of \$14.0 million due to capital project sales tax related expenditures. Ms. Reavey reviewed revenues and expenditures for the General Fund, Special Revenue Fund, the Exchange Fund, and the Capital Projects Fund. She also discussed the calculations of ACTIA's required limitations which were in compliance with requirements.

Commissioner Gilmore motioned to approve this item. Commissioner Thomsen seconded the motion. The motion passed unanimously.

4.4. Alameda CTC Contract Equity Annual Utilization Report for FY2012-13

Seung Cho recommendation that the Commission approve the Contract Equity Annual Utilization Report for payments processed between July 1, 2012 and June 30, 2013. He stated that Alameda CTC local business contracting goals were exceeded and there were 34 active contracts with LBCE program goals. Seung concluded by stating that 72% of payments went to admin/engineering firms with LBCE certification.

Commissioner McPartland motioned to approve this item. Commissioner Kaplan seconded the motion. The motion passed unanimously.

4.5. Report on the Selection Process for Bond Counsel, Bond Disclosure Counsel, and Underwriter Services

Art Dao introduced the item by stating that it is an informational item to update the committee on three major contracts for bond counsel, bond disclosure counsel and bond underwriter services. He stated that the Commission delegated authority to the audit committee to approve the procurement of all three contracts. Seung Cho, Contracting, Administration and Fiscal Resource Manager, reviewed the RFQ procurement process for the three contracts and provided a detailed review of the selection and interview process for the bond counsel, bond disclosure counsel and underwriting services contracts.

Art stated that there was an attempt to protest the bond underwriting RFQ. He reviewed the outcomes of the protest stating that the Alameda CTC rejected the protest on the grounds that it was not a timely submittal, and it was without merit. Art provided a detailed update on the protest process and the selection of the underwriting firms.

There was one public comment on this Item by Aquacena Lopez of Blaylock Robert Van LLC.

Commissioner McPartland wanted to know if there were meetings held to review the RFQ and protest process with potential bidders. Seung stated that the RFQ was released on August 19, 2013 which outlined the protest procedure including the requirement that protests should be received within 5 days of release.

Commissioner Gilmore wanted clarification on staff's intention to get a bigger firm to handle the underwriting services. Patricia stated that the selection was based on several factors including the firm's experience and the capital required to underwrite the bonds.

This Item was for information only.

4.6. Alameda CTC Staff Benefits for Calendar Year 2014 and Salaries for Fiscal Year 2014-2015

Art Dao recommended that the Commission approve the Alameda CTC Staff Benefits for Calendar Year 2014 and Salaries for Fiscal Year 2014-2015. He stated that the salary ranges adopted by the Commission on September 26, 2013 will remain the same for FY 2014-15.

Commissioner Kaplan motioned to approve this item. Commissioner Thomsen seconded the motion. The motion passed unanimously.

5. Committee Member Reports (Verbal)

There were no committee reports.

5. Staff Reports

There were no staff reports.

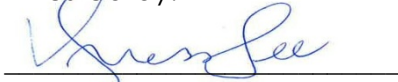
6. Adjournment/ Next Meeting

The meeting adjourned at 2:56 p.m. The next meeting is:

Date/Time: Monday, January 13, 2014 @1:30 p.m.

Location: Alameda CTC Offices, 1111 Broadway, Suite 800, Oakland, CA 94607

Attested by:



Vanessa Lee,
Clerk of the Commission



Memorandum

4.1

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: January 6, 2014

SUBJECT: FY2014-15 Administrative Support Professional Services Contracts Plan

RECOMMENDATION: It is recommended that the Commission approve the Fiscal Year 2014-2015 Administration Support Professional Services Contracts Plan. Specifically, the Commission is requested to approve the following recommendations:

- A. Authorize the Executive Director to issue Request for Proposals (RFP) or solicit quotations for Paratransit Coordination Services, enter into negotiation with the top-ranked firm, and execute a contract; and
- B. Authorize the Executive Director to enter into negotiations with existing professional consultant firms and execute contracts for the following services:
 - 1. Federal Legislative Advocacy Services
 - 2. General Counsel Services
 - 3. Information Technology (IT) Services
 - 4. Media and Public Relations Services
 - 5. Project Management and Project Controls Services
 - 6. State Legislative Advocacy Services

Summary

The Alameda CTC contracts on a periodic basis with a number of professional services consultant firms to assist staff in providing a range of general administrative services, including, but not limited to, general counsel services, legislative advocacy, planning development, outreach, technical assistance, project and program-wide management, and administrative support services. Involvement of the private sector is critical to the success of Alameda CTC and its work in delivering effective, high quality transportation programs and projects in Alameda County.

Staff recommends issuing one RFP and/or solicitation and renewing six contracts with existing professional services consultant firms. The terms and conditions for each of the administration support professional services contracts will be negotiated, and all contracts are anticipated to commence on July 1, 2014.

Background

The background and recommendations for each of the administration support professional services contracts are discussed below and summarized in Table 1 that follows.

1. Federal Legislative Advocacy Services – Federal legislative advocacy services include providing monthly updates to staff on policy and legislative actions at the federal level and access to federal legislators and their staff when necessary to support implementation efforts for Alameda CTC's capital projects and programs. CJ Lake, LLC was awarded a contract in 2012 to provide these services. The value of the current contract, which covers the period from July 1, 2013 to June 30, 2014, is \$63,000.

Staff recommends continuation of the Federal Legislative Advocacy Services contract with CJ Lake, LLC.

2. General Counsel Services – General counsel services for Alameda CTC include representation at Committee and Commission meetings, review of contracts and agreements, counseling on personnel related matters, guidance on ongoing eminent domain activities, as well as other general counsel services. Wendel, Rosen, Black & Dean, LLP, an Alameda CTC certified Local Business Enterprise (LBE) firm with offices in Oakland, California, was awarded a contract in 2012 to provide these services. The value of the current contract, which covers the period from July 1, 2013 to June 30, 2014, is \$780,058 and approximately 51% of the contract value is allocated to cover potential litigation matters and eminent domain actions.

Staff recommends continuation of the Legal Counsel Services contract with Wendel, Rosen, Black & Dean, LLP.

3. Information Technology (IT) Services – Information technology services include remote network hosting and management of the local area network, upgrade and maintenance of the central servers and workstations, and on-call IT support services. Novani, LLC was awarded a contract in 2011. The value of the current contract, which covers the period from July 1, 2013 to June 30, 2014, is \$139,100, of which approximately 35% of the contract value is to cover "hard" costs for equipment upgrades and one-time costs related to office relocation.

Staff recommends continuation of the Information Technology Services contract with Novani, LLC.

4. Media and Public Relations Services – Media and Public Relations Services include communications and public relations services, hosting and maintaining of the Alameda CTC website, preparing press and other public materials, assisting staff at public meetings and events, providing staff training, and supporting the implementation of the Alameda CTC Strategic Communications Plan. Moore Iacofano Goltsman, Inc., an Alameda CTC certified LBE firm with offices in Berkeley, California, was awarded a

contract in 2011. The value of the current contract, which covers the period from July 1, 2013 to June 30, 2014, is \$336,409.

Staff recommends continuation of the Media and Public Relations Services contract with Moore Iacofano Goltsman, Inc.

5. Paratransit Coordination Services – Paratransit coordination services include meeting facilitation and coordination, administration and coordination of Measure B and Federal grants funding, outreach services, coordination of Alameda CTC's Mobility Management Planning Pilot Program, and general technical assistance. Nelson/Nygaard Consulting Associates, an Alameda CTC certified LBE firm with an office in Oakland, California, has provided these services since 2009. The value of the current contract, which covers the period from July 1, 2013 to June 30, 2014, is \$363,771.

Staff recommends issuing an RFP for these services.

6. Project Management and Project Controls Services – Project Management and Project Controls team's function is to provide project management, monitoring, and controls to ensure the efficient, effective, and successful delivery of Alameda CTC's programs and capital projects. These services also include, but are not limited to, utility and right-of-way coordination, programming and grant management, and other related management activities. Hatch Mott MacDonald, an Alameda CTC certified LBE firm with offices in Pleasanton, California, was awarded a contract in 2012 to provide these services. The current contract covers a period of 18 months ending June 30, 2014, and is for \$4,359,657.

Staff recommends continuation of the Project Management and Project Controls Services contract with Hatch Mott MacDonald.

7. State Legislative Advocacy Services – State legislative advocacy services include providing monthly updates to the Commission and staff on policy and legislative actions at the state level and access to state legislators and their staff when necessary to support implementation efforts for Alameda CTC's capital projects and programs. Platinum Advisors, LLC was awarded a contract in 2012 to provide these services. The value of the current contract, which covers the period from July 1, 2013 to June 30, 2014, is \$60,000.

Staff recommends continuation of the State Legislative Advocacy Services contract with Platinum Advisors, LLC.

Fiscal Impact

Contracts recommended for continuation and/or an RFP process under this Administrative Support Professional Services Contracts Plan will be negotiated and the final budget will be

included in the Alameda CTC's consolidated fiscal year 2014-2015 proposed budget for Commission approval.

Attachment

A. Table 1 – Summary of Administration Support Professional Services Contracts Plan

Staff Contact

[Seung Cho](#), Contracting, Administration and Fiscal Resource Manager

[Patricia Reavey](#), Director of Finance

TABLE 1 – SUMMARY OF ADMINISTRATION SUPPORT PROFESSIONAL SERVICES CONTRACTS PLAN				
Services	Current Firm	Contract Budget for FY 2013-14	Year of Last RFP Issuance	Recommended Action
Legal Counsel Services	Wendel, Rosen, Black & Dean, LLP	\$780,058	2012	1 Year Renewal
Project Management and Project Controls Services	Hatch Mott MacDonald	\$4,359,657	2012	1 Year Renewal
State Legislative Advocacy Services	Platinum Advisors, LLC	\$60,000	2012	1 Year Renewal
Federal Legislative Advocacy Services	CJ Lake, LLC	\$63,000	2012	1 Year Renewal
Media and Public Relations Services	Moore Iacofano Goltzman, Inc.	\$336,409	2011	1 Year Renewal
Paratransit Coordination Services	Nelson\Nygaard Consulting Associates	\$363,771	2009	Issue RFP
Information Technology Services	Novani, LLC	\$139,100	2011	1 Year Renewal

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Memorandum

4.2

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: January 6, 2014

SUBJECT: Results of Solicitation of Ratings for Debt Issuance

RECOMMENDATION: Receive an update on the results of the solicitation for ratings from Standard and Poor's Rating Services and Fitch Ratings.

Summary

This is an informational item only.

Since the Alameda CTC's debt issuance planned for February 2014 is an inaugural issuance, one of the key steps in the process was to approach rating agencies to receive a rating for the Alameda CTC bond. The financing team decided that the best approach would be to solicit two ratings and selected Standard and Poor's Rating Services and Fitch Ratings with the expectation that the Alameda CTC would receive the best ratings possible from these agencies based on historical results and the rating agencies defined rating criteria. Last week the Alameda CTC received the results of the extensive effort put towards the rating process from Standard and Poor's Rating Services and Fitch Ratings. The Alameda CTC's inaugural bond issuance received a rating of AAA (the highest possible rating) from both Standard and Poor's Rating Services and Fitch Ratings. This is a tremendous accomplishment for the financing team which reflects very positively on the Alameda CTC. Rating agencies base their ratings of a sales tax revenue bond on the planned structure and security of a bond issuance, local economics which reflect the agency's ability to repay the debt and the leadership of the agency. **The Alameda CTC is now the first and only self-help county in the State of California with a sales tax revenue bond rated AAA.**

Background

In the effort to approach rating agencies for a rating, the financing team prepared an extensive presentation which included information related to all aspects of the Alameda CTC, the successes of Measure B, information on the local economy and demographics, the planned structure and security of the upcoming bond issuance and biographies of the executive team. In the presentation, the financing team made it clear to the rating agencies that our expectation was the Alameda CTC deserved a rating of AAA based on the structure and security of the bond and the economics. This was an important strategy because Fitch Ratings had never previously delivered a AAA rating to a self-help county in the State of California on a sales tax revenue bond. The presentations were delivered in person in the Alameda CTC's new offices by the Alameda CTC Chair, Scott Haggerty,

Executive Director, Art Dao, Director of Finance, Patricia Reavey, Deputy Director, Stewart Ng and Accounting Manager, Lily Balinton on December 6. Over the next month, the rating agency representatives spent a significant amount of time becoming comfortable with the financing team's suggested rating, engaging in multiple follow up conference calls with members of the financing team. The financing team prepared a significant amount of the credit work and presentation information necessary for the representatives to utilize when presenting to their ratings committees for the final ratings. The financing team and staff are very pleased with the results of this rating effort and believe it will save money on the sale of the bonds as well as reflect very well on the Alameda CTC as it again goes before the voters of Alameda County. These ratings demonstrate the rating agencies confidence in the Alameda CTC's leadership, financial strength, sales tax revenues, structure and security of the bonds and economics of the local economy.

Fiscal Impact: There is no immediate fiscal impact for this informational item; however receiving these AAA ratings has the potential to significantly reduce the cost of interest over the life of the bonds.

Attachments

- A. [Standard and Poor's Report – Alameda County Transportation Commission, California; Sales Tax; AAA/Stable](#) (hyperlinked to the website)
- B. Fitch Ratings Report – Fitch Rates Alameda County Trans Commission, CA Sales Tax Rev 'AAA'; Outlook Stable

Staff Contact

[Patricia Reavey](#), Director of Finance

FITCH RATES ALAMEDA COUNTY TRANS COMMISSION, CA SALES TAX REV 'AAA'; OUTLOOK STABLE

Fitch Ratings-San Francisco-03 January 2014: Fitch Ratings has assigned a 'AAA' rating to the following bonds issued by the Alameda County Transportation Commission, CA (the commission):

--\$145.9 million sales tax revenue bonds (limited tax bonds), series 2014.

The bonds are expected to sell via negotiation on or about the week of Feb. 10, 2014. Proceeds will be used to fund various projects, including the BART Warm Springs Extension, Bart Oakland Airport Connector, Route 84 Interchange, and the I-580 Corridor Improvement projects.

The Rating Outlook is Stable.

SECURITY

The bonds are secured by a first lien on the commission's one-half-cent sales tax collected in the County of Alameda.

KEY RATING DRIVERS

STRONG COVERAGE, CLOSED LIEN: The 'AAA' rating reflects robust coverage on the proposed sales tax revenue bonds, the closed lien structure, and short maturity limiting the exposure to collection volatility.

HEALTHY SALES TAX BASE: Pledged revenues are an existing county-wide voter-approved sales tax supported by a healthy economy. Receipts have renewed growth and surpassed prior highs after a large recessionary decline.

LIMITED OPERATING PRESSURES: Sales tax revenues are dedicated to specific capital projects and programs, and face minimal pressure from transportation operations or other potential uses.

LARGE AND DIVERSE ECONOMY: Alameda County (implied GO rated 'AA+') is part of the large and diverse bay area economy that has proven resilient in the wake of the economic downturn.

RATING SENSITIVITIES

The rating is sensitive to shifts in fundamental credit characteristics including the strong debt service coverage. The Stable Outlook reflects Fitch's expectation that such shifts are highly unlikely.

CREDIT PROFILE

The commission is a joint powers authority formed to plan, fund and deliver significant transportation projects and programs throughout the county. It functions solely as a capital financing agency, with minimal operating responsibilities. Funding priorities include major capital projects, such as Bay Area Rapid Transit (BART) extensions and stations, highway infrastructure, and street improvements.

The commission is governed by 22 elected members representing all county supervisorial districts, cities, BART, and Alameda -Contra Costa (AC) Transit. It was established in 2010 by a merger of the

Alameda County Transportation Improvement Authority (ACTIA), itself a successor to the Alameda County Transportation Authority (ACTA), and the Alameda County Congestion Management Agency (ACCMA).

STRONG COVERAGE/CLOSED LIEN

Debt service coverage on the sales tax bonds, which have an eight-year maturity, is strong at 4.3x maximum annual debt service (MADS). Coverage remains healthy under various stress scenarios, including a decline in sales tax revenues of 76.6% - nearly four times the largest historical decline - to equal 1.0x MADS. The indenture prohibits the commission from issuing any additional parity debt apart from refunding bonds (without extension of final maturity), which significantly strengthens the credit quality.

HEALTHY SALES TAX BASE

Pledged sales taxes exhibit an overall positive trend. Tax receipts increased a combined 28% over the last three years to a peak of \$121 million in fiscal 2013 following a decline during the recession of 12.9% and 6.8% in fiscals 2009 and 2010, respectively. For the first quarter for fiscal 2014, receipts increased 2.5% over the same period the prior year.

Collection of the tax began in 1987 with voter approval of Measure B, a county-wide one-half-cent sales tax. In 2000, voters approved a 20-year extension of Measure B with an approval rate of 81.5%. A 2012 ballot measure that would have added a half-cent and extended the tax in perpetuity received 66.53% of the vote, just under the two-thirds majority necessary to pass (66.67%). The commission intends to place a measure on the November 2014 ballot to increase the tax by a half-cent for a period of 30 years. However, payment of debt service on these bonds is solely secured by the 2000 Measure B sales tax revenues.

The commission's funding requirements to date have been met on a pay as you go basis. As of June 2013 the commission reported approximately \$204 million in cash available for capital and programmatic expenses. These funds are also available to pay debt service on commission debt, but are not pledged to bondholders.

SOUND LEGAL PROTECTIONS

Measure B collection of the sales tax sunsets March 31, 2022, which is the same month as the scheduled final maturity date of the series 2014 bonds. The tax is collected by the Board of Equalization and remitted directly to the Trustee. No additional parity bonds are permitted apart from refunding bonds. The Commission may issue subordinate bonds. There is no debt service reserve associated with this series.

MINIMAL OPERATING PRESSURES

The commission's funding commitments associated with the sales tax receipts are restricted to those specified in Measure B, and typically provide only a portion of project costs limiting its exposure to potential project cost overruns. In addition, the commission is restricted by the 20-year Transportation Expenditure Plan established by ordinance to allocating no more than 38.3% of Measure B sales tax revenues to capital projects with the remaining revenues allocated to various programmatic expenditures allocated on a formula basis and through competitive grants to local jurisdictions, including mass transit, local streets and roads, and bike and pedestrian safety. These features protect the commission's sales tax revenues from excess commitments or diversion.

STABLE, DIVERSE ECONOMY

The county is one of five making up the San Francisco metropolitan statistical area (the MSA), and benefits from a strong regional economy and employment gains in neighboring San Francisco and Silicon Valley, with broad-based gains in nearly all industries led by the volatile technology sector. The largest county employers are governmental, led by the University of California, Berkeley, as well as medical centers, though many residents commute across the bay area for employment. The county's unemployment rate of 6.8% as of November 2013 bettered the state and national averages. County incomes are above state and well above national averages, although notably lower than the MSA.

The county's taxable assessed value declined only 4% during the downturn and is currently at its historic peak after increasing a combined 7.7% in the three years ending fiscal 2014. Home values reported by Zillow, though still 13.75% below their prerecession peak, increased 27.5% year-over-year as of October 2013.

Contact:

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Shannon Groff
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Fitch Ratings, Inc.
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San Francisco, CA 94108

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+1-415-732-7573

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Michael Rinaldi
Senior Director
+1-212-908-0833

Media Relations: Elizabeth Fogerty, New York, Tel: +1 (212) 908 0526, Email: elizabeth.fogerty@fitchratings.com.

Additional information is available at 'www.fitchratings.com'.

In addition to the sources of information identified in Fitch's Tax-Supported Rating Criteria, this action was additionally informed by information from Creditscope.

Applicable Criteria and Related Research:

--'Tax-Supported Rating Criteria' (Aug. 14, 2012);

--'U.S. Local Government Tax-Supported Rating Criteria' (Aug. 14, 2012).

Applicable Criteria and Related Research:

Tax-Supported Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=686015

U.S. Local Government Tax-Supported Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=685314

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Memorandum

4.3

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: January 6, 2014

SUBJECT: Debt Issuance for the 2000 Measure B Capital Program

RECOMMENDATION: It is recommended that the Commission approve the:

1. Structure and Issuance of Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 for the delivery of the 2000 Measure B Capital Program for a Par Amount Not to Exceed \$165 Million;
2. The Bond Documents and Bond Authorizing Resolution, in their substantially final form;
3. The State Board of Equalization (SBOE) Amended and Restated Agreement and SBOE Authorizing Resolution;

Adopt Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds; and

Authorize the Chair, the Executive Director and/or the Director of Finance to Execute all Documents Required for the Issuance of the Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014.

Summary

Per the Public Utilities Code, the Alameda CTC is authorized to issue limited tax bonds to finance capital expenditures as provided for in the transportation expenditure plan which are to be payable from the proceeds of the sales tax measure. The Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 (Series 2014 Bonds), to be issued in a par amount not to exceed \$165 million, will provide funding on a programmatic basis for the Measure B capital projects program. The projects with the largest draw on Measure B capital project funds over the next few years include the BART Warm Springs Extension, the BART Oakland Airport Connector, the Route 84 Expressway, and the I-580 Corridor Improvements projects, which together account for most of the debt financing need. The issuance of the Series 2014 Bonds will ensure that the ACTIA capital projects fund will be able to continue to meet the cash flow requirements of these and other projects, as well as pay debt service, both in the near term and throughout the life of the measure.

Approval of the requested action will allow for the bond issuance process to proceed expeditiously, taking advantage of the currently low interest rate environment and strong bond market. In addition, the most current revenue projections and cash flow analysis for

the Measure B capital program indicates that there will be more than adequate funding available to repay the associated debt service.

The financing team has completed the following steps in the bond issuance process:

- Drafted forms of documents to meet objectives
- Created and presented a comprehensive overview of Alameda CTC, the regional economy, and the security and structure for the Series 2014 Bonds to Standard and Poor's and Fitch
- Received ratings

Once the Commission has approved the issuance of the Series 2014 Bonds and associated documents, the next steps in the bond issuance process will be to (with approximate timing):

- Print and distribute the Preliminary Official Statement (end of January),
- Market the Series 2014 Bonds to investors through conference calls, investor meetings and a web-based audio-visual presentation (last week of January through the 2nd week of February),
- Price the Series 2014 Bonds (2nd week of February),
- Sign the Bond Purchase Agreement (2nd week of February),
- Print the final Official Statement (3rd week of February),
- Sign all final financing and bond documents (3rd week of February), and
- Close the Series 2014 Bond sale (last week of February).

In order to comply with covenants in the bond documents and to maintain positive investor relations, staff will set up procedures to ensure that once bonds are issued, debt service is paid accurately and timely and that continuing disclosure requirements are met. Continuing disclosure information should reflect the changes in sales tax revenues over time and includes specific events that can have an impact on key features of the bonds. This information is loaded on the Municipal Securities Rulemaking Board's (MSRB) Electronic Municipal Market Access (EMMA) website at www.EMMA.MSRB.org.

Background

Objectives in Structuring the Series 2014 Bonds

In designing the structure of the Series 2014 Bonds, the financing team had the following objectives:

- Design a financing structure that can be executed quickly to take advantage of the current low interest rate environment,
- Ensure that cash flow demands were met to fund the Measure B capital program,
- Utilize a traditional fixed-rate structure, and
- Secure a strong credit rating from both Standard & Poor's and Fitch.

Series 2014 Bonds: Security and Preliminary Structure

The financing team reviewed several options for how the Series 2014 Bonds should be structured utilizing a traditional fixed-rate approach. The recommended security and structure includes the following elements:

- Gross pledge of Measure B sales tax revenues
- Issuance of premium-bonds with a not to exceed amount of \$165 million par value
- Interest only debt service through 2016 (deferred principal payments during period of maximum project construction draws)
- First principal payment is expected to be March 1, 2017
- Level debt service from 2017 - 2022
- Final maturity of the Series 2014 Bonds is expected to be March 1, 2022
- Closed senior lien (refunding bonds and subordinate obligations are permitted by the Indenture, but staff does not expect to recommend the issuance of any additional financing mechanism for Measure B)
- No debt service reserve fund
- Non-callable structure
- Estimated Maximum Annual Debt Service (MADS) coverage of 4.52x (based on FY2013 sales tax revenues and a preliminary bond par amount of \$138.09 million)

Please note that some of these structural features may change based on changes in market conditions between now and the time the Series 2014 Bonds are sold/priced, which is expected to be early to mid-February.

Overview of Bond Documents

The recommendation is for the Commission to approve the substantially final form of several financing and bond documents that are required to execute the Series 2014 Bonds and to adopt post-issuance tax compliance policies and procedures to comply with requirements established by the Internal Revenue Service applicable to issuers of tax-exempt bonds. Each of these documents has either been prepared or reviewed by bond counsel or bond disclosure counsel, Orrick, Herrington & Sutcliffe, LLP or Fulbright & Jaworski LLP, respectively. All financing documents also have been reviewed by the Alameda CTC's general counsel and the financing team, which includes staff, PFM as financial advisor, Citigroup as senior managing underwriter and Barclays as co-managing underwriter.

Master Indenture – The master indenture is the agreement between the Alameda CTC and Union Bank, N.A., as trustee acting on behalf of the bond holders, which sets forth the basic terms and conditions for the transaction, creates the sales tax revenue pledge and security features, establishes the flow of funds and the duties of the bond trustee.

First Supplemental Indenture – The first supplemental indenture is the agreement between the Alameda CTC and Union Bank, N.A., as trustee acting on behalf of the bond holders,

which sets forth the terms of the Series 2014 Bonds, including interest rates and maturity dates.

Preliminary Official Statement – The preliminary official statement (POS) is the document that is distributed to potential investors to solicit their interest in purchasing the Series 2014 Bonds. It provides information concerning the bond issue and background information concerning the Alameda CTC. As required by the Securities and Exchange Commission, the document must be true and correct in all material respects, and may not have any misleading omissions. Subsequent to pricing the Series 2014 Bonds, the pricing information will be inserted. After the pricing information is inserted, the preliminary designation is deleted from the document and the document is identified as the Official Statement which will be distributed to all purchasers of the Series 2014 Bonds.

Bond Purchase Agreement – The bond purchase agreement is a contract between the Alameda CTC and the underwriting syndicate, which is represented by Citigroup, as senior managing underwriter of the Series 2014 Bonds, under which the underwriter will purchase the Series 2014 Bonds from Alameda CTC and resell them to investors. Under this agreement, the underwriter would receive compensation based on a formula of \$1 per \$1,000 of bonds issued, plus actual expenses for the underwriters' legal counsel and other costs directly related to the transaction. The level of compensation is favorable as compared with other comparably-sized bond transactions that have recently been completed. For a \$165 million bond issue, based on this formula, the underwriter's discount would be approximately \$165,000, excluding expenses. The compensation and expense reimbursement is contingent on the closing of the transaction.

Continuing Disclosure Agreement – The continuing disclosure agreement is an agreement between the Alameda CTC and Union Bank, N.A., serving as Dissemination Agent, under which the Alameda CTC agrees to provide certain information related to the sales tax revenues on an annual basis and to provide notices of certain specified events to the marketplace for the life of the Series 2014 Bonds.

State Board of Equalization Amended and Restated Agreement – This agreement between Alameda CTC and the State Board of Equalization (SBOE) amends and restates the agreement effective January 1, 2002 when Measure B originally was initiated. This amended and restated agreement provides for the SBOE to transmit sales tax revenues directly to Union Bank, N.A. as trustee who will withhold the portion related to debt service and forward the balance on to Alameda CTC. This structure provides additional security for the holders of the Series 2014 Bonds and is usual and customary for sales tax revenue financings.

Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds – These policies and procedures are required to be established and adopted by issuers of tax-exempt bonds to ensure compliance with the requirements of federal tax law which preserve the tax-exempt status of interest on the Series 2014 Bonds.

Not to Exceed Bond Authorization

The recommended not to exceed amount of bond authorization for the Series 2014 Bonds is \$165 million. At this time, staff anticipates issuing approximately \$138.09 million in bonds. However, the maximum authorization level has been set higher in order to provide flexibility in structuring the bonds themselves, in relation to premium or discount. This flexibility will allow the Alameda CTC financing team to respond appropriately to any changes in market conditions and investor demand that may occur between now and the date of the bond sale.

Cost of Issuance

The Alameda CTC will incur up to an estimated \$647,500 in costs associated with the Series 2014 Bond issuance, referred to as "costs of issuance". These costs will be paid from the proceeds of the bond issuance and they include:

- Up to \$68,000 for PFM for acting as financial advisor on this transaction. This amount is contingent on the closing of the transaction.
- Up to \$79,500 for Orrick, Herrington & Sutcliffe, LLP, to serve as bond counsel for this transaction. This amount is contingent on the closing of the transaction.
- Up to \$80,000 for Fulbright & Jaworski LLP, to serve as bond disclosure counsel for this transaction. This amount is contingent on the closing of the transaction.
- Up to an estimated \$255,000 for Citigroup/Barclays for acting as underwriter on this transaction. This amount is contingent on the closing of the transaction.
- An estimated \$165,000 will be needed for rating agency fees, trustee fees, bond printer and other miscellaneous costs.

Remaining Steps in Series 2014 Bond Issuance

If the Commission approves the recommendation, the financing team will proceed to take the financing to market. The following steps will occur prior to the closing of the Series 2014 Bond issuance, which is currently scheduled for the week of February 24, 2014 (subject to change based on market conditions):

- Finalize the Preliminary Official Statement, print and distribute to potential investors,
- Market the Series 2014 Bonds to investors through conference calls, investor meetings and a web-based audio-visual presentation,
- Price the Series 2014 Bonds,
- Sign the Bond Purchase Agreement,
- Print the final Official Statement,
- Sign all final financing and bond documents, and
- Close the Series 2014 Bond sale.

During the sale of the Series 2014 Bonds, Alameda County residents will be given priority on bond purchase orders (meaning orders received from Alameda County residents will be filled

at the final yield before others). Staff expects to report back to the Commission on the final results of the Series 2014 Bond issuance at the March 2014 meeting.

Fiscal Impact: The fiscal impact for approving this item is up to an estimated \$2.68 million of expenses for FY2013-14. Cost of issuance expenses of up to \$647,500 will be paid out of bond proceeds and debt service costs of approximately \$2.04 million will be accrued for March through June of this fiscal year and paid out of Measure B sales tax revenues next fiscal year on September 1, 2014. All of these costs will be included in a new debt fund in the mid-year budget update for FY2013-14.

Attachments

- A. Authorizing Resolution – Authorizing the Issuance and Sale of Not to Exceed \$165 million Aggregate Principal Amount of Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014
- B. Indenture Between Alameda County Transportation Commission and Union Bank, N.A., as Trustee Relating to Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds)
- C. First Supplemental Indenture Between Alameda County Transportation Commission and Union Bank, N.A., as Trustee Relating to Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014
- D. Preliminary Official Statement for Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014
- E. Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 Bond Purchase Agreement
- F. Continuing Disclosure Agreement by and between Alameda County Transportation Commission and Union Bank, N.A., as Dissemination Agent
- G. Amended and Restated Agreement for Administration of District Transaction and Use Taxes between the Alameda County Transportation Commission and the California State Board of Equalization
- H. California State Board of Equalization Authorizing Resolution Authorizing an Amended and Restated Agreement for the Administration of District Transaction and Use Taxes between the Alameda County Transportation Commission and the California State Board of Equalization
- I. Post Issuance Tax Compliance Procedures for Tax-Exempt Bonds

Staff Contact

[Patricia Reavey](#), Director of Finance

**Commission Chair**

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Commission Vice ChairCouncilmember Rebecca Kaplan,
City of Oakland**AC Transit**

Director Elsa Ortiz

Alameda CountySupervisor Richard Valle, District 2
Supervisor Wilma Chan, District 3
Supervisor Nate Miley, District 4
Supervisor Keith Carson, District 5**BART**

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City of San Leandro

Councilmember Michael Gregory

City of Union City

Mayor Carol Dutra-Vernaci

Executive Director

Arthur L. Dao

ALAMEDA COUNTY TRANSPORTATION COMMISSION**RESOLUTION 14-002**

Authorizing the Issuance and Sale of Not To Exceed \$165,000,000 Aggregate Principal Amount of Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) to be Issued in One or More Series, the Execution and Delivery of an Indenture and a Supplemental Indenture Providing for the Terms and Provisions of Said Bonds, the Distribution of an Official Statement Describing Said Bonds, the Execution and Delivery of a Bond Purchase Agreement Providing for the Sale of Said Bonds and Certain Other Agreements and Documents Required in Connection with the Issuance and Sale of Said Bonds, Including a Continuing Disclosure Agreement, and the Taking of Other Actions Necessary in Connection with the Issuance and Sale of Said Bonds

WHEREAS, the Alameda County Transportation Commission (the "Alameda CTC") is a joint exercise of powers authority and public entity organized under the laws of the State of California;

WHEREAS, the Alameda CTC is the successor agency to the Alameda County Transportation Improvement Authority ("ACTIA"), a local transportation authority duly established under and pursuant to the Local Transportation Authority and Improvement Act (constituting Division 19 of the Public Utilities Code of the State of California) (the "Act");

WHEREAS, pursuant to the provisions of the Act, ACTIA adopted Ordinance No. 2000-01 (hereinafter referred to as the "Measure B Ordinance") on July 25, 2000, which provided for continuation of an existing retail transactions and use tax which expired pursuant to its terms as of March 31, 2002;

WHEREAS, the Measure B Ordinance provided for the imposition of a retail transactions and use tax (hereinafter referred to as the "Measure B Sales Tax") at the rate of one-half of one percent (1/2%) for a period not to exceed twenty (20) years, commencing April 1, 2002, such Measure B Sales Tax to be applicable in the incorporated and unincorporated territory of the County of Alameda (the "County");

WHEREAS, in addition to authorizing the Measure B Sales Tax, the Measure B Ordinance authorized ACTIA to issue limited tax bonds to finance transportation improvements, including transit and road improvement, set forth in the Alameda County 20-Year Transportation

Expenditure Plan (such expenditure plan, as supplemented and amended from time to time pursuant to its terms, being hereinafter referred to as the "Measure B Expenditure Plan") adopted in July 2000;

WHEREAS, the Measure B Ordinance was approved by more than two-thirds of the voters of the County voting on the Measure B Ordinance at the general election held in the County on November 7, 2000;

WHEREAS, pursuant to its terms, the Measure B Ordinance became effective on April 1, 2002 and collection of the Measure B Sales Tax commenced April 1, 2002 and will expire on March 31, 2022;

WHEREAS, pursuant to the provisions of the Act and the Measure B Ordinance, as successor agency to ACTIA, the Alameda CTC is authorized to issue limited tax bonds secured by and payable from the proceeds of the Measure B Sales Tax;

WHEREAS, in order to provide funds to finance or reimburse the Alameda CTC for its prior payment of the costs of certain transit and road improvements identified in the Measure B Expenditure Plan (hereinafter collectively referred to as the "Project"), the Authority hereby determines to issue certain limited tax bonds, such limited tax bonds to be designated as the Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), and to be issued in one or more series (each, a "Series of Bonds," and, hereinafter collectively referred to as the "Bonds"), in an aggregate principal amount not to exceed one hundred sixty five million dollars (\$165,000,000), which is the estimated cost of accomplishing the purposes for which such limited tax bonds are being issued and which amount does not exceed the amount of limited tax bonds which the Alameda CTC is authorized to issue pursuant to the Act;

WHEREAS, the Bonds shall be issued pursuant to an Indenture (the "Master Indenture") and a First Supplemental Indenture thereto (the "Supplemental Indenture"), each of which is proposed to be entered into between the Alameda CTC and Union Bank, N.A. ("Union Bank"), as trustee (the "Trustee");

WHEREAS, there has been presented to the governing board of the Alameda CTC (hereinafter referred to as the "Commission") a proposed form of the Master Indenture and a proposed form of Supplemental Indenture (hereinafter collectively referred to as the "Indenture");

WHEREAS, the proceeds of the Bonds will be applied pursuant to the provisions of the Indenture as finally executed and delivered (i) to finance or reimburse the Alameda CTC for its prior payment of the costs of the Project, (ii) to fund capitalized interest, and (iii) to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, in order to facilitate the offering of the Bonds, the Alameda CTC proposes to approve, execute and deliver an Official Statement (the "Official Statement") describing the Bonds and certain related matters;

WHEREAS, there has been prepared and presented to the Commission a proposed form of Official Statement describing the Bonds and certain related matters;

WHEREAS, in order to provide for a negotiated sale and public offering of the Bonds, the Alameda CTC proposes to enter into a bond purchase agreement (hereinafter referred to as the "Bond Purchase Agreement") with Citigroup Global Markets Inc. ("Citi"), acting on behalf of itself and

Barclays Capital Inc. ("Barclays," and, together with Citi, hereinafter collectively referred to as the "Underwriters");

WHEREAS, there has been presented to the Commission a proposed form of Bond Purchase Agreement;

WHEREAS, in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12, the Alameda CTC proposes to enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with Union Bank, acting as dissemination agent (the "Dissemination Agent");

WHEREAS, there has been prepared and presented to the Commission a proposed form of Continuing Disclosure Agreement;

WHEREAS, in order to comply with requirements established by the Internal Revenue Service applicable to issuers of tax-exempt bonds, the Alameda CTC proposes to adopt post-issuance tax compliance policies and procedures (hereinafter referred to as the "Post-Issuance Compliance Procedures");

WHEREAS, there has been prepared and presented to the Commission a proposed form of Post-Issuance Compliance Procedures;

WHEREAS, it is now necessary for the Commission to approve the forms of and to authorize the execution of and delivery of the Master Indenture, the Supplemental Indenture, the Bond Purchase Agreement and the Continuing Disclosure Agreement and to approve the form of and to authorize the execution and distribution of the Official Statement, to authorize the issuance and sale of the Bonds pursuant to the Indenture and the Bond Purchase Agreement, to authorize, approve and ratify the taking of various actions in connection therewith and to approve and adopt the Post-Issuance Compliance Procedures;

WHEREAS, the Commission has been presented with forms of the Master Indenture, the Supplemental Indenture, the Bond Purchase Agreement, the Official Statement and the Continuing Disclosure Agreement (hereinafter collectively referred to as the "Financing Documents"), each of such documents relating to the financing described herein (the "Financing"), and the Commission desires to authorize and direct the execution and delivery of each of the Financing Documents and such other documents as shall be necessary or advisable in connection with the Financing contemplated by this Resolution and described herein;

WHEREAS, the Commission has been presented with a proposed form of Post-Issuance Compliance Procedures and the Commission desires to approve and adopt the Post-Issuance Compliance Procedures; and

WHEREAS, all acts, conditions and things required by the Act and the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Alameda CTC is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the Financing, to authorize the execution and delivery of each of the Financing Documents, to issue the Bonds pursuant to the Indenture, and to sell the Bonds pursuant to the Bond Purchase Agreement, for the purposes, in the manner and upon the terms provided in this Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Alameda County Transportation Commission as follows:

Section 1. Findings. The foregoing recitals are true and correct and the Commission so finds and determines.

Section 2. Approval of Bonds. The issuance by the Alameda CTC of not to exceed \$165,000,000 aggregate principal amount of Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), in one or more Series, is hereby authorized and approved.

Section 3. Approval of Master Indenture and Supplemental Indenture. The proposed form of Master Indenture and the proposed form of Supplemental Indenture, each between the Alameda CTC and the Trustee, presented to the Commission, and the terms and provisions thereof, which are hereby incorporated by reference, are hereby approved. The dates, maturity dates (which shall not extend beyond the expiration date of the Measure B Sales Tax), interest rate or rates (which shall not exceed 5.0% per annum), interest payment dates, denominations (which shall not be less than \$5,000), form of the Bonds, registration and exchange privileges, place or places of payment, terms of redemption, if any, the time when all of, or any part of, the principal becomes due and payable, and other terms of the Bonds shall be as provided in the Indenture, as finally executed and delivered.

The Clerk of the Alameda CTC (the "Clerk") is directed to file a copy of said form of Master Indenture and said form of Supplemental Indenture with the minutes of this meeting, and the Chair of the Commission (the "Chair"), the Vice Chair of the Commission (the "Vice Chair"), the Executive Director of the Alameda CTC (the "Executive Director") or the Director of Finance of the Alameda CTC (the "Director of Finance"), each acting alone, is authorized and directed, for and in the name and on behalf of the Alameda CTC, to execute and deliver the Master Indenture and the Supplemental Indenture, each in substantially such form, with such additions thereto or changes therein as such officer of the Alameda CTC executing the same, with the advice of counsel to the Alameda CTC (the "Alameda CTC Counsel"), may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Master Indenture and the Supplemental Indenture.

Section 4. Application of Proceeds. The proceeds of the Bonds shall be applied to finance costs of the Project, to fund capitalized interest and to pay certain costs incurred by the Alameda CTC in connection with the issuance of the Bonds, all in accordance with the provisions of this Resolution and the Indenture as finally executed and delivered.

Section 5. Approval of Official Statement. The proposed form of Official Statement, presented to the Commission, describing the Bonds and related matters, and the terms and provisions thereof, which are hereby incorporated by reference, are hereby approved. The Clerk is directed to file a copy of said form of Official Statement with the minutes of this meeting. The Official Statement in preliminary form may be deemed final by the Executive Director or the Director of Finance, acting on behalf of the Alameda CTC for purposes of compliance with Securities and Exchange Commission Rule 15c2-12 and the distribution of the Official Statement in such preliminary form as is deemed final by the Executive Director or Director of Finance is hereby authorized.

The Chair, the Vice Chair, the Executive Director or the Director of Finance is hereby authorized and directed to execute and deliver a final Official Statement in substantially the form of the Official Statement presented to this meeting, with such additions thereto or changes therein as the Chair, the Vice Chair, the Executive Director or the Director of Finance, with the advice of Alameda CTC

Counsel, may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Official Statement.

The Underwriters are hereby authorized and directed to distribute copies of the Official Statement to persons purchasing the Bonds.

Section 6. Approval of Bond Purchase Agreement. The proposed form of Bond Purchase Agreement providing for a sale of the Bonds to the Underwriters, presented to the Commission, and the terms and provisions thereof, which are hereby incorporated by reference, are hereby approved. The Clerk is directed to file a copy of said form of Bond Purchase Agreement with the minutes of this meeting. The sale of the Bonds to the Underwriters (i) at the principal amount thereof, less an underwriters' discount of not to exceed 0.165% of such principal amount in accordance with the Bond Purchase Agreement and (ii) at a true interest cost not to exceed three percent (3.0%) is hereby authorized and approved. The Chair, the Vice Chair, the Executive Director or the Director of Finance, each acting alone, for and in the name and on behalf of the Alameda CTC, is authorized and directed to execute and deliver the Bond Purchase Agreement in substantially the form of Bond Purchase Agreement presented to this meeting, with such additions thereto or changes therein as such officer of the Alameda CTC executing the same, with the advice of Alameda CTC Counsel, may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement.

Section 7. Approval of Continuing Disclosure Agreement. The proposed form of Continuing Disclosure Agreement, between the Alameda CTC and the Dissemination Agent, presented to the Commission, and the terms and conditions thereof, which are hereby incorporated by reference, are hereby approved. The Clerk is directed to file a copy of said form of Continuing Disclosure Agreement with the minutes of this meeting, and the Chair, the Vice Chair, the Executive Director or the Director of Finance is authorized and directed to execute and deliver the Continuing Disclosure Agreement to the Dissemination Agent, in substantially the form of the Continuing Disclosure Agreement presented to this meeting, with such additions thereto or changes therein, as such officer executing the same, with the advice of Alameda CTC Counsel, may require or approve, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

Section 8. Approval and Adoption of Post-Issuance Compliance Procedures. The proposed form of Post-Issuance Compliance Procedures presented to this meeting are hereby approved and adopted.

Section 9. Authorized Representatives. The Chair, the Vice Chair, the Executive Director or the Director of Finance (each, an "Authorized Representative of the Alameda CTC"), acting singly, is, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Alameda CTC, to execute and deliver any and all agreements, certificates, documents, instructions and instruments, including, without limitation, agreements necessary to amend the agreement with the State Board of Equalization relating to administration of the Measure B Sales Tax (hereinafter referred to as the "SBOE Agreement"), tax certificates, documents or instructions necessary in connection with the investment of proceeds of the Bonds, and certificates concerning representations and warranties set forth in the Financing Documents, necessary or advisable to carry out the purposes of this Resolution and the transactions contemplated hereby and to do and cause to be done any and all acts and things necessary or advisable to carry out the purposes of this Resolution and the transactions contemplated hereby and to do any and all things and take any and all actions which may be necessary or advisable, in such officer's discretion, to effectuate the actions which the Commission has approved in this Resolution and the transactions contemplated hereby.

Section 10. Ratification of Actions. All actions heretofore taken by the members of the Commission, committees of the Commission, each Authorized Representative of the Alameda CTC and officers and agents of the Alameda CTC with respect to the transactions contemplated by this Resolution and described herein, including, without limitation, execution and delivery of agreements or letters of representation required by The Depository Trust Company to qualify the Bonds as book-entry bonds, are hereby ratified, confirmed and approved.

Section 11. Completion of Financing; Subsequent Actions. All approvals, consents, directions, notices, orders, requests and other actions permitted or required by the Indenture, authorized by this Resolution or any of the other documents authorized by this Resolution, including, without limitation, any of the foregoing which may be necessary or desirable in connection with any amendment of the Indenture, the SBOE Agreement, any of the other documents authorized by this Resolution or the Post-Issuance Compliance Procedures and any redemption, refunding or defeasance of the Bonds, may be given or taken by any Authorized Representative of the Alameda CTC without further authorization by the Commission, and each Authorized Representative of the Alameda CTC is hereby authorized and directed to give any such approval, consent, direction, notice, order or request and to take any such action which such Authorized Representative of the Alameda CTC, with the advice of Alameda CTC Counsel, may deem necessary or desirable to further the purposes of this Resolution and the transactions contemplated hereby.

Section 12. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution which shall continue in full force and effect.

Section 13. Effective Date. This Resolution shall take effect from and after its adoption.

Duly passed and adopted by the Alameda County Transportation Commission at the regular meeting of the Commission held on Thursday, October 23, 2014 in Oakland, California by the following votes:

AYES: NOES: ABSTAIN: ABSENT:

SIGNED:

ATTEST:

Scott Haggerty, Chairperson

Vanessa Lee, Clerk of the Commission

INDENTURE

between

ALAMEDA COUNTY TRANSPORTATION COMMISSION

and

UNION BANK, N.A.,
as Trustee

Dated as of February 1, 2014

Relating to

ALAMEDA COUNTY TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)

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INDENTURE

This INDENTURE, dated as of February 1, 2014 (as more fully defined in Section 1.02 hereof, the "Indenture"), between the ALAMEDA COUNTY TRANSPORTATION COMMISSION, a joint exercise of powers authority and public entity organized under the laws of the State of California (the "Alameda CTC"), and UNION BANK, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the Alameda CTC is the successor agency to the Alameda County Transportation Improvement Authority ("ACTIA"), a public instrumentality duly established pursuant to the Local Transportation Authority and Improvement Act (as more fully defined in Section 1.02 hereof, the "Act"), being Division 19 of the Public Utilities Code of the State of California (Section 180000 et seq.);

WHEREAS, pursuant to the provisions of the Act, ACTIA adopted Ordinance No. 2000-01 (as more fully defined in Section 1.02 hereof, the "Ordinance") on July 25, 2000;

WHEREAS, the Ordinance provided for the continuation of a retail transactions and use tax (the "Sales Tax") at the rate of one-half of one percent (1/2%) for a period not to exceed twenty (20) years, such Sales Tax to commence April 1, 2002 and to be applicable in the incorporated and unincorporated territory of the County of Alameda (the "County") in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California;

WHEREAS, the Ordinance was approved by more than two-thirds of the voters of the County voting on the Ordinance at the general election held in the County on November 7, 2000;

WHEREAS, pursuant to its terms, the Ordinance became effective on April 1, 2002 and collection of the Sales Tax commenced April 1, 2002 and will expire on March 31, 2022;

WHEREAS, ACTIA was authorized by Chapter 6 of the Act and by the Ordinance to issue bonds to finance transportation improvements set forth in the Alameda County 20-Year Transportation Expenditure Plan (as more fully defined in Section 1.02 hereof, the "Expenditure Plan") approved in July 2000;

WHEREAS, as successor agency to ACTIA, the Alameda CTC is authorized to issue bonds from time to time to finance transportation improvements set forth in the Expenditure Plan, which bonds shall be referred to as limited tax bonds and shall be secured by, and payable from, revenues of the Sales Tax (as more fully defined in Section 1.02 hereof, the "Sales Tax Revenues"), all as authorized by, and provided in, Chapter 6 of the Act and the Ordinance;

WHEREAS, the Alameda CTC has determined to enter into this Indenture in order (i) to provide for the issuance, authentication and delivery of certain limited tax bonds, which limited tax bonds may be in the form of either bonds or notes and which limited tax bonds shall be

referred to herein as the "Bonds," (ii) to establish and declare the terms and conditions upon which the Bonds shall be issued and secured, (iii) to establish and declare the terms and conditions upon which obligations secured on a parity with the Bonds (as more fully defined in Section 1.02 hereof, "Parity Obligations") shall be incurred and secured, (iv) to secure the payment of the principal of, premium, if any, and interest on the Bonds and Parity Obligations, (v) to establish and declare the terms and conditions upon which obligations secured by the Sales Tax on a basis subordinate to the Bonds and Parity Obligations (as more fully defined in Section 1.02 hereof, "Subordinate Obligations") shall be incurred and secured and to secure the payment of such Subordinate Obligations, and (vi) to establish and declare the terms and conditions upon which obligations secured by the Sales Tax on a basis subordinate to the Subordinate Obligations (as more fully defined in Section 1.02 hereof, "Fee and Expense Obligations") shall be incurred and secured and to secure the payment of such Fee and Expense Obligations;

WHEREAS, the execution and delivery of this Indenture has in all respects been duly and validly authorized by a resolution duly adopted by a two-thirds vote of the governing body of the Alameda CTC in accordance with Section 180252 of the Act; and

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

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

ARTICLE I

EQUALITY OF SECURITY; DEFINITIONS; CONTENT OF CERTIFICATES

SECTION 1.01 Equality of Security. In consideration of the acceptance of the Bonds by the owners thereof from time to time, this Indenture shall be deemed to be and shall constitute a contract among the Alameda CTC, the Trustee and the owners from time to time of

the Bonds and the owners and holders from time to time of Parity Obligations and the covenants and agreements herein set forth to be performed by or on behalf of the Alameda CTC or the Trustee shall be for the equal and proportionate benefit, security and protection of all owners of the Bonds and the owners and holders from time to time of Parity Obligations, without preference, priority or distinction as to security or otherwise of any of the Bonds or any of the Parity Obligations over any of the others by reasons of the Series, time of issue, sale or negotiation thereof or for any cause whatsoever, except as expressly provided therein or herein. Nothing herein shall prevent additional security being provided for the benefit of a particular Series of Bonds or Parity Obligations under any supplement to this Indenture.

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

Accreted Value means, with respect to any Capital Appreciation Bond, the principal amount thereof plus the interest accrued thereon, compounded at the approximate interest rate thereon on each date specified therein. The Accreted Value at any date shall be the amounts set forth in the Accreted Value Table as of such date, if such date is a compounding date, and if not, as of the immediately preceding compounding date. In the event that Capital Appreciation Bonds are issued, as and to the extent applicable, references to "principal of" set forth in this Indenture shall be read as references to "Accreted Value of."

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

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

Alameda CTC means the Alameda County Transportation Commission, a joint exercise of powers authority and public entity organized under the laws of the State, and any successor thereto.

Alternate Credit Enhancement means, with respect to a Series of Bonds, any Insurance, letter of credit, line of credit, surety bond or other instrument, if any, which secures or guarantees the payment of principal of and interest on a Series of Bonds, issued by a Credit Provider, and delivered or made available to the Trustee, as a replacement or substitution for any Credit Enhancement then in effect.

Alternate Liquidity Facility means, with respect to a Series of Bonds, a line of credit, letter of credit, standby purchase agreement or similar liquidity facility, issued by a Liquidity Provider, and delivered or made available to the Trustee, as a replacement or substitute for any Liquidity Facility then in effect.

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

Assumed Debt Service means for any Fiscal Year the aggregate amount of principal and interest which would be payable on all Bonds if each Excluded Principal Payment were amortized on a substantially level debt service basis or other amortization schedule provided by the Alameda CTC for a period commencing on the date of calculation of such Assumed Debt Service and ending on the earlier of (i) the date specified by the Alameda CTC not exceeding thirty (30) years from the date of calculation, or (ii) the Tax Expiration Date, such Assumed Debt Service to be calculated on a level debt service basis or other amortization schedule provided by the Alameda CTC, based on a fixed interest rate equal to the rate at which the Alameda CTC could borrow for such period, as set forth in a certificate of a financial advisor or investment banker, delivered to the Trustee, who may rely conclusively on such certificate, such certificate to be delivered within thirty (30) days of the date of calculation.

Auditor-Controller of the Alameda CTC means the Director of Finance of the Alameda CTC.

Authorized Representative means the Executive Director or the Director of Finance or any other person designated to act on behalf of the Alameda CTC by a written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Alameda CTC by an Authorized Representative.

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

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

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

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

Bond Reserve Requirement with respect to one or more Series of Bonds for which the Alameda CTC shall have established a Bond Reserve Fund shall have the meaning specified in the Supplemental Indenture or Supplemental Indentures establishing the terms and provisions of such Series of Bonds.

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

Bonds means the Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) authorized by, and at any time Outstanding pursuant to, this Indenture.

Business Day means, except as is otherwise provided in the Supplemental Indenture pursuant to which a Series of Bonds are issued, any day other than (1) a Saturday, Sunday, or a day on which banking institutions in the State, the State of New York or the jurisdiction in which the Corporate Trust Office of the Trustee is located are authorized or obligated by law or executive order to be closed, (2) for purposes of payments and other actions relating to Bonds secured by a Credit Enhancement or supported by a Liquidity Facility, a day upon which commercial banks in the city in which the office of the issuing bank at which demands for payment under the Credit Enhancement or Liquidity Facility is located, as applicable, are to be presented are authorized or obligated by law or executive order to be closed, (3) a day on which the New York Stock Exchange is closed or (4) a day on which the payment system of the Federal Reserve System is not operational.

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

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

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

Commission means the governing body of the Alameda County Transportation Commission, a joint exercise of powers authority and public entity organized under the laws of the State, and any successor thereto.

Continuing Disclosure Undertaking means, with respect to each Series of Bonds requiring an undertaking regarding disclosure under Rule 15c2-12, the continuing disclosure agreement or continuing disclosure certificate, as applicable, executed by the Alameda CTC and, as and to the extent applicable, a dissemination agent, as the same may be supplemented, modified or amended in accordance with its terms.

Corporate Trust Office or corporate trust office means the corporate trust office of the Trustee at 350 California Street, 11th Floor, San Francisco, California 94104, Attention: Corporate Trust, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted, or such other or additional offices as may be designated by the Trustee from time to time.

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

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

Costs of the Project means all items of expense related to the Project and directly or indirectly payable by or reimbursable to the Alameda CTC in accordance with the Act and the Ordinance.

Counterparty means an entity which has entered into an Interest Rate Swap Agreement with the Alameda CTC.

County means the County of Alameda, California.

Credit Enhancement means, with respect to a Series of Bonds, any Insurance, letter of credit, line of credit, surety bond or other instrument, if any, which secures or guarantees the payment of principal of and interest on a Series of Bonds, issued by a Credit Provider, and delivered or made available to the Trustee, as from time to time supplemented or amended pursuant to its terms, or, in the event of the delivery or availability of an Alternate Credit Enhancement, such Alternate Credit Enhancement.

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

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

Debt Service, when used with respect to any Bonds or Parity Obligations (for purposes of this definition of Debt Service, herein collectively referred to as "Obligations"), means, as of any date of calculation and with respect to any Fiscal Year, the sum of (1) the interest falling due on such Obligations during such Fiscal Year and (2) the principal or Mandatory Sinking Account Payments required with respect to such Obligations during such Fiscal Year; computed on the

assumption that no portion of such Obligations shall cease to be Outstanding during such Fiscal Year except by reason of the application of such scheduled payments; provided, however, that for purposes of such computation:

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

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

(C) if any Obligations bear, or if any Obligations proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in place and the interest on which is excluded or expected to be excluded from gross income for federal income tax purposes, the interest rate on such Obligations for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to the average of the SIFMA Swap Index for the five (5) years preceding such date of calculation (provided, however, that if such index is no longer published, the interest rate on such Obligations shall be calculated based upon such similar index as the Alameda CTC shall designate in writing to the Trustee);

(D) if any Obligations bear, or if any Obligations proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in place and the interest on which is included or expected to be included in gross income for federal income tax purposes, the interest rate on such Obligations shall be calculated at an interest rate equal to 100% of the average One Month USD LIBOR Rate during the five (5) years preceding such date of calculation or such higher rate as shall be specified in a Certificate of the Alameda CTC delivered to the Trustee (provided, however, that if such index is no longer published, the interest rate on such Obligations shall be calculated based upon such similar index as the Alameda CTC shall designate in writing to the Trustee);

(E) with respect to any Obligations bearing interest, or expected to bear interest, at a variable interest rate for which an Interest Rate Swap Agreement is in place providing for a fixed rate of interest to maturity or for a specific term with respect to such Obligations, the interest rate on such Obligations shall be assumed to be the synthetic fixed interest rate specified in such Interest Rate Swap Agreement for such term; provided that if, pursuant to a Certificate of the Alameda CTC filed with the Trustee, the sum of (i) interest payable on such Obligations, plus (ii) amounts payable by the Alameda CTC under such Interest Rate Swap Agreement, less (iii) amounts receivable by the Alameda CTC under such Interest Rate Swap Agreement, is expected to be greater than the interest payable on the Obligations to which such Interest Rate Swap Agreement relates (i.e., if such Interest Rate Swap Agreement is an "off-market" Interest Rate

Swap Agreement), then, in such instance, such excess amounts expected to be payable by the Alameda CTC under such Interest Rate Swap Agreement or in connection with such Obligations shall be included in the calculation of Debt Service;

(F) with respect to any Obligations bearing interest, or expected to bear interest, at a fixed interest rate for which an Interest Rate Swap Agreement is in place providing for a net variable interest rate with respect to such Obligations for a specific term, the interest rate on such Obligations shall be assumed to be equal for such term to the sum of (i) the fixed interest rate or rates to be paid on the Obligations, minus (ii) the fixed interest rate receivable by the Alameda CTC under such Interest Rate Swap Agreement, plus (iii) the average interest rate of the index on which the Interest Rate Swap Agreement is based, as identified in a Certificate of the Alameda CTC filed with the Trustee, or, if not based on an identifiable index, then the SIFMA Swap Index, in each case, over the five (5) years preceding the date of calculation or such higher rate as shall be specified in a Certificate of the Alameda CTC filed with the Trustee;

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

(H) principal and interest payments on Obligations shall be excluded to the extent such payments are to be paid from Revenues then held on deposit by the Trustee or from other amounts on deposit, including Investment Securities and interest to be payable thereon, with the Trustee or other fiduciary in escrow specifically therefor and interest payments shall be excluded to the extent that such interest payments are to be paid from the proceeds of Obligations, including Investment Securities and interest to be payable thereon, held by the Trustee or other fiduciary as capitalized interest specifically to pay such interest or from pledged Subsidy Payments the Alameda CTC expects to receive.

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

Credit System, United States Import-Export Bank, United States Department of Housing and Urban Development, Farmers Home Administration, General Services Administration and United States Maritime Administration; and (ix) any pre-refunded municipal security that is non-callable or has been irrevocably called for redemption, carries a fixed interest rate and matures or is to be redeemed on a date certain and is secured by an escrow containing securities listed in (i) through (viii) above.

Dissemination Agent means, with respect to each Series of Bonds requiring an undertaking regarding disclosure under Rule 15c2-12(b)(5), the dissemination agent under the Continuing Disclosure Undertaking delivered in connection with such Series of Bonds, or any successor dissemination agent designated in writing by the Alameda CTC and which has entered into a Continuing Disclosure Undertaking with the Alameda CTC.

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

Electronic Means means facsimile transmission, unsecured email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition, to which is attached the applicable Certificate, Statement, Request, Requisition, Order, directions, instructions or notice, as provided in Section 8.04(K).

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

Excluded Principal Payment means each payment of principal of Bonds or Parity Obligations which the Alameda CTC determines (in a Certificate of the Alameda CTC filed with the Trustee) that the Alameda CTC intends to pay with moneys that are not Sales Tax Revenues (such as commercial paper, balloon indebtedness or bond anticipation notes) but from future debt obligations of the Alameda CTC, grants from the State or federal government, or any agency or instrumentality thereof, or any other source of funds of the Alameda CTC, upon which determination of the Alameda CTC the Trustee may conclusively rely. No such determination shall affect the security for such Bonds or the obligation of the Alameda CTC to pay such payments from Sales Tax Revenues or amounts on deposit in a Bond Reserve Fund, if any. No payment of principal of Bonds may be determined to be an Excluded Principal Payment unless it is due on or prior to the Tax Expiration Date.

Expenditure Plan means the 20-Year Transportation Expenditure Plan approved in July 2000 and identified in the Ordinance, as in effect on the date of execution and delivery of this Indenture, and as such Expenditure Plan may be amended from time to time pursuant to its terms.

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

Fee and Expense Obligations means any obligations of the Alameda CTC which constitute fees, expenses and similar charges in connection with any Bonds, Parity Obligations or Subordinate Obligations (including fees and expenses and termination payments on Interest Rate Swap Agreements), which obligations are secured hereunder by a lien and charge upon the Sales

Tax Revenues on a basis directly subordinate to the Bonds, Parity Obligations and Subordinate Obligations.

Fiscal Year means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other 12-month period hereafter selected and designated as the official fiscal year period of the Alameda CTC, which designation shall be provided to the Trustee in a Certificate delivered by the Alameda CTC.

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

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

Indenture means this Indenture, dated as of February 1, 2014, between the Trustee and the Alameda CTC, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Indenture delivered pursuant to the provisions hereof.

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

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

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

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

Interest Rate Swap Agreement means an interest rate swap, cap, collar, option, floor, forward, derivative, or other hedging agreement, arrangement or security, however denominated, entered into between the Alameda CTC and a Counterparty, in connection with or incidental to, the issuance or carrying of Bonds, including, without limitation, an interest rate swap, cap, collar, option, floor, forward, derivative, or other hedging agreement, arrangement or security entered into in advance of the issuance of Bonds.

Investment Securities means the following:

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

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

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

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

(5) obligations of any state, territory or commonwealth of the United States of America or any political subdivision thereof or any agency or department of the foregoing; provided that, except with respect to direct obligations of the State, at the time of their purchase such obligations are rated at least "A" or higher by either Moody's or Standard & Poor's;

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

(7) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation which are, at the time of purchase, rated by both Moody's and Standard & Poor's at least "A1/P1" for money market instruments and at least "A" for all other instruments;

(8) demand or time deposits or certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee and its affiliates), provided that such certificates of deposit shall be either (a) continuously and fully insured by the Federal Deposit Insurance Corporation, (b) continuously and fully secured by such securities and obligations as are described above in clauses (1) through (5), inclusive, which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit, and the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured shall furnish the Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking, or (c) be issued by an institution the senior debt obligations of which are rated "AA-" or higher by Standard & Poor's or "Aa" or higher by Moody's;

(9) taxable commercial paper, other than that issued by bank holding companies, or tax-exempt commercial paper rated at least "A1/P1" by both Moody's and Standard & Poor's;

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

(11) any cash sweep or similar account arrangement of or available to the Trustee, and which may include funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services, the investments of which are limited to investments described in clauses (1), (2), (3), (4), (5) and (10) of this definition of Investment Securities and any money market fund, the entire investments of which are limited to investments described in clauses (1), (2), (3), (4), (5) and (10) of this definition of Investment Securities;

provided that as used in this clause (11) and clause (12) investments will be deemed to satisfy the requirements of clause (10) if they meet the requirements set forth in clause (10) ending with the words "clauses (1), (2), (3) or (4) above" and without regard to the remainder of such clause (10);

(12) any investment agreement with a financial institution or insurance company or whose obligations are guaranteed by a financial institution or insurance company which: (a) has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated in either of the two highest long-term Rating Categories by both Moody's and Standard & Poor's; or (b) is fully secured by obligations described in items (1), (2), (3) or (4) of the definition of Investment Securities which are (A) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to the principal amount of the investment, (B) held by the Trustee or other custodian acceptable to the Trustee, (C) subject to a perfected first lien in the Trustee, and (D) free and clear from all third party liens;

(13) shares of beneficial interest in diversified management companies investing exclusively in securities and obligations described in clauses (1) through (12) of this definition of Investment Securities and which companies have either the highest rating by both Moody's and Standard & Poor's or have an investment advisor registered with the Securities and Exchange Commission with not less than five (5) years experience investing in such securities and obligations and with assets under management in excess of \$500,000,000;

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

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

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

(17) general obligation bonds of the State; and

(18) Defeasance Securities.

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

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

LIBOR means London Interbank Offered Rate.

Liquidity Facility means, with respect to a Series of Bonds, a line of credit, letter of credit, standby purchase agreement or similar liquidity facility securing or guaranteeing the payment of purchase price of such Series of Bonds and issued by a Liquidity Provider, and delivered or made available to the Trustee, as from time to time supplemented or amended pursuant to its terms, or, in the event of the delivery or availability of an Alternate Liquidity Facility, such Alternate Liquidity Facility.

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

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

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

Mandatory Sinking Account Payment means, with respect to Bonds of any Series and maturity, the amount required by the Supplemental Indenture establishing the terms and provisions of such Series of Bonds to be deposited by the Alameda CTC in a Sinking Account for the payment of Term Bonds of such Series and maturity.

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

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

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

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

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

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

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

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

Ordinance means Ordinance No. 2001-1, adopted by the Alameda County Transportation Improvement Authority on July 25, 2000, pursuant to the provisions of Section

180000 through Section 180264, inclusive, of the Act, as now in effect and as it may from time to time hereafter be amended or supplemented pursuant to its terms.

Outstanding, when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.10) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (1) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds with respect to which all liability of the Alameda CTC shall have been discharged in accordance with Section 10.02, including Bonds (or portions of Bonds) referred to in Section 11.11; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture; provided, however, that in the event the principal of or interest due on any Bonds shall be paid by the Credit Provider pursuant to the Credit Enhancement issued in connection with such Bonds, such Bonds shall remain Outstanding for all purposes and shall not be considered defeased or otherwise satisfied or paid by the Alameda CTC and the pledge of Revenues and all covenants, agreements and other obligations of the Alameda CTC to the Holders shall continue to exist and shall run to the benefit of such Credit Provider and such Credit Provider shall be subrogated to the rights of such Holders.

Parity Obligations means (i) any indebtedness, installment sale obligation, lease obligation or other obligation of the Alameda CTC for borrowed money, (ii) any obligation to pay the Rebate Requirement, or (iii) any Interest Rate Swap Agreement (excluding fees and expenses and termination payments on Interest Rate Swap Agreements, which fees and expenses and termination payments shall constitute Fee and Expense Obligations and shall be secured by a lien and charge on the Sales Tax Revenues subordinate to the lien and charge upon Sales Tax Revenues that secures the Bonds, Parity Obligations and payment of principal of and interest on Subordinate Obligation) entered into in connection with a Series of Bonds, in each case incurred in accordance with Section 3.05(C), and in each case having an equal lien and charge upon the Sales Tax Revenues and therefore being payable on a parity with the Bonds (whether or not any Bonds are Outstanding).

Participating Underwriter means any of the original underwriters of a Series of Bonds required to comply with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission, under the Securities Exchange Act of 1934, as the same may be amended from time to time.

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

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

Principal Office means, with respect to a Credit Provider or a Liquidity Provider, the office designated as such in writing by such party in a notice delivered to the Trustee and the Alameda CTC.

Project means the transportation improvements consisting of the capital projects outlined in the Expenditure Plan.

Project Fund means, with respect to any Series of Bonds, a fund by that name established pursuant to the provisions of a Supplemental Indenture to hold the proceeds of a Series of Bonds or a portion thereof prior to expenditure on the portion of the Project being financed with the proceeds of such Series of Bonds.

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

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

Rating Agency means, as and to the extent applicable to a Series of Bonds, each of Fitch, Moody's and Standard & Poor's, but, in each instance, only so long as each such Rating Agency then maintains a rating on such Series of Bonds at the request of the Alameda CTC.

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

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

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

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

Record Date, with respect to each Series of Bonds, shall have the meaning specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

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

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

Refunding Bonds means a Series of Bonds issued pursuant to the provisions set forth in Article III.

Repository means each public or private entity designated as a Repository in a Continuing Disclosure Undertaking entered into in connection with a Series of Bonds.

Reserve Facility means any insurance policy, letter of credit or surety bond issued by a Reserve Facility Provider, meeting the requirements set forth in Section 5.05, and delivered to the Trustee in satisfaction of all or a portion of the Bond Reserve Requirement applicable to one or more Series of Bonds.

Reserve Facility Provider means any issuer of a Reserve Facility.

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

Revenues means: (i) all Sales Tax Revenues; and (ii) all Swap Revenues. In accordance with the provisions set forth in Section 3.02, the Alameda CTC by Supplemental Indenture may provide for additional revenues or assets of the Alameda CTC to be included in the definition of Revenues hereunder.

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

Sales Tax means the retail transactions and use tax applicable in the incorporated and unincorporated territory of the County levied at the rate of one-half of one percent (1/2%) and imposed pursuant to the provisions of the Ordinance in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code commencing April 1, 2002.

Sales Tax Revenues means the amounts collected on account of the retail transactions and use tax imposed in the County pursuant to the Act and the Ordinance on and after April 1, 2002, after deducting amounts payable by the Alameda CTC to the State Board of Equalization for costs and expenses for its services in connection with the Sales Tax levied pursuant to the Ordinance and collected pursuant to the Act.

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

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

Series, whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction regardless of

variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

Series 2014 Bonds means the Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 authorized by, and at any time Outstanding pursuant to, this Indenture.

SIFMA means the Securities Industry & Financial Markets Association.

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

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

Standard & Poor's or S&P means Standard & Poor's Financial Services LLC business, which is a subsidiary of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Standard & Poor's" or "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Alameda CTC.

State means the State of California.

State Board of Equalization means the California State Board of Equalization.

Subordinate Obligations means any obligations of the Alameda CTC issued or incurred in accordance with Section 3.05(C).

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

Subsidy Payments means payments to be made by the United States Treasury to the Trustee, for credit to the accounts held by the Trustee on behalf of the Alameda CTC, with respect to the interest due on a Series of Bonds that qualify for one or more direct subsidy payments or other form of credits or payments pursuant to the Code, including, without limitation, pursuant to Section 54AA or Section 6431 of the Code or any successor to either such provision.

Supplemental Indenture means any indenture hereafter duly executed and delivered, supplementing, modifying or amending this Indenture, but only if and to the extent that such supplemental indenture is authorized specifically hereunder.

Swap Revenues means all regularly-scheduled amounts (but not termination payments) owed or paid to the Alameda CTC by any Counterparty under any Interest Rate Swap Agreement after offset for the regularly-scheduled amounts (but not termination payments) owed or paid by the Alameda CTC to such Counterparty under such Interest Rate Swap Agreement.

Tax Certificate means each Tax Certificate delivered by the Alameda CTC at the time of issuance and delivery of a Series of Bonds, as the same may be amended or supplemented in accordance with its terms.

Tax Expiration Date means March 31, 2022, or such later date to which the levy of the Sales Tax is extended in accordance with the Act.

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

Trustee means Union Bank, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or its successor, as Trustee as provided in Section 8.01.

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

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

Any such certificate given by an officer of the Alameda CTC may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant, a financial advisor, an investment banker or an independent consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant, a financial advisor, an investment banker or an independent consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Alameda CTC) upon a certificate or opinion of or representation by an officer of the Alameda CTC, unless such counsel, accountant, financial advisor, investment banker or independent consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the

matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Alameda CTC, or the same counsel, accountant, financial advisor, investment banker or independent consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel, accountants, financial advisors, investment bankers or independent consultants may certify to different matters, respectively.

ARTICLE II

THE BONDS

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

SECTION 2.02 Terms of the Bonds. The Bonds of each Series shall bear interest, if any, at such rate or rates or determined in such manner and payable at such intervals as may be determined by the Alameda CTC at the time of issuance thereof pursuant to the Supplemental Indenture under which issued, not to exceed the Maximum Interest Rate, and shall mature and become payable on such date or dates and in such year or years as the Alameda CTC may determine by the Supplemental Indenture creating such Series. Principal of and interest on such Bonds shall be payable in such manner as may be specified in the Supplemental Indenture creating such Series. The Bonds of each Series shall be issued in such denominations as may be authorized by the Supplemental Indenture creating such Series.

Unless otherwise provided in the Supplemental Indenture delivered in connection with such Series of Bonds, the Bonds of each Series shall be initially registered in the name of "Cede & Co.," as nominee of the Securities Depository and shall be evidenced by one bond certificate for each maturity of each Series of Bonds. Registered ownership of any Series of Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.10, or in the event the use of the Securities Depository is discontinued, in accordance with the provisions set forth in Section 2.05.

SECTION 2.03 Form of Bonds. The Bonds of any Series shall be in such form or forms as may be specified in the Supplemental Indenture creating such Series, which form or forms may be modified as necessary in connection with any interest rate conversion with respect to a Series of Bonds.

SECTION 2.04 Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Alameda CTC by the facsimile or manual signature of the Chair of the Commission or any Vice Chair of the Commission and shall be countersigned by the facsimile or manual signature of the Auditor-Controller of the Alameda CTC in accordance with the provisions of the Act. Unless otherwise provided in any Supplemental Indenture, the Bonds shall then be delivered to the Trustee for authentication by the Trustee. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Alameda CTC before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the Alameda CTC, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Alameda CTC as though those who signed and attested the same had continued to be such officers of the Alameda CTC, and also any Bond may be signed and attested on behalf of the Alameda CTC by such persons as at the actual date of execution of such Bond shall be the proper officers of the Alameda CTC although at the nominal date of such Bond any such person shall not have been such officer of the Alameda CTC.

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

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

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

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

exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

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

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

SECTION 2.09 Bonds Mutilated; Lost; Destroyed or Stolen. If any Bond shall become mutilated, the Alameda CTC, at the expense of the Holder of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and interest rate in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by the Trustee and delivered to, or upon the Order of, the Alameda CTC. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Alameda CTC and to the Trustee and, if such evidence be satisfactory to both and indemnity satisfactory to both shall be given, the Alameda CTC, at the expense of the Holder, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and interest rate in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of the aforementioned indemnity). The Alameda CTC may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Alameda CTC and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost,

destroyed or stolen shall constitute an original additional contractual obligation on the part of the Alameda CTC whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture. Neither the Alameda CTC nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

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

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

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

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

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

(B) In the case of any transfer pursuant to clause (1) or clause (2) of subsection (A) above, upon receipt of the Outstanding Bonds by the Trustee, together with a Statement of the Alameda CTC to the Trustee, a single new Bond for each maturity of each Series of Bonds then Outstanding shall be executed and delivered in the aggregate principal amount of the Bonds of such Series then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Statement of the Alameda CTC. In the case of any transfer pursuant to clause (3) of subsection (A) hereof, upon receipt of the Outstanding Bonds by the Trustee together with the Statement of the Alameda

CTC to the Trustee, new Bonds of each Series then Outstanding shall be authorized and prepared by the Alameda CTC and authenticated and delivered by the Trustee in such authorized denominations and registered in the names of such Persons as are requested in such a Statement of the Alameda CTC, numbered in such manner as the Trustee shall determine, subject to the limitations of Section 2.02.

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

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

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

ARTICLE III

ISSUANCE OF BONDS

SECTION 3.01 Issuance of Bonds. Whenever the Alameda CTC shall determine to issue a Series of Bonds hereunder, the Alameda CTC (i) shall authorize the execution of a Supplemental Indenture specifying the principal amount, and prescribing the forms of Bonds of such Series and providing the terms, conditions, distinctive designation, denominations, date, maturity date or dates, interest rate or rates (or the manner of determining the same), redemption provisions, tender provisions, if any, and place or places of payment of principal or Redemption Price, if any, of and interest on such Bonds, and any other provisions respecting the Bonds of such Series not inconsistent with the terms of this Indenture, (ii) shall execute such Supplemental Indenture and (iii) shall deliver such Supplemental Indenture to the Trustee for execution.

SECTION 3.02 Issuance of Refunding Bonds. Subsequent to the issuance of the Series 2014 Bonds, the Alameda CTC may only issue additional Bonds in order to refund all or any portion of any Bonds or Parity Obligations then outstanding. Any such additional Series of Bonds shall be payable from Sales Tax Revenues and secured by the pledge made under this

Indenture equally and ratably with the Series 2014 Bonds and shall be established by Supplemental Indenture. The Trustee may authenticate and deliver to the purchasers thereof any additional Series of Bonds so established by Supplemental Indenture upon compliance by the Alameda CTC with (i) the provisions of Section 3.01, Section 3.03 and Section 3.04, (ii) any additional requirements set forth in the Supplemental Indenture pursuant to which such additional Series of Bonds are being issued and (iii) subject to the specific conditions set forth below, each of which is hereby made a condition precedent to the issuance of any additional Series of Bonds.

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

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

(C) The aggregate principal amount of Bonds issued hereunder shall not exceed any limitation imposed by the Act, the Ordinance or any other law or by any Supplemental Indenture.

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

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

SECTION 3.03 Proceedings for Issuance of Refunding Bonds. Subsequent to the issuance of the Series 2014 Bonds, before any additional Series of Bonds shall be issued and delivered, the Alameda CTC shall file each of the documents identified below with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Bonds have been satisfied).

(A) A Supplemental Indenture authorizing such Series executed by the Alameda CTC.

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

(C) A Certificate of the Alameda CTC certifying that Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding following the issuance of such Refunding Bonds is less than or equal to Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding prior to the issuance of such Refunding Bonds.

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

(E) If any of the Bonds to be refunded are to be redeemed prior to their stated maturity dates, irrevocable instructions to the Trustee to give the applicable notice of redemption or a waiver of the notice of redemption signed by the Holders of all or the portion of the Bonds or Parity Obligations to be redeemed, or proof that such notice has been given by the Alameda CTC; provided, however, that in lieu of such instructions or waiver or proof of notice of redemption, the Alameda CTC may cause to be deposited with the Trustee all of the Bonds and Parity Obligations proposed to be redeemed (whether canceled or uncanceled) with irrevocable instructions to the Trustee to cancel said Bonds or Parity Obligations so to be redeemed upon the exchange and delivery of said Refunding Bonds; and provided further that no provision of this Indenture shall be construed to require the redemption of Bonds prior to their respective maturity dates in connection with the refunding thereof.

SECTION 3.04 Utilization of Proceeds of Refunding Bonds. Refunding Bonds may be issued in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all or a portion of the following: (i) the principal or Redemption Price of the Outstanding Bonds or outstanding Parity Obligations to be refunded; (ii) all expenses incident to the calling, retiring or paying of such Outstanding Bonds or outstanding Parity Obligations and the Costs of Issuance of such Refunding Bonds; (iii) any termination payment owed by the Alameda CTC to a Counterparty after offset for any payments made to the Alameda CTC from such Counterparty under any Interest Rate Swap Agreement that was entered into in connection with the Bonds or Parity Obligations to be refunded; (iv) interest on all Outstanding Bonds or outstanding Parity Obligations to be refunded to the date such Bonds or Parity Obligations will be called for redemption or paid at maturity; (v) interest on the Refunding Bonds from the date thereof to the date of payment or redemption of the Bonds or Parity Obligations to be refunded; and (vi) funding a Bond Reserve Fund for the Refunding Bonds, if required.

The proceeds of the sale of the Refunding Bonds shall be applied by the Trustee according to the written direction of the Alameda CTC to the retirement of the Outstanding Bonds or Parity Obligations for the refunding of which said Refunding Bonds are to be issued. All Bonds or Parity Obligations purchased, redeemed or retired by use of funds received from

the sale of Refunding Bonds, and all Bonds surrendered to the Trustee against the issuance of Refunding Bonds, shall be forthwith canceled and shall not be reissued.

SECTION 3.05 Limitations on the Issuance of Obligations Payable from Sales Tax Revenues; Parity Obligations; Subordinate Obligations; Fee and Expense Obligations. Subsequent to the issuance of the Series 2014 Bonds, the Alameda CTC will not, so long as any Bonds are Outstanding, issue any obligations or securities, howsoever denominated, payable in whole or in part from Sales Tax Revenues except as set forth below.

(A) Bonds authorized in accordance with the provisions set forth in Section 3.01 and in compliance with the provisions set forth in Section 3.02.

(B) Parity Obligations, provided that the following conditions to the issuance or incurrence of such Parity Obligations are satisfied:

(1) Such Parity Obligations have been duly and legally authorized by the Alameda CTC;

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

(3) Such Parity Obligations are being issued or incurred in connection with the issuance of Refunding Bonds; and

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

(C) Subordinate Obligations that are payable as to principal, premium, interest and reserve fund requirements, if any, only out of Sales Tax Revenues after the prior payment of all amounts then required to be paid hereunder from Sales Tax Revenues for principal, premium, interest and reserve fund requirements, if any, for all Bonds Outstanding, and all Parity Obligations outstanding, as the same become due and payable, and at the times and in the amounts as required in this Indenture and in the instrument or instruments pursuant to which any Parity Obligations were issued or incurred, provided that the following conditions to issuance or incurrence of such Subordinate Obligations are satisfied:

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

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

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

(D) Fee and Expense Obligations.

SECTION 3.06 Calculation of Maximum Annual Debt Service with Respect to Bonds, Parity Obligations and Subordinate Obligations. For purposes of this Article III, Maximum Annual Debt Service with respect to Bonds shall be determined no later than the date of delivery of such Bonds, and no earlier than the sixtieth (60th) day preceding the date of pricing or sale of such Bonds, utilizing the assumptions set forth in the definition of Debt Service. For purposes of this Article III, Maximum Annual Debt Service with respect to Parity Obligations shall be determined no later than the date of incurrence of such Parity Obligations utilizing the assumptions set forth in the definition of Debt Service; provided, however, that if a Parity Obligation is contingent upon funds being provided pursuant to such Parity Obligation to pay principal, or purchase price of, or interest on a Bond, such Parity Obligations shall not be considered outstanding until such payment is made thereunder. For purposes of this Article III, Maximum Annual Debt Service with respect to Subordinate Obligations shall be determined no later than the date of incurrence of such Subordinate Obligations utilizing the assumptions set forth in the definition of Debt Service; provided, however, that if a Subordinate Obligation is contingent (such Subordinate Obligation being referred to in this Section 3.06 as a "Contingent Subordinate Obligation") upon funds being provided pursuant to such Contingent Subordinate Obligation to pay principal, or purchase price of, or interest on another Subordinate Obligation, such Contingent Subordinate Obligation shall not be considered outstanding until such payment is made under such Contingent Subordinate Obligation.

SECTION 3.07 Designation of Parity Obligations, Subordinate Obligations and Fee and Expense Obligations. Upon the issuance or incurrence of any obligations which constitute Parity Obligations, Subordinate Obligations or Fee and Expense Obligations, the Alameda CTC shall file a Certificate of the Alameda CTC with the Trustee identifying such obligations as Parity Obligations, Subordinate Obligations or Fee and Expense Obligations, as applicable, such Certificate of the Alameda CTC to be filed with the Trustee concurrently with the issuance or incurrence of such obligations.

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

ARTICLE IV

REDEMPTION, TENDER AND PURCHASE OF BONDS

SECTION 4.01 Terms of Redemption, Tender and Purchase. Each Series of Bonds may be made subject to redemption or mandatory or optional tender and purchase prior to

their respective stated maturities, as a whole or in part, at such time or times, upon such terms and conditions and upon such notice and with such effect as may be provided in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

SECTION 4.02 Notice of Redemption. Unless otherwise specified in a Supplemental Indenture establishing the terms and provisions of a Series of Bonds, written notice of redemption shall be given by the Alameda CTC to the Trustee at least twenty-five (25) days prior to the date of redemption (unless a shorter time shall be acceptable to the Trustee) and each notice of redemption shall be mailed by the Trustee not less than twenty (20) nor more than ninety (90) days prior to the redemption date, to each Holder and each Repository; provided, however, that such notice may be mailed not less than ten (10) days prior to the redemption date if such shorter notice period is permitted under the then-current guidelines of the Securities Depository or if the Bonds of such Series are no longer held pursuant to a book-entry registration system. A copy of such notice shall also be provided to each of the Notice Parties with respect to Series of Bonds to which such notice relates. Notice of redemption to the Holders, each Repository and the applicable Notice Parties shall be given by first class mail. Each notice of redemption shall state the date of such notice, the date of issue of the Series of Bonds to which such notice relates, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity, if any, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither the Alameda CTC nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Alameda CTC nor the Trustee shall be liable for any inaccuracy in such CUSIP numbers.

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

With respect to any notice of optional redemption of Bonds delivered pursuant to this Section 4.02 or any provision of any Supplemental Indenture, unless, upon the giving of such notice, such Bonds shall be deemed to have been paid within the meaning of Article X hereof, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such Bonds to be redeemed, and that if such amounts shall not have been so received said notice shall be of no force and effect and the Alameda CTC shall not be required to redeem such Bonds. In the event that such notice of redemption contains such

a condition and such amounts are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice to the Holders to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the manner in which the notice of redemption was given.

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

SECTION 4.03 Selection of Bonds for Optional Redemption; Partial Redemption of Bonds. Unless otherwise specified in the Supplemental Indenture pursuant to which a Series of Bonds is issued, in the event of a partial optional redemption, the Alameda CTC shall designate the maturities of such Series of Bonds which are to be called for optional redemption. If less than all of a Series of Bonds maturing by their terms on the same maturity date are to be called for optional redemption on the same redemption date, the Trustee shall select the Bonds of such maturity date to be redeemed by lot. In the event that the Bonds designated for optional redemption are Term Bonds, the Alameda CTC shall designate the Mandatory Sinking Account Payments or portions thereof that are to be allocated to such optional redemption.

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

SECTION 4.04 Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the redemption date, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption from funds held by the Trustee for such payment and such funds are hereby pledged to such payment. All Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof.

ARTICLE V

SALES TAX REVENUES

SECTION 5.01 Pledge of Revenues; Revenue Fund.

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

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

(B) As long as any Bonds are Outstanding or any Parity Obligations, Subordinate Obligations or Fee and Expense Obligations remain unpaid, the Alameda CTC assigns and shall cause Sales Tax Revenues to be transmitted by the State Board of Equalization directly to the Trustee. The Trustee shall forthwith deposit in a trust fund, designated as the "Revenue Fund," which fund the Trustee shall establish and maintain, all Sales Tax Revenues, when and as received by the Trustee. The Sales Tax Revenues and all other amounts deposited into the Revenue Fund pursuant to this Section 5.01(B), shall be received and held in trust by the Trustee for the benefit of the Holders of the Bonds and any Parity Obligations, Subordinate Obligations and Fee and Expense Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in this Indenture. Investment income on amounts held by the Trustee hereunder (other than amounts held in the Rebate Fund or for which particular instructions, such as with respect to a Project Fund, a Letter of Credit Account or a Purchase Fund, are provided in a Supplemental Indenture), shall also be deposited in the Revenue Fund. All moneys at any time

held in the Revenue Fund shall be held in trust for the benefit of the Holders of the Bonds and the holders of Parity Obligations, Subordinate Obligations and Fee and Expense Obligations as their interests may appear hereunder and shall be disbursed, allocated and applied solely for the uses and purposes set forth in this Indenture.

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

SECTION 5.02 Allocation of Sales Tax Revenues.

(A) So long as any Bonds are Outstanding and Parity Obligations, Subordinate Obligations, Fee and Expense Obligations and other amounts payable hereunder remain unpaid, the Trustee shall set aside in each month following receipt of the Sales Tax Revenues the moneys in the Revenue Fund in the following respective funds (each of which the Trustee shall establish, maintain and hold in trust for the benefit of the Holders of the Bonds and, as and to the extent applicable, the holders of Parity Obligations, Subordinate Obligations and Fee and Expense Obligations) in the following amounts, in the following order of priority, the requirements of each such fund (including the making up of any deficiencies in any such fund resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any fund subsequent in priority; provided that on a parity with such deposits the Trustee may set aside or transfer amounts with respect to any outstanding Parity Obligations as provided in the proceedings for such Parity Obligations delivered to the Trustee pursuant to Section 3.05 (which shall be proportionate in the event such amounts are insufficient to provide for all deposits required as of any date to be made with respect to the Bonds and such Parity Obligations); provided further that payments on Interest Rate Swap Agreements that are payable on a parity with the Bonds shall be payable from the Interest Fund and the required deposits below shall be adjusted to include payments on such Interest Rate Swap Agreements in accordance with Section 5.10:

(1) Interest Fund. Following receipt of the Sales Tax Revenues in each month, the Trustee shall set aside in the Interest Fund as soon as practicable in such month an amount equal to (a) one-sixth of the aggregate half-yearly amount of interest becoming due and payable on the Outstanding Current Interest Bonds (except for Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) during the next ensuing six (6) months (excluding any interest for which there are moneys deposited in the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay such interest during said next ensuing six (6) months), until the requisite half-yearly amount of interest on all such Outstanding Current Interest Bonds (except for Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) is on deposit in such fund; provided that from the date of delivery of a Series of Current Interest Bonds until the first Interest Payment Date with respect to such Series of Bonds the amounts set aside in such fund with respect to such Series of Bonds shall be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on said Interest Payment Date with respect to such Series of Bonds, plus (b) the aggregate amount of interest to

accrue during that month on Outstanding Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified in writing by the Alameda CTC, or if the Alameda CTC shall not have specified an interest rate in writing, calculated at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to the month of deposit plus one hundred (100) basis points (provided, however, that the amount of such deposit into the Interest Fund for any month may be reduced by the amount by which the deposit in the prior month exceeded the actual amount of interest accrued and paid during that month on said Outstanding Variable Rate Indebtedness and provided further that the amount of such deposit into the Interest Fund for any month shall be increased by the amount by which the deposit in the prior month was less than the actual amount of interest accruing during that month on said Outstanding Variable Rate Indebtedness). No deposit need be made into the Interest Fund if the amount contained therein is at least equal to the interest to become due and payable on the Interest Payment Dates falling within the next six (6) months upon all of the Bonds issued hereunder and then Outstanding, and on March 1 and September 1 of each year any excess amounts in the Interest Fund not needed to pay interest on such date (and not held to pay interest on Bonds having Interest Payment Dates other than March 1 and September 1) shall be transferred to the Alameda CTC (but excluding, in each case, any moneys on deposit in the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay interest on any future Interest Payment Dates following such Interest Payment Dates). All Swap Revenues received with respect to Interest Rate Swap Agreements that are Parity Obligations shall be deposited in the Interest Fund and credited to the above required deposits.

(2) Principal Fund; Sinking Accounts. Following receipt of the Sales Tax Revenues in each month, the Trustee shall deposit in the Principal Fund as soon as practicable in such month an amount equal to at least (a) one-sixth of the aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having semiannual maturity dates within the next six (6) months, plus (b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having annual maturity dates within the next twelve (12) months, plus (c) one-sixth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts have been created and for which semiannual mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next 12-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts shall have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided that if the Alameda CTC certifies to the Trustee that any principal payments are expected to be refunded on or prior to their respective due dates or paid from amounts on deposit in a Bond Reserve Fund that would be in excess of the Bond Reserve Requirement applicable to such Bond Reserve Fund upon such payment, no amounts need be set aside towards such principal to be so refunded or paid. All of the aforesaid deposits made in connection with future Mandatory Sinking Account Payments

shall be made without priority of any payment into any one such Sinking Account over any other such payment.

In the event that the Sales Tax Revenues shall not be sufficient to make the required deposits so that moneys in the Principal Fund on any principal or mandatory redemption date are equal to the amount of Bond Obligation to become due and payable on the Outstanding Serial Bonds of all Series plus the Bond Obligation amount of and redemption premium on the Outstanding Term Bonds required to be redeemed or paid at maturity on such date, then such moneys shall be applied on a Proportionate Basis and in such proportion as said Serial Bonds and said Term Bonds shall bear to each other, after first deducting for such purposes from said Term Bonds any of said Term Bonds required to be redeemed annually as shall have been redeemed or purchased during the preceding 12-month period and any of said Term Bonds required to be redeemed semiannually as shall have been redeemed or purchased during the six-month period ending on such date or the immediately preceding six month period. In the event that the Sales Tax Revenues shall not be sufficient to pay in full all Mandatory Sinking Account Payments required to be paid at any one time into all such Sinking Accounts, then payments into all such Sinking Accounts shall be made on a Proportionate Basis, in proportion that the respective Mandatory Sinking Account Payments required to be made into each Sinking Account during the then current 12-month period bear to the aggregate of all of the Mandatory Sinking Account Payments required to be made into all such Sinking Accounts during such 12-month period.

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

(3) Bond Reserve Fund. Upon the occurrence of any deficiency in any Bond Reserve Fund, the Trustee shall make such deposit to such Bond Reserve Fund as is required pursuant to Section 5.05(D), each such deposit to be made as soon as possible in

each month, until the balance therein is at least equal to the applicable Bond Reserve Requirement.

(4) Subordinate Obligations Fund. In the event that the Alameda CTC issues or incurs Subordinate Obligations, the Trustee shall establish, maintain and hold in trust a separate fund designated as the "Subordinate Obligations Fund." After the transfers described in (1), (2) and (3) above have been made, the Trustee shall deposit in the Subordinate Obligations Fund in each month such amount as the Alameda CTC shall specify in writing is necessary to make payments due and payable during the following month with respect to Subordinate Obligations then outstanding.

(5) Fees and Expenses Fund. In the event that the Alameda CTC incurs Fee and Expense Obligations, the Trustee shall establish, maintain and hold in trust a separate fund designated as the "Fees and Expenses Fund." After the transfers described in (1), (2), (3) and (4) above have been made, the Trustee shall deposit in the Fees and Expenses Fund in each month the amounts necessary for payment of Fee and Expense Obligations owing in such month or owing in the following month by the Alameda CTC. The Alameda CTC shall inform the Trustee of such amounts, in writing, such notification to be provided no later than the tenth calendar day of each month.

(B) Any Revenues remaining in the Revenue Fund after the foregoing transfers described in (1), (2), (3), (4) and (5) of subsection (A) above, except as the Alameda CTC shall otherwise direct in writing or as is otherwise provided in a Supplemental Indenture, shall be transferred to the Alameda CTC on the same Business Day or as soon as practicable thereafter. The Alameda CTC may use and apply the Revenues when received by it for any lawful purpose of the Alameda CTC, including the redemption of Bonds upon the terms and conditions set forth in the Supplemental Indenture relating to such Bonds and the purchase of Bonds as and when and at such prices as it may determine.

(C) If, five (5) Business Days prior to any principal payment date, Interest Payment Date or mandatory redemption date, the amounts on deposit in the Revenue Fund, the Interest Fund, the Principal Fund, including the Sinking Accounts therein, and, as and to the extent not required to satisfy the Bond Reserve Requirement, any Bond Reserve Fund established in connection with a Series of Bonds with respect to the payments to be made on such upcoming date are insufficient to make such payments, the Trustee shall immediately notify the Alameda CTC, in writing, of such deficiency and direct that the Alameda CTC transfer the amount of such deficiency to the Trustee on or prior to such payment date. The Alameda CTC hereby covenants and agrees to transfer to the Trustee from any Revenues in its possession the amount of such deficiency on or prior to the principal, interest or mandatory redemption date referenced in such notice.

SECTION 5.03 Application of Interest Fund. All amounts in the Interest Fund shall be used and withdrawn by the Trustee solely for the purposes of: (a) paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture), or for reimbursing the Credit Provider for a drawing for such purposes made on Credit Enhancement provided in the form of an

irrevocable, direct-pay letter of credit, and (b) making periodic payments on Interest Rate Swap Agreements, as provided in Section 5.10.

SECTION 5.04 Application of Principal Fund.

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

(B) The Trustee shall establish and maintain within the Principal Fund a separate account for the Term Bonds of each Series and maturity, designated as the "_____ Sinking Account," inserting therein the Series and maturity designation of such Bonds. On or before the Business Day prior to any date upon which a Mandatory Sinking Account Payment is due, the Trustee shall transfer the amount of such Mandatory Sinking Account Payment (being the principal thereof, in the case of Current Interest Bonds, and the Accreted Value, in the case of Capital Appreciation Bonds) from the Principal Fund to the applicable Sinking Account. With respect to each Sinking Account, on each Mandatory Sinking Account Payment date established for such Sinking Account, the Trustee shall apply the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of such Series and maturity for which such Sinking Account was established, in the manner provided in this Indenture or the Supplemental Indenture pursuant to which such Series of Bonds was created; provided that, at any time prior to giving such notice of such redemption, the Trustee shall, upon receipt of a Request of the Alameda CTC, apply moneys in such Sinking Account to the purchase of Term Bonds of such Series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as is directed by the Alameda CTC, except that the purchase price (excluding accrued interest, in the case of Current Interest Bonds) shall not exceed the principal amount or Accreted Value thereof. If, during the 12-month period (or six-month period with respect to Bonds having semi-annual Mandatory Sinking Account Payments) immediately preceding said Mandatory Sinking Account Payment date, the Trustee has purchased Term Bonds of such Series and maturity with moneys in such Sinking Account, or, during said period and prior to giving said notice of redemption, the Alameda CTC has deposited Term Bonds of such Series and maturity with the Trustee, or Term Bonds of such Series and maturity were at any time purchased or redeemed by the Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Term Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. All Term Bonds purchased or deposited pursuant to this subsection shall be cancelled by the Trustee and destroyed by the Trustee and a certificate of destruction shall be delivered to the Alameda CTC by the Trustee. Any amounts remaining in a Sinking Account on March 1 of each year following the redemption as of such date of the Term Bonds for which such account was established shall be withdrawn by the Trustee and transferred as soon as practicable to the Alameda CTC to be used for any lawful purpose. All Term Bonds purchased from a Sinking Account or deposited by the Alameda CTC

with the Trustee in a twelve month period ending the last day in February (or in a six-month period ending the last day in February or August 31 with respect to Bonds having semi-annual Mandatory Sinking Account Payments) and prior to the giving of notice by the Trustee for redemption from Mandatory Sinking Account Payments for such period shall be allocated first to the next succeeding Mandatory Sinking Account Payment for such Series and maturity of Term Bonds, if any, occurring on the next March 1 or September 1, then as a credit against such future Mandatory Sinking Account Payments for such Series and maturity of Term Bonds as may be specified in a Request of the Alameda CTC. All Term Bonds redeemed by the Trustee from the Redemption Fund shall be credited to such future Mandatory Sinking Account Payments for such Series and maturity of Term Bonds as may be specified in a Request of the Alameda CTC.

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

(A) In lieu of making the Bond Reserve Requirement deposit applicable to one or more Series of Bonds in cash or in replacement of moneys then on deposit in any Bond Reserve Fund (which shall be transferred by the Trustee to the Alameda CTC), or in substitution of any Reserve Facility comprising part of the Bond Reserve Requirement relating to one or more Series of Bonds, the Alameda CTC may, at any time and from time to time, deliver to the Trustee an irrevocable letter of credit issued by a financial institution having unsecured debt obligations rated at the time of delivery of such letter of credit in one of the two highest Rating Categories of Fitch, Moody's or Standard & Poor's, in an amount, which, together with cash, Investment Securities or other Reserve Facilities, as described in Section 5.05(B), then on deposit in such Bond Reserve Fund, will equal the Bond Reserve Requirement relating to the Bonds to which such Bond Reserve Fund relates. Such letter of credit shall have a term no less than three (3) years or, if less, the final maturity of the Bonds in connection with which such letter of credit was obtained and shall provide by its terms that it may be drawn upon as provided in this Section 5.05. At least one (1) year prior to the stated expiration of such letter of credit, the Alameda CTC shall either (i) deliver a replacement letter of credit, (ii) deliver an extension of the letter of credit for at least one (1) additional year or, if less, the final maturity of the Bonds in connection with which such letter of credit was obtained, or (iii) deliver to the Trustee a Reserve Facility satisfying the requirements of Section 5.05(B). Upon delivery of such replacement Reserve Facility, the Trustee shall deliver the then-effective letter of credit to or upon the order of the Alameda CTC. If the Alameda CTC shall fail to deposit a replacement Reserve Facility with the Trustee, the Alameda CTC shall immediately commence to make monthly deposits with the Trustee so that an amount equal to the Bond Reserve Requirement relating to the Bonds to which such Bond Reserve Fund relates will be on deposit in such Bond Reserve Fund no later than the stated expiration date of the letter of credit. If an amount equal to the Bond Reserve Requirement relating to the Bonds to which such Bond Reserve Fund relates as of the date following the expiration of the letter of credit is not on deposit in such Bond

Reserve Fund one (1) week prior to the expiration date of the letter of credit (excluding from such determination the letter of credit), the Trustee shall draw on the letter of credit to fund the deficiency resulting therefrom in such Bond Reserve Fund.

(B) In lieu of making a Bond Reserve Requirement deposit in cash or in replacement of moneys then on deposit in a Bond Reserve Fund (which shall be transferred by the Trustee to the Alameda CTC) or in substitution of any Reserve Facility comprising part of a Bond Reserve Requirement for any Bonds, the Alameda CTC may, at any time and from time to time, deliver to the Trustee a surety bond or an insurance policy securing an amount which, together with moneys, Investment Securities, or other Reserve Facilities then on deposit in a Bond Reserve Fund, is no less than the Bond Reserve Requirement relating to the Bonds to which such Bond Reserve Fund relates. Such surety bond or insurance policy shall be issued by an insurance company whose unsecured debt obligations (or for which obligations secured by such insurance company's insurance policies) are rated at the time of delivery in one of the two highest Rating Categories of Fitch, Moody's or Standard & Poor's. Such surety bond or insurance policy shall have a term of no less than the final maturity of the Bonds in connection with which such surety bond or insurance policy is obtained. In the event that such surety bond or insurance policy for any reason lapses or expires, the Alameda CTC shall immediately implement (i) or (iii) of the preceding paragraph or make twelve equal monthly deposits to such Bond Reserve Fund so that the Bond Reserve Fund is replenished to the required level after a year.

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

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

(D) The Trustee shall notify the Alameda CTC of any deficiency in any Bond Reserve Fund (i) due to a withdrawal from such Bond Reserve Fund for purposes of making up any deficiency in the Interest Fund or the Principal Fund relating to the Bonds of the Series to which such Bond Reserve Fund relates or (ii) resulting from a valuation of Investment Securities held on deposit in such Bond Reserve Fund pursuant to Section 5.11 and shall request that the Alameda CTC replenish such deficiency or repay any and all obligations due and payable under the terms of any Reserve Facility comprising part of any Bond Reserve Requirement. Upon receipt of such notification from the Trustee, the Alameda CTC shall instruct the Trustee to commence setting aside in each month following receipt of Sales Tax Revenues for deposit in the applicable Bond Reserve Fund an amount equal to one-twelfth (1/12th) of the aggregate amount of each unreplenished prior withdrawal from such Bond Reserve Fund or decrease resulting from a valuation pursuant to Section 5.11 and shall further instruct the Trustee to transfer to each Reserve Facility Provider providing a Reserve Facility satisfying a portion of the Bond Reserve Requirement relating to the Bonds of the Series to which such Bond Reserve Fund relates, an amount equal to one-twelfth (1/12th) of the aggregate amount of any unreplenished prior withdrawal on such Reserve Facility, such amount to be transferred by the Trustee as promptly as possible after receipt of the Sales Tax Revenues each month, commencing with the month following the Alameda CTC's receipt of notification from the Trustee of withdrawal or decrease resulting from a valuation, as applicable, until the balance on deposit in such Bond Reserve Fund is at least equal to the Bond Reserve Requirement relating to the Bonds of the Series to which such Bond Reserve Fund relates.

(E) Unless the Alameda CTC shall otherwise direct in writing, any amounts in any Bond Reserve Fund in excess of the Bond Reserve Requirement relating to the Bonds of the Series to which such Bond Reserve Fund relates shall be transferred by the Trustee to the Alameda CTC on the Business Day following March 1 of each year; provided that such amounts shall be transferred only from the portion of such Bond Reserve Fund held in the form of cash or Investment Securities. In addition, amounts on deposit in any Bond Reserve Fund shall be transferred by the Trustee to the Alameda CTC (i) upon the defeasance, retirement or refunding of all or a portion of the Bonds of the Series to which such Bond Reserve Fund relates, provided that such transfer shall not be made unless (a) immediately thereafter all of the Bonds to which the Bond Reserve Fund relates shall be deemed to have been paid pursuant to Article X, or (b) the amount remaining in such Bond Reserve Fund after such transfer shall not be less than the Bond Reserve Requirement applicable to Bonds of the Series to which such Bond Reserve Fund relates or (ii) upon the replacement of cash on deposit in any Bond Reserve Fund with one or more Reserve Facilities in accordance with Section 5.05(A) or Section 5.05(B), each such transfer to be subject to compliance with the requirements of the applicable Tax Certificate.

SECTION 5.06 Application of Subordinate Obligations Fund. All moneys in the Subordinate Obligations Fund shall be applied to the payment of principal of and interest on Subordinate Obligations in accordance with Section 5.02(A)(4).

SECTION 5.07 Application of Fees and Expenses Fund. All amounts in the Fees and Expenses Fund shall be used and withdrawn by the Trustee solely for the purpose of paying fees, expenses and similar charges owed by the Alameda CTC in connection with the Bonds or any Parity Obligations or Subordinate Obligations as such amounts shall become due and payable.

SECTION 5.08 Application of Redemption Fund. The Trustee shall establish, maintain and hold in trust a special fund designated as the "Redemption Fund." All moneys deposited by the Alameda CTC with the Trustee for the purpose of optionally redeeming Bonds of any Series shall, unless otherwise directed by the Alameda CTC, be deposited in the Redemption Fund. All amounts deposited in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds of such Series and maturity as shall be specified by the Alameda CTC in a Request to the Trustee, in the manner, at the times and upon the terms and conditions specified in the Supplemental Indenture pursuant to which the Series of Bonds was created; provided that, at any time prior to giving such notice of redemption, the Trustee shall, upon receipt of a Request of the Alameda CTC, apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding, in the case of Current Interest Bonds, accrued interest, which is payable from the Interest Fund) as is directed by the Alameda CTC, except that the purchase price (exclusive of any accrued interest) may not exceed the Redemption Price or Accreted Value then applicable to such Bonds. All Term Bonds purchased or redeemed from the Redemption Fund shall be allocated to Mandatory Sinking Account Payments applicable to such Series and maturity of Term Bonds as may be specified in a Request of the Alameda CTC.

SECTION 5.09 Rebate Fund.

(A) Upon receipt of funds to be applied to the Rebate Requirement, the Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary in order to comply with the terms and requirements of each Tax Certificate as directed in writing by the Alameda CTC. Subject to the transfer provisions provided in paragraph (C) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the federal government of the United States of America, and neither the Trustee nor any Holder nor any other Person shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Indenture and by the applicable Tax Certificates. The Alameda CTC hereby covenants to comply with the directions contained in each Tax Certificate and the Trustee hereby covenants to comply with all written instructions of the Alameda CTC delivered to the Trustee pursuant to each Tax Certificate (which instructions shall state the actual amounts to be deposited in or withdrawn from the Rebate Fund and shall not require the Trustee to make any calculations with respect thereto). The Trustee shall be deemed conclusively to have complied with the provisions of this Section

5.09(A) if it follows such instructions of the Alameda CTC, and the Trustee shall have no liability or responsibility to enforce compliance by the Alameda CTC with the terms of any Tax Certificate nor to make computations in connection therewith.

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

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

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

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

SECTION 5.10 Payment Provisions Applicable to Interest Rate Swap Agreements. In the event the Alameda CTC shall enter into an Interest Rate Swap Agreement in connection with a Series of Bonds, the amounts received by the Alameda CTC, if any, pursuant to such Interest Rate Swap Agreement shall also be applied to the deposits required hereunder. If the Alameda CTC so designates in a Supplemental Indenture establishing the terms and provisions of such Series of Bonds (or if such Interest Rate Swap Agreement is entered into subsequent to the issuance of such Series of Bonds, if the Alameda CTC so designates in a Certificate of the Alameda CTC delivered to the Trustee concurrently with the execution of such Interest Rate Swap Agreement), amounts payable under such Interest Rate Swap Agreement (excluding termination payments and payments of fees and expenses incurred in connection with Interest Rate Swap Agreements which (i) shall constitute Fee and Expense Obligations and (ii) shall in all cases be payable from, and secured by, Sales Tax Revenues on a subordinate basis to Bonds, Parity Obligations and payment of principal of and interest on Subordinate Obligations) shall constitute Parity Obligations under this Indenture, and, in such event, the Alameda CTC shall pay or cause to be paid to the Trustee for deposit in the Interest Fund, at the times and in the manner provided by Section 5.02, the amounts to be paid pursuant

to such Interest Rate Swap Agreement, as if such amounts were additional interest due on the Series of Bonds to which such Interest Rate Swap Agreement relates, and the Trustee shall pay to the Counterparty to such Interest Rate Swap Agreement, to the extent required thereunder, from amounts deposited in the Interest Fund for the payment of interest on the Series of Bonds with respect to which such Interest Rate Swap Agreement was entered into.

SECTION 5.11 Investment in Funds and Accounts. All moneys in any of the funds and accounts held by the Trustee and established pursuant to this Indenture shall be invested, as directed by the Alameda CTC, solely in Investment Securities. All Investment Securities shall, as directed by the Alameda CTC in writing or by telephone, promptly confirmed in writing, be acquired subject to the limitations set forth in Section 6.08, the limitations as to maturities hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be established by Request of the Alameda CTC. Ratings of Investment Securities shall be determined at the time of purchase of such Investment Securities and without regard to ratings subcategories. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. If and to the extent the Trustee does not receive investment instructions from the Alameda CTC with respect to the moneys in the funds and accounts held by the Trustee pursuant to this Indenture, such moneys shall be invested in Investment Securities described in clause (11) of the definition thereof and the Trustee shall promptly thereafter request investment instructions from the Alameda CTC for such moneys.

Moneys in any Bond Reserve Fund shall be invested in Investment Securities maturing in not more than five (5) years, or having a put option or demand option providing funds upon request for the purpose of payment of the Bonds to which such Bond Reserve Fund relates as provided herein. Moneys in the remaining funds and accounts shall be invested in Investment Securities maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Trustee.

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

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

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

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

The Trustee shall furnish the Alameda CTC periodic cash transaction statements, as specified in Section 8.02 hereof, which include detail for all investment transactions effected by the Trustee or brokers selected by the Alameda CTC. Upon the Alameda CTC's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Alameda CTC waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Alameda CTC further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

ARTICLE VI

COVENANTS OF THE ALAMEDA CTC

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

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

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

SECTION 6.04 Further Assurances. The Alameda CTC will make, execute and deliver any and all such instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Holders of the Bonds and the holders of any Parity Obligations, Subordinate Obligations and Fee and Expense Obligations of the rights and benefits provided in this Indenture.

SECTION 6.05 Against Encumbrances. The Alameda CTC will not create any pledge, lien or charge upon any of the Sales Tax Revenues having priority over or having parity with the lien of the Bonds, the Parity Obligations, the Subordinate Obligations and the Fee and Expense Obligations except only as permitted in Section 3.05.

SECTION 6.06 Accounting Records and Financial Statements.

(A) The Alameda CTC will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Revenues. Such books of record and account shall be available for inspection by the Trustee at reasonable hours and under reasonable circumstances.

(B) The Alameda CTC will furnish the Trustee, with copies to each Credit Provider and each Liquidity Provider, within one hundred ninety-five (195) days after the end of each Fiscal Year or as soon thereafter as they can practically be furnished, the financial statements of the Alameda CTC for such Fiscal Year, together with the report and opinion of an independent certified public accountant stating that the financial statements have been prepared in accordance with generally accepted accounting principles and that such accountant's examination of the financial statements was performed in accordance with generally accepted auditing standards and a Certificate of an Authorized Representative stating that no event which constitutes an Event of

Default or which with the giving of notice or the passage of time or both would constitute an Event of Default has occurred and is continuing as of the end of such Fiscal Year, or specifying the nature of such event and the actions taken and proposed to be taken by the Alameda CTC to cure such default. Thereafter, a copy of such financial statements will be furnished to any Holder upon written request to the Alameda CTC, which copy of the financial statements may, at the sole discretion of the Alameda CTC, be provided by means of posting such financial statements on an internet site that provides access to the Holders. The Trustee shall have no duty to review or analyze such financial statements and shall hold such financial statements solely as a repository for the benefit of the Holders.

SECTION 6.07 Collection of Sales Tax Revenues.

(A) The Alameda CTC covenants and agrees that the Sales Tax was duly levied by ACTIA in accordance with the Act, pursuant to and in accordance with the Ordinance, duly passed and adopted by ACTIA and the electorate of the County. The Ordinance will not be amended, modified or altered so long as any of the Bonds are Outstanding or any Parity Obligations, Subordinate Obligations or Fee and Expense Obligations remain unpaid in any manner which would reduce the amount of or timing of receipt of Sales Tax Revenues, and the Alameda CTC will continue to levy and collect the Sales Tax to the full amount permitted by law. The Alameda CTC covenants that it has entered into an agreement with the State Board of Equalization, under and pursuant to which the State Board of Equalization processes and supervises collection of the Sales Tax and will transmit the receipts of the Sales Tax directly to the Trustee. Said agreement will be continued in effect so long as any Bonds are Outstanding and shall not be amended, modified or altered without the written consent of the Trustee so long as any of the Bonds are Outstanding. The Alameda CTC will receive and hold in trust for (and remit immediately to) the Trustee any Sales Tax Revenues paid to the Alameda CTC by the State Board of Equalization.

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

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

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

SECTION 6.08 Tax Covenants. The Alameda CTC covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code; provided that, prior to the issuance of any Series of Bonds, the Alameda CTC may exclude the application of the covenants contained in this Section 6.08 and Section 5.09 to such Series of Bonds. The Alameda CTC will not directly or indirectly use or permit the use of any proceeds of

the Bonds or any other funds of the Alameda CTC, or take or omit to take any action that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code. To that end, the Alameda CTC will comply with all requirements of the Tax Certificate relating to each Series of the Bonds. In the event that at any time the Alameda CTC is of the opinion that for purposes of this Section 6.08 it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Alameda CTC shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

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

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

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

SECTION 6.09 Continuing Disclosure. Upon the issuance of any Series of Bonds requiring an undertaking regarding continuing disclosure under Rule 15c2-12, the Alameda CTC hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking executed and delivered in connection with such Series of Bonds. Notwithstanding any other provision of the Indenture, failure of the Alameda CTC to comply with the provisions of any Continuing Disclosure Undertaking shall not be considered an Event of Default; however, the Trustee shall, at the written request of any Participating Underwriter or of the Holders of at least twenty-five percent (25%) aggregate principal amount of any Series of Bonds then Outstanding (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, reasonable fees and expenses of its attorneys), or any Holder or beneficial owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Alameda CTC to comply with its obligations under this Section 6.09.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

(H) if the Legislature of the State shall repeal or amend all or any portion of the provisions of the Act relating to the retail transactions and use tax, being Sections 180200 to 180207, inclusive, of the Public Utilities Code of the State unless the Alameda CTC has reasonably determined that said repeal or amendment does not materially and adversely affect the rights of Bondholders.

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

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

(2) to the payment of the whole amount of Bond Obligation then due on the Bonds and Parity Obligations (upon presentation of the Bonds and Parity Obligations to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture (including Section 9.02), with interest on such Bond Obligation, at the rate or rates of interest borne by the respective Bonds and on Parity Obligations, to the payment to the persons entitled thereto of all installments of interest then due and the unpaid principal or Redemption Price of any Bonds and Parity Obligations which shall have become due, whether at maturity, by call for redemption or otherwise, in the order of their due dates, with interest on the overdue Bond Obligation and Parity Obligations at the rate borne by the respective Bonds and Parity Obligations, and, if the amount available shall not be sufficient to pay in full all the Bonds and Parity Obligations due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Accreted Value (plus accrued interest) due on such date to the persons entitled thereto, without any discrimination or preference;

(3) to the extent Revenues are available therefor, to the payment of Subordinate Obligations, provided that if the amount available shall not be sufficient to pay in full all Subordinate Obligations, then to the payment thereof ratably;

(4) to the extent Revenues are available therefor, to the payment of Fee and Expense Obligations, provided that if the amount available shall not be sufficient to pay in full all Fee and Expense Obligations, then to the payment thereof ratably; and

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

Notwithstanding anything in this Indenture to the contrary, in no event are the Bonds (excluding Liquidity Facility Bonds which may be subject to acceleration as set forth in the applicable Liquidity Facility) subject to acceleration if an Event of Default occurs and is continuing.

SECTION 7.03 Trustee to Represent Bondholders. The Trustee is hereby irrevocably appointed (and the successive respective Holders of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Bonds, this Indenture, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee in its discretion may, and, with respect to any Series of Bonds for which a Credit Enhancement has been provided, upon the written request of the Credit Provider providing such Credit Enhancement, or if such Credit Provider is then failing to make a payment required pursuant to such Credit Enhancement, upon the written request of the Holders of not less than a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Holders by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Holders under this Indenture, the Act or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Sales Tax Revenues and other assets pledged under this Indenture, pending such proceedings; provided, however, that, with respect to any Series of Bonds for which a Credit Enhancement has been provided, the Trustee may only act with the consent of the Credit Provider providing such Credit Enhancement. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of this Indenture (including Section 7.05).

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

opinion of the Trustee would be unjustly prejudicial to Bondholders or holders of Parity Obligations not parties to such direction.

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

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

SECTION 7.06 Absolute Obligation of the Alameda CTC. Nothing in Section 7.05 or in any other provision of this Indenture, or in the Bonds, contained shall affect or impair the obligation of the Alameda CTC, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the Bonds to the respective Holders of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Holders, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds. Nor shall any provision of this Indenture affect or impair the obligation of the Alameda CTC, which is absolute and unconditional, to pay other amounts payable under this Indenture, as herein provided, but only out of the Revenues and other assets herein pledged therefor.

SECTION 7.07 Termination of Proceedings. In case any proceedings taken by the Trustee, any Credit Provider or any one or more Bondholders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined

adversely to the Trustee, any Credit Provider or the Bondholders, then in every such case the Alameda CTC, the Trustee, each Credit Provider and the Bondholders, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Alameda CTC, the Trustee, each Credit Provider and the Bondholders shall continue as though no such proceedings had been taken.

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

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

SECTION 7.10 Credit Provider Directs Remedies Upon Event of Default. Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as defined herein, the Credit Provider then providing Credit Enhancement for any Series of Bonds shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders of the Bonds secured by such Credit Enhancement or granted to the Trustee for the benefit of the Holders of the Bonds secured by such Credit Enhancement, provided that the Credit Provider's consent shall not be required as otherwise provided herein if such Credit Provider is in default of any of its payment obligations as set forth in the Credit Enhancement provided by such Credit Provider.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01 Appointment, Duties Immunities and Liabilities of Trustee.

(A) Union Bank, N.A., is hereby appointed as Trustee under this Indenture and hereby accepts the trust imposed upon it as Trustee hereunder and to perform all the functions and duties of the Trustee hereunder, subject to the terms and conditions set forth in this Indenture. The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise

such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

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

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

(D) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bondholder (on behalf of himself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to the Alameda CTC, each Credit Provider then insuring any Series of Bonds and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Alameda CTC or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Alameda CTC shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee

as provided in this subsection, the Alameda CTC shall give notice of the succession of such Trustee to the trusts hereunder by mail to the Bondholders at the addresses shown on the registration books maintained by the Trustee. If the Alameda CTC fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Alameda CTC.

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

SECTION 8.02 Accounting Records and Monthly Statements. The Trustee shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Bonds, including proceeds of each Series of Bonds and moneys derived from, pledged to, or to be used to make payments on each Series of Bonds. Such records shall specify the account or fund to which each deposit and each investment (or portion thereof) held by the Trustee is allocated and shall set forth, in the case of each investment security, (a) its purchase price, (b) identifying information, including par amount, coupon rate, and payment dates, (c) the amount received at maturity or its sale price, as the case may be, including accrued interest, (d) the amounts and dates of any payments made with respect thereto, and (e) the dates of acquisition and disposition or maturity. The Trustee shall furnish the Alameda CTC with a monthly statement which shall include a summary of all deposits and all investment transactions related to each Series of Bonds then Outstanding, such statement to be provided to the Alameda CTC no later than the tenth (10th) Business Day of the month following the month to which such statement relates, the first such monthly statement to be provided by the tenth (10th) Business Day of the month immediately following the month in which the Bonds are delivered by the Trustee pursuant to the provisions of this Indenture.

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

SECTION 8.04 Liability of Trustee.

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

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

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

(D) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any Credit Provider or any of the Bondholders pursuant to the provisions of this Indenture, including, without limitation, the provisions of Article VII hereof, unless such Credit Provider or such Bondholders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby; provided, however, that no security or indemnity shall be requested or required for the Trustee to deliver a notice to obtain funds under the Credit Enhancement delivered in connection with any Series of Bonds in order to pay principal of and interest on such Series of Bonds.

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

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

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

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

(I) The Trustee shall not be responsible for:

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

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

(3) any error or omission by the Alameda CTC in making any computation or giving any instruction pursuant to Section 5.09 and Section 6.08 and may rely conclusively on the Rebate Instructions and any computations or instructions furnished to it by the Alameda CTC in connection with the requirements of Section 5.09, Section 6.08 and each Tax Certificate;

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

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

(K) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods to which is attached the applicable Certificate, Statement, Request Requisition, Order, directions, instructions or notice, provided, however, that (i) for purposes of this Indenture, the applicable Certificate, Statement, Request, Requisition, Order, directions, instructions or notice attached to such e-mail shall constitute the applicable communication hereunder rather than the e-mail to which such Certificate, Statement, Request Requisition, Order, directions, instructions or notice is attached and (ii) the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Alameda CTC elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Alameda CTC agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(L) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond the Trustee's control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(M) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the issuance of Bonds, except for statements provided by the Trustee expressly for inclusion therein.

SECTION 8.05 Right of Trustee to Rely on Documents and Opinions. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, counsel of or to the Alameda CTC, and may request an opinion of counsel, with regard to legal questions, including, without limitation, legal questions relating to proposed modifications or amendments of this Indenture, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or

suffered by it hereunder in good faith and in accordance therewith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

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

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

ARTICLE IX

MODIFICATION OR AMENDMENT OF THIS INDENTURE

SECTION 9.01 Amendments Permitted.

(A) (1) This Indenture and the rights and obligations of the Alameda CTC, the Holders of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Alameda CTC and the Trustee may enter into when the written consent of the Holders of a majority in aggregate amount of Bond Obligation of the

Bonds (or, if such Supplemental Indenture is only applicable to a Series of Bonds, such Series of Bonds) then Outstanding shall have been filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section. The Credit Provider for a Series of Bonds shall be deemed to be the Holder of such Series of Bonds for purposes of consenting to modifications or amendments pursuant to this Section 9.01(A).

(2) No such modification or amendment shall (a) extend the maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided for the payment of any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Bond so affected, or (b) reduce the aforesaid percentage of Bond Obligation the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture, or deprive the Holders of the Bonds of the lien created by this Indenture on such Revenues and other assets (in each case, except as expressly provided in this Indenture), without the consent of the Holders of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution and delivery by the Alameda CTC and the Trustee of any Supplemental Indenture pursuant to this Section 9.01(A), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture to the Holders of the Bonds at the addresses shown on the registration books of the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(B) This Indenture and the rights and obligations of the Alameda CTC, of the Trustee and of the Holders of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Alameda CTC and the Trustee may enter into without the consent of any Bondholders, but only to the extent permitted by Act and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Alameda CTC set forth in this Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Alameda CTC;

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

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

(4) to provide for the issuance of an additional Series of Bonds subsequent to the issuance of the Series 2014 Bonds pursuant to the provisions of Article III hereof;

(5) to make modifications or adjustments necessary, appropriate or desirable to provide for the issuance or incurrence, as applicable, of Capital Appreciation Bonds, Parity Obligations, Subordinate Obligations or Variable Rate Indebtedness, with such interest rate, payment, maturity and other terms as the Alameda CTC may deem desirable; subject to the provisions of Section 3.02, Section 3.03 and Section 3.05;

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

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

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

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

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

(11) if the Alameda CTC agrees in a Supplemental Indenture to maintain the exclusion of interest on a Series of Bonds from gross income for purposes of federal income taxation, to make such provisions as are necessary or appropriate to ensure such exclusion;

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

(13) to modify, alter, amend or supplement this Indenture in any other respect, including amendments that would otherwise be described in Section 9.01(A), if the effective date of such amendments is a date on which all Bonds affected thereby are subject to mandatory tender for purchase pursuant to the provisions of this Indenture or if notice of the proposed amendments is given to Holders of the affected Bonds at least

thirty (30) days before the proposed effective date of such amendments and, on or before such effective date, such Holders have the right to demand purchase of their Bonds pursuant to the provisions of this Indenture or if all Bonds affected thereby are in an auction mode and a successful auction is held following notice of such amendment; and

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

Any Supplemental Indenture entered into pursuant to this Section shall be deemed not to materially adversely affect the interest of the Holders so long as (i) all Bonds are secured by a Credit Enhancement and (ii) each Credit Provider shall have given its written consent to such Supplemental Indenture as provided in Section 9.01(A). The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (A) or (B) of this Section which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.02 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Alameda CTC, the Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

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

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

ARTICLE X

DEFEASANCE

SECTION 10.01 Discharge of Indenture. Bonds of any Series or a portion thereof may be paid by the Alameda CTC in any of the following ways:

(A) by paying or causing to be paid the Bond Obligations of and interest on such Outstanding Bonds, as and when they become due and payable;

(B) by depositing with the Trustee, an escrow agent or other fiduciary, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem such Outstanding Bonds; or

(C) by delivering to the Trustee, for cancellation by it, such Outstanding Bonds.

If the Alameda CTC shall pay all Series for which any Bonds are Outstanding and also pay or cause to be paid all other sums payable hereunder by the Alameda CTC, including any amounts payable under any Parity Obligations, Subordinate Obligations or Fee and Expense Obligations, then and in that case, at the election of the Alameda CTC (evidenced by a Certificate of the Alameda CTC, filed with the Trustee, signifying the intention of the Alameda CTC to discharge all such indebtedness and this Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of Sales Tax Revenues and other assets made under this Indenture and all covenants, agreements and other obligations of the Alameda CTC under this Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon Request of the Alameda CTC, the Trustee shall cause an accounting for such period or periods as may be requested by the Alameda CTC to be prepared and filed with the Alameda CTC and shall execute and deliver to the Alameda CTC all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the Alameda CTC all moneys or securities or other property held by it pursuant to this Indenture which, as evidenced by a verification report, upon which the Trustee may conclusively rely, from an independent certified public accountant, a firm of independent certified public accountants or other independent consulting firm, are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

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

the Alameda CTC shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment.

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

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

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

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

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

(B) Defeasance Securities the principal of and interest on which when due will, in the opinion of an independent certified public accountant, a firm of independent certified public accountants or other independent consulting firm delivered to the Trustee (as confirmed by a verification report upon which verification report the Trustee may conclusively rely), provide money sufficient to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have

been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Request of the Alameda CTC) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds.

SECTION 10.04 Payment of Bonds After Discharge of Indenture. Any moneys held by the Trustee in trust for the payment of the principal, Redemption Price, or interest on any Bond and remaining unclaimed for one (1) year after such principal, Redemption Price, or interest has become due and payable (whether at maturity or upon call for redemption as provided in this Indenture), if such moneys were so held at such date, or one (1) year after the date of deposit of such principal, Redemption Price or interest on any Bond if such moneys were deposited after the date when such Bond became due and payable, shall be repaid to the Alameda CTC free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Alameda CTC as aforesaid, the Trustee may (at the cost of the Alameda CTC) first mail to the Holders of any Bonds remaining unpaid at the addresses shown on the registration books maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Alameda CTC of the moneys held for the payment thereof. All moneys held by or on behalf of the Trustee for the payment of principal or Accreted Value of or interest or premium on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Holders thereof and the Trustee shall not be required to pay Holders any interest on, or be liable to the Holders or any other person (other than the Alameda CTC) for interest earned on, moneys so held. Any interest earned thereon shall belong to the Alameda CTC and shall be deposited upon receipt by the Trustee into the Revenue Fund.

ARTICLE XI

MISCELLANEOUS

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

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

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

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

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

SECTION 11.06 Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Alameda CTC hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 11.07 Notice to Alameda CTC and Trustee. Any notice to or demand may be served or presented, and such demand may be made and shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class mail postage prepaid, in a post office letter box, addressed, as the case may be, to the parties as listed below. Any such communication may also be sent by Electronic Means, including, without limitation, email, receipt of which shall be confirmed.

Trustee:

Union Bank, N.A.
350 California Street, 11th Floor
San Francisco, California 94104
Attention: Corporate Trust
Telephone: (415) 273-2514

Alameda CTC:

Alameda County Transportation Commission
1111 Broadway, Suite 800
Oakland, California 92401
Attention: Director of Finance
Telephone: (510) 208-7422

SECTION 11.08 Notices to Rating Agencies. The Trustee shall provide notice of (i) a change in Trustee, (ii) amendment of this Indenture, (iii) optional redemption or defeasance of any Bonds, (iv) a change in Credit Provider with respect to any Series of Bonds, and (v) provision, expiration, termination, extension or substitution of any Credit Enhancement to each Rating Agency then maintaining a rating on a Series of Bonds at the request of the Alameda CTC, each such notice to be delivered to the applicable address listed below or to such other address as a Rating Agency shall provide to the Alameda CTC for delivery of notices from time to time:

Rating Agencies:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street, 38th Floor
New York, New York 10041
Telephone: (212) 438-2000
Fax: (212) 438-2157
pubfin_structured@standardandpoors.com

Moody's Investors Service
7 World Trade Center at 250 Greenwich Street
New York, New York 10007

Fitch Ratings
One State Street Plaza
New York, New York 10004
Telephone: (212) 908-0500
Fax: (212) 480-4421
pubfinserv@fitchratings.com

SECTION 11.09 Evidence of Rights of Bondholders. Any request, consent or other instrument required or permitted by this indenture to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Alameda CTC if made in the manner provided in this Section.

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

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

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

SECTION 11.10 Disqualified Bonds. In determining whether the Holders of the requisite aggregate Bond Obligation of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds that are owned or held by or for the account of the Alameda CTC, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Alameda CTC or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlled by, or under direct or indirect common control with, the Alameda CTC. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Alameda CTC shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

SECTION 11.11 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal, Redemption Price or purchase price due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

SECTION 11.12 Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the protection of the security of the Bonds and the rights of every holder thereof.

SECTION 11.13 Limitations on Rights of Credit Providers, Liquidity Providers, Reserve Facility Providers. A Supplemental Indenture establishing the terms and provisions of a Series of Bonds may provide that any Credit Provider, Liquidity Provider or Reserve Facility Provider may exercise any right under this Indenture given to the Holders of the Bonds to which such Credit Enhancement, Liquidity Facility or Reserve Facility relates. All provisions under this Indenture authorizing the exercise of rights by a Credit Provider, a Liquidity Provider or a Reserve Facility Provider with respect to consents, approvals, directions, waivers, appointments, requests or other actions, shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider, Liquidity Provider or Reserve Facility Provider were not mentioned therein (i) during any period in which there is a default by such Credit Provider, Liquidity Provider or Reserve Facility Provider under the applicable Credit Enhancement, Liquidity Facility or Reserve Facility or (ii) after the applicable Credit Enhancement, Liquidity Facility or Reserve Facility shall at any time for any reason cease to be valid and binding on the provider thereof, or shall be declared to be null and void by final, non-appealable judgment of a court of competent jurisdiction, or after the Credit Enhancement, Liquidity Facility or Reserve Facility has been rescinded, repudiated by the provider thereof or terminated, or after a receiver, conservator or liquidator has been appointed for the provider thereof. All provisions relating to the rights of a Credit Provider, Liquidity Provider or Reserve Facility Provider shall be of no further force and effect if all amounts owing to such Credit Provider, Liquidity Provider or Reserve Facility Provider shall have been paid pursuant to the terms of the applicable Credit Enhancement, Liquidity Facility or Reserve Facility and such Credit Enhancement, Liquidity Facility or Reserve Facility shall no longer be in effect.

SECTION 11.14 Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

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

SECTION 11.15 Waiver of Personal Liability. No Commission member, officer, agent or employee of the Alameda CTC or the Trustee shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Commission member, officer, agent or employee of the Alameda CTC or the Trustee from the performance of any official duty provided by law or by this Indenture.

SECTION 11.16 Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State of California.

SECTION 11.17 Business Day. Except as specifically set forth in this Indenture or a Supplemental Indenture, transfers which would otherwise become due on any day which is not a Business Day shall become due or shall be made on the next succeeding Business Day with the same effect as if made on such prior date.

SECTION 11.18 Effective Date of Indenture. This Indenture shall take effect upon its execution and delivery.

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

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

ALAMEDA COUNTY
TRANSPORTATION COMMISSION

By: _____
Executive Director

UNION BANK, N.A.,
as Trustee

By: _____
Authorized Officer

FIRST SUPPLEMENTAL INDENTURE

between

ALAMEDA COUNTY TRANSPORTATION COMMISSION

and

UNION BANK, N.A.,
as Trustee

Dated as of February 1, 2014

Relating to

ALAMEDA COUNTY TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)
SERIES 2014

(Supplementing the Indenture
Dated as of February 1, 2014)

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FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE, dated as of February 1, 2014 (this "Supplemental Indenture"), between the ALAMEDA COUNTY TRANSPORTATION COMMISSION, a joint exercise of powers authority and public entity organized under the laws of the State of California (the "Alameda CTC") and UNION BANK, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee"):

WITNESSETH:

WHEREAS, this Supplemental Indenture is supplemental to the Indenture, dated as of February 1, 2014 (as more fully defined in Section 1.02 hereof, the "Indenture"), between the Alameda CTC and the Trustee, and all capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture;

WHEREAS, the Indenture provides that the Alameda CTC may issue Bonds from time to time as authorized by a Supplemental Indenture, which Bonds shall be payable from Revenues and from such other sources as may be specified with respect to a particular Series of Bonds in the Supplemental Indenture authorizing such Series of Bonds;

WHEREAS, in accordance with the Act and pursuant to Article III of the Indenture, the Alameda CTC has determined to issue the Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 (the "Series 2014 Bonds"), in the aggregate principal amount of \$[Par Amount], in order to finance a portion of the costs of the Project (such portion of the Project being more fully described in Schedule I hereto and being referred to therein as the "Series 2014 Project");

WHEREAS, the proceeds of the Series 2014 Bonds shall also be applied to fund interest and to pay Costs of Issuance of the Series 2014 Bonds;

WHEREAS, the Alameda CTC has duly authorized the execution and delivery of this Supplemental Indenture and the issuance of the Series 2014 Bonds pursuant hereto by resolution duly passed and adopted by a two-thirds vote of the governing body of the Alameda CTC as required by Section 180252 of the Act;

WHEREAS, the Alameda CTC hereby determines that the provisions of the Indenture relating to the issuance of the Series 2014 Bonds have been complied with; and

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

NOW, THEREFORE, the parties hereto hereby agree as follows:

ARTICLE XII

DEFINITIONS

Section 12.01. Definitions.

(A) **Definitions.** Unless otherwise specifically provided herein to the contrary or unless the context otherwise requires, all capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in Section 1.02 of the Indenture.

(B) **Additional Definitions.** Unless the context otherwise requires, the following terms shall, for all purposes of the Series 2014 Bonds and this Supplemental Indenture, have the following meanings:

Authorized Denomination means \$5,000 or any integral multiple thereof.

Series 2014 Costs of Issuance Fund means the fund by that name established pursuant to Section 14.05 hereof.

Series 2014 Interest Payment Date means each March 1 and September 1, commencing September 1, 2014.

Series 2014 Project Fund means the fund by that name established pursuant to Section 14.06 hereof.

Series 2014 Record Date means the fifteenth day of the calendar month prior to the calendar month in which a Series 2014 Interest Payment Date occurs, whether or not such day is a Business Day.

ARTICLE XIII

FINDINGS AND DETERMINATIONS

Section 13.01. Findings and Determinations. The Alameda CTC hereby finds and determines that the Series 2014 Bonds shall be issued pursuant to Section 3.01 and upon the issuance of the Series 2014 Bonds, any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the issuance thereof, will exist, will have happened and will have been performed, in due time, form and manner, as required by the Constitution and statutes of the State.

Section 13.02. Recital in Bonds. There shall be included in each of the definitive Series 2014 Bonds, and in each of the temporary Series 2014 Bonds, if any are issued, a certification and recital to the effect that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by that Series 2014 Bond, and in the issuing of that Series 2014 Bond, exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State and that said Series 2014 Bond, together with all other indebtedness of the Alameda

CTC payable out of Revenues, is within every debt and other limit prescribed by the Constitution and statutes of the State and is not in excess of the amount of Bonds permitted to be issued under the Indenture, the Ordinance or the Act.

Section 13.03. Effect of Findings and Recital. From and after the issuance of the Series 2014 Bonds, the findings and determinations herein shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of the Series 2014 Bonds is at issue.

ARTICLE XIV

TERMS OF SERIES 2014 BONDS

Section 14.01. Authorization and Terms of Series 2014 Bonds; Payment Provisions Applicable to the Series 2014 Bonds. (A) Pursuant to the provisions of this Indenture and the Act, an initial Series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized in the aggregate principal amount of \$[Par Amount], which Series of Bonds shall be Current Interest Bonds. Such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014."

(B) The Series 2014 Bonds shall be issued in fully registered form, in denominations of \$5,000 or any integral multiple thereof (each, an "Authorized Denomination") and shall be initially registered in the name of "Cede & Co.," as nominee of the Securities Depository. The Series 2014 Bonds shall be numbered in consecutive numerical order commencing with R-1. Registered ownership of the Series 2014 Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.10, or in the event the use of a Securities Depository is discontinued, in accordance with the provisions set forth in Section 2.05.

The Series 2014 Bonds shall be dated as of their date of delivery, shall bear interest from their date of delivery at the following rates per annum and shall mature on March 1 in the following years in the following amounts:

Maturity Date (March 1)	Principal Amount	Interest Rate
2017	\$ _____	_____%
2018		
2019		
2020		
2021		
2022		

Interest on the Series 2014 Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months and shall be payable on September 1, 2014 and semiannually thereafter on March 1 and September 1 of each year (each, a "Series 2014 Interest Payment Date") by check mailed by first-class mail on such Series 2014 Interest Payment Date to the Holder thereof as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding the month in which such Series 2014 Interest Payment Date occurs (each,

a "Series 2014 Record Date") or, upon the written request of any Holder of \$1,000,000 or more in aggregate principal amount of Series 2014 Bonds who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each Series 2014 Interest Payment Date, to the Holder thereof as of the close of business on the Series 2014 Record Date.

Principal on the Series 2014 Bonds shall be payable when due upon presentation and surrender thereof at the designated office of the Trustee in lawful money of the United States of America.

Section 14.02. Form of Series 2014 Bonds. The Series 2014 Bonds and the certificate of authentication to be executed thereon shall be in substantially such form as is set forth in Exhibit A to this Supplemental Indenture. The Series 2014 Bond numbers, maturity dates and interest rates shall be inserted therein in conformity with Section 14.01.

Section 14.03. Issuance of the Series 2014 Bonds. At any time after the execution and delivery of this Supplemental Indenture, the Alameda CTC may execute and, upon the Order of the Alameda CTC, the Trustee shall authenticate and deliver the Series 2014 Bonds in an aggregate principal amount of \$[Par Amount] upon the Order of the Alameda CTC.

Section 14.04. Application of Proceeds of the Series 2014 Bonds. The proceeds of the sale of the Series 2014 Bonds, \$_____, comprised of the aggregate principal amount of the Series 2014 Bonds, \$[Par Amount], plus a [net] original issue premium of \$_____, less an underwriters' discount of \$_____, shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as follows:

(A) The Trustee shall deposit in the Interest Fund, the sum of \$_____, representing capitalized interest on the Series 2014 Bonds, such amount to be applied to pay all interest on the Series 2014 Bonds on each Series 2014 Interest Payment Date to and including _____ and a portion of the interest due on the Series 2014 Bonds on _____.

(B) The Trustee shall deposit in the Series 2014 Costs of Issuance Fund, which is established pursuant to Section 14.05, the sum of \$_____.

(C) The Trustee shall deposit in the Series 2014 Project Fund, which is established pursuant to Section 14.06, the sum of \$_____.

Section 14.05. Establishment and Application of the Series 2014 Costs of Issuance Fund. There is hereby established and maintained with the Trustee a fund designated as the "Series 2014 Costs of Issuance Fund." Amounts in the Series 2014 Costs of Issuance Fund shall be disbursed by the Trustee to pay for Costs of Issuance incurred in connection with issuance of the Series 2014 Bonds upon Requisition of the Alameda CTC, such Requisition to be in substantially such form as is set forth in Exhibit B hereto and to be executed by an Authorized Representative. All payments made pursuant to a Requisition shall be made by check or wire transfer in accordance with the payment instructions set forth in Schedule I to such Requisition. Each such Requisition, including, without limitation, Schedule I attached thereto, shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to

confirm the accuracy of such facts or to investigate or inquire as to the authenticity of the payment instructions set forth in Schedule I. Any amounts remaining in the Series 2014 Costs of Issuance Fund one hundred eighty (180) days after the date of issuance of the Series 2014 Bonds shall be transferred to the Series 2014 Project Fund, or in the event that the Series 2014 Project Fund shall have been closed, to the Revenue Fund, and the Series 2014 Costs of Issuance Fund shall be closed.

Section 14.06. Establishment and Application of the Series 2014 Project Fund.

(A) There is hereby established and maintained with the Trustee a fund designated as the "Series 2014 Project Fund." The moneys in the Series 2014 Project Fund shall be used and withdrawn to pay Costs of the Project.

(B) Before any payment from the Series 2014 Project Fund shall be made by the Trustee, the Alameda CTC shall file or cause to be filed with the Trustee a Requisition of the Alameda CTC, such Requisition to be in substantially such form as is set forth in Exhibit C hereto and to be executed by an Authorized Representative. All payments made pursuant to a Requisition shall be made by check or wire transfer in accordance with the payment instructions set forth in Schedule I to such Requisition. Each such Requisition, including, without limitation, Schedule I attached thereto, shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts or to investigate or inquire as to the authenticity of the payment instructions set forth in Schedule I.

(C) When the Alameda CTC determines that the Series 2014 Project has been completed, a Certificate of the Alameda CTC shall be delivered to the Trustee by the Alameda CTC stating: (i) the fact and date of such completion; (ii) that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims which are subject to dispute and for which a retention in the Series 2014 Project Fund is to be maintained in the full amount of such claims until such dispute is resolved); and (iii) that the Trustee is to transfer the remaining balance in the Series 2014 Project Fund, less the amount of any such retention, to the Revenue Fund and the Series 2014 Project Fund shall be closed.

Section 14.07. Investment of Funds; Investment Earnings. The Trustee shall invest funds on deposit in the Series 2014 Costs of Issuance Fund and the Series 2014 Project Fund in accordance with the provisions set forth in Section 5.11 of this Indenture. Investment earnings on each such Fund shall be applied by the Trustee in accordance with the provisions set forth in Section 5.11 of this Indenture.

Section 14.08. Series 2014 Bonds Not Subject to Optional Redemption. The Series 2014 Bonds are not subject to optional redemption prior to their respective stated maturity dates.

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.01. Terms of Series 2014 Bonds Subject to the Indenture; Ratification of the Indenture. Except as in this Supplemental Indenture expressly provided, every term and

condition contained in the Indenture shall apply to this Supplemental Indenture and to the Series 2014 Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Supplemental Indenture.

This Supplemental Indenture and all the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

Section 15.02. Effective Date of Supplemental Indenture. This Supplemental Indenture shall take effect upon the date of its execution and delivery, February __, 2014, the date of issuance of the Series 2014 Bonds.

Section 15.03. Execution in Counterparts. This Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

ALAMEDA COUNTY TRANSPORTATION
COMMISSION

By: _____
Executive Director

UNION BANK, N.A., as Trustee

By: _____
Authorized Officer

Schedule I

Description of Series 2014 Project^{*}

The Series 2014 Project consists of the BART Warm Springs Extension, the BART Oakland Airport Connector, the Route 84 Expressway and the I-580 Corridor Improvement projects, or such other transportation improvements as permitted by the Act, the Ordinance, the Expenditure Plan and the Tax Certificate executed and delivered in connection with the Series 2014 Bonds.

^{*} All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

Exhibit A

[Form of Series 2014 Bond]

No. R-_____

\$_____

**ALAMEDA COUNTY TRANSPORTATION COMMISSION
SALES TAX REVENUE BOND (LIMITED TAX BOND), SERIES 2014**

Maturity Date	Interest Rate Per Annum	Dated Date	CUSIP Number
March 1, ____	____%		

Registered Holder: Cede & Co.

Principal Amount: _____ Dollars

ALAMEDA COUNTY TRANSPORTATION COMMISSION, a joint exercise of powers authority and public entity organized under the laws of the State of California (the "Alameda CTC"), for value received, hereby promises to pay to the registered holder named above or registered assigns, on the maturity date specified above, the principal amount specified above, together with interest thereon from the dated date specified above until the principal hereof shall have been paid, at the interest rate per annum specified above, payable on September 1, 2014, and semiannually thereafter on March 1 and September 1 and in each year (each, an "Interest Payment Date"), but only out of the Sales Tax Revenues and other assets pledged therefor as specified in the Indenture, dated as of February 1, 2014, as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by the First Supplemental Indenture thereto, dated as of February 1, 2014 (hereinafter collectively referred to as the "Indenture"), between the Alameda CTC and Union Bank, N.A., as trustee (together with any successor trustee, the "Trustee"). All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

Interest hereon and principal hereof is payable in lawful money of the United States of America by check mailed by first-class mail on each Interest Payment Date to the registered holder as of the close of business on the applicable Series 2014 Record Date. The principal hereof is payable when due in lawful money of the United States of America upon presentation hereof at the designated office of the Trustee. Notwithstanding the foregoing, however, for so long as a Securities Depository is utilized, interest hereon and principal hereof shall be payable in accordance with the payment procedures established pursuant by such Securities Depository.

This Bond is one of a duly authorized issue of Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) (the "Bonds") issued pursuant to the provisions of the Local Transportation Authority and Improvement Act, constituting Division 19 of the California Public Utilities Code, as amended from time to time (the "Act"), and the Indenture. Said authorized issue of Bonds is not limited in aggregate principal amount, except as otherwise provided in the Indenture, and consists or may consist of one or more Series of varying denominations, dates, maturities, interest rates and other provisions, as in the

Indenture provided, all issued or to be issued pursuant to the Indenture. This Bond is a Current Interest Bond of the Series and designation indicated above (each, a "Series 2014 Bond"), which Series of Bonds is limited in aggregate principal amount to [Par Amount] dollars (\$[Par Amount]).

Certain additional Bonds may be issued and other obligations may be secured on parity with the Series 2014 Bonds, but only subject to the conditions and limitations set forth in the Indenture.

Reference is hereby made to the Indenture and to the Act for a description of the terms on which the Bonds are issued and to be issued, of the nature and extent of the security for the Bonds, of the rights of the registered holders of the Bonds and of the rights and obligations of the Alameda CTC thereunder, all of the terms and provisions of which are incorporated herein and constitute a contract between the Alameda CTC and the registered holders from time to time of this Bond, and to all the provisions thereof the registered holder of this Bond, by such registered holder's acceptance hereof, consents and agrees.

The Bonds and the interest thereon (to the extent set forth in the Indenture), together with any Parity Obligations hereafter issued or incurred by the Alameda CTC, and the interest thereon, are payable from, and are secured by a charge and lien on the Sales Tax Revenues and the Swap Revenues (as more fully defined in the Indenture, the "Revenues"). All of the Bonds and Parity Obligations are equally secured by a pledge of, and charge and lien upon, all of the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of the Bonds, but nevertheless out of Revenues certain amounts may be applied for other purposes as provided in the Indenture.

The Bonds are limited obligations of the Alameda CTC and are payable solely, both as to principal and interest, from the Revenues and certain funds held by the Trustee under the Indenture and the Alameda CTC is not obligated to pay the Bonds except from such Revenues and such funds. The general fund of the Alameda CTC is not liable, and the credit or taxing power (other than as described above) of the Alameda CTC is not pledged, for the payment of the Bonds or their interest. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Alameda CTC or any of its income or receipts, except the Revenues and certain funds held under the Indenture.

The Series 2014 Bonds are not subject to redemption prior to their respective stated maturity dates.

The Series 2014 Bonds are issuable as fully registered Bonds in Authorized Denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided herein and in the Indenture, this Series 2014 Bond may be exchanged for a like aggregate principal amount of Series 2014 Bonds of other Authorized Denominations of the same tenor, maturity and interest rate.

This Series 2014 Bond is transferable or exchangeable for other Authorized Denominations by the registered holder hereof, in person or by its attorney duly authorized in writing, at the designated office of the Trustee, but only in the manner, subject to the limitations

and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2014 Bond. Upon such transfer a new fully registered Series 2014 Bond or Series 2014 Bonds, of Authorized Denomination or Denominations, of the same Series, tenor, maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Alameda CTC and the Trustee may deem and treat the registered holder hereof as the absolute owner hereof for all purposes and neither the Alameda CTC nor the Trustee shall be affected by any notice to the contrary.

The rights and obligations of the Alameda CTC and of the registered holders of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, which provide, in certain circumstances, for modifications and amendments without the consent of, or notice to, the registered holders of Bonds.

The Indenture and the Bonds shall be governed by and construed in accordance with the laws of the State of California.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Series 2014 Bond, and in the issuing of this Series 2014 Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this Series 2014 Bond, together with all other indebtedness of the Alameda CTC pertaining to the Revenues, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture or the Act.

This Series 2014 Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the ALAMEDA COUNTY TRANSPORTATION COMMISSION has caused this Series 2014 Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chair of the governing body of the Alameda County Transportation Commission and the manual or facsimile signature of the Auditor-Controller of the Alameda County Transportation Commission and has caused this Series 2014 Bond to be dated the date set forth above.

ALAMEDA COUNTY TRANSPORTATION
COMMISSION

By: _____
Chair

By: _____
Auditor-Controller

[Form of Certificate of Authentication]

This is one of the Bonds described in the within-mentioned Indenture and authenticated on the date set forth below.

Dated: _____.

UNION BANK, N.A., as Trustee

By: _____
Authorized Officer

[Form of DTC Legend]

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[Form of Assignment]

For value received _____, whose taxpayer identification number is _____, does hereby sell, assign and transfer unto _____ the within Bond and hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the books of the Alameda CTC at the office of the Trustee, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guaranteed by:

NOTE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program as shall be acceptable to the Trustee.

Exhibit B

[Form of Requisition – Series 2014 Costs of Issuance Fund]

REQUISITION NO. ____

Series 2014 Costs of Issuance Fund

The undersigned, _____, hereby certifies as follows:

1. I am _____ of the Alameda County Transportation Commission, a joint exercise of powers authority and public entity organized under the laws of the State of California (the "Alameda CTC").

2. Pursuant to the provisions of that certain Indenture, dated as of February 1, 2014, as supplemented, including as supplemented by that certain First Supplemental Indenture, dated as of February 1, 2014 (hereinafter collectively referred to as the "Indenture"), between the Alameda CTC and Union Bank, N.A., as trustee (the "Trustee"), I am an Authorized Representative (as such term is defined in the Indenture) of the Alameda CTC and I am delivering this Requisition on behalf of the Alameda CTC.

3. The undersigned hereby requests that the Trustee pay from the Series 2014 Costs of Issuance Fund (the "Series 2014 Costs of Issuance Fund") established pursuant to Section 14.05 of the Indenture the amounts specified in Schedule I hereto to the persons identified in Schedule I.

4. The undersigned hereby certifies that: (i) obligations in the amounts stated in Schedule I have been incurred by the Alameda CTC and are presently due and payable; (ii) each item is a proper charge against the Series 2014 Costs of Issuance Fund; and (iii) each item has not been previously paid from the Series 2014 Costs of Issuance Fund.

Dated: _____.

**ALAMEDA COUNTY TRANSPORTATION
COMMISSION**

By: _____
Authorized Representative

Schedule I
Series 2014 Costs of Issuance Fund

To	Amount	Purpose	Wire or Payment Instructions
	\$		

Exhibit C

[Form of Requisition – Series 2014 Project Fund]

REQUISITION NO. ____

Series 2014 Project Fund

The undersigned, _____ hereby certifies as follows:

1. I am the _____ of the Alameda County Transportation Commission, a joint exercise of powers authority and public entity organized under the laws of the State of California (the "Alameda CTC").

2. Pursuant to the provisions of that certain Indenture, dated as of February 1, 2014, as supplemented, including as supplemented by that certain First Supplemental Indenture, dated as of February 1, 2014 (hereinafter collectively referred to as the "Indenture"), between the Alameda CTC and Union Bank, N.A., as trustee (the "Trustee"), I am an Authorized Representative (as such term is defined in the Indenture) of the Alameda CTC and I am delivering this Requisition on behalf of the Alameda CTC.

3. The undersigned, acting on behalf of the Alameda CTC, does hereby request disbursement of funds from the Series 2014 Project Fund (the "Series 2014 Project Fund"), created pursuant to Section 14.06 of the Indenture, in connection with the payment of the costs of the Project (as such term is defined in the Indenture).

4. The undersigned, acting on behalf of the Alameda CTC, hereby certifies that: (a) the costs of the Project in the amount set forth herein have been incurred by the Alameda CTC and are presently due and payable; and (b) that each item is a proper charge against the Series 2014 Project Fund and has not been previously paid from the Series 2014 Project Fund.

5. The undersigned, acting on behalf of the Alameda CTC, hereby certifies that there has not been filed with or served upon the Alameda CTC notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the parties identified on Schedule I to this Requisition, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

6. Payment should be made in accordance with the instructions set forth on Schedule I hereto.

Dated: _____.

ALAMEDA COUNTY TRANSPORTATION
COMMISSION

By: _____
Authorized Representative

Schedule I

Series 2014 Project Fund

Party to be Paid	Payment Amount	Nature of Expenditure	Payment Instructions
	\$		

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PRELIMINARY OFFICIAL STATEMENT DATED JANUARY __, 2014

NEW ISSUE – BOOK-ENTRY ONLY**RATINGS****S&P:** _____
Fitch: _____

In the opinion of Orrick Herrington & Sutcliffe LLP, Bond Counsel to Alameda CTC, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2014 Bonds is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2014 Bonds. See “Tax Matters” herein.

\$ _____ *

ALAMEDA COUNTY TRANSPORTATION COMMISSION
Sales Tax Revenue Bonds
(Limited Tax Bonds)
Series 2014

Dated: Date of Delivery**Due: March 1 as shown on inside cover**

The Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 in the aggregate principal amount of \$ _____* (the “Series 2014 Bonds”) are being issued by the Alameda County Transportation Commission (“Alameda CTC”) pursuant to an Indenture, dated as of February 1, 2014, as supplemented by a First Supplemental Indenture, dated as of February 1, 2014 (together, the “Indenture”), each between Alameda CTC and Union Bank, N.A., as trustee (the “Trustee”). Proceeds of the Series 2014 Bonds will be applied (i) to finance a portion of the transportation improvements outlined in the Expenditure Plan (as described herein), (ii) to fund capitalized interest on the Series 2014 Bonds through March 1, 2017*, and (iii) to pay costs of issuance of the Series 2014 Bonds. See “PLAN OF FINANCE.”

The Series 2014 Bonds will be registered in the name of Cede & Co, as holder of the Series 2014 Bonds and nominee for The Depository Trust Company (“DTC”), New York, New York. Purchasers will not receive certificates representing their interest in the Series 2014 Bonds purchased. The principal of and interest on the Series 2014 Bonds are payable by wire transfer to DTC which, in turn, will remit such principal or interest to the DTC Participants for subsequent disbursement to the beneficial owners of the Series 2014 Bonds, as more fully discussed herein.

The Series 2014 Bonds will mature in the amounts and will bear interest at the rates set forth in the inside cover page hereof. Interest is payable on March 1 and September 1 of each year, commencing September 1, 2014. The Series 2014 Bonds are being issued as fully registered bonds without coupons in the denominations of \$5,000 and any integral multiple thereof.

The Series 2014 Bonds are not subject to optional or mandatory redemption prior to their maturity.

The Series 2014 Bonds are limited obligations of Alameda CTC secured by a pledge of the Sales Tax Revenues and certain funds held by the Trustee. The Sales Tax is a one-half of one percent (0.5%) retail transactions and use tax which took effect in the County of Alameda (the “County”) on April 1, 2002. In November 2000 more than two-thirds of the electorate of the County approved Measure B imposing the Sales Tax. The Sales Tax will expire on March 31, 2022. The Series 2014 Bonds are secured by a pledge of amounts collected on account of the Sales Tax, less certain administrative fees paid to the California State Board of Equalization in connection with the collection and disbursement of the Sales Tax (the “Sales Tax Revenues”). See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS” herein.

THE SERIES 2014 BONDS WILL BE LIMITED OBLIGATIONS OF ALAMEDA CTC AND WILL BE PAYABLE SOLELY, BOTH AS TO PRINCIPAL AND INTEREST FROM REVENUES, PRIMARILY CONSISTING OF SALES TAX REVENUES AND CERTAIN FUNDS HELD BY THE TRUSTEE UNDER THE INDENTURE, AND ALAMEDA CTC WILL NOT BE OBLIGATED TO PAY THE SERIES 2014 BONDS EXCEPT FROM SUCH REVENUES AND SUCH FUNDS. THE SERIES 2014 BONDS WILL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN ALAMEDA CTC, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE. THE GENERAL FUND OF ALAMEDA CTC WILL NOT BE LIABLE, AND THE CREDIT OR TAXING POWER (OTHER THAN AS DESCRIBED IN THE INDENTURE) OF ALAMEDA CTC WILL NOT BE PLEDGED FOR THE PAYMENT OF THE SERIES 2014 BONDS OR INTEREST THEREON. THE SERIES 2014 BONDS WILL NOT BE SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF ALAMEDA CTC OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE SALES TAX REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE.

* Preliminary, subject to change.
79348408.8

This cover page contains certain information for general reference only. It is not a summary of the security or terms of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision with respect to the Series 2014 Bonds.

The Series 2014 Bonds will be offered when, as and if received by the Underwriters, subject to the approval of validity by Orrick Herrington & Sutcliffe LLP, Bond Counsel to Alameda CTC, and certain other conditions. Certain legal matters will be passed upon for Alameda CTC by its Disclosure Counsel, Fulbright & Jaworski LLP, a member of Norton Rose Fulbright, and by Wendel, Rosen, Black & Dean LLP, General Counsel to Alameda CTC, and for the Underwriters by their counsel, Nixon Peabody LLP. It is anticipated that the Series 2014 Bonds in definitive form will be available for delivery through the facilities of DTC on or about February __, 2014.

Citigroup

Barclays

Dated: February __, 2014

\$ _____ *

ALAMEDA COUNTY TRANSPORTATION COMMISSION
Sales Tax Revenue Bonds
(Limited Tax Bonds)
2014 Series A

Maturity Schedule

Maturity Date (March 1)	Principal Amount	Interest Rate	Yield*	CUSIP NO.†
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* Preliminary, subject to change.

CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Alameda CTC, the Financial Advisor and the Underwriters are not responsible for the selection or correctness of the CUSIP numbers set forth herein.

No dealer, salesman or any other person has been authorized by the Alameda County Transportation Commission ("Alameda CTC") or the underwriters of the Series 2014 Bonds listed on the cover page hereof (the "Underwriters") to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by Alameda CTC or the Underwriters.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2014 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Series 2014 Bonds. Neither the delivery of this Official Statement nor the sale of any of the Series 2014 Bonds implies that the information herein is correct as of any time subsequent to the date hereof. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or be used, as a whole or in part, for any other purpose.

The information set forth herein has been obtained from Alameda CTC and other sources believed to be reliable. The information and expressions of opinions herein are subject to change without notice and neither delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Alameda CTC since the date hereof. All summaries contained herein of the Indenture (as defined herein) or other documents are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. All statements made herein are made as of the date of this document by Alameda CTC except statistical information or other statements where some other date is indicated in the text.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2014 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL ON THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2014 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Marketplace Access ("EMMA") website. Alameda CTC maintains a website. However, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Series 2014 Bonds.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as “plan,” “project,” “expect,” “anticipate,” “intend,” “believe,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the forecasts of Alameda CTC in any way, regardless of the level of optimism communicated in the information. Alameda CTC is not obligated to issue any updates or revisions to forward-looking statements in any event.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

COMMISSIONERS

Supervisor Scott Haggerty (Alameda County, District 1), Chair
Councilmember At-Large Rebecca Kaplan (City of Oakland), Vice Chair

Director Elsa Ortiz (Alameda-Contra Costa Transit District)	Councilmember Ruth Atkin (City of Emeryville)
Supervisor Richard Valle (Alameda County, District 2)	Mayor William Harrison (City of Fremont)
Supervisor Wilma Chan (Alameda County, District 3)	Councilmember Marvin Peixoto (City of Hayward)
Supervisor Nate Miley (Alameda County, District 4)	Mayor John Marchand (City of Livermore)
Supervisor Keith Carson (Alameda County, District 5)	Councilmember Luis Freitas (City of Newark)
Director Tom Blalock (San Francisco Bay Area Rapid Transit District)	Vice Mayor Larry Reid (City of Oakland)
Mayor Marie Gilmore (City of Alameda)	Mayor John Chiang (City of Piedmont)
Mayor Peggy Thomsen (City of Albany)	Mayor Jerry Thorne (City of Pleasanton)
Councilmember Laurie Capitelli (City of Berkeley)	Councilmember Michael Gregory (City of San Leandro)
Mayor Tim Sbranti (City of Dublin)	Mayor Carol Dutra-Vernaci (City of Union City)

MANAGEMENT

Arthur L. Dao, Executive Director
Tess Lengyel, Deputy Director of Planning and Policy
Stewart Ng, Deputy Director of Programming and Projects
Patricia Reavey, Director of Finance

SPECIAL SERVICES

Financial Advisor

Public Financial Management, Inc.
San Francisco, California

General Counsel

Wendel Rosen Black & Dean LLP
Oakland, California

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

Disclosure Counsel

Fulbright & Jaworski LLP
(a member of Norton Rose Fulbright)
Los Angeles, California

Trustee

Union Bank, N.A.
San Francisco, California

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OFFICIAL STATEMENT

\$_____*

ALAMEDA COUNTY TRANSPORTATION COMMISSION Sales Tax Revenue Bonds (Limited Tax Bonds) Series 2014

INTRODUCTION

General

This Official Statement, which includes the cover page and the appendices hereto, sets forth certain information in connection with the offering by the Alameda County Transportation Commission (“Alameda CTC”) of \$_____ aggregate principal amount of Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 (the “Series 2014 Bonds”). The Series 2014 Bonds will be the first series of bonds issued by Alameda CTC secured under Measure B (as defined herein). All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE,” or, if not defined therein, in the Indenture.

Authority for Issuance

The Series 2014 Bonds are being issued by Alameda CTC under and pursuant to the authority granted under Division 19 of the Public Utilities Code of the State of California (Section 180000 et seq.) (the “Act”), Ordinance No. 2001-1 adopted on July 25, 2000 pursuant to the provisions of Section 180000 through Section 180264 inclusive of the Act (“Ordinance No. 2001-1”), and the Indenture, dated as of February 1, 2014, as supplemented and amended from time to time pursuant to its terms, including as supplemented by a First Supplemental Indenture, dated as of February 1, 2014, (together, the “Indenture”), each between Alameda CTC and Union Bank, N.A., as trustee (the “Trustee”).

Purpose and Application of Proceeds; No Additional Debt Contemplated for Expenditure Plan Projects

Proceeds of the Series 2014 Bonds will be applied: (i) to finance a portion of the transportation improvements consisting of the capital projects outlined in the Expenditure Plan (as described herein), (ii) to fund capitalized interest on the Series 2014 Bonds through March 1, 2017*, and (iii) to pay costs of issuance of the Series 2014 Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” herein. Other than the Series 2014 Bonds, Alameda CTC does not currently plan to issue additional debt to finance projects under the Expenditure Plan.

The Series 2014 Bonds

Interest on the Series 2014 Bonds will be payable on each March 1 and September 1, commencing September 1, 2014. The Series 2014 Bonds will be issued as fully registered bonds without coupons in the denominations of \$5,000 and any integral multiple thereof. The Series 2014 Bonds will be registered in the name of Cede & Co., as holder of the Series 2014 Bonds and nominee for The Depository Trust Company (“DTC”). Purchasers will not receive physical certificates representing their interest in the Series 2014 Bonds purchased.

* Preliminary, subject to change.

The Series 2014 Bonds are not subject to redemption prior to their maturity.

Security for the Bonds

The Series 2014 Bonds are limited obligations of Alameda CTC payable from and secured by certain revenues (the “Revenues”) pledged under the Indenture, including a pledge of revenues (the “Sales Tax Revenues”) derived from a one-half of one percent retail transactions and use tax known as Measure B (“Measure B”) that became effective on April 1, 2002 (the “Sales Tax”), imposed in the County in accordance with the Act and Part 1.6 of Division 2 of the Revenue and Taxation Code, net of an administrative fee paid to the California State Board of Equalization (the “BOE”) in connection with the collection and disbursement of the Sales Tax. The Sales Tax was approved on November 7, 2000 by more than two-thirds of the electorate of the County voting on Measure B and is scheduled to expire on March 31, 2022. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS” herein.

Limited Obligations

THE SERIES 2014 BONDS WILL BE LIMITED OBLIGATIONS OF ALAMEDA CTC AND WILL BE PAYABLE SOLELY, BOTH AS TO PRINCIPAL AND INTEREST FROM REVENUES, PRIMARILY CONSISTING OF SALES TAX REVENUES AND CERTAIN FUNDS HELD BY THE TRUSTEE UNDER THE INDENTURE, AND ALAMEDA CTC WILL NOT BE OBLIGATED TO PAY THE SERIES 2014 BONDS EXCEPT FROM SUCH REVENUES AND SUCH FUNDS. THE SERIES 2014 BONDS WILL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN ALAMEDA CTC, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE. THE GENERAL FUND OF ALAMEDA CTC WILL NOT BE LIABLE, AND THE CREDIT OR TAXING POWER (OTHER THAN AS DESCRIBED IN THE INDENTURE) OF ALAMEDA CTC WILL NOT BE PLEDGED FOR THE PAYMENT OF THE SERIES 2014 BONDS OR INTEREST THEREON. THE SERIES 2014 BONDS WILL NOT BE SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF ALAMEDA CTC OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE SALES TAX REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE.

No Additional Parity Bonds Other Than Refunding Bonds

Other than Refunding Bonds and Parity Obligations incurred in connection with Refunding Bonds, Alameda CTC may not issue additional bonds or incur any other obligations secured by the Sales Tax Revenues on a parity with or senior to the Series 2014 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – No Additional Parity Bonds Other Than Refunding Bonds” herein.

No Acceleration Provision or Increase in Interest Rate Upon Default

The Indenture does not contain a provision allowing for the acceleration of the Series 2014 Bonds or an increase in the interest rate on the Series 2014 Bonds in the event of a default in the payment of principal and interest on the Series 2014 Bonds when due. In the event of a default by Alameda CTC, the Holders of at least a majority of the aggregate amount of the Series 2014 Bonds will have the right to request the Trustee to exercise the remedies, subject to the limitations thereon, set forth in the Indenture. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

No Reserve Fund

No reserve fund will be established for the Series 2014 Bonds.

Continuing Disclosure

Alameda CTC will covenant for the benefit of the beneficial owners of the Series 2014 Bonds to provide certain financial information and operating data relating to Alameda CTC and notices of the occurrence of certain enumerated events to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”). These covenants are being made in order to assist the Underwriters of the Series 2014 Bonds in complying with Rule 15c2-12 (the “Rule”) of the U.S. Securities and Exchange Commission (“SEC”) promulgated under the Securities Exchange Act of 1934, as amended. See APPENDIX D – “FORM OF CONTINUING DISCLOSURE AGREEMENT.” Alameda CTC has not previously delivered an undertaking pursuant to the Rule.

References

The descriptions and summaries of the Indenture and various other documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document, copies of which are available for inspection at the offices of Alameda CTC.

THE SERIES 2014 BONDS

General

The Series 2014 Bonds will be the first series of Bonds issued by Alameda CTC. The Series 2014 Bonds will mature on March 1 in the years and in the principal amounts shown on the inside cover of this Official Statement. Interest on the Series 2014 Bonds will be payable on each March 1 and September 1 of each year, commencing September 1, 2014 (each an “Interest Payment Date”), and will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Interest on each Series 2014 Bond will be payable by check mailed by first-class mail on each Interest Payment Date to the Holder thereof as of the close of business on the Record Date or, upon the written request of any Holder of \$1,000,000 or more in aggregate principal amount of Series 2014 Bonds who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each Interest Payment Date, to the Holder thereof as of the close of business on the Series 2014 Record Date. “Record Date” means the fifteenth day of the calendar month prior to the calendar month in which an Interest Payment Date occurs, whether or not such day is a Business Day.

The Series 2014 Bonds will be issued as fully registered bonds without coupons in the denominations of \$5,000 and any integral multiple thereof. The Depository Trust Company (“DTC”) will act as the initial securities depository for the Series 2014 Bonds, which will be issued initially pursuant to a book-entry only system. See APPENDIX E – “BOOK-ENTRY SYSTEM.” Under the Indenture, Alameda CTC may appoint a successor securities depository to DTC for the Series 2014 Bonds. The information under this caption, “THE SERIES 2014 BONDS,” is subject in its entirety to the provisions described in APPENDIX E – “BOOK-ENTRY SYSTEM” while the Series 2014 Bonds are in DTC’s book-entry system.

No Redemption

The Series 2014 Bonds are not subject to optional or mandatory redemption prior to their maturity.

DEBT SERVICE SCHEDULE

The following table shows the annual debt service requirements on the Series 2014 Bonds.

[illegible]

PLAN OF FINANCE

Proceeds of the Series 2014 Bonds will be applied: (i) to finance a portion of the transportation improvements consisting of the Bay Area Rapid Transit (“BART”) Warm Springs Extension, the BART Oakland Airport Connector, the Route 84 Expressway and I-580 Corridor Improvement projects, and/or such other transportation improvements as permitted by the Act, the Ordinance, the Expenditure Plan and the tax certificate executed and delivered in connection with the Series 2014 Bonds, (ii) to fund capitalized interest on the Series 2014 Bonds through March 1, 2017*, and (iii) to pay costs of issuance of the Series 2014 Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “ALAMEDA COUNTY TRANSPORTATION EXPENDITURE PLAN” herein.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of the funds are as follows:

Sources of Funds:

Par Amount of Series 2014 Bonds	\$
[Net] Premium	
Total Sources	\$

Uses of Funds:

Deposit to Project Fund	\$
Deposit to Interest Fund ⁽¹⁾	
Costs of Issuance ⁽²⁾	
Total Uses:	\$

⁽¹⁾ To be applied to pay interest on the Series 2014 Bonds through March 1, 2017*.

⁽²⁾ Includes underwriters’ discount, rating agency fees, Trustee fees, printing costs, Bond Counsel, Disclosure Counsel, General Counsel and Financial Advisor fees and expenses and other miscellaneous expenses.

* Preliminary, subject to change.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS

Limited Obligations

THE SERIES 2014 BONDS WILL BE LIMITED OBLIGATIONS OF ALAMEDA CTC AND WILL BE PAYABLE SOLELY, BOTH AS TO PRINCIPAL AND INTEREST FROM REVENUES, PRIMARILY CONSISTING OF SALES TAX REVENUES AND CERTAIN FUNDS HELD BY THE TRUSTEE UNDER THE INDENTURE, AND ALAMEDA CTC WILL NOT BE OBLIGATED TO PAY THE SERIES 2014 BONDS EXCEPT FROM SUCH REVENUES AND SUCH FUNDS. THE SERIES 2014 BONDS WILL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN ALAMEDA CTC, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE. THE GENERAL FUND OF ALAMEDA CTC WILL NOT BE LIABLE, AND THE CREDIT OR TAXING POWER (OTHER THAN AS DESCRIBED IN THE INDENTURE) OF ALAMEDA CTC WILL NOT BE PLEDGED FOR THE PAYMENT OF THE SERIES 2014 BONDS OR INTEREST THEREON. THE SERIES 2014 BONDS WILL NOT BE SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF ALAMEDA CTC OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE SALES TAX REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE.

Pledge of Sales Tax Revenues and Certain Funds and Accounts Held by Trustee

Pursuant to the Indenture, Alameda CTC will pledge to the Trustee: (i) all Revenues (including all Sales Tax Revenues), and (ii) all amounts, including proceeds of the Series 2014 Bonds, held on deposit in the funds and accounts established in the Indenture (except for amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund), subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein. Sales Tax Revenues consist of the amounts collected on account of the Measure B Sales Tax imposed in the County pursuant to the Act and the Ordinance, after deducting amounts payable by Alameda CTC to the BOE for costs and expenses for its services. The collateral identified above will immediately be subject to the pledge under the Indenture, and the pledge shall constitute a first lien on and security interest in such collateral which will immediately attach to the collateral and be effective, binding and enforceable against Alameda CTC and all others asserting the rights therein, to the extent set forth, and in accordance with, the Indenture, irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing or further act. The pledge of Revenues and all amounts held on deposit in the funds and accounts established under the Indenture (except for amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund) will be irrevocable until all of the Series 2014 Bonds and any Refunding Bonds are no longer Outstanding and all Parity Obligations, Subordinate Obligations and Fee and Expense Obligations and amounts owed in connection with the Series 2014 Bonds, any Refunding Bonds, Parity Obligations, Subordinate Obligations and Fee and Expense Obligations have been paid. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Alameda CTC will assign and cause all amounts available for distribution to Alameda CTC on account of the Sales Tax, after deducting amounts payable by Alameda CTC to the BOE for costs and expenses for its services in connection with the Sales Tax, to be transmitted by the BOE to the Trustee, which will hold amounts deposited in the Interest Fund and Principal Fund in trust for the benefit of the holders of the Bonds and will remit the remainder to Alameda CTC in accordance with the Indenture. See “Revenue Fund; Allocation of Sales Tax Revenues” below.

The Project Fund will be held by the Trustee and the Project Fund, investments held therein and the investment earnings thereon will be pledged to the repayment of the Series 2014 Bonds pursuant to the Indenture.

Alameda CTC shall not be required to advance any moneys derived from any source other than Revenues for the payment of principal or interest on the Series 2014 Bonds or for any other purpose of the Indenture.

For a more detailed description of the Sales Tax Revenues and projected receipts of Sales Tax Revenues, see "THE SALES TAX" herein.

Revenue Fund; Allocation of Sales Tax Revenues

The Trustee will deposit all Sales Tax Revenues, when and as received by the Trustee, in a trust fund, designated as the Revenue Fund (the "Revenue Fund"). All other Revenues will also be deposited in the Revenue Fund.

So long as any Bonds remain Outstanding and any Parity Obligations, Subordinate Obligations, Fee and Expense Obligations and other amounts payable under the Indenture remain unpaid, in each month following receipt and deposit of the Sales Tax Revenues in the Revenue Fund, the Trustee is required to set aside the moneys in the Revenue Fund in the following respective funds, amounts and order of priority (provided that deficiencies in any previously required deposit may be made up prior to the deposit to a fund subsequent in priority and further provided that set asides or transfers required with respect to outstanding Parity Obligations shall be made on a parity basis each month, as provided in the Indenture):

1 Interest Fund. The Indenture requires the Trustee to make monthly deposits in the Interest Fund in an amount equal to (a) one-sixth of the aggregate semiannual amount of interest becoming due and payable on the Outstanding Current Interest Bonds (other than Bonds constituting Variable Rate Indebtedness) during the next ensuing six (6) months (excluding any interest for which there are moneys deposited in the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay such interest during said next ensuing six (6) months); plus (b) the aggregate amount of interest to accrue during that month on Outstanding Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified in writing by Alameda CTC, or if Alameda CTC does not specify an interest rate in writing, calculated at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to the month of deposit plus 100 basis points (provided, however, that the amount of such deposit into the Interest Fund for any month may be reduced by the amount by which the deposit in the prior month exceeded the actual amount of interest accrued and paid during that month on said Outstanding Variable Rate Indebtedness and provided further that the amount of such deposit into the Interest Fund for any month will be increased by the amount by which the deposit in the prior month was less than the actual amount of interest accruing during that month on said Outstanding Variable Rate Indebtedness). No deposit need be made into the Interest Fund if the amount contained therein is at least equal to the interest to become due and payable on the Interest Payment Dates falling within the next six (6) months upon all of the Bonds issued under the Indenture and then Outstanding, and on March 1 and September 1 of each year any excess amounts in the Interest Fund not needed to pay interest on such date (and not held to pay interest on Bonds having Interest Payment Dates other than March 1 and September 1) will be transferred to Alameda CTC (but excluding, in each case, any moneys on deposit in the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay interest on any future Interest Payment Dates following

such Interest Payment Dates); subject to such adjustments as are provided pursuant to the provisions of the Indenture. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

2 Principal Fund; Sinking Accounts. The Indenture also requires the Trustee to make monthly deposits in the Principal Fund in an amount equal to at least (a) one-sixth of the aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having semiannual maturity dates within the next six (6) months, plus (b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having annual maturity dates within the next twelve (12) months, plus (c) one-sixth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts have been created and for which semiannual mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next 12-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts shall have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided that if Alameda CTC certifies to the Trustee that any principal payments are expected to be refunded on or prior to their respective due dates or paid from amounts on deposit in a Bond Reserve Fund that would be in excess of the Bond Reserve Requirement applicable to such Bond Reserve Fund upon such payment, no amounts need be set aside towards such principal to be so refunded or paid.

If Sales Tax Revenues shall not be sufficient to make the required deposits so that moneys in the Principal Fund on any principal or mandatory redemption date are equal to the amount of Bond Obligation to become due and payable on the Outstanding Serial Bonds of all Series plus the Bond Obligation amount of and redemption premium on the Outstanding Term Bonds required to be redeemed or paid at maturity on such date, then such moneys shall be applied on a Proportionate Basis and in such proportion as said Serial Bonds and said Term Bonds shall bear to each other, after first deducting for such purposes from said Term Bonds any of said Term Bonds required to be redeemed annually as shall have been redeemed or purchased during the preceding 12-month period and any of said Term Bonds required to be redeemed semiannually as shall have been redeemed or purchased during the six-month period ending on such date or the immediately preceding six month period. In the event that the Sales Tax Revenues shall not be sufficient to pay in full all Mandatory Sinking Account Payments required to be paid at any one time into all such Sinking Accounts, then payments into all such Sinking Accounts will be made on a Proportionate Basis, in proportion that the respective Mandatory Sinking Account Payments required to be made into each Sinking Account during the then current 12-month period bear to the aggregate of all of the Mandatory Sinking Account Payments required to be made into all such Sinking Accounts during such 12-month period.

No deposit need be made into the Principal Fund so long as there is in such fund (i) moneys sufficient to pay the Bond Obligations of all Serial Bonds then Outstanding and maturing by their terms within the next twelve (12) months plus (ii) the aggregate of all Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the Principal Fund during such 12-month period and theretofore paid from the Principal Fund to redeem or purchase Term Bonds during such 12-month period; provided that if Alameda CTC certifies to the Trustee that any principal payments are expected to be refunded on or prior to their respective due dates or paid from amounts on deposit in a Bond Reserve Fund that would be in excess of the Bond Reserve Requirement applicable to such Bond Reserve Fund upon such payment, no amounts need be on deposit with respect to such principal payments. At the

beginning of each Fiscal Year and in any event not later than March 1 of each year, the Trustee is required to request from Alameda CTC a Certificate of Alameda CTC setting forth the principal payments for which deposits will not be necessary pursuant to the preceding sentence and the reason therefor. On March 1 of each year or as soon as practicable thereafter any excess amounts in the Principal Fund not needed to pay principal on such date (and not held to pay principal on Bonds having principal payment dates other than March 1) will be transferred to Alameda CTC. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

3 Bond Reserve Fund. Upon the occurrence of any deficiency in any Bond Reserve Fund, the Trustee will make such deposit to such Bond Reserve Fund as is required by the Indenture until the balance in such Bond Reserve Fund is at least equal to the applicable Bond Reserve Requirement. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.” No Bond Reserve Fund will be established in connection with the issuance of the Series 2014 Bonds.

4 Subordinate Obligations Fund. If Alameda CTC issues or incurs Subordinate Obligations, the Trustee will establish, maintain and hold in trust a separate fund designated as the “Subordinate Obligations Fund.” After the transfers described in (1), (2) and (3) above have been made, the Trustee will deposit in the Subordinate Obligations Fund in each month such amount as Alameda CTC will specify in writing is necessary to make payments due and payable during the following month with respect to Subordinate Obligations then outstanding.

5 Fees and Expenses Fund. If Alameda CTC incurs Fee and Expense Obligations, the Trustee will establish, maintain and hold in trust a separate fund designated as the “Fees and Expenses Fund.” After the transfers described in (1), (2), (3) and (4) above have been made, the Trustee will deposit in the Fees and Expenses Fund in each month the amounts necessary for payment of Fee and Expense Obligations owing in such month or owing in the following month by Alameda CTC. Alameda CTC will inform the Trustee of such amounts, in writing, such notification to be provided no later than the tenth calendar day of each month.

See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Allocation of Sales Tax Revenues” for a more complete discussion.

All amounts held on deposit in the funds and accounts established pursuant to the provisions of the Indenture will be held by the Trustee for the benefit of the Holders of the Series 2014 Bonds and any Refunding Bonds. After making the foregoing allocations, all Sales Tax Revenues will be transferred to Alameda CTC and may be applied by Alameda CTC for all lawful purposes of Alameda CTC.

No Bond Reserve Fund for the Series 2014 Bonds

No Bond Reserve Fund will be established for the Series 2014 Bonds.

No Additional Parity Bonds Other Than Refunding Bonds

General. Subsequent to the issuance of the Series 2014 Bonds, the Alameda CTC may only issue additional Bonds in order to refund all or any portion of any Series 2014 Bonds or Parity Obligations then outstanding. Any such additional Series of Bonds shall be payable from Sales Tax Revenues and secured by the pledge made under the Indenture equally and ratably with the Series 2014 Bonds and shall be established by Supplemental Indenture, subject, among other things, to the following conditions precedent to the issuance of any additional Series of Bonds:

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

(B) Subject to the provisions of the Indenture relating to application of moneys in a Bond Reserve Fund, if a Supplemental Indenture providing for the issuance of such Series of Bonds shall require either (i) the establishment of a Bond Reserve Fund to provide additional security for such Series of Bonds or (ii) that the balance on deposit in an existing Bond Reserve Fund be increased, forthwith upon the receipt of the proceeds of the sale of such Series, to an amount at least equal to the Bond Reserve Requirement with respect to such Series of Bonds and all other Bonds secured by such Bond Reserve Fund to be considered Outstanding upon the issuance of such additional Series of Bonds, the Supplemental Indenture providing for the issuance of such additional Series of Bonds shall require deposit of the amount necessary. Such deposit shall be made as provided in the Supplemental Indenture providing for the issuance of such additional Series of Bonds and may be made from the proceeds of the sale of such Series of Bonds or from other funds of Alameda CTC or from both such sources or may be made in the form of a Reserve Facility. No Bond Reserve Fund will be established for the Series 2014 Bonds.

(C) The aggregate principal amount of Bonds issued under the Indenture shall not exceed any limitation imposed by the Act, the Ordinance or any other law or by any Supplemental Indenture.

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

Proceedings for Issuance of Refunding Bonds. Subsequent to the issuance of the Series 2014 Bonds, before any additional Series of Bonds shall be issued and delivered, Alameda CTC shall file each of the documents identified below with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Bonds have been satisfied).

(A) A Supplemental Indenture authorizing such Series executed by Alameda CTC.

(B) A Certificate of Alameda CTC certifying: (i) that no Event of Default has occurred and is then continuing under the Indenture; and (ii) that the requirement specified in paragraph (B) under the caption “– No Additional Parity Bonds Other Than Refunding Bonds – *General*” above has been satisfied by Alameda CTC.

(C) A Certificate of Alameda CTC certifying that Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding following the issuance of such Refunding Bonds is less than or equal to Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding prior to the issuance of such Refunding Bonds.

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

(E) If any of the Bonds to be refunded are to be redeemed prior to their stated maturity dates, irrevocable instructions to the Trustee to give the applicable notice of redemption or a waiver of the

notice of redemption signed by the Holders of all or the portion of the Bonds or Parity Obligations to be redeemed, or proof that such notice has been given by Alameda CTC; provided, however, that in lieu of such instructions or waiver or proof of notice of redemption, Alameda CTC may cause to be deposited with the Trustee all of the Bonds and Parity Obligations proposed to be redeemed (whether canceled or uncanceled) with irrevocable instructions to the Trustee to cancel said Bonds or Parity Obligations so to be redeemed upon the exchange and delivery of said Refunding Bonds; and provided further that no provision of the Indenture shall be construed to require the redemption of Bonds prior to their respective maturity dates in connection with the refunding thereof.

See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Subordinate Obligations

Except to the extent restricted by the Indenture, Alameda CTC may issue or incur obligations (“Subordinate Obligations”) payable out of Sales Tax Revenues on a basis junior and subordinate to the payment of the principal, interest and reserve fund requirements for the Bonds and Parity Obligations, as the same become due and payable and at the times and in the manner as required by the Indenture or as required by the instrument pursuant to which such Parity Obligations were issued or incurred, as applicable. Alameda CTC currently has no outstanding Subordinate Obligations and currently has no plans to issue any Subordinate Obligations.

THE SALES TAX

General

In accordance with the Act, on November 7, 2000, more than two-thirds of the voters of the County voting on the measure (specifically 81.5% of such voters) approved Measure B, which authorized the imposition of the Sales Tax in the County. The Sales Tax commenced on April 1, 2002 and will be collected for a twenty-year period ending on March 31, 2022. The Sales Tax consists of a one-half of one percent (1/2%) sales tax on the gross receipts of retailers from the sale of tangible personal property sold in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions described below.

The one-half of one percent sales tax imposed in the County for transportation purposes and administered by Alameda CTC is in addition to the sales tax levied statewide by the State of California (the “State”) and certain other sales taxes imposed by cities and local agencies within the County. See “THE SALES TAX – Other Sales Taxes Imposed in the County.” Proposition 30, approved by the voters of the State in the November 2012 election, increased the statewide sales tax by one-quarter of one percent, from 7.25% to 7.5%, for a period of four years from January 1, 2013 to December 31, 2016. In general, the statewide sales tax applies to the gross receipts of retailers from the sale of tangible personal property. The statewide use tax is imposed on the storage, use or other consumption in the State of property purchased from a retailer for such storage, use or other consumption. Since the use tax does not apply to cases where the sale of the property is subject to the sales tax, the application of the use tax generally applies to purchases made outside of the State for use within the State.

The Sales Tax generally is imposed upon the same transactions and items subject to the sales and use tax levied statewide by the State (hereinafter collectively referred to as the “State Sales Tax”), with generally the same exceptions. Many categories of transactions are exempt from the State Sales Tax and the Sales Tax. The most important of these exemptions are: sales of food products for home consumption, prescription medicine, edible livestock and their feed, seed and fertilizer used in raising food for human

consumption, and gas, electricity and water when delivered to consumers through mains, lines and pipes. In addition, “Occasional Sales” (*i.e.*, sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller’s permit) are generally exempt from the State Sales Tax and from the Sales Tax; however, the “Occasional Sales” exemption does not apply to the sale of an entire business and other sales of machinery and equipment used in a business. Sales of property to be used outside the County which are shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer, or by delivery by the retailer to a carrier for shipment to a consignee, at such point, are exempt from the State Sales Tax and from the Sales Tax.

Action by the State Legislature or by voter initiative or judicial decisions interpreting State law could change the transactions and items upon which the State Sales Tax and the Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial effect on Sales Tax Revenues. Alameda CTC is not currently aware of any proposed legislative change which would have a material adverse effect on Sales Tax Revenues. See also “RISK FACTORS – Proposition 218” herein.

Collection of Sales Tax Revenues

Collection of the Sales Tax is administered by the BOE. Alameda CTC and the BOE have entered into an agreement for state administration of transactions and use taxes [which is being amended and restated] to authorize payment of Sales Tax Revenues directly to the Trustee. [Pursuant to the amended and restated agreement,] the BOE, after deducting amounts payable to itself for administrative costs, will be required to remit the balance of amounts received from the Sales Tax directly to the Trustee. The Trustee will be required to apply the Sales Tax Revenues to make deposits to the funds and accounts established under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS” herein. The fee that the BOE is authorized to charge for collection of the Sales Tax is determined by State legislation. The BOE fee for collection of the Sales Tax for Fiscal Year 2013-14 is estimated at \$1,507,530.

Historical Sales Tax Revenues

The following table sets forth Sales Tax Revenues net of the BOE administrative fee for the Fiscal Years indicated below.

**ALAMEDA COUNTY TRANSPORTATION COMMISSION
HISTORICAL SALES TAX REVENUES**

Fiscal Year Ended June 30	Sales Tax Revenues⁽¹⁾	% Change From Prior Fiscal Year
2003	\$ 92,695,376	
2004	99,054,892	6.86%
2005	101,134,874	2.10
2006	110,339,552	9.10
2007	113,726,121	3.07
2008	116,267,321	2.23
2009	101,317,661	(12.86)
2010	94,453,574	(6.77)
2011	105,393,813	11.58
2012	112,568,093	6.81
2013	121,084,780	7.57

⁽¹⁾ Net of BOE administrative fee.
Source: Alameda CTC.

Annual Sales Tax Revenues for the Fiscal Year ended June 30, 2013 were \$121,084,780, representing an increase in the amount of \$8,516,687 or 7.57% from Sales Tax Revenues for the Fiscal Year ended June 30, 2012. Sales Tax Revenues for the first quarter of the Fiscal Year ending June 30, 2014 were \$31,666,900, representing an increase of 2.49% from Sales Tax Revenues for the first quarter of the Fiscal Year ended June 30, 2013.

Alameda CTC is unable to predict the amount of future Sales Tax Revenues. For a summary of historical taxable retail sales within the County, see the table entitled "County of Alameda, Taxable Sales Transactions" in APPENDIX B – "COUNTY OF ALAMEDA DEMOGRAPHIC AND ECONOMIC INFORMATION."

The following table sets forth the Maximum Annual Debt Service coverage on the Series 2014 Bonds based on Sales Tax Revenues for the Fiscal Year ended June 30, 2013.

**ALAMEDA COUNTY TRANSPORTATION COMMISSION
COVERAGE RATIO**

Sales Tax Revenues Fiscal Year Ended June 30, 2013	Maximum Annual Debt Service *	Coverage Ratio *
\$_____	\$_____	

Source: Public Financial Management, Inc.

Other Sales Taxes Imposed in the County

With limited exceptions, the Sales Tax is imposed on the same transactions and items subject to the State Sales Tax. See "RISK FACTORS – Other Sales Taxes" herein. In addition to the State Sales

* Preliminary, subject to change.

Tax and the Sales Tax, the following sales and use taxes are imposed by certain entities within the County. No portion of the State Sales Tax or the following taxes imposed within the County are pledged to the repayment of the Series 2014 Bonds.

<u>Sales and Use Tax</u>	<u>Tax Rate</u>	<u>Effective Date</u>	<u>Termination Date</u>
Alameda County Essential Health Care Services ⁽¹⁾	0.50%	07/01/2004	06/30/2019
San Francisco Bay Area Rapid Transit District ⁽¹⁾	0.50%	04/01/1970	N/A
City of Albany ⁽²⁾	0.50%	04/01/2013	03/31/2021
City of San Leandro ⁽²⁾	0.25%	04/01/2011	03/31/2018
City of Union City ⁽²⁾	0.50%	04/01/2011	03/31/2015

⁽¹⁾ Levied throughout the County.

⁽²⁾ Levied only in the respective cities.

Source: California City and County Sales and Use Tax Rates (October 1, 2013) and BOE.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

General

Alameda CTC is a joint powers agency formed to plan, fund and deliver a broad spectrum of transportation projects and programs to enhance mobility throughout the County. Alameda CTC is the successor to two previous agencies, the Alameda County Transportation Improvement Authority (“ACTIA”), which was the successor to the Alameda County Transportation Authority (“ACTA”) and the Alameda County Congestion Management Agency (“ACCMA”), as described below.

ACTA was created in connection with the approval of a ballot measure (“Original Measure B”) by County voters in November 1986. Original Measure B authorized the imposition of a one-half of one percent (½%) sales and use tax in the County for a period of 15 years. Proceeds of Original Measure B funded highway improvements, local transportation improvements, and transit funding in the County identified in the Alameda County Expenditure Plan adopted on April 1, 1986.

In November 2000, prior to the expiration of Original Measure B, the County Board of Supervisors placed Measure B on the ballot and County voters voting on the measure approved Measure B with 81.5% support. ACTIA was formed to manage Measure B funds, as detailed in “Alameda County’s 20-Year Transportation Expenditure Plan,” adopted in July 2000 (the “Expenditure Plan”). Administration activities by ACTIA included contract oversight, policy direction, financing, investment management, and coordinating projects with regional transit and transportation agencies and other project sponsors, as required.

The sales tax authorized by Original Measure B terminated on March 31, 2002. Subsequently, ACTA continued to complete certain unfinished projects. On June 24, 2010, the ACTA Board adopted a resolution to transfer all of ACTA’s assets, responsibilities, functions and liabilities to ACTIA, effective on July 1, 2010. This resolution also provided for the termination of ACTA following the completion of the transfer process.

ACCMA was created in 1991 pursuant to a joint powers agreement between the County and all cities within the County. ACCMA was responsible for planning, programming, and coordinating Federal, State, and regional funds for transportation projects within the County, including the Sunol Smart Carpool Lane Project, which planned, designed and constructed, and then administered the operation of a value

pricing high-occupancy vehicle program on the Sunol Grade segment of southbound Interstate 680 in Alameda and Santa Clara counties.

In early 2010, ACTIA, ACCMA, the County, the fourteen cities within the County, the San Francisco Bay Area Rapid Transit District and the Alameda-Contra Costa Transit District each acted to form Alameda CTC to combine the roles of ACCMA and ACTIA.

On June 24, 2010, the governing bodies of ACTIA and ACCMA gave the final approvals required to create Alameda CTC. After a transition period necessary to accomplish certain administrative matters, on February 29, 2012, ACTIA and ACCMA were both terminated, and Alameda CTC was designated as the successor to both agencies. Alameda CTC has all the functions and responsibilities previously held by ACTIA, ACTIA and ACCMA, along with certain additional powers as described in the joint powers agreement establishing Alameda CTC.

Governance

Alameda CTC is governed by a Commission consisting of 22 Commissioners, with the following representation: all five County Supervisors, two City of Oakland representatives and one representative from each of the other 13 cities in the County, one representative from the San Francisco Bay Area Rapid Transit District and one representative from the Alameda-Contra Costa Transit District. The role of the Commission is to act as a policy-making board for Alameda CTC activities.

Executive Staff

Alameda CTC's key staff members, the position held by each and a brief statement of the background of each staff member are set forth below.

Arthur L. Dao, Executive Director. Arthur L. Dao is Alameda CTC's first Executive Director, leading the integration of both ACTIA and ACCMA. He works with the Commission to provide for planning, funding and continued delivery of a broad range of transportation projects and programs throughout the County. Mr. Dao was the former deputy director of ACTIA from 2001 to 2010, and he brings over 25 years of transportation engineering and management experience to Alameda CTC. Mr. Dao holds a bachelor's degree of science in civil engineering from the University of California at Davis, and he is a licensed professional engineer.

Tess Lengyel, Deputy Director of Planning and Policy. Tess Lengyel is the Deputy Director of Planning and Policy for Alameda CTC with over 23 years of transportation experience. Ms. Lengyel directs all short and long-range transportation planning for the County which provides the foundation for transportation funding decisions made by Alameda CTC. Ms. Lengyel led the development of a new \$8 billion transportation expenditure plan that will go before County voters in November 2014 and was also a key participant in the passage of Measure B. She is also responsible for policy, legislation and public affairs at Alameda CTC. Prior to joining Alameda CTC, Ms. Lengyel served as a programs and public affairs manager for ACTIA and was responsible for the development and implementation of \$60 million per year of ACTIA's programmatic expenditures. Ms. Lengyel holds a bachelor's degree in planning and policy/environmental studies, and is Chair of the International Women's Transportation Seminar Leadership Program.

Stewart Ng, Deputy Director of Programming and Projects. Stewart Ng has been the Deputy Director of Programming and Projects since August 2011. Mr. Ng has over 35 years of transportation project delivery experience on public infrastructure projects in the Bay Area. Currently, he is managing capital projects and grant programs in the County totaling over \$4 billion. Mr. Ng's previous

position was Caltrans District 4's Deputy Director of Projects and Programs for the 9-Bay Area Counties managing projects and programs totaling \$10 billion. Mr. Ng has served as both the project and design manager for Caltrans on the \$600 million 1996 Measure B Highway Program of the Santa Clara Valley Transportation Authority ("VTA"), closely assisting VTA with the delivery of its 1996 Measure B half-cent transportation sales tax measure.

Patricia Reavey, Director of Finance. Patricia Reavey has been the Director of Finance for Alameda CTC since December 2010. Ms. Reavey brings over 25 years of finance related experience to Alameda CTC. She came to Alameda CTC from the San Mateo County Transit District (SamTrans), Peninsula Corridor Joint Powers Board (Caltrain) and the San Mateo County Transportation Authority (SMCTA) where she served as the Director of Finance since December 2005. She was a member of the San Mateo County Investment Pool Oversight Committee until she resigned when coming to Alameda CTC. Her public sector career began in April, 2002 working for SamTrans where she was promoted to Director of Finance by December 2005. Prior to her career in the public sector, she worked in finance for a private firm in downtown San Francisco for 14 years. The company name changed multiple times due to mergers and acquisitions, but Dresdner Kleinwort Wasserstein was ultimately the name of the agency from which she resigned as Controller and Vice President. Ms. Reavey is a licensed CPA in the State of California.

Expenditure Plan

In July 2000, ACTIA, the predecessor to Alameda CTC, adopted the Expenditure Plan for the Sales Tax. Pursuant to Ordinance No. 2001-1, Sales Tax Revenues from the Sales Tax may be used to finance the transportation projects and programs listed in the Expenditure Plan. For planning purposes, 38.3% of Sales Tax Revenues are earmarked by Alameda CTC for capital projects. The entire Expenditure Plan is located at http://www.alamedactc.org/files/managed/Document/4897/2000_MeasureB_Expenditure_Plan_v14.pdf. Information set forth on such website is not incorporated herein by reference.

The priorities set forth in the Expenditure Plan include:

1. Expand mass transit programs that have a demonstrated ability to get people out of their cars, including major new expansions of the BART system in the County, Altamont Commuter Express Rail service, and express, local and feeder bus services.
2. Improve the County's aging highway infrastructure by funding major new projects to improve interchanges, open new lanes, and improve surface streets and arterial roads that feed key commute corridors.
3. Maintain and improve local streets and roads by providing critical funds to the County and every city within the County for maintenance and upkeep of local streets and roads, including, but not limited to, repaving streets, filling potholes, and upgrading local transportation infrastructure.
4. Improve bike and pedestrian infrastructure to improve access and maximize safety for cyclists and pedestrians.
5. Expand special transportation services for seniors and people with disabilities.

Other than the Series 2014 Bonds, Alameda CTC does not currently plan to issue additional debt to finance projects under the Expenditure Plan.

Future Expenditure Plan

The Commission is planning to seek approval from cities within the County and from the County Board of Supervisors for a new sales tax measure to be submitted to the voters of the County in November 2014. If this effort and the November 2014 ballot measure are successful, Alameda CTC would receive additional sales tax revenues to fund a new transportation expenditure plan. Any sales tax revenues generated by this effort would not serve as security for the Series 2014 Bonds and the revenues available from such tax would not be available to pay debt service on the Series 2014 Bonds. In addition, any debt issued to fund the new transportation expenditure plan would not be secured by or payable from the Sales Tax Revenues. The draft new transportation expenditure plan can be located at http://www.alamedactc.org/files/managed/Document/12452/8.1_Combo.pdf. Information set forth on such website is not incorporated herein by reference.

Cash and Investments

As of December 31, 2013 (based on unaudited financial information), Alameda CTC had approximately \$_____ million, at book value, in cash and investments. The discretionary accounts were invested, as of December 31, 2013, as follows:

Cash and Investments	Percentage of Total Book Value as of December 31, 2013
Total \$_____	100.0%

Debt Policy

The Commissioners adopted a Debt Policy on July 25, 2013. The Debt Policy is subject to revision by majority action of the Commissioners. Overall policy direction of the Debt Policy is provided by the Commission. Responsibility for implementation of the Debt Policy and day-to-day responsibility and authority for structuring, implementing, and managing Alameda CTC debt and finance program, resides with the Executive Director and Director of Finance of Alameda CTC. Priorities of the Debt Policy are as follows:

- Effectively manage and mitigate financial risk
- Maintain strong credit ratings and good investor relations
- Achieve the lowest cost of capital
- Preserve future program flexibility
- Maintain ready and cost-effective access to the capital markets

A copy of the full Debt Policy can be obtained from the Director of Finance of Alameda CTC at 1111 Broadway, Suite 800, Oakland, CA 94607.

RISK FACTORS

Economy of the County and the State

The amount of Sales Tax Revenues collected at any time is directly dependent upon the level of retail sales within the County. The economy of the County during the period 2008 through 2010 experienced significant stress, as evidenced by an increased unemployment rate, a decrease in total personal income and taxable sales, a drop in residential and commercial building permits, a decline in the rate of home sales and the median price of single-family homes and condominiums, an increase in notices of default on mortgage loans secured by homes and condominiums and an increase in foreclosures resulting from such defaults. Sales Tax Revenues have rebounded from the low point in Fiscal Year 2009-10, growing 11.58% in Fiscal Year 2010-11, 6.81% in Fiscal Year 2011-12 and 7.57% in Fiscal Year 2012-13. For information relating to historic and current economic conditions within the County and the State, see “SECURITY AND SOURCES OF PAYMENT – The Sales Tax” and APPENDIX B – “COUNTY DEMOGRAPHIC AND ECONOMIC INFORMATION.”

The Sales Tax

With limited exceptions, the Sales Tax is imposed upon the same transactions and items subject to the State Sales Tax. The State Legislature or the voters within the State, through the initiative process, or judicial decisions interpreting State law, could change or limit the transactions and items upon which the State Sales Tax and the Sales Tax are imposed. Any such change or limitation could have a material adverse impact on the Sales Tax Revenues collected. For a further description of the Sales Tax, see “THE SALES TAX.”

Increased Internet Use May Reduce Sales Tax Revenues

The increasing use of the Internet to conduct electronic commerce may affect the levels of Sales Tax Revenues. Internet sales of physical products by businesses located in the State, and Internet sales of physical products delivered to the State by businesses located outside of the State are generally subject to the Sales Tax. However, Alameda CTC believes that many of these transactions may avoid taxation either through error or deliberate non-reporting and this potentially reduces the amount of Sales Tax Revenues. As a result, the more that the Internet is used to conduct electronic commerce, along with the failure to collect sales taxes on such Internet purchases, the more that Alameda CTC may experience reductions of Sales Tax Revenues.

Proposition 218

On November 5, 1996, voters in the State approved an initiative known as the Right to Vote on Taxes Act (“Proposition 218”). Proposition 218 added Articles XIIC and XIID to the California Constitution. Article XIIC requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as Alameda CTC. The Sales Tax was approved by more than two thirds of the voters in the County and is therefore in compliance with the requirements of Proposition 218. Article XIIC also removes limitations that may have applied to the voter initiative power with regard to reducing or repealing previously authorized local taxes, even previously voter-approved taxes like the Sales Tax. In the view of Alameda CTC, however, any attempt by the voters to use the initiative provisions of Proposition 218 to rescind or reduce the levy and collection of the Sales Tax in a manner which would prevent the payment of debt service on the Series 2014 Bond, would violate the Contracts Clause of the United States Constitution and, accordingly,

would be precluded. The interpretation and application of Proposition 218 will ultimately be determined by the courts.

Further Initiatives

Proposition 218 was adopted as a measure that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, which may affect Alameda CTC's ability to levy and collect the Sales Tax.

No Acceleration or Increase in Interest Rate Upon Default

The Indenture does not contain a provision allowing for the acceleration of the Series 2014 Bonds or an increase in the interest rate on the Series 2014 Bonds, in the event of a default in the payment of principal and interest on the Series 2014 Bonds when due. In the event of a default by Alameda CTC, the Holders of at least a majority of the aggregate amount of the Series 2014 Bonds will have the right to request the Trustee to exercise the remedies, subject to the limitations thereon, set forth in the Indenture. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Loss of Tax Exemption

As discussed under "TAX MATTERS," interest on the Series 2014 Bonds could become includable in federal gross income, possibly from the date of issuance of the Series 2014 Bonds, as a result of acts or omissions of Alameda CTC subsequent to the issuance of the Series 2014 Bonds. Should interest become includable in federal gross income, the Series 2014 Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity.

Impact of Bankruptcy of Alameda CTC

Alameda CTC may be authorized to file for Chapter 9 municipal bankruptcy under certain circumstances. Should Alameda CTC file for bankruptcy, there could be adverse effects on the holders of the Series 2014 Bonds.

If the Sales Tax Revenues are "special revenues" under the Bankruptcy Code, then Sales Tax Revenues collected after the date of the bankruptcy filing should be subject to the lien of the Indenture. "Special revenues" are defined to include taxes specifically levied to finance one or more projects or systems, excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the governmental entity. The Sales Tax was levied to finance the Expenditure Plan, which includes a number of projects (collectively referred to herein as the "Expenditure Plan Projects"), and some of these Expenditure Plan Projects are described in broad terms. In addition, the Expenditure Plan Projects are not owned by Alameda CTC. No assurance can be given that a court would not hold that the Sales Tax Revenues are not special revenues. Were the Sales Tax Revenues determined not to be "special revenues," then Sales Tax Revenues collected after the commencement of a bankruptcy case would likely not be subject to the lien of the Indenture. The holders of the Series 2014 Bonds may not be able to assert a claim against any property of Alameda CTC other than the Sales Tax Revenues, and were these amounts no longer subject to the lien of the Indenture following commencement of a bankruptcy case, then there could thereafter be no amounts from which the holders of the Series 2014 Bonds are entitled to be paid.

The Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system from which the special revenues are derived, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. The law is

not clear as to whether, or to what extent, Sales Tax Revenues would be considered to be “derived” from the Expenditure Plan Projects. To the extent that Sales Tax Revenues are determined to be both special revenues and derived from the Expenditure Plan Projects, Alameda CTC may be able to use Sales Tax Revenues to pay necessary operating expenses connected with the Expenditure Plan Projects, before the remaining Sales Tax Revenues are turned over to the Trustee to pay amounts owed to the holders of the Series 2014 Bonds. It is not clear precisely which expenses would constitute necessary operating expenses.

If Alameda CTC is in bankruptcy, the parties (including the holders of the Series 2014 Bonds) may be prohibited from taking any action to collect any amount from Alameda CTC or to enforce any obligation of Alameda CTC, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Series 2014 Bonds from funds in the Trustee’s possession. The procedure pursuant to which Sales Tax Revenues are paid directly by the BOE to the Trustee may no longer be enforceable, and Alameda CTC may be able to require the BOE to pay Sales Tax Revenues directly to Alameda CTC.

Alameda CTC as a debtor in bankruptcy may be able to borrow additional money that is secured by a lien on any of its property (including Sales Tax Revenues), which lien could have priority over the lien of the Indenture, or to cause some Sales Tax Revenues to be released to it, free and clear of lien of the Indenture, in each case provided that the bankruptcy court determines that the rights of the Trustee and the holders of the Series 2014 Bonds will be adequately protected. Alameda CTC may also be able, without the consent and over the objection of the Trustee and the holders of the Series 2014 Bonds, to alter the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the Series 2014 Bonds, provided that the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the Series 2014 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of Alameda CTC that could result in delays or reductions in payments on the Series 2014 Bonds, or result in losses to the holders of the Series 2014 Bonds. Regardless of any specific adverse determinations in an Alameda CTC bankruptcy proceeding, the fact of an Alameda CTC bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2014 Bonds.

FINANCIAL STATEMENTS

The financial statements of Alameda CTC for the Fiscal Year ended June 30 2013, included in APPENDIX A of this Official Statement have been audited by Vavrinek, Trine, Day & Co., LLP (the “Auditor”), independent auditors, as stated in their report therein. The Auditor was not requested to consent to the inclusion of its report in APPENDIX A, nor has it undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report. The Auditor has not been engaged to perform and has not performed, since the date of its report, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement. For more recent financial information with respect to the collection of Sales Tax Revenues, see “SALES TAXES — Historical Sales Tax Revenues.”

LITIGATION

There is no pending or, to the knowledge of Alameda CTC, threatened litigation seeking to restrain or enjoin the issuance or delivery of the Series 2014 Bonds or questioning or affecting the validity

of the Series 2014 Bonds or the proceedings or authority under which they are to be issued or the levy, collection and pledge of Sales Tax Revenues. Neither the creation, organization or existence of Alameda CTC, nor the title of the present Commissioners or officers of Alameda CTC to their respective offices, is being contested.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to Alameda CTC (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2014 Bonds is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix F hereto.

To the extent the issue price of any maturity of the Series 2014 Bonds is less than the amount to be paid at maturity of such Series 2014 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2014 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Series 2014 Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2014 Bonds is the first price at which a substantial amount of such maturity of the Series 2014 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2014 Bonds accrues daily over the term to maturity of such Series 2014 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2014 Bonds to determine taxable gain or loss upon disposition (including sale, prepayment, or payment on maturity) of such Series 2014 Bonds. Beneficial owners of the Series 2014 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2014 Bonds with original issue discount, including the treatment of purchasers who do not purchase such Series 2014 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2014 Bonds is sold to the public.

Series 2014 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2014 Bonds. Alameda CTC has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2014 Bonds will not be

included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2014 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2014 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2014 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2014 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2014 Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depend upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2014 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been made in recent years that would limit the exclusion from gross income of interest on obligations like the Series 2014 Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2014 Bonds. Prospective purchasers of the Series 2014 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2014 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of Alameda CTC, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. Alameda CTC has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2014 Bonds ends with the issuance of the Series 2014 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend Alameda CTC or the beneficial owners regarding the tax-exempt status of the Series 2014 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than Alameda CTC and its appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which Alameda CTC legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2014 Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues may affect the market price for, or the marketability of, the Series 2014 Bonds and may cause Alameda CTC or the beneficial owners to incur significant expense.

LEGAL MATTERS

The validity of the Series 2014 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to Alameda CTC. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix F hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for Alameda CTC by Fulbright & Jaworski LLP, a member of Norton Rose Fulbright, as Disclosure Counsel, and by Wendel, Rosen, Black & Dean LLP, General Counsel to Alameda CTC, and for the Underwriters by Nixon Peabody LLP, as Underwriters' Counsel.

RATINGS

Standard and Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. ("S&P"), has assigned a rating of "____" to the Series 2014 Bonds and Fitch Ratings, Inc. ("Fitch") has assigned a rating of "____" to the Series 2014 Bonds. These ratings reflect only the views of S&P and Fitch, respectively, and do not constitute a recommendation to buy, sell or hold the Series 2014 Bonds. An explanation of these ratings and any outlook associated with these ratings should be obtained from the respective rating agency.

Alameda CTC has furnished to S&P and Fitch certain information respecting the Series 2014 Bonds and Alameda CTC including information not included herein. Generally, rating agencies base their ratings on such information and materials and their own investigations, studies and assumptions. The ratings are subject to revision or withdrawal at any time by S&P and Fitch, and there is no assurance that the ratings will continue for any period of time or that it will not be lowered, suspended or withdrawn. Alameda CTC undertakes no responsibility to oppose any such revision, suspension or withdrawal. Any reduction, suspension or withdrawal of the ratings, or other actions by a rating agency relating to its rating, may have an adverse effect on the market price for, or marketability of, the Series 2014 Bonds.

UNDERWRITING

The underwriters of the Series 2014 Bonds listed on the cover hereof have agreed, subject to certain conditions, to purchase the Series 2014 Bonds at a price of \$_____ (representing \$_____ aggregate principal amount of Series 2014 Bonds, plus a [net] premium of \$_____, less an Underwriters' discount of \$_____). The Bond Purchase Agreement provides that the Underwriters will purchase all the Series 2014 Bonds if any are purchased.

Citigroup Global Markets Inc., an underwriter of the Series 2014 Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Series 2014 Bonds.

FINANCIAL ADVISOR

Alameda CTC has retained Public Financial Management Inc., San Francisco, California, as Financial Advisor in connection with the issuance of the Series 2014 Bonds. Unless specifically noted, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information

contained in this Official Statement. The Financial Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. Compensation paid to the Financial Advisor is contingent upon the successful issuance of the Series 2014 Bonds.

CONTINUING DISCLOSURE

Alameda CTC has covenanted for the benefit of the owners and beneficial owners of the Series 2014 Bonds to provide certain financial information and operating data relating to Alameda CTC by not later than 195 days following the end of Alameda CTC's Fiscal Year (presently June 30) (the "Annual Report"), commencing with the report for the Fiscal Year ended June 30, 2014, and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of enumerated events will be filed by the Dissemination Agent on behalf of Alameda CTC with the MSRB. The filing of the Annual Report and notices of enumerated events will be made in accordance with the EMMA system of the MSRB or in another manner approved under the Rule. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events is set forth in the form of Continuing Disclosure Agreement attached hereto as APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT." Alameda CTC has not previously delivered an undertaking pursuant to the Rule.

MISCELLANEOUS

The references herein to the Act and the Indenture are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to said documents or the Act, as the case may be. Copies of the documents mentioned under this heading are available for inspection at Alameda CTC and following delivery of the Series 2014 Bonds will be on file at the offices of the Trustee in San Francisco, California. References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive. Reference is made to such documents and reports for full and complete statements of the content thereof.

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between Alameda CTC and the purchasers or Holders of any of the Series 2014 Bonds.

The execution and delivery of this Official Statement has been duly authorized by Alameda CTC.

**ALAMEDA COUNTY TRANSPORTATION
COMMISSION**

By: _____
Executive Director

APPENDIX A

**ALAMEDA CTC AUDITED FINANCIAL STATEMENTS FOR
FISCAL YEAR ENDED JUNE 30, 2013**

APPENDIX B

COUNTY OF ALAMEDA DEMOGRAPHIC AND ECONOMIC INFORMATION

Set forth below is certain demographic and economic information with respect to the County of Alameda, California (the “County”). Such information is provided as general information and has been obtained from sources that Alameda CTC believes to be reliable, but Alameda CTC makes no representation as to the accuracy or completeness of the information included.

The County was established on March 25, 1853. Located on the east side of the San Francisco Bay, the County extends from the cities of Albany and Berkeley in the north to the city of Fremont in the south. The County covers 813 square miles and contains 14 incorporated cities. The County is the seventh most populous county in the State, with a population of 1,548,681 as of January 1, 2013. The county seat is located in the City of Oakland.

Population

According to the 2010 Census taken by the United States Census Bureau, the County’s population was 1,510,271, representing a 4.6% increase since the 2000 Census or a simple annual average of 0.46%. According to the State Department of Finance, Demographic Research Unit, the County’s population was estimated at 1,548,681 as of January 1, 2013, reflecting a 1.21% increase over the prior year.

The following table sets forth the population of the County, the State of California and the United States for the years 2009 to 2013. The County’s population increased by 50,882, or approximately 3.4%, over this five-year period.

COUNTY OF ALAMEDA, STATE OF CALIFORNIA AND THE UNITED STATES POPULATION 2009 THROUGH 2013

<u>Year</u>	<u>County of Alameda</u> ⁽¹⁾	<u>State of California</u> ⁽¹⁾	<u>United States</u> ⁽²⁾
2009	1,497,799	36,966,713	307,006,550
2010	1,509,240	37,223,900	309,326,225
2011	1,517,756	37,427,946	311,587,816
2012	1,530,176	37,668,804	313,914,040
2013	1,548,681	37,966,471	315,957,951

⁽¹⁾ Source: State of California Department of Finance, Demographic Research Unit. Reflects population estimates as of January 1.

⁽²⁾ Source: U.S. Census Bureau. Reflects population estimates as of July 1, except 2013, which reflects population estimate as of October 1.

Personal Income

The following table sets forth a summary of the total personal income and per capita personal income for the County and the State of California for the calendar years 2008 through 2012.

COUNTY OF ALAMEDA AND STATE OF CALIFORNIA TOTAL PERSONAL INCOME AND PER CAPITA INCOME 2008 THROUGH 2012⁽¹⁾

<u>Year</u>	<u>Area</u>	<u>Total Personal Income (in Thousands)</u>	<u>Per Capita Personal Income</u> ⁽²⁾
2008	County	\$ 74,305,916	\$50,302
	State	1,596,281,897	43,609
2009	County	69,438,854	46,338
	State	1,536,429,610	41,569
2010	County	72,024,822	47,603
	State	1,579,148,473	42,297
2011	County	75,908,145	49,617
	State	1,683,203,700	44,666
2012	County	--	--
	State	1,768,039,281	46,477

⁽¹⁾ No information is currently available for the County after 2011.

⁽²⁾ Per capita personal income is total personal income divided by Census Bureau midyear population estimates, which differ from the population estimates shown above in the preceding table.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Industry and Employment

The following table sets forth a comparison of labor force, employment and unemployment for the County, the State of California and the United States for the years 2008 through 2012. For the month ending August 31, 2013, the County's unadjusted unemployment rate was 7.4% (57,800 persons), the State's unadjusted unemployment rate was 8.8% (1,650,000 persons), and the United States' unadjusted unemployment rate was 7.3% (11,462,000 persons).

COUNTY OF ALAMEDA, STATE OF CALIFORNIA AND UNITED STATES ANNUAL AVERAGE LABOR FORCE AND INDUSTRY EMPLOYMENT 2008 THROUGH 2012⁽¹⁾

<u>Year</u>	<u>Area</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2008	County	757,600	710,900	46,700	6.2%
	California	18,207,300	16,893,900	1,313,500	7.2
	United States	154,287,000	145,362,000	8,924,000	5.8
2009	County	761,000	681,200	79,800	10.5
	California	18,207,300	16,151,100	2,064,600	11.3
	United States	154,142,000	139,877,000	14,265,000	9.3
2010	County	761,300	675,500	85,700	11.3
	California	18,330,500	16,063,500	2,267,000	12.4
	United States	153,889,000	139,064,000	14,825,000	9.6
2011	County	760,900	682,000	78,900	10.4
	California	18,404,500	16,237,300	2,167,200	11.8
	United States	153,617,000	139,869,000	13,747,000	8.9
2012	County	775,900	705,900	70,000	9.0
	California	18,494,900	16,560,300	1,934,500	10.5
	United States	154,975,000	142,469,000	12,506,000	8.1

⁽¹⁾ All data presented as annual averages.

Source: For State and County information, State of California Employment Development Department, California Labor Market Information Division. For the U.S. information, U.S. Department of Labor, Bureau of Labor Statistics.

The County possesses a diverse economic base featuring a wide range of manufacturing industries (consisting of transportation, equipment, computer, food processing, fabricated metal products, non-electrical machinery, and stone-clay-glass products). The County has one of the most diversified manufacturing sectors in Northern California. The County's fastest growing industrial sector is services, which in 2012 accounted for 43.9% of total employment. The Port of Oakland ranks among the top five in the nation and top 20 in the world in terms of annual container traffic and is a major economic engine in the Bay Area.

The County has become one of the leading research centers in the country with research activities at the University of California Berkeley, Lawrence Berkeley National Laboratory, and Lawrence Livermore National Laboratory. Many private biotechnology firms have located near these research centers.

Major private sector employers in the County include Novartis, Safeway and Tesla Motors.

The following table sets forth employment by selected industry groups in the County for calendar years 2008 through 2012:

**COUNTY OF ALAMEDA
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY GROUP⁽¹⁾
2008 THROUGH 2012**

<u>Industry Group</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Trade, Transportation and Utilities	131,800	121,700	117,600	118,900	121,900
Government	124,600	121,200	116,100	116,000	114,800
Professional and Business Services	112,900	102,800	107,500	111,400	116,900
Educational and Health Services	83,000	89,500	88,700	87,900	90,600
Manufacturing	72,300	64,100	61,400	63,100	62,900
Leisure and Hospitality	56,300	53,900	54,500	56,000	58,300
Financial Activities	30,600	22,400	22,900	23,000	23,200
Other Services	23,700	22,900	23,200	23,300	23,700
Information	16,100	14,900	14,000	13,600	13,600

⁽¹⁾ Industry employment is by place of work and excludes self-employed individuals, unpaid family workers, household domestic workers and workers on strike.

Source: State of California Employment Development Department.

The following table sets forth the ten largest employers in the East Bay area, which includes Alameda County and Contra Costa County, and their respective annual average number of employees as of May 2013:

**EAST BAY PRINCIPAL EMPLOYERS⁽¹⁾
AS OF MAY 2013**

<u>Rank</u>	<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees⁽²⁾</u>	<u>% of Total County Employment⁽³⁾</u>
1	University of California, Berkeley	Education	13,326	1.84%
2	Kaiser Permanente/Foundation Hospitals	Health and Medical	10,914	1.51
3	County of Alameda	Local Government	8,055	1.11
4	Safeway Inc.	Food	7,599	1.05
5	Oakland Unified School District	Education	7,200	0.99
6	Lawrence Livermore National Laboratory	Energy Development and Conservation	7,000	0.97
7	Lawrence Berkeley National Laboratory	Scientific Research	6,000	0.83
8	United States Postal Service	Postal Service	4,788	0.66
9	City of Oakland	Local Government	4,047	0.56
10	Edy's Grand Ice Cream	Food	3,700	0.51
Total			<u>72,629</u>	10.03%

⁽¹⁾ Reflects employment information aggregated from the following sources: National Establishment Time Series, Dunn & Bradstreet and ZoomInfo.

⁽²⁾ The number of employees shown include all employees of the employer in the East Bay area. The East Bay area consists of Alameda and Contra Costa Counties.

⁽³⁾ Percentage calculated based on the County's total employment of 724,800 for May 2013, as reported by the State of California Employment Development Department, California Labor Market Information Division.

Source: EconoVue, May 2013.

Commercial Activity

Commercial activity is an important part of the County's economy. As a result of a change in business categories by the State Board of Equalization, data for calendar years 2007 and 2008 are presented separately from calendar years 2009 through 2011 and the first two quarters of 2012.

TAXABLE TRANSACTIONS 2007 and 2008 (in thousands)

	<u>2007</u>	<u>2008</u>
Apparel Stores	\$ 666,247	\$ 747,645
General Merchandise Stores	2,929,279	2,126,734
Food Stores	801,916	780,311
Eating and Drinking Places	1,953,544	1,989,406
Home Furnishings and Appliances	811,390	823,075
Building Materials Group	1,504,738	1,309,455
Automotive Group	2,912,074	2,329,408
Service Stations	1,831,042	2,030,681
Other Retail Stores	<u>2,891,710</u>	<u>2,411,035</u>
Total Retail Outlets	\$15,664,940	\$14,547,749
Business and Personal Services	1,068,985	959,945
All Other Outlets	<u>9,097,215</u>	<u>8,355,262</u>
Total All Outlets ⁽¹⁾	<u>\$25,831,140</u>	<u>\$23,862,957</u>

⁽¹⁾ Totals may not add due to rounding.

Source: State Board of Equalization, Research and Statistics Division.

The following table shows the County's taxable transactions for calendar year 2009 through 2011. As noted above, the business categories for taxable transactions changed in 2009 to the categories listed below. Annual figures are not yet available for 2012.

**COUNTY OF ALAMEDA
TAXABLE TRANSACTIONS
2009, 2010 and 2011
(in thousands)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Motor Vehicle and Parts Dealers	\$ 1,949,009	\$ 2,183,709	\$ 2,405,412
Furniture and Home Furnishings Stores	410,092	412,979	438,369
Electronics and Appliance Stores	571,854	575,374	583,234
Building Material and Garden Equip. and Supplies	1,085,191	1,091,857	1,153,236
Food and Beverage Stores	866,117	884,033	928,190
Health and Personal Care Stores	415,203	419,672	434,353
Gasoline Stations	1,491,427	1,716,376	2,135,182
Clothing and Clothing Accessories Stores	878,290	926,611	995,486
Sporting Goods, Hobby, Book, and Music Stores	502,870	489,954	484,909
General Merchandise Stores	1,629,370	1,710,291	1,810,195
Miscellaneous Store Retailers	845,915	900,038	955,440
Nonstore Retailers	70,906	68,868	74,685
Food Services and Drinking Places	<u>1,925,171</u>	<u>1,994,522</u>	<u>2,121,065</u>
Total Retail and Food Services	\$12,641,415	\$13,374,283	\$14,519,756
All Other Outlets	<u>7,788,780</u>	<u>8,167,458</u>	<u>8,911,043</u>
Total All Outlets ⁽¹⁾	<u>\$20,430,195</u>	<u>\$21,541,741</u>	<u>\$23,430,799</u>

⁽¹⁾ Totals may not add due to rounding.

Source: State Board of Equalization, Research and Statistics Division.

The following table shows the County's taxable transactions for the first two calendar quarters of 2012. Annual figures for 2012 taxable transactions are not yet available.

**COUNTY OF ALAMEDA
TAXABLE TRANSACTIONS
First and Second Quarter 2012
(in thousands)**

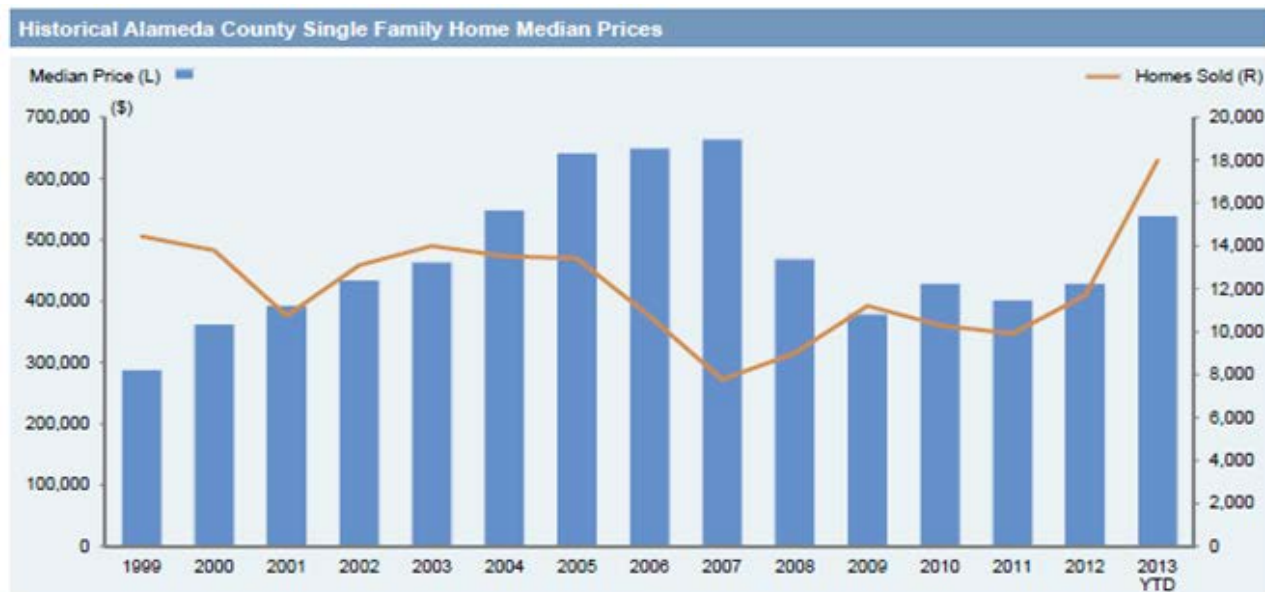
	First Quarter <u>2012</u>	Second Quarter <u>2012</u>
Motor Vehicle and Parts Dealers	\$ 656,559	\$ 707,723
Furniture and Home Furnishings Stores	108,714	111,403
Electronics and Appliance Stores	154,593	151,238
Bldg. Matrl. and Garden Equip. and Supplies	272,640	321,743
Food and Beverage Stores	226,044	241,921
Health and Personal Care Stores	107,759	110,186
Gasoline Stations	555,553	597,131
Clothing and Clothing Accessories Stores	228,682	245,122
Sporting Goods, Hobby, Book, and Music Stores	111,001	112,595
General Merchandise Stores	402,831	437,222
Miscellaneous Store Retailers	232,927	243,035
Nonstore Retailers	16,918	20,433
Food Services and Drinking Places	<u>552,062</u>	<u>582,973</u>
Total Retail and Food Services	\$3,626,282	\$3,882,726
All Other Outlets	<u>\$2,191,368</u>	<u>\$2,394,606</u>
Total All Outlets ⁽¹⁾	<u>\$5,817,650</u>	<u>\$6,277,332</u>

⁽¹⁾ Totals may not add due to rounding.

Source: State Board of Equalization, Research and Statistics Division.

Local Housing Market

The County's housing market is growing, with a number of indicators pointing toward continued improvement. According to The Real Estate Market Trends Report for May 2013, single family median housing prices have increased in each of the last two years. In addition, the County's median home price rose by \$165,000 for the period of May 2012 to May 2013, reaching a median price of \$540,000. As reported by East Bay Economic Development Alliance in its East Bay Economic Outlook report for May 2013, growth in the number of existing home sales has been hampered by a less than two-month supply of available homes, the lowest supply since mid-2005. The County's historical single family home median price for the last fifteen years is presented in the following table:



Sources: Data Quick Information Systems and The Real Estate Market Trends Report, May 2013.

Building and Real Estate Activity

The following tables set forth five-year summaries of building permit valuations and new dwelling units authorized in the County (in both incorporated and unincorporated areas) for the years 2008 through 2012.

COUNTY OF ALAMEDA BUILDING PERMIT VALUATIONS (In Thousands)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
RESIDENTIAL					
New Single-Family	\$238,743.0	\$227,982.5	\$ 276,660.5	\$ 269,312.8	\$ 372,939.4
New Multi-Family	201,122.3	96,518.0	157,459.9	249,684.0	343,669.8
Alterations & Adjustments	<u>28,782.4</u>	<u>229,873.2</u>	<u>243,289.9</u>	<u>243,207.7</u>	<u>235,264.8</u>
Total Residential	\$725,647.6	\$554,373.7	\$677,409.6	\$762,204.5	\$ 951,874.0
NON-RESIDENTIAL					
New Commercial	\$ 197,181.1	\$ 72,055.6	\$ 14,689.1	\$ 178,689.5	\$ 20,749.3
New Industrial	60,200.0	89,535.4	82,475.8	17,485.7	29,808.2
New Other ⁽¹⁾	95,640.7	45,100.3	69,060.1	151,043.4	60,612.9
Alterations & Adjustments	<u>457,412.5</u>	<u>391,295.8</u>	<u>398,430.5</u>	<u>392,163.7</u>	<u>352,261.1</u>
Total Nonresidential	\$810,434.3	\$ 597,987.1	\$ 1,242,065.0	\$ 739,382.3	\$ 463,431.6
TOTAL ALL BUILDING	<u>\$1,536,081.9</u>	<u>\$1,152,360.9</u>	<u>\$1,242,065.0</u>	<u>\$1,259,379.2</u>	<u>\$1,415,305.6</u>

Source: Construction Industry Research Board for years 2008 and 2009; California Homebuilding Foundation/Construction Industry Research Board for years 2010, 2011 and 2012.

⁽¹⁾ Includes churches and religious buildings, hospitals and institutional buildings, schools and educational buildings, residential garages, and public works and utilities buildings.

**COUNTY OF ALAMEDA
NUMBER OF NEW DWELLING UNITS**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Single Family	761	802	907	817	1,119
Multi-Family	<u>1,296</u>	<u>536</u>	<u>936</u>	<u>1,352</u>	<u>1,508</u>
TOTAL	2,057	1,338	1,843	2,169	2,627

Source: Construction Industry Research Board for years 2008 and 2009; California Homebuilding Foundation/Construction Industry Research Board for years, 2010, 2011 and 2012.

Transportation

Surface and air transportation facilities serve County residents and businesses. Transbay bridges include the San Francisco-Oakland Bay Bridge, which extends Interstate 80 into San Francisco; the Richmond-San Rafael Bridge, leading into Marin County and northern areas; and the Hayward-San Mateo and Dumbarton Bridges connecting East Bay points with San Mateo and Palo Alto on the San Francisco Peninsula.

The Southern Pacific and Union Pacific Railroads, which were recently merged, operate rail terminal facilities in Oakland. Atcheson, Topeka, and Santa Fe Railway serves the East Bay from its Richmond switching yards. Amtrak provides passenger service through its Oakland and Emeryville stations to Southern California, Sacramento, and other destinations.

Local motor coach transportation is provided by AC Transit, which serves East Bay cities and continues into San Francisco via the Bay Bridge. Other bus service is available through the Central Contra Costa Transit District, the Livermore Transit Corporation and Greyhound bus lines. San Mateo County Transit District provides bus service between Hayward and the San Francisco Peninsula across the Hayward-San Mateo Bridge. Bay Area Rapid Transit ("BART"), a high-speed rail transit system, services the County, in addition to the counties of Contra Costa and San Francisco. Currently, BART stretches from San Francisco International Airport and Millbrae on the San Francisco Peninsula, through Oakland, to Richmond in the north, Pittsburg in the northeast, Fremont in the south, and Dublin/Pleasanton in the southeast.

The Oakland International Airport (the "Airport") is located in the City of Oakland, about 6.5 miles southeast of downtown Oakland. The Airport is 2,600 acres, including 327 acres of wetlands under jurisdiction of the U.S. Army Corps of Engineers. Currently, the Airport has 32 boarding gates at two terminals, eight domestic and three international scheduled passenger airlines, with Southwest Airlines being the largest. The Airport is ranked among the top 20 airports in the U.S. by amount of air cargo handled, and is serviced by three major cargo carriers.

Education

Eighteen independent school districts provide educational programs for elementary and secondary public school children in the County. Thirteen of the County's school districts also operate adult education programs.

There are three community college districts in the County with students at seven campuses. The County also operates four Regional Occupation Programs providing technical job training for high school students and adults.

Among the institutions of higher education offering bachelors and graduate programs in the County are the University of California at Berkeley, California State University East Bay, Graduate Theological Union, Holy Names University and Mills College.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E

BOOK ENTRY SYSTEM

The information in this Appendix E concerning The Depository Trust Company, New York, New York (“DTC”), and DTC’s Book-Entry System has been obtained from DTC and Alameda CTC, the Trustee and the Underwriters take no responsibility for the completeness or accuracy thereof.

Alameda CTC, the Trustee and the Underwriters cannot and do not give any assurances that DTC, DTC Participants or Indirect Participants (each as defined below) or others will distribute any (a) payments of principal or purchase price or interest with respect to the Series 2014 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2014 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2014 Bonds, or that they will do so on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC. Alameda CTC, the Trustee and the Underwriters are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a beneficial owner with respect to the Series 2014 Bonds or an error or delay relating thereto.

DTC will act as securities depository for the Series 2014 Bonds. The Series 2014 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each series of the Series 2014 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on this website is not incorporated by reference herein.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014 Bonds on DTC’s records. The ownership interest of each

actual purchaser of each Series 2014 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Series 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2014 Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2014 Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Series 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2014 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Trustee, on a payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or Alameda CTC, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2014 Bonds at any time by giving reasonable notice to the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

Alameda CTC may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

APPENDIX F

PROPOSED FORM OF BOND COUNSEL OPINION

\$[_____]
ALAMEDA COUNTY TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)
SERIES 2014

BOND PURCHASE AGREEMENT

February [___], 2014

Alameda County Transportation Commission
 1111 Broadway, Suite 800
 Oakland, California 94607

Ladies and Gentlemen:

Citigroup Global Markets Inc. (the “Representative”), acting on behalf of itself and Barclays Capital Inc. (collectively the “Underwriters”), hereby offers to enter into this Bond Purchase Agreement with the Alameda County Transportation Commission (the “Alameda CTC”), which, upon the Alameda CTC’s acceptance hereof, will be binding upon the Alameda CTC and the Underwriters. This offer is made subject to the written acceptance of this Bond Purchase Agreement by the Alameda CTC and the delivery of such acceptance to the Representative or its attorney at or prior to 6:00 p.m., Pacific time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Alameda CTC at any time prior to the acceptance hereof by the Alameda CTC.

The Representative represents and warrants to the Alameda CTC that it has been duly authorized to enter into this Bond Purchase Agreement and to act hereunder by and on behalf of the Underwriters.

1. Definitions. All capitalized terms not defined herein shall have the meanings ascribed to them in the Indenture (as defined below). Unless a different meaning clearly appears from the context, the following words and terms shall have the following meanings, respectively:

“Bond Purchase Agreement” means this Bond Purchase Agreement.

“Bond Resolution” means Resolution No. [_____] adopted by the governing body of the Alameda CTC (the “Commission”) on January [23], 2014.

“Business Day” means any day other than a Saturday, Sunday or legal holiday in the State or in New York, New York or a day on which either the Trustee or the Alameda CTC is legally authorized to close.

“Closing Date” has the meaning given such term in Section 7 hereof.

“Closing Time” means the time at which payment for and delivery of the Series 2014 Bonds shall occur, as established pursuant to Section 7 hereof.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of February 1, 2014.

“County” means the County of Alameda, California.

“End Date” has the meaning set forth in Section 2 hereof.

“First Supplemental Indenture” means the First Supplemental Indenture, dated as of February 1, 2014, between the Alameda CTC and Union Bank, N.A., as Trustee (the “Trustee”).

“Indenture” means the Indenture, dated as of February 1, 2014, between the Alameda CTC and the Trustee, as amended or supplemented, including as supplemented by the First Supplemental Indenture.

“Legal Documents” means the Indenture, the Continuing Disclosure Agreement and the Tax Certificate.

“Official Statement” means the Official Statement of the Alameda CTC, dated February [___], 2014, relating to the Series 2014 Bonds, together with the cover page thereof and all appendices, exhibits, amendments and supplements thereto.

“Ordinance” has the meaning given such term in Section 8(c) hereof.

“Preliminary Official Statement” means the Preliminary Official Statement of the Alameda CTC, dated January [24], 2014, relating to the Series 2014 Bonds, together with the cover page thereof and all appendices, exhibits, amendments and supplements thereto.

“Rule 15c2-12” means Rule 15c2-12 of the Securities and Exchange Commission, promulgated under the Securities Exchange Act of 1934, as amended.

“Sales Tax” means the retail transactions and use tax applicable in the incorporated and unincorporated territory of the County levied at the rate of one-half of one percent (1/2%) and imposed pursuant to the provisions of the Ordinance in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code commencing April 1, 2002 and ending on March 31, 2022.

“Series 2014 Bonds” means \$[_____] aggregate principal amount of Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014.

“State” means the State of California.

“Tax Certificate” means the Tax Certificate of the Alameda CTC dated the Closing Date.

2. Use and Preparation of Official Statement; Continuing Disclosure Agreement. The Alameda CTC has heretofore delivered to the Underwriters copies of the Preliminary Official Statement, which the Alameda CTC hereby deems final as of its date, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12. The Alameda CTC shall prepare and deliver to the Underwriters, as promptly as practicable, but in no event later than seven (7) business days from the date hereof and at least two (2) business days prior to the Closing Date, whichever occurs first, a final Official Statement, with such changes and amendments as may be agreed to by the Representative, in such quantities as the Underwriters may reasonably request in order to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the “MSRB”). The Alameda CTC hereby ratifies, confirms and approves the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement, and hereby authorizes the Underwriters to use and distribute the Official Statement and all information contained therein in connection with the public offering and sale of the Series 2014 Bonds. The Representative agrees to promptly file a copy of the Official Statement, including any supplements prepared by the Alameda CTC, with the MSRB on its Electronic Municipal Markets Access (“EMMA”) system. The Alameda CTC shall deliver sufficient copies of the Official Statement to enable the Underwriters to distribute a single copy to any potential customer of the Underwriters requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending on a date referred to herein as the “End Date,” which is the date when the Official Statement becomes available through EMMA, but in no event less than 25 days after the end of the underwriting period (as defined in Rule 15c2-12). On the Closing Date the Alameda CTC may assume that the end of the underwriting period has occurred unless otherwise informed in writing by the Representative. In any event, the Representative shall promptly notify the Alameda CTC of the end of the underwriting period.

The Alameda CTC will undertake pursuant to the Continuing Disclosure Agreement to provide certain annual financial and operating information and certain event notices. A description of this undertaking is set forth in the Official Statement.

3. Purchase and Sale of the Series 2014 Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the Alameda CTC the Series 2014 Bonds for offering to the public, and the Alameda CTC hereby agrees to sell to the Underwriters, all (but not less than all) of the \$[_____] aggregate principal amount of the Series 2014 Bonds at an aggregate purchase price of \$[_____] (the “Purchase Price”), representing the aggregate principal amount of the Series 2014 Bonds, plus a net original issue premium of \$[_____] , less an underwriters’ discount of \$[_____].

4. The Series 2014 Bonds. The principal amounts, maturity dates, interest rates and prices with respect to the Series 2014 Bonds shall be as described in the Official Statement and in Exhibit A hereto.

5. Public Offering of the Series 2014 Bonds. Except as otherwise disclosed and agreed to by the Alameda CTC, the Underwriters agree to make a bona fide public offering of the Series 2014 Bonds at the initial public offering price or prices set forth on the inside cover page of the Official Statement and in Exhibit A hereto; provided, however, the Underwriters

reserve the right to change such initial public offering prices as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Series 2014 Bonds, and to sell the Series 2014 Bonds to certain dealers (including dealers depositing the Series 2014 Bonds into investment trusts) and others at prices lower than the initial offering prices set forth in the Official Statement. A “bona fide public offering” shall include an offering to institutional investors or registered investment companies, regardless of the number of such investors to which the Series 2014 Bonds are sold. The Representative shall provide to the Alameda CTC on the Closing Date a certificate substantially in the form of Exhibit B hereto stating that the Underwriters made a bona fide public offering of the Series 2014 Bonds at the initial public offering price or prices set forth on the inside cover page of the Official Statement and in Exhibit A hereto.

6. Use of Documents. The Alameda CTC hereby authorizes the Underwriters to use, in connection with the public offering and sale of the Series 2014 Bonds, this Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Legal Documents, and the information contained herein and therein.

7. Closing. The Closing Time shall be no later than 10:00 a.m., Pacific time, on February [___], 2014, or at such other time or on such later date as shall have been mutually agreed upon by the Alameda CTC and the Representative (the “Closing Date”). At the Closing Time, the Alameda CTC will deliver or cause to be delivered the Series 2014 Bonds to the Underwriters through The Depository Trust Company (“DTC”) in definitive or temporary form, duly executed by the Alameda CTC, together with the other documents hereinafter mentioned; and the Underwriters will accept such delivery and pay the Purchase Price in immediately available funds to the Trustee.

The Series 2014 Bonds will be registered in the name of “Cede & Co.” as nominee of DTC. It is anticipated that CUSIP identification numbers will be printed on the Series 2014 Bonds, but neither the failure to print such numbers on the Series 2014 Bonds nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriters to accept delivery of the Series 2014 Bonds in accordance with the terms of this Bond Purchase Agreement.

Delivery of the Series 2014 Bonds will be made through the book-entry system of DTC, and all other actions to be taken at the Closing Time, including the delivery of the items set forth in Section 9 hereof, shall take place at the offices of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, or at such other place as shall have been mutually agreed upon by the Alameda CTC and the Representative.

8. Representations, Warranties and Agreements of the Alameda CTC. The Alameda CTC hereby represents, warrants and agrees with the Underwriters that:

(a) The Alameda CTC has been duly created and is validly existing under the laws of the State and has the power to issue the Series 2014 Bonds pursuant to the Act, the Bond Resolution and the Indenture.

(b) The Alameda CTC has full legal right, power and authority under the Constitution and the laws of the State to cause the collection of the Sales Tax, to adopt the Bond Resolution, to enter into the Legal Documents and this Bond Purchase Agreement, and to sell, issue and deliver the Series 2014 Bonds to the Underwriters as provided herein; the Alameda CTC has full legal right, power and authority to perform its obligations under the Bond Resolution, the Series 2014 Bonds, the Legal Documents and this Bond Purchase Agreement, and to carry out and consummate the transactions contemplated thereby and hereby and by the Official Statement; except as described in the Preliminary Official Statement and the Official Statement, the Alameda CTC has complied with, or will at the Closing Time be in compliance with, in all respects material to this transaction, the Constitution, the Act, the Ordinance and laws of the State, and the terms of the Bond Resolution, the Series 2014 Bonds, the Legal Documents and this Bond Purchase Agreement.

(c) Except as described in the Preliminary Official Statement and the Official Statement, by all necessary official action, the Alameda County Transportation Improvement Authority (the "ACTIA"), predecessor in interest to the Alameda CTC, duly adopted Ordinance 2000-01 (the "Ordinance"), which was approved by more than a two-thirds vote of the voters in the County voting on such extension on November 7, 2000.

(d) By all necessary official action, the Commission has duly adopted the Bond Resolution, has duly authorized the preparation and distribution of the Preliminary Official Statement, and the preparation, execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of the Alameda CTC's obligations under, the Series 2014 Bonds, this Bond Purchase Agreement and the Legal Documents, and the consummation by it of all other transactions contemplated by this Bond Purchase Agreement, the Bond Resolution, and the Legal Documents. When executed and delivered by their respective parties, the Legal Documents and this Bond Purchase Agreement (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the Alameda CTC, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(e) The Series 2014 Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and the Indenture, and sold to the Underwriters as provided herein, will constitute legal, valid and binding obligations of the Alameda CTC, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State, and will be entitled to the benefits of the laws of the State, the Indenture and the Bond Resolution.

(f) All consents, approvals, authorizations, orders, licenses or permits of any governmental authority, legislative body, board, agency or commission having jurisdiction of the

matter, that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the issuance, delivery or sale of the Series 2014 Bonds and the execution, delivery of and performance of the Legal Documents by the Alameda CTC have been duly obtained (except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2014 Bonds, as to which no representation is made).

(g) Except as described in the Preliminary Official Statement and the Official Statement, the Alameda CTC is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either or any judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Alameda CTC is a party or to which the Alameda CTC or any of its property or assets is otherwise subject (including, without limitation, the Bond Resolution and the Legal Documents), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the adoption of the Bond Resolution, the issuance, delivery and sale of the Series 2014 Bonds and the execution and delivery of this Bond Purchase Agreement and the Legal Documents and compliance with the Alameda CTC's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, agreement, mortgage, lease or other instrument to which the Alameda CTC is a party or to which the Alameda CTC or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Alameda CTC or under the terms of any such law, regulation or instruments, except as provided by the Bond Resolution and the Legal Documents.

(h) As of the date hereof, no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, government agency, public board or body, is pending or, to the best of the Alameda CTC's knowledge, threatened against the Alameda CTC: (i) in any way affecting the existence of the Alameda CTC or in any way challenging the respective powers of the several offices or the titles of the officials of the Alameda CTC to such offices; (ii) affecting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of any of the Series 2014 Bonds, the application of the proceeds of the sale of the Series 2014 Bonds, the proceedings authorizing and approving the Sales Tax, the levy or collection of the Sales Tax; (iii) in any way contesting or affecting, as to the Alameda CTC, the validity or enforceability of the Act, the proceedings authorizing the Sales Tax, the Bond Resolution, the Series 2014 Bonds, the Legal Documents or this Bond Purchase Agreement; (iv) in any way contesting the powers of the Alameda CTC or its authority with respect to issuance or delivery of the Series 2014 Bonds, the adoption of the Bond Resolution, or the execution and delivery of the Legal Documents or this Bond Purchase Agreement, or contesting the power or authority to levy the Sales Tax; (v) contesting the exclusion from gross income of interest on the Series 2014 Bonds for federal income tax purposes; (vi) in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any supplement or amendment thereto; or (vii) in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby or that might materially adversely affect the ability of the Alameda CTC to perform and

satisfy its obligations under this Bond Purchase Agreement, the Legal Documents or the Series 2014 Bonds; nor to the best of the Alameda CTC's knowledge is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Act, the proceedings authorizing the Sales Tax, the Bond Resolution, the Legal Documents or this Bond Purchase Agreement or the performance by the Alameda CTC of its obligations thereunder, or the authorization, execution, delivery or performance by the Alameda CTC of the Series 2014 Bonds, the Bond Resolution, the Legal Documents or this Bond Purchase Agreement.

(i) Between the date hereof and the Closing Time, the Alameda CTC will not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or in any material amount incur any material liabilities, direct or contingent, except in the course of normal business operations of the Alameda CTC or relating to the Project.

(j) The Alameda CTC will furnish such information, execute such instruments, and take such other action in cooperation with and at the expense of the Underwriters as the Underwriters may reasonably request in order (i) to qualify the Series 2014 Bonds for sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate and (ii) to determine the eligibility of the Series 2014 Bonds for investment under the laws of such states and other jurisdictions; and the Alameda CTC will use commercially reasonable efforts to continue such qualification in effect so long as required for distribution of the Series 2014 Bonds; provided, however, that in no event shall the Alameda CTC be required to consent to suit or to service of process in any jurisdiction in which it is not already so subject or to take any action which would subject itself to service of process in any jurisdiction in which it is not already so subject, and will use its best efforts to provide prompt written notice to the Underwriters of receipt by the Alameda CTC of any written notification with regard to the suspension of the qualification of the Series 2014 Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(k) The Alameda CTC has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Series 2014 Bonds as provided in and subject to all of the terms and provisions of the Act, the Ordinance, the Bond Resolution and the Indenture, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2014 Bonds.

(l) The Series 2014 Bonds, when issued, will conform to the description thereof contained in the Preliminary Official Statement and the Official Statement under the captions "INTRODUCTION — The Series 2014 Bonds," "THE SERIES 2014 BONDS" and Appendix C — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE"; the proceeds of the Series 2014 Bonds, when issued, will be applied generally as described in the Preliminary Official Statement and the Official Statement under the captions "INTRODUCTION — Purpose and Application of Proceeds" and "PLAN OF FINANCE"; and the Bond Resolution and the Indenture conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.

(m) The Preliminary Official Statement (other than information allowed to be omitted by Rule 15c2-12), as of its date and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (excluding therefrom the information contained under the caption “UNDERWRITING,” all information concerning the book-entry system set forth under the captions “INTRODUCTION — The Series 2014 Bonds” and “THE SERIES 2014 BONDS — General” and in Appendix E (collectively, the “Excluded Information”).

(n) As of the date hereof, and (unless an event occurs of the nature described in paragraph (p) of this Section 8) at all times subsequent thereto, up to and including the Closing Time, the Official Statement (excluding therefrom the Excluded Information) did not and does not contain any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements in the Official Statement, in the light of the circumstances under which they are made, not misleading.

(o) If the Official Statement is supplemented or amended pursuant to paragraph (p) of this Section 8, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Time, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(p) The Alameda CTC shall not amend or supplement the Official Statement without the prior written consent of the Representative. If between the date hereof and the Closing Time, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Alameda CTC shall notify the Representative thereof, and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Alameda CTC shall forthwith prepare and furnish (at the expense of the Alameda CTC) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Representative.

(q) Except as described in the Preliminary Official Statement and the Official Statement, the Alameda CTC has not granted a lien on or made a pledge of the Revenues or any other funds pledged under the Indenture.

(r) The Alameda CTC is not in default, and at no time has defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(s) The financial statements of the Alameda CTC set forth in Appendix A to the Preliminary Official Statement and the Official Statement have been prepared in accordance with generally accepted accounting principles consistently applied. Except as disclosed in the

Preliminary Official Statement and the Official Statement or otherwise disclosed in writing to the Representative, there has not been any materially adverse change in the financial condition of the Alameda CTC or in its operations since June 30, 2013 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(t) Prior to the Closing Time, the Alameda CTC will not take any action within or under its control, other than actions in the normal course of operation, that will cause any material adverse change in such financial position, results of operations or condition, financial or otherwise, of the Alameda CTC.

(u) Upon the delivery of the Series 2014 Bonds, the aggregate principal amount of Bonds authorized to be issued under the Indenture, together with all outstanding Parity Obligations, will not in combination with all outstanding debt obligations of the Alameda CTC exceed any limitation imposed by law or by the Indenture or by Section 180250 of the Public Utilities Code of the State of California.

(v) The sum of the principal of and interest on the Series 2014 Bonds, together with all outstanding Parity Obligations and other outstanding debt obligations of the Alameda CTC, does not exceed the estimated proceeds of the retail transactions and use tax for the period for which the retail transactions and use tax is to be imposed by the Alameda CTC.

(w) The Series 2014 Bonds are the first obligations issued by the Alameda CTC and therefore the Alameda CTC has no previous undertakings required pursuant to Rule 15c2 12.

(x) Any certificate, signed by any official of the Alameda CTC authorized to do so in connection with the transactions described in this Bond Purchase Agreement, shall be deemed a representation and warranty by the Alameda CTC to the Underwriters as to the statements made therein.

9. Conditions to the Underwriters' Obligations. The Representative has entered into this Bond Purchase Agreement in reliance upon the representations, warranties and obligations of the Alameda CTC contained herein and upon the documents and instruments to be delivered at the Closing Time. Accordingly, the Underwriters' obligations under this Bond Purchase Agreement shall be subject to the following conditions:

(a) The representations and warranties of the Alameda CTC contained herein shall be true and correct at the date hereof and true and correct at and as of the Closing Time, as if made at and as of the Closing Time and will be confirmed by a certificate or certificates of the appropriate Alameda CTC official or officials dated the Closing Date, and the Alameda CTC shall be in compliance with each of the agreements and covenants made by it in this Bond Purchase Agreement;

(b) (i) At the Closing Time, the Act, the Bond Resolution and the Legal Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to by the Alameda CTC and the Representative, and (ii) the Alameda CTC shall perform or have performed all of its obligations required under

or specified in the Act, the Bond Resolution, the Legal Documents, this Bond Purchase Agreement, the Preliminary Official Statement and the Official Statement to be performed at or prior to the Closing Time;

(c) As of the date hereof and at the Closing Time, all necessary official action of the Alameda CTC relating to this Bond Purchase Agreement, the Legal Documents, the Preliminary Official Statement and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(d) Subsequent to the date hereof, up to and including the Closing Time, there shall not have occurred any change in or particularly affecting the Alameda CTC, the Act, the Ordinance, the Sales Tax, the Revenues, or the Series 2014 Bonds as the foregoing matters are described in the Preliminary Official Statement and in the Official Statement, which in the reasonable professional judgment of the Representative materially adversely impacts the marketability of the Series 2014 Bonds;

(e) Subsequent to the date hereof, up to and including the Closing Time, the California State Board of Equalization shall not have suspended or advised the suspension of the collection of the Sales Tax or the escrow of any proceeds thereof, and the General Counsel to the Alameda CTC shall not have advised the suspension of the collection of the Sales Tax or the escrow of any proceeds thereof other than as disclosed in the Preliminary Official Statement and the Official Statement;

(f) At or prior to the Closing Date, the Representative shall receive copies of each of the following documents:

(1) A certified copy of the proceedings relating to authorization and approval of the Sales Tax.

(2) A certified copy of the Bond Resolution.

(3) Fully executed copies of each of the Legal Documents.

(4) The Official Statement delivered in accordance with Section 2 hereof and each supplement or amendment, if any, executed on behalf of the Alameda CTC by its Executive Director or its Director of Finance.

(5) An approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Alameda CTC ("Bond Counsel"), dated the Closing Date, as to the validity of the Series 2014 Bonds, the exclusion of interest on the Series 2014 Bonds from federal gross income and the exclusion of interest on the Series 2014 Bonds from State income taxation, addressed to the Alameda CTC substantially in the form attached as Appendix F to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriters.

(6) A supplemental opinion of Bond Counsel, addressed to the Underwriters, to the effect that:

(i) the Bond Purchase Agreement has been duly executed and delivered by the Alameda CTC and each is valid and binding upon the Alameda CTC, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally, to the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of California;

(ii) the statements contained in the Official Statement in the sections titled "THE SERIES 2014 BONDS" (other than the information concerning DTC and the book-entry system), "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS," "TAX MATTERS" and Appendix C — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," excluding any material that may be treated as included under such captions by cross-reference, insofar as such statements expressly summarize certain provisions of the Indenture and the form and content of such counsel's opinion attached as Appendix F to the Preliminary Official Statement and the Official Statement, are accurate in all material respects; and

(iii) the Series 2014 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "1933 Act") and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

(7) A letter from Norton Rose Fulbright, Disclosure Counsel, dated the Closing Date and addressed to the Alameda CTC, substantially in the form set forth in Exhibit C hereto, and a reliance letter with respect thereto addressed to the Underwriters,

(8) The opinion of Nixon Peabody LLP, Underwriters' Counsel, addressed to the Underwriters, in form and substance acceptable to the Underwriters, covering such items as the Representative may request.

(9) The opinion of Wendel Rosen Black & Dean LLP, General Counsel to the Alameda CTC, dated the Closing Date, addressed to the Underwriters and the Trustee, to the effect that:

(i) the Alameda CTC has been duly organized and is validly existing under the Constitution and laws of the State of California, and has all requisite power and authority thereunder: (a) to adopt the Bond Resolution, and to enter into, execute, deliver and perform its covenants and agreements under the Legal Documents and the Bond Purchase Agreement; (b) to approve and authorize the use and distribution of the Preliminary Official Statement, and the use, execution and distribution of the Official Statement; (c) to issue, sell, execute and deliver the Series 2014 Bonds; (d) to cause the Sales Tax to be collected as described in the Preliminary Official Statement and the Official Statement; (e) to pledge the Revenues as contemplated by the Indenture; and (f) to carry on its activities as currently conducted;

(ii) the Alameda CTC has taken all actions required to be taken by it prior to the Closing Date material to the transactions contemplated by the documents mentioned in paragraph (i) above, and the Commission has duly authorized the execution and delivery of, and the due performance of its obligations under, the Bond Purchase Agreement, the Legal Documents and the Series 2014 Bonds;

(iii) the Bond Resolution was duly adopted by at least a two-thirds vote of all the voting members of the Commission at a meeting of the Commission which was called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of the Bond Resolution;

(iv) the adoption of the Bond Resolution, the execution and delivery by the Alameda CTC of the Bond Purchase Agreement, the Legal Documents and the Series 2014 Bonds and the compliance with the provisions of the Bond Purchase Agreement, the Legal Documents and the Series 2014 Bonds do not and will not conflict with or violate in any material respect any California constitutional, statutory or regulatory provision, or conflict with or constitute on the part of the Alameda CTC a material breach of or default under any agreement or instrument to which the Alameda CTC is a party or by which it is bound;

(v) the Series 2014 Bonds, the Legal Documents and the Bond Purchase Agreement constitute binding and legal obligations of the Alameda CTC and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;

(vi) no litigation is pending with service of process completed, or threatened against the Alameda CTC in any court in any way affecting the titles of the officials of the Alameda CTC to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Series 2014 Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Series 2014 Bonds, or in any way contesting or affecting the validity or enforceability of the Series 2014 Bonds, the Bond Resolution, the Legal Documents or the Bond Purchase Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Alameda CTC or its authority with respect to the Series 2014 Bonds, the Bond Resolution, the Legal Documents or the Bond Purchase Agreement;

(vii) nothing has come to the attention of the attorneys in our firm working for the Alameda CTC which would cause us to believe that the information contained in the Preliminary Official Statement and the Official

Statement under the captions “SALES TAX — General,” “— Collection of Sales Tax Revenues,” “ALAMEDA CTC,” “RISK FACTORS – Impact of Bankruptcy of Alameda CTC” and “LITIGATION” (excluding from each any information relating to DTC, the operation of the book-entry system or any other financial or statistical data or projections or estimates or expressions of opinion included in the Preliminary Official Statement and the Official Statement, as to which no opinion need be expressed) contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(viii) no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Alameda CTC of the Legal Documents and the authorization and distribution of the Official Statement (provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Series 2014 Bonds by the Underwriters); and

(ix) the Alameda CTC is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Alameda CTC is a party or is otherwise subject, which breach or default would materially adversely affect the Alameda CTC’s ability to enter into or perform its obligations under the Legal Documents and the Bond Purchase Agreement, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Alameda CTC’s ability to enter into or perform its obligations under the Legal Documents and the Bond Purchase Agreement.

(10) A certificate, dated the Closing Date and signed by such official or officials of the Alameda CTC as shall be satisfactory to the Representative, to the effect that (i) the representations, warranties and covenants of the Alameda CTC contained in the Bond Purchase Agreement are true and correct in all material respects on and as of the Closing Time with the same effect as if made at the Closing Time; (ii) the Bond Resolution is in full force and effect at the Closing Time and has not been amended, modified or supplemented, except as agreed to by the Alameda CTC and the Representative; (iii) the Alameda CTC has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Time; (iv) subsequent to the date of the Official Statement and on or prior to the date of such certificate, there has been no material adverse change in the condition (financial or otherwise) of the Alameda CTC, whether or not arising in the ordinary course of the Alameda CTC’s operations, as described in the Official Statement; and (v) the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, and the Official Statement as of its date and as of the Closing Date

(excluding therefrom the Excluded Information), did not and do not contain any untrue statement of a material fact and neither omitted nor omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(11) The audited financial statements of the Alameda CTC as of June 30, 2013 included as Appendix A to the Preliminary Official Statement and the Official Statement, certified by the Alameda CTC on the Closing Date as being correct and complete.

(12) A certified copy of the general resolution or other documentation of the Trustee evidencing signature authority and incumbency to execute and deliver the Legal Documents to which the Trustee is a party.

(13) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee, satisfactory in form and substance to the Representative, to the effect that:

(i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the full power and being qualified to enter into and perform its duties under the Indenture;

(ii) the Trustee is duly authorized to enter into, has duly executed and delivered the Legal Documents to which the Trustee is a party and has duly authenticated and delivered the Series 2014 Bonds;

(iii) the execution and delivery of the Legal Documents to which the Trustee is a party and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or Blue Sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture;

(iv) the Trustee has not been served with any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, nor is any such action, to the best of such official's knowledge after reasonable investigation, threatened against the Trustee affecting the existence of the Trustee, or the titles of its officers to their

respective offices, or in any way contesting or affecting the validity or enforceability of the Legal Documents to which the Trustee is a party, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Legal Documents to which the Trustee is a party; and

(v) the Trustee will apply the proceeds from the Series 2014 Bonds as provided in the Indenture.

(14) The opinion of counsel of the Trustee, dated the Closing Date, addressed to the Alameda CTC and the Underwriters, to the effect that:

(i) the Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States having full power and authority and being qualified to enter into, accept and administer the trust created under the Legal Documents to which it is a party and to enter into such Legal Documents;

(ii) the Legal Documents to which it is a party have been duly authorized, executed and delivered by the Trustee and constitute the valid and binding obligations of the Trustee enforceable against the Trustee in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(iii) the execution, delivery and performance of the Legal Documents will not conflict with or cause a default under any law, ruling, agreement, administrative regulation or other instrument by which the Trustee is bound;

(iv) all authorizations and approvals required by law and the articles of association and bylaws of the Trustee in order for the Trustee to execute and deliver and perform its obligations under the Legal Documents to which it is a party have been obtained; and

(v) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Series 2014 Bonds or the application of proceeds thereof in accordance with the Legal Documents to which it is a party, or in any way contesting or affecting the Series 2014 Bonds or the Legal Documents to which it is a party.

(15) Evidence of required filings with the California Debt and Investment Advisory Commission.

(16) A copy of the Blue Sky Survey with respect to the Series 2014 Bonds.

(17) A Tax Certificate of the Alameda CTC, in form satisfactory to Bond Counsel, signed by such official or officials of the Alameda CTC as shall be satisfactory to the Representative.

(18) Evidence as of the Closing Date satisfactory to the Representative that the Series 2014 Bonds have received a rating of “AAA” from Standard & Poor’s Ratings Services and “AAA” from Fitch Ratings (or such other equivalent rating as Standard & Poor’s Ratings Services and Fitch Ratings shall issue), and that such ratings have not been revoked or downgraded.

(19) Two transcripts of all proceedings relating to the authorization and issuance of the Series 2014 Bonds, which may be in digital form (or a commitment to so provide).

(20) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, Underwriters’ Counsel or Bond Counsel may reasonably request to evidence compliance by the Alameda CTC with legal requirements, the truth and accuracy, as of the Closing Time, of the representations of the Alameda CTC herein contained and of the Official Statement and the due performance or satisfaction by the Alameda CTC at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Alameda CTC.

10. Termination.

(a) If the Alameda CTC shall be unable to satisfy the conditions of the Underwriters’ obligations contained in this Bond Purchase Agreement or if the Underwriters’ obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be cancelled by the Representative at, or at any time prior to, the Closing Time. Notice of such cancellation shall be given to the Alameda CTC in writing, or by telephone or telegraph confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the Alameda CTC hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative at its sole discretion.

(b) The Underwriters shall also have the right, prior to the Closing Time, to cancel their obligations to purchase the Series 2014 Bonds, by written notice to the Alameda CTC, if between the date hereof and the Closing Time:

(i) any event occurs or information becomes known, which, in the reasonable professional judgment of the Representative, makes untrue or incorrect any statement of a material fact set forth in the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(ii) the market for the Series 2014 Bonds or the market prices of the Series 2014 Bonds or the ability of the Underwriters to enforce contracts for the sale of the Series 2014 Bonds shall have been materially and adversely affected, in the reasonable professional judgment of the Representative, by:

(A) an amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been passed by either chamber of the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of California or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of California authority, with respect to federal or State of California taxation upon revenues or other income of the general character to be derived by the Alameda CTC or upon interest received on obligations of the general character of the Series 2014 Bonds which, in the reasonable judgment of the Representative, is likely to have the purpose or effect, directly or, indirectly, of adversely affecting the tax status of the Alameda CTC, its property or income, its securities (including the Series 2014 Bonds) or the interest thereon, or any tax exemption granted or authorized by State of California legislation; or

(B) legislation shall have been passed by either chamber of the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter shall have

been made or issued to the effect that obligations of the general character of the Series 2014 Bonds are not exempt from registration under the 1933 Act, or that the Indenture is not exempt from qualification under the Trust Indenture Act; or

(C) the declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national or international emergency or calamity or terrorism affecting the operation of the government of the United States, or the financial, political or economic conditions affecting the United States or the Alameda CTC; or

(D) the declaration of a general banking moratorium by federal, New York or California authorities or a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, the general suspension of trading on any national securities exchange, the establishment of minimum or maximum prices on any national securities exchange; or

(E) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series 2014 Bonds, or the issuance, offering or sale of the Series 2014 Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(F) any material adverse change in the levy or collection of the Sales Tax or in the affairs or financial condition of the Alameda CTC, except for changes which the Official Statement discloses are expected to occur.

(iii) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which, in the reasonable professional judgment of the Representative, materially and adversely affect the market or market price for the Series 2014 Bonds; or

(iv) an event described in paragraph (p) of Section 8 hereof shall have occurred which, in the reasonable professional judgment of the Representative, requires the preparation and publication of a supplement or amendment to the Official Statement; or

(v) any litigation shall be instituted or be pending at the Closing Time to restrain or enjoin the issuance, sale or delivery of the Series 2014 Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Sales Tax or the rate, levy or

collection thereof, the issuance, sale or delivery of Series 2014 Bonds, the Act, the Ordinance, the Bond Resolution, the Legal Documents or the existence or powers of the Alameda CTC with respect to its obligations under the Legal Documents or the Series 2014 Bonds; or

(vi) there shall have occurred any suspension, withdrawal, downgrading or published negative credit watch or similar published information from a rating agency that as of the date hereof has published, or has been asked to furnish, an unenhanced long-term rating on the Series 2014 Bonds, which action reflects a change or possible change in the ratings accorded to such obligations, including the Series 2014 Bonds.

If the Underwriters terminate their obligation to purchase the Series 2014 Bonds because any of the conditions specified in Section 6, Section 9 or this Section 10 shall not have been fulfilled at or before the Closing Time, such termination shall not result in any liability on the part of the Representative.

11. Conditions to Obligations of the Alameda CTC. The performance by the Alameda CTC of its obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder and (ii) receipt by the Alameda CTC and the Underwriters of opinions addressed to the Underwriters and certificates being delivered at the Closing Time by persons and entities other than the Alameda CTC.

12. Amendment of Official Statement. For a period beginning on the date hereof and continuing until the End Date, (a) the Alameda CTC will not adopt any amendment of, or supplement to, the Official Statement to which the Representative shall object in writing or that shall be disapproved by the Underwriter's Counsel and (b) if any event relating to or affecting the Alameda CTC shall occur as a result of which it is necessary, in the opinion of Underwriter's Counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser of the Series 2014 Bonds, the Alameda CTC will forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of, or supplement to, the Official Statement (in form and substance satisfactory to Underwriters' Counsel) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser of the Series 2014 Bonds, not misleading.

13. Indemnification. The Alameda CTC (an "Alameda CTC Indemnifying Party") shall indemnify and hold harmless, to the extent permitted by law, the Underwriters and their respective directors, officers, employees and agents and each person who controls the Underwriters within the meaning of Section 15 of the 1933 Act (any such person being therein sometimes called an "Alameda CTC Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Alameda CTC Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall promptly reimburse any such Alameda CTC Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions,

but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in the Preliminary Official Statement or the Official Statement under the captions “THE SERIES 2014 BONDS,” “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS,” “THE ALAMEDA COUNTY TRANSPORTATION COMMISSION,” “THE SALES TAX,” “PLAN OF FINANCE,” and “LITIGATION” or any amendment or supplement thereof, or the omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading. This indemnity agreement shall not be construed as a limitation on any other liability which the Alameda CTC may otherwise have to any Alameda CTC Indemnified Party, provided that in no event shall the Alameda CTC be obligated for double indemnification.

The Underwriters (collectively, an “Underwriter Indemnifying Party”) shall indemnify and hold harmless, to the extent permitted by law, the Alameda CTC and its directors, officers, members, employees and agents and each person who controls the Alameda CTC within the meaning of Section 15 of the 1933 Act (any such person being therein sometimes called an “Underwriter Indemnified Party”), against any and all losses, claims, damages or liabilities, joint or several, to which such Underwriter Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall promptly reimburse any such Underwriter Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in the Preliminary Official Statement or the Official Statement under the caption “UNDERWRITING” and the yield set forth on the inside cover page, or any amendment or supplement thereof, or the omission to state therein under the caption “UNDERWRITING” a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading. This indemnity agreement shall not be construed as a limitation on any other liability which the Underwriters may otherwise have to any Underwriter Indemnified Party, provided that in no event shall the Underwriters be obligated for double indemnification.

For purposes of this paragraph and the immediately succeeding paragraph, an “Indemnified Party” means an Alameda CTC Indemnified Party or an Underwriter Indemnified Party as the context dictates and an “Indemnifying Party” means an Alameda CTC Indemnifying Party or an Underwriter Indemnifying Party as the context dictates. An Indemnified Party shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against an Indemnifying Party, notify the Indemnifying Party in writing of the commencement thereof, but the omission to notify the Indemnifying Party of any such action shall not relieve the Indemnifying Party from any liability that it may have to such Indemnified Party otherwise than under the indemnity agreement contained herein. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so to assume the defense thereof, the Indemnifying Party will not be liable to such Indemnified Party under this paragraph for any legal or other expenses subsequently incurred by such Indemnified Party in connection

with the defense thereof other than reasonable costs of investigation. If the Indemnifying Party shall not have employed counsel to have charge of the defense of any such action or if the Indemnified Party shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), such Indemnified Party shall have the right to retain legal counsel of its own choosing and reasonable legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party.

An Indemnifying Party shall not be liable for any settlement of any such action effected without its consent by any Indemnified Party, which consent shall not be unreasonably withheld, but if settled with the consent of the Indemnifying Party or if there be a final judgment for the plaintiff in any such action against the Indemnifying Party or any Indemnified Party, with or without the consent of the Indemnifying Party, the Indemnifying Party agrees to indemnify and hold harmless such Indemnified Party to the extent provided herein.

In order to provide for just and equitable contribution in circumstances in which indemnification hereunder is for any reason held to be unavailable from the Alameda CTC or the Underwriters, to the extent permitted by law, the Alameda CTC and the Underwriters shall contribute to the aggregate losses, claims, damages and liabilities (including any investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted, to which the Alameda CTC and the Underwriters may be subject) in such proportion so that the Underwriters are jointly and severally responsible for that portion represented by the percentage that the Underwriters' discount set forth in the Official Statement bears to the public offering price appearing thereon and the Alameda CTC is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph, each person, if any, who controls the Underwriters within the meaning of the 1933 Act shall have the same rights to contribution as the Underwriters. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph, notify such party or parties from whom contribution may be sought, but the omission so to notify shall not relieve that party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph. No party shall be liable for contribution with respect to any action or claim settled without its consent.

14. Expenses.

(a) Whether or not the Series 2014 Bonds are issued as contemplated by this Bond Purchase Agreement, the Underwriters shall be under no obligation to pay and the Alameda CTC hereby agrees to pay any expenses incident to the performance of the Alameda CTC's obligations hereunder, including but not limited to the following: (i) the cost of preparation, printing, engraving, execution and delivery of the Series 2014 Bonds; (ii) any fees charged by any rating agency for issuing the rating on the Series 2014 Bonds; (iii) the cost of printing (and/or word processing and reproduction), distribution and delivery of the Preliminary

Official Statement and the Official Statement; (iv) the fees and disbursements of Bond Counsel, the Trustee (including its counsel's fees), any disclosure counsel, accountants, consultants and any financial advisor; and (v) any out-of-pocket disbursements of the Alameda CTC.

(b) Whether or not the Series 2014 Bonds are issued as contemplated by this Bond Purchase Agreement, the Underwriters shall pay (i) any fees assessed upon the Underwriters with respect to the Series 2014 Bonds by the MSRB or FINRA; (ii) all advertising expenses in connection with the public offering and distribution of the Series 2014 Bonds (excluding any expenses of the Alameda CTC and its employees or agents); (iii) any fees payable to the California Debt and Investment Advisory Commission; and (iv) all other expenses incurred by them or any of them in connection with the public offering and distribution of the Series 2014 Bonds, including the fees and disbursements of Underwriters' Counsel.

(c) As a convenience to the Alameda CTC, the Underwriters may, from time to time, make arrangements for certain items and advance certain costs for which the Alameda CTC is responsible hereunder, such as printing the Preliminary Official Statement and Official Statement, entertainment, meals, lodging and travel arrangements for Alameda CTC representatives, in connection with the transaction for which the Underwriters will be reimbursed from the Underwriters' discount.

(d) The Alameda CTC acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Series 2014 Bonds.

15. Notices. Any notice or other communication to be given under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the Alameda CTC, addressed to:

Alameda County Transportation Commission
1111 Broadway, Suite 800
Oakland, California 94607
Attention: Executive Director

or if to the Representative or the Underwriters, addressed to:

Citigroup Global Markets Inc.
Municipal Securities Division
One Sansome Street, 27th Floor
San Francisco, California 94104
Attention: Darren Hodge

16. Parties in Interest; Survival of Representations and Warranties. This Bond Purchase Agreement when accepted by the Alameda CTC in writing as heretofore specified shall constitute the entire agreement between the Alameda CTC and the Underwriters and is made solely for the benefit of the Alameda CTC and the Underwriters (including the successors or assigns of the Underwriters). No other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Alameda CTC in this Bond Purchase Agreement or in any certificate delivered pursuant hereto shall survive regardless of (a)

any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery to and payment by the Underwriters for the Series 2014 Bonds hereunder and (c) any termination of this Bond Purchase Agreement.

17. Execution in Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

18. No Advisory or Fiduciary Role. The Alameda CTC acknowledges and agrees that: (i) the primary role of the Underwriters, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Alameda CTC and the Underwriters and that the Underwriters have financial and other interests that differ from those of the Alameda CTC; (ii) the Underwriters are not acting as a municipal advisor, financial advisor, or fiduciary to the Alameda CTC and have not assumed any advisory or fiduciary responsibility to the Alameda CTC with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Alameda CTC on other matters) and the Underwriters have no contractual obligation to the Alameda CTC with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement; and (iii) the Alameda CTC has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. If the Alameda CTC would like a municipal advisor in this transaction that has legal fiduciary duties to the Alameda CTC, then the Alameda CTC is free to engage a municipal advisor to serve in that capacity.

[Signature Page Follows]

19. Applicable Law. This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.
BARCLAYS CAPITAL INC.

By CITIGROUP GLOBAL MARKETS INC.,
as Representative

By: _____
Director

Accepted and Agreed to:

ALAMEDA COUNTY
TRANSPORTATION COMMISSION

By: _____
Patricia Reavey
Director of Finance

EXHIBIT A

MATURITY SCHEDULE

\$[_____]

**ALAMEDA COUNTY TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)
SERIES 2014**

<u>Maturity (March 1)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Price (%)</u>
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EXHIBIT B

FORM OF CERTIFICATE OF THE REPRESENTATIVE REGARDING OFFERING PRICES

This certificate is furnished by Citigroup Global Markets Inc., acting on behalf of itself and as representative (the “Representative”) of Barclays Capital Inc. (collectively, the “Underwriters”) as set forth in the Bond Purchase Agreement, dated February [___], 2014 (the “Bond Purchase Agreement”), among the Underwriters and the Alameda County Transportation Commission for the sale of the \$[_____] aggregate principal amount of Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 (the “Bonds”).

Certain information furnished in this certificate has been derived from other purchasers, bond houses and brokers and has not been independently verified by us. We have relied (without any independent investigation or verification) on trades reported to the Municipal Securities Rulemaking Board via its EMMA portal for all information regarding trades to which neither the Representative nor the syndicate account were a party. We make no representations as to the accuracy of any information reported on the EMMA portal.

THE UNDERSIGNED HEREBY CERTIFY AS FOLLOWS:

1. The undersigned is authorized to execute this certificate on behalf of the Underwriters.

2. On February [___], 2014 (the “Sale Date”), all of the Bonds have been the subject of a bona fide offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (the “Public”) pursuant to the Bond Purchase Agreement, and on the Sale Date we reasonably expected that all of each maturity of the Bonds could be initially sold to the Public at the respective price for that maturity, as set forth in Schedule 1 hereto. [Except for the Bonds scheduled to mature on _____, 20___,] The first price at which at least 10% of the principal amount of each maturity of the Bonds initially was sold to the Public was the respective price for that maturity shown on Schedule I hereto. For purposes of this certificate, we have assumed that (a) the phrase “bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers” refers only to persons who, to our actual knowledge, are acting in such capacity, and (b) sales of the Bonds reported as “Customer” trades on the EMMA portal are sales to the Public, unless we have specific knowledge to the contrary.

3. We have no reason to believe that the prices shown on Schedule 1 hereto represent prices that are greater than the fair market value or market-clearing prices for all of the Bonds as of the Sale Date.

4. [Subject to particular facts--For the Bonds scheduled to mature on _____, 20___, 10% or more of such Bonds were not sold to the Public at any single price on the Sale Date, and none of such Bonds were sold by the Underwriters on the Sale Date to any person at a

price higher than (or a yield lower than) the price for such Bonds shown on the attached schedule.]

5. The Alameda County Transportation Commission may rely on the foregoing representations in making its certification as to issue price of the Bonds under the Internal Revenue Code of 1986 (the “Code”), and Orrick, Herrington & Sutcliffe LLP, as bond counsel, may rely on the foregoing representations in rendering their opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes; provided, however, that nothing herein represents our interpretation of any laws, and in particular, regulations under section 148 of the Code.

Dated: February [___], 2014.

CITIGROUP GLOBAL MARKETS INC., on
behalf of itself and as Representative of
Barclays Capital Inc.

By: _____
Authorized Signatory

Schedule 1

\$[_____]

**ALAMEDA COUNTY TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)
SERIES 2014**

<u>Maturity (March 1)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Price (%)</u>
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EXHIBIT C

FORM OF LETTER FROM DISCLOSURE COUNSEL

February __, 2014

Alameda County Transportation Commission
1111 Broadway, Suite 800
Oakland, California 94607

Citigroup Global Markets Inc.,
as Representative
One Sansome Street, 27th Floor
San Francisco, California 94104

Re: Alameda County Transportation Commission
Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014

Ladies and Gentlemen:

We have acted as Disclosure Counsel to the Alameda County Transportation Commission (“Alameda CTC”) in connection with the issuance by Alameda CTC of its Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 (the “Bonds”). The Bonds are being issued pursuant to the Indenture, dated as of February 1, 2014, as supplemented by a First Supplemental Indenture thereto, dated as of February 1, 2014 (collectively the “Indenture”), between Alameda CTC and Union Bank, N.A., as trustee. The Bonds are more fully described in the Official Statement of Alameda CTC, dated February __, 2014 (the “Official Statement”). This opinion is delivered to you pursuant to Section 9(f)(7) of the Bond Purchase Agreement, dated February __, 2014 (the “Purchase Agreement”), by and between Alameda CTC and Citigroup Global Markets Inc., as Representative of the Underwriters. Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

In rendering this opinion, we have reviewed such records, documents, certificates and opinions, and made such other investigations of law and fact as we have deemed necessary or appropriate.

This opinion is limited to matters governed by the federal securities law of the United States, and we assume no responsibility with respect to the applicability or effect of the laws of any other jurisdiction.

Fulbright & Jaworski LLP is a limited liability partnership registered under the laws of Texas.

Fulbright & Jaworski LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP, Norton Rose Fulbright South Africa (incorporated as Deneys Reitz, Inc.), each of which is a separate legal entity, are members of Norton Rose Fulbright Verein, a Swiss Verein. Details of each entity, with certain regulatory information, are at nortonrosefulbright.com. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients.

In our capacity as Disclosure Counsel to Alameda CTC, we have rendered certain legal advice and assistance in connection with the preparation of the Preliminary Official Statement of Alameda CTC, dated February __, 2014 (the "Preliminary Official Statement"), and the Official Statement. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal matters, review of certain records, documents and proceedings, and participation in meetings and telephone conferences with, among others, representatives of Alameda CTC, Public Financial Management, Inc., Alameda CTC's financial advisor, Alameda CTC's General Counsel, Bond Counsel, the Underwriters and Underwriters' Counsel, at which meetings and conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. On the basis of the information made available to us in the course of the foregoing (but without having undertaken to determine or verify independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement), no facts have come to the attention of the personnel directly involved in rendering legal advice and assistance in connection with the preparation of the Preliminary Official Statement and the Official Statement that causes them to believe that (a) the Preliminary Official Statement as of its date or as of February __, 2014 contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (except for the description of any claim or litigation, any information relating to The Depository Trust Company, Cede & Co., the book-entry system, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included therein, and information in Appendices A, C, E and F thereof, as to all of which we express no view, and except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, including but not limited to information as to pricing, yield, interest rate, maturity, amortization, redemption provisions, underwriters' discount and CUSIP numbers), or (b) the Official Statement as of its date or as of the date hereof contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for the description of any claim or litigation, any information relating to The Depository Trust Company, Cede & Co., the book-entry system, CUSIP numbers, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included therein, and information Appendices A, C, E and F thereof, as to all of which we express no view).

During the period from the date of the Preliminary Official Statement to the date of this opinion, except for our review of the certificates and opinions regarding the Preliminary Official Statement and the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement.

We are furnishing this opinion to you, solely for your benefit. This opinion is rendered in connection with the transaction described herein, and may not be relied upon by you for any other purpose. This opinion shall not extend to, and may not be used, circulated, quoted, referred

to, or relied upon by, any other person, firm, corporation or other entity without our prior written consent; provided, however, this opinion may be included in the transcript of closing documents prepared in connection with the Bonds. The delivery of this opinion shall not create any attorney-client relationship between our firm and the addressees hereof, other than Alameda CTC. Our engagement with respect to this matter terminates upon the delivery of this opinion to you at the time of the closing relating to the Bonds, and we have no obligation to update this opinion.

Respectfully submitted,

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CONTINUING DISCLOSURE AGREEMENT

by and between

ALAMEDA COUNTY TRANSPORTATION COMMISSION

and

**[DISSEMINATION AGENT],
as Dissemination Agent**

Dated as of February 1, 2014

Relating to

**\$ _____
ALAMEDA COUNTY TRANSPORTATION COMMISSION
Sales Tax Revenue Bonds
(Limited Tax Bonds),
Series 2014**

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of February 1, 2014 (this “Disclosure Agreement”), is by and between the ALAMEDA COUNTY TRANSPORTATION COMMISSION, a joint exercise of powers authority and a public entity duly established and existing under the laws of the State of California (“Alameda CTC”), and UNION BANK, N.A., as Dissemination Agent hereunder (the “Dissemination Agent”).

WITNESSETH:

WHEREAS, Alameda CTC has issued \$_____ Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 (the “Series 2014 Bonds”) pursuant to an Indenture, dated as of February 1, 2014 (the “2014 Indenture”), as supplemented by a First Supplemental Indenture, dated as of February 1, 2014 (the “First Supplemental Indenture”) (the 2014 Indenture and the First Supplemental Indenture are collectively referred to herein as the “Indenture”), between Alameda CTC and Union Bank, N.A., as trustee (the “Trustee”); and

WHEREAS, this Disclosure Agreement is being executed and delivered by Alameda CTC and the Dissemination Agent for the benefit of the owners and beneficial owners of the Series 2014 Bonds and in order to assist the underwriters of the Series 2014 Bonds in complying with the Rule (as defined herein);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by Alameda CTC and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Series 2014 Bonds and in order to assist the Participating Underwriters in complying with the Rule.

Section 2. Definitions. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture. In addition, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by Alameda CTC pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Disclosure Representative” means the Director of Finance of Alameda CTC, or such other officer or employee of Alameda CTC as the Executive Director of Alameda CTC or the Finance Director of Alameda CTC shall designate in writing to the Dissemination Agent and the Trustee from time to time.

“Dissemination Agent” means an entity selected and retained by Alameda CTC, or any successor thereto selected by Alameda CTC. The initial Dissemination Agent shall be Union Bank, N.A.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for Municipal Securities disclosures, maintained on the internet at <http://emma.msrb.org>.

“Fiscal Year” shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any twelve-month or fifty-two week period hereafter selected by Alameda CTC, with notice of such selection or change in fiscal year to be provided as set forth herein.

“Listed Events” means any of the events listed in Section 5 hereof.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” means the Official Statement, dated February ___, 2014, relating to the Series 2014 Bonds.

“Participating Underwriters” means the underwriters of the Series 2014 Bonds required to comply with the Rule in connection with the offering of the Series 2014 Bonds.

“Repository” means, until otherwise designated by the SEC, EMMA.

“Rule” means Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” means the Securities and Exchange Commission.

Section 3. Provision of Annual Reports.

(a) So long as any Series 2014 Bonds remain outstanding pursuant to the Indenture, Alameda CTC shall, or shall cause the Dissemination Agent to, not later than 195 days following the end of Alameda CTC’s Fiscal Year (presently June 30), commencing with the report for the Fiscal Year ended June 30, 2014, provide to the MSRB, through EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report must be submitted in electronic format, accompanied by such identifying information as provided by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided, that the audited financial statements of Alameda CTC may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Fiscal Year changes for Alameda CTC, Alameda CTC shall give notice of such change in the manner provided under Section 5(e) hereof.

(b) Not later than two (2) Business Days prior to the date specified in subsection (a) for providing the Annual Report to each Repository, Alameda CTC shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report from Alameda CTC, the Dissemination Agent shall contact Alameda CTC to determine if Alameda CTC is in compliance with the first sentence of subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report of Alameda CTC has been provided to each Repository by the date required in subsection (a), the Dissemination Agent shall send a notice to each Repository in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine the electronic filing address of, and then-current procedures for submitting Annual Reports to, the MSRB each year prior to the date for providing the Annual Report; and

(ii) to the extent known to the Dissemination Agent file a report with Alameda CTC and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. Alameda CTC's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of Alameda CTC for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If Alameda CTC's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The debt service schedule for the Series 2014 Bonds, if there have been any unscheduled redemptions, retirements or defeasances, and the debt service on any additional parity refunding bonds issued, in each case during the prior Fiscal Year.

(c) The actual Sales Tax Revenues and debt service coverage for the prior Fiscal Year consistent with the information set forth in the tables entitled "Historical Sales Tax Revenues" and "Coverage Ratio" under the caption "THE SALES TAX – Historical Sales Tax Revenues" in the Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of Alameda CTC or public entities related thereto, which have been submitted to each Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. Alameda CTC shall clearly identify each such other document so included by reference.

The contents, presentation and format of the Annual Reports may be modified from time to time as determined in the judgment of Alameda CTC to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to Alameda CTC or to reflect changes in the business, structure, operations, legal form of Alameda CTC or any mergers, consolidations, acquisitions or dispositions made by or affecting Alameda CTC; provided that any such modifications shall comply with the requirements of the Rule.

Section 5. Reporting of Significant Events. (a) Pursuant to the provisions of this Section 5, Alameda CTC shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2014 Bonds, in a timely manner not more than ten (10) Business Days after the event:

- (1) principal and interest payment delinquencies;
- (2) defeasances;
- (3) tender offers;
- (4) rating changes;
- (5) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701-TEB);
- (6) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (7) unscheduled draws on credit enhancements reflecting financial difficulties;
- (8) substitution of credit or liquidity providers or their failure to perform; or
- (9) bankruptcy, insolvency, receivership or similar proceedings.

For these purposes, any event described in the immediately preceding numbered paragraph (9) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for Alameda CTC in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of Alameda CTC, or if such jurisdiction has been assumed by leaving the existing governing body

and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of Alameda CTC.

(b) Pursuant to the provisions of this Section 5, Alameda CTC shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2014 Bonds, if material:

- (1) the consummation of a merger, consolidation or acquisition involving Alameda CTC or the sale of all or substantially all of the assets of Alameda CTC, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions;
- (2) appointment of a successor or additional Trustee or the change of the name of a Trustee;
- (3) non-payment related defaults;
- (4) modifications to the rights of Holders;
- (5) bond calls;
- (6) release, substitution or sale of property securing repayment of the Series 2014 Bonds; or
- (7) in addition to the adverse tax opinions or determinations of taxability described in Section 5(a)(5) above, any other notices or determinations with respect to the tax status of the Series 2014 Bonds.

(c) Whenever Alameda CTC obtains knowledge of the occurrence of a Listed Event, described in subsection (b) of this Section 5, Alameda CTC shall as soon as possible determine if such event would be material under applicable federal securities law.

(d) If Alameda CTC determines that knowledge of the occurrence of a Listed Event described in subsection (b) of this Section 5 would be material under applicable federal securities law, Alameda CTC shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence to the MSRB in a timely manner not more than ten (10) Business Days after the event.

(e) If the Dissemination Agent has been instructed by Alameda CTC to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

Section 6. Filings with the MSRB. All information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. Alameda CTC's obligations under this Disclosure Agreement shall terminate upon the legal defeasance or payment in full of all of the Series 2014 Bonds. If such termination occurs prior to the final maturity of the Series 2014 Bonds, Alameda CTC shall give notice of such termination in the same manner as for a Listed Event under Section 5.

Section 8. Dissemination Agent. Alameda CTC may, from time to time, appoint or engage another Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent; provided, it shall receive written notice of such designation at the time of such designation.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, Alameda CTC may amend this Disclosure Agreement, provided no amendment increasing or affecting the obligations or duties of the Dissemination Agent shall be made without the consent of such party, and any provision of this Disclosure Agreement may be waived if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to Alameda CTC to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent Alameda CTC from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement.

Section 11. Default. In the event of a failure of Alameda CTC or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee shall, at the written request of any Participating Underwriter or of the Holders of at least twenty-five percent (25%) of the aggregate principal amount of the Series 2014 Bonds then Outstanding (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, reasonable fees and expenses of its attorneys), or any Holder or beneficial owner of the Series 2014 Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause Alameda CTC or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of Alameda CTC or the

Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall not be responsible for the form or content of any notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and Alameda CTC agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of Alameda CTC under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2014 Bonds.

Section 13. Notices. Any notices or communications to or among any of the parties to the Disclosure Agreement or the Trustee may be given as follows:

To Alameda CTC: Alameda County Transportation Commission
1111 Broadway, Suite 800
Oakland, California 94607
Attention: Director of Finance
Telephone: (510) 208-7422

To the Dissemination Agent: Union Bank, N.A.
350 California Street, 11th Floor
San Francisco, California 94104
Attention: Corporate Trust
Telephone: (415) 273-2514

To the Trustee: Union Bank, N.A.
350 California Street, 11th Floor
San Francisco, California 94104
Attention: Corporate Trust
Telephone: (415) 273-2514

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent. Any notice or communication may also be sent by electronic mail, receipt of which shall be confirmed.

Section 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of Alameda CTC, the Dissemination Agent, the Participating Underwriters and Holders and beneficial owners from time to time of the Series 2014 Bonds, and shall create no rights in any other person or entity.

Section 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

**ALAMEDA COUNTY TRANSPORTATION
COMMISSION**

By: _____
Executive Director

UNION BANK, N.A.,
as Dissemination Agent

By: _____
Authorized Representative

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Alameda County Transportation Commission ("Alameda CTC")

Name of Issue: \$_____ Alameda County Transportation Commission Sales Tax
Revenue Bonds (Limited Tax Bonds), Series 2014

Date of Issuance: February ___, 2014

NOTICE IS HEREBY GIVEN that Alameda CTC has not provided an Annual Report with respect to the above-named Bonds as required by this Continuing Disclosure Agreement dated as of February 1, 2014, between Alameda CTC and the Dissemination Agent. Alameda CTC anticipates that the Annual Report will be filed by _____.

Dated: ____, 20__

[DISSEMINATION AGENT], as Dissemination Agent,
on behalf of Alameda CTC

cc: Alameda CTC

**AMENDED AND RESTATED AGREEMENT FOR STATE ADMINISTRATION
OF DISTRICT TRANSACTIONS AND USE TAXES**

The Alameda County Transportation Commission (hereinafter "District") and the Board of Equalization (hereinafter "Board") enter into this Amended and Restated Agreement to provide for the administration of taxes (hereinafter "District Taxes") pursuant to the provisions of Division 2, Part 1.6. of the Revenue and Taxation Code of the State of California (the "Transactions and Use Tax Law").

RECITALS

WHEREAS, as authorized pursuant to Ordinance No. 2000-01, adopted on July 25, 2000, the Alameda County Transportation Improvement Authority ("ACTIA"), a predecessor agency to the District, entered into an "Agreement for State Administration of District Transactions and Use Taxes" (the "Existing Agreement") with the Board, which was effective on January 1, 2002, and continues in effect;

WHEREAS, from and after January 1, 2002, the Board has performed all functions incident to the administration and operation of the hereinafter defined District Ordinance;

WHEREAS, pursuant to its Resolution Number 2012-0001 Termination of ACTIA, ACTIA was terminated, with the District designated as the successor entity, and all of ACTIA's assets, functions and responsibilities were transferred and assigned to the District as of close of business on February 29, 2012; and

WHEREAS, the District, as successor agency to ACTIA, and the Board desire to amend and restate the Existing Agreement as set forth herein;

AGREEMENT

The Board and the District enter into this "Amended and Restated Agreement for State Administration of District Transactions and Use Taxes" (hereinafter this "Agreement") to carry out the provisions of the Transactions and Use Tax Law and the District Ordinance, a copy of which District Ordinance is attached hereto as Exhibit A. The Board and the District agree that this Agreement will supersede the Existing Agreement. This Agreement will become operative

on February 1, 2014 to provide for the Board's administration and operation of the District Ordinance pursuant to the District Ordinance and to provide security for the hereinafter defined Bonds.

ARTICLE I

DEFINITIONS

Unless the context requires otherwise, wherever the following terms appear in the Agreement, they shall be interpreted to mean the following:

1. "Bonds" shall mean any bonds, notes or other obligations of the District secured by a pledge of all or a portion of the District Taxes.

2. "Corporate Trust Office" shall mean the corporate trust office of the Trustee located at 350 California Street, 11th Floor, San Francisco, California 94104, Attention: Corporate Trust, or such other or additional offices as may be designated in writing to the Board by the Trustee.

3. "District Ordinance" shall mean the Transactions and Use Tax Ordinance referenced above and attached hereto as Exhibit A, as amended or extended from time to time, or as deemed to be amended from time to time pursuant to Section 7262.2 of the Revenue and Taxation Code of the State of California.

4. "District Taxes" shall mean the transactions and use taxes, penalties, and interest imposed under an ordinance specifically authorized by Section 180201 Public Utilities Code of the State of California and in compliance with the "Transactions and Use Tax Law".

5. "Indenture" shall mean that certain Indenture, dated as of February 1, 2014, between the District and the Trustee, as supplemented and amended from time to time pursuant to its terms, or any replacement therefor, pursuant to which the District issues or incurs obligations secured by a pledge of all or a portion of the District Taxes, including Bonds.

6. "Trustee" shall mean the national banking association or state banking corporation serving as trustee under the Indenture, including any successor thereto appointed pursuant to the

provisions of the Indenture. Unless and until the Board shall have received a written notice of resignation or removal, either from the existing Trustee or District, as applicable, Trustee shall mean Union Bank, N.A..

ARTICLE II
ADMINISTRATION AND COLLECTION
OF DISTRICT TAXES

A. Administration. The Board and the District agree that the Board shall perform exclusively all functions incident to the administration and operation of the District Ordinance.

B. Other Applicable Laws. The District agrees that all provisions of law applicable to the administration and operation of the State Sales and Use Tax Law which are not inconsistent with the Transactions and Use Tax Law shall be applicable to the administration and operation of the District Ordinance. The District agrees that money collected pursuant to the District Ordinance may be deposited into the State Treasury to the credit of the Retail Sales Tax Fund and may be drawn from that Fund for any authorized purpose, including making refunds, compensating and reimbursing the Board pursuant to Article IV of this Agreement, and of transmitting to the District the amount to which the District is entitled.

C. Transmittal of money.

1. So long as any Bonds are Outstanding or any Parity Obligations, Subordinate Obligations or Fee and Expense Obligations remain unpaid (as such terms are defined in the Indenture), all taxes imposed under the District Ordinance and collected by the Board, less the Board's compensation, as provided in Article IV of this Agreement, shall be transmitted by the Board periodically as promptly as feasible, but not less often than once in each calendar month, directly to the Trustee at the Corporate Trust Office for the account of the District. The first month in which payment shall be made to the Trustee shall be March, 2014. Transmittals to the Trustee shall be made via same day deposit program or by electronic funds transfer to an account of the Trustee designated and authorized by the District, to be held in trust for the District, or as otherwise provided in writing to the Board. Bonds shall be assumed to be Outstanding and Parity Obligations, Subordinate Obligations and Fee and Expense Obligations shall be assumed

to remain unpaid unless the District and the Trustee have both delivered written notice to the Board stating that no Bonds remain Outstanding and that no Parity Obligations, Subordinate Obligations or Fee and Expense Obligations remain unpaid.

2. At such time as no Bonds remain Outstanding and no Parity Obligations, Subordinate Obligations or Fee and Expense Obligations remain unpaid, all District Taxes collected under the provisions of the District Ordinance shall be transmitted to District periodically as promptly as feasible, but not less often than once in each calendar month.

3. Transmittals may be made by electronic funds transfer to an account of the District designated and authorized by District.

4. A statement shall be furnished by the Board to the District at least quarterly, indicating the amounts withheld pursuant to Article IV of this Agreement.

D. Rules. The Board shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the District Ordinance and the distribution of the District Taxes collected thereunder.

E. Preference. Unless the payor instructs otherwise, and except as otherwise provided in this Agreement, the Board shall give no preference in applying money received for state sales and use taxes, state-administered local sales and use taxes, and District Taxes owed by a taxpayer, but shall apply moneys collected to the satisfaction of the claims of the State, cities, counties, cities and counties, redevelopment agencies, other districts, and the District as their interests appear.

F. Security. The Board agrees that any security which it hereafter requires to be furnished by taxpayers under the State Sales and Use Tax Law will be upon such terms that it also will be available for the payment of the claims of the District for District Taxes owing to it as its interest appears. The Board shall not be required to change the terms of any security now held by it, and the District shall not participate in any security now held by the Board.

G. Records of the Board. When requested by resolution of the legislative body of the District under Section 7056 of the Revenue and Taxation Code, the Board agrees to permit

authorized personnel of the District to examine the records of the Board, including the name, address, and account number of each seller holding a seller's permit with a registered business location in the District, pertaining to the ascertainment of District Taxes. Information obtained by the District from examination of the Board's records shall be used by the District only for purposes related to the collection of transactions and use taxes by the Board pursuant to this Agreement.

H. Annexation. The District agrees that the Board shall not be required to give effect to an annexation, for the purpose of collecting, allocating, and distributing District transactions and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Board. The notice shall include the name of the county or counties annexed to the extended District boundary. In the event the District shall annex an area, the boundaries of which are not coterminous with a county or counties, the notice shall include a description of the area annexed and two maps of the District showing the area annexed and the location address of the property nearest to the extended District boundary on each side of every street or road crossing the boundary.

ARTICLE III

ALLOCATION OF TAX

A. Allocation. In the administration of the Board's contracts with all districts that impose transactions and use taxes imposed under ordinances, which comply with the Transactions and Use Tax Law:

1. Any payment not identified as being in payment of liability owing to a designated district or districts may be apportioned among the districts as their interest appear, or, in the discretion of the Board, to all districts with which the Board has contracted, using ratios reflected by the distribution of district taxes collected from all taxpayers.

2. All district taxes collected as a result of determinations or billings made by the Board, and all amounts refunded or credited may be distributed or charged to the respective districts in the same ratio as the taxpayer's self-declared district taxes for the period for which the determination, billing, refund or credit applies.

B. Vehicles, Vessels, and Aircraft. For the purpose of allocating use tax with respect to vehicles, vessels, or aircraft, the address of the registered owner appearing on the application for registration or on the certificate of ownership may be used by the Board in determining the place of use.

ARTICLE IV

COMPENSATION

The District agrees to pay to the Board as the Board's cost of administering the District Ordinance such amount as is provided for by law (including, but not limited to, the Transactions and Use Tax Law, Section 7272 and Section 7273, and Section 11256 of the Government Code of the State of California). Such amounts shall be deducted from the taxes collected by the Board for the District.

ARTICLE V

MISCELLANEOUS PROVISIONS

A. Communications. Communications and notices may be sent by first class United States mail to the addresses listed below, or to such other addresses as the parties may from time to time designate. A notification is complete when deposited in the mail.

Communications and notices to be sent to the Board shall be addressed to:

State Board of Equalization
P.O. Box 942879
Sacramento, California 94279-0073
Attention: Executive Director

Communications and notices to be sent to the District shall be addressed to:

Alameda County Transportation Commission
1111 Broadway, Suite 800
Oakland, California 92401
Attention: Director of Finance

Communications and notices to be sent to the Trustee shall be addressed to the Trustee at the Corporate Trust Office.

B. Term. This Agreement amends, restates and supersedes the Existing Agreement. The date of this Agreement is the date on which this Agreement is approved by the Department of General Services. This Agreement shall take effect on February 1, 2014. This Agreement shall continue until December 31 next following the expiration date of the District Ordinance, and shall thereafter be renewed automatically from year to year until the Board completes all work necessary to the administration of the District Ordinance and has collected all District Taxes and disbursed all payments due under the District Ordinance.

C. Trustee. The parties hereto acknowledge that the Trustee shall be entitled to the same immunities and protections hereunder as are set forth in Article VIII of the Indenture.

D. Notice of Repeal of District Ordinance. The District shall give the Board written notice of the repeal of the District Ordinance not less than 110 days prior to the operative date of the repeal.

ARTICLE VI

ADMINISTRATION OF TAXES IF THE ORDINANCE IS CHALLENGED AS BEING INVALID

A. Impoundment of funds.

1. When a legal action is begun challenging the validity of the imposition of the tax, the District (or the Trustee if Bonds are Outstanding or any Parity Obligations, Subordinate Obligations or Fee and Expense Obligations remain unpaid) shall deposit in an interest-bearing escrow account (as specified by the District), any proceeds transmitted to it under Article II.C., until a court of competent jurisdiction renders a final and non-appealable judgment that the tax is valid.

2. If the tax is determined to be unconstitutional or otherwise invalid, the District (or the Trustee if Bonds are Outstanding or any Parity Obligations, Subordinate Obligations or Fee and Expense Obligations remain unpaid) shall transmit to the Board the moneys retained in

escrow, including any accumulated interest, within ten days of the final and non-appealable judgment of a court of competent jurisdiction, in the litigation awarding costs and fees becoming final and non-appealable.

B. Costs of administration. Should a court of competent jurisdiction render a final and non-appealable judgment, holding that District Ordinance is invalid or void, and requiring a rebate or refund to taxpayers of any taxes collected under the terms of this Agreement, the parties mutually agree that:

1. The Board may retain all payments made by the District to Board for the Board's services involved in preparing to administer the District Ordinance.

2. The District will pay to the Board and allow the Board to retain the Board's administrative costs in the amounts set forth in Article IV of this Agreement.

3. The District will pay to the Board or to the State of California the amount of any taxes, plus interest and penalties, if any, that the Board or the State of California may be required to rebate or refund to taxpayers.

4. The District will pay to the Board its costs for rebating or refunding such taxes, interest, or penalties. The Board's costs shall include its additional cost for developing procedures for processing the rebates or refunds, its costs of actually making these refunds, designing and printing forms, and developing instructions for Board's staff for use in making these rebates or refunds and any other costs incurred by the Board which are reasonably appropriate or necessary to make those rebates or refunds. These costs shall include Board's direct and indirect costs as specified by Section 11256 of the Government Code.

5. Costs may be accounted for in a manner, which conforms to the internal accounting, and personnel records currently maintained by the Board. The billings for such costs may be presented in summary form. Detailed records will be retained for audit and verification by the District.

6. The District and the Board agree that any dispute as to the amount of costs incurred by the Board in refunding taxes shall be referred to the State Director of Finance for resolution and such Director's decision shall be final.

7. Costs incurred by Board in connection with such refunds shall be billed by the Board on or before the 25th day of the second month following the month in which the judgment of a court of competent jurisdiction holding the District Ordinance invalid or void becomes final. Thereafter the Board shall bill District on or before the 25th of each month for all costs incurred by the Board for the preceding calendar month. The District shall pay to the Board the amount of such costs on or before the last day of the succeeding month and shall pay to the Board the total amount of taxes, interest, and penalties refunded or paid to taxpayers, together with Board costs incurred in making those refunds.

ALAMEDA COUNTY
TRANSPORTATION COMMISSION

STATE BOARD OF EQUALIZATION

By: _____
Arthur L. Dao
Executive Director

By: _____
Executive Director

ACKNOWLEDGEMENT BY THE TRUSTEE

The Trustee hereby acknowledges receipt of this Amended and Restated Agreement for State Administration of District Transactions and Use Taxes and, subject to the provisions of the Indenture, accepts its duties hereunder.

Dated as of February 1, 2014

UNION BANK, N.A., as trustee

By: _____
Authorized Officer

Notice Address: Union Bank, N.A.
350 California Street, 11th Floor
San Francisco, California 94104
Attention: Corporate Trust

Exhibit A

Ordinance No. 2000-01

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Commission Chair
Supervisor Scott Haggerty, District 1

Commission Vice Chair
Councilmember Rebecca Kaplan,
City of Oakland

AC Transit
Director Elsa Ortiz

Alameda County
Supervisor Richard Valle, District 2
Supervisor Wilma Chan, District 3
Supervisor Nate Miley, District 4
Supervisor Keith Carson, District 5

BART
Director Thomas Blalock

City of Alameda
Mayor Marie Gilmore

City of Albany
Mayor Peggy Thomsen

City of Berkeley
Councilmember Laurie Capitelli

City of Dublin
Mayor Tim Sbranti

City of Emeryville
Vice Mayor Ruth Atkin

City of Fremont
Mayor William Harrison

City of Hayward
Councilmember Marvin Peixoto

City of Livermore
Mayor John Marchand

City of Newark
Councilmember Luis Freitas

City of Oakland
Vice Mayor Larry Reid

City of Piedmont
Mayor John Chiang

City of Pleasanton
Mayor Jerry Thorne

City of San Leandro
Councilmember Michael Gregory

City of Union City
Mayor Carol Dutra-Vernaci

Executive Director
Arthur L. Dao

ALAMEDA COUNTY TRANSPORTATION COMMISSION

RESOLUTION 14-003

A Resolution of the Alameda County Transportation Commission Authorizing the Executive Director to Execute an Agreement with the State Board of Equalization for Implementation of a Local Transactions and Use Tax

WHEREAS, on July 25, 2000, the Alameda County Transportation Improvement Authority, a predecessor agency to the Alameda County Transportation Commission, approved Ordinance No. 2000-01 providing for a local transactions and use tax; and

WHEREAS, the State Board of Equalization (the "Board") administers and collects the transactions and use taxes for all applicable jurisdictions within the state; and

WHEREAS, the Board will be responsible to administer and collect the transactions and use tax for the Alameda County Transportation Commission; and

WHEREAS, the Board requires that the Alameda County Transportation Commission as successor agency to the Alameda County Transportation Improvement Authority enter into an "Administration Agreement," and

WHEREAS, the Board requires that the Alameda County Transportation Commission authorize the Administration Agreement;

NOW, THEREFORE BE IT RESOLVED by the Alameda County Transportation Commission that the attached "Amended and Restated Agreement for State Administration of District Transaction and Use Taxes" is hereby approved and the Executive Director of the Alameda County Transportation Commission is hereby authorized to execute the Amended and Restated Agreement for State Administration of District Transaction and Use Taxes.

Duly passed and adopted by the Alameda County Transportation Commission at the regular meeting of the Commission held on Thursday, January 23, 2014 in Oakland, California by the following votes:

AYES:

NOES:

ABSTAIN:

ABSENT:

SIGNED:

ATTEST:

Scott Haggerty, Chairperson

Vanessa Lee, Clerk of the Commission

Post-Issuance Tax Compliance Procedures For Tax-Exempt Bonds

_____ 1, 2014

The purpose of these Post-Issuance Tax Compliance Procedures is to establish policies and procedures in connection with tax-exempt bonds ("Bonds") issued by the Alameda County Transportation Commission (the "Issuer") so as to ensure that the Issuer complies with all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Bonds.

General

Ultimate responsibility for all matters relating to Issuer financings and refinancings rests with the Director of Finance (the "Director of Finance").

Post-Issuance Compliance Requirements

External Advisors / Documentation

The Director of Finance and other appropriate Issuer personnel shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the process of issuing Bonds to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for the appropriate tax status. Those requirements and procedures shall be documented in an Issuer resolution(s), Tax Certificate(s) and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

The Director of Finance and other appropriate Issuer personnel also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with contracts with respect to the use of Bond-financed assets entered into or amended subsequent to the issuance of the Bonds.

Whenever necessary or appropriate, the Issuer shall engage expert advisors (each a "Rebate Service Provider") to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds.

Role of the Issuer as Bond Issuer

Unless otherwise provided by Issuer documentation, investment of Bond proceeds shall be managed by the Director of Finance. The Director of Finance shall maintain records regarding the investment of, and transactions involving, Bond proceeds.

If Issuer documentation provides for Bond proceeds to be administered by a trustee, the trustee shall provide regular, periodic (monthly) statements regarding the investments and transactions involving Bond proceeds.

Arbitrage Rebate and Yield

Unless a Tax Certificate documents that bond counsel has advised that arbitrage rebate will not be applicable to an issue of Bonds:

- the Issuer shall engage the services of a Rebate Service Provider, and the Issuer or the trustee shall deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider on a prompt basis;
- upon request, the Director of Finance and other appropriate Issuer personnel shall provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- the Director of Finance and other appropriate Issuer personnel shall monitor efforts of the Rebate Service Provider and assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed; and
- during the construction period of each capital project financed in whole or in part by Bonds, the Director of Finance and other appropriate Issuer personnel shall monitor the investment and expenditure of Bond proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds.

The Issuer shall retain copies of all arbitrage reports and trustee statements as described below under "Record Keeping Requirements."

Use of Bond Proceeds

The Issuer grants Bond proceeds to agencies that are not directly or indirectly controlled by the Issuer and do not directly or indirectly control the Issuer (such agencies being hereinafter referred to as "Unrelated Agencies") in order to finance assets that are owned and operated by the Unrelated Agencies and with respect to which the Issuer receives no payments (such assets being hereinafter referred to as "Grant Assets"). The Issuer may finance other assets as well (such other assets being hereinafter referred to as "Issuer Assets").

The Director of Finance and other appropriate Issuer personnel shall:

- monitor the use of Bond proceeds and the use of Issuer Assets throughout the term of the Bonds (and in some cases beyond the term of the Bonds) to ensure compliance with covenants and restrictions set forth in applicable Issuer documentation, including Tax Certificates;

- monitor any changes to the use of Grant Assets that will cause any of the Bond proceeds granted to Unrelated Agencies to be returned to the Issuer and consult with bond counsel regarding the use of any such returned proceeds;
- maintain records identifying all of the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds;
- consult with bond counsel and other professional expert advisers in the review of any contracts or arrangements involving use of Issuer Assets to ensure compliance with all covenants and restrictions set forth in applicable Issuer documentation, including Tax Certificates;
- maintain records for any contracts or arrangements involving the use of Issuer Assets as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable Issuer documentation and Tax Certificates; and
- meet at least annually with personnel responsible for Issuer Assets to identify and discuss any existing or planned use of Issuer Assets to ensure that those uses are consistent with all covenants and restrictions set forth in applicable Issuer documentation, including Tax Certificates.

All relevant records and contracts shall be maintained as described below.

Record Keeping Requirements

Unless otherwise specified in applicable Issuer documentation or Tax Certificates, the Issuer shall maintain the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to the Issuer at or in connection with closing of the issue of Bonds;
- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds;
- a copy of all contracts and arrangements involving private use of Bond-financed assets; and
- copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.

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Memorandum

4.4

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: January 6, 2014

SUBJECT: Alameda CTC HRA Retiree Health Benefit for the 2014 Calendar Year

RECOMMENDATION: Approval of the Alameda CTC Retiree Health Benefit for the 2014 Calendar Year

Summary

The Alameda County Transportation Commission (Alameda CTC) Retiree Benefit Amount for the 2014 calendar year is reimbursed to retirees through the Health Reimbursement Arrangement (HRA) Plan. The HRA Plan is a premium reimbursement plan for retiree health care premiums. The Alameda CTC will contribute only the required minimum contribution amount directly to CalPERS for retirees (\$119 per month in 2014). CalPERS requires that the remaining premium costs be deducted directly from the retiree's monthly retirement check under the CalPERS pension plan. Once CalPERS takes this deduction, the Alameda CTC's HRA will reimburse each retiree for the deduction, up to the annually determined amount. The HRA contribution amount recommended for 2014 is \$1,367 per retiree per month (\$1,485.44 Kaiser Bay Area Employee [Retiree] Plus One Rate, less \$119 PEMHCA-required minimum contribution). Similar to active employees, if a retiree's elected health coverage costs exceed the amount approved by the Commission, the retiree will be required to pay for the additional amount from his or her own funds.

Background

In December 2013, the Commission approved the comprehensive benefits program for employees of the Alameda CTC. This benefits program included CalPERS retirement benefits, health benefits for active employees, vacation and sick leave, holiday allowance and other benefits, but it did not include the amount to be reimbursed to retirees through the HRA plan.

Fiscal Impact

The 2014 retiree HRA contribution amount will be included in the FY13-14 mid-year budget update and in the FY14-15 proposed budget.

Staff Contact

[Patricia Reavey](#), Director of Finance

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Memorandum

4.5

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: January 6, 2014

SUBJECT: Alameda CTC General Fund Balance Reserve Policy

RECOMMENDATION: Approve the Alameda CTC General Fund Balance Reserve Policy

Summary

The Government Finance Officers Association (GFOA) recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund. It is essential that governments maintain adequate levels of general fund balance to mitigate current and future risks and sufficient liquidity in all funds. Another objective in establishing a general fund balance reserve policy is to maintain credit worthiness. Rating agencies monitor levels of fund balance and unrestricted fund balance in governmental general funds to evaluate creditworthiness.

The Alameda CTC has an unrestricted fund balance in the general fund of \$20.4 million as of June 30, 2013, \$19.5 million of which is related to unused Measure B administrative funds which have accumulated over the years since the beginning of sales tax collections in 2002. The accumulation of the administrative fund balance is the result of the agency's ability to manage and administer the sales tax program efficiently and effectively over the years. The Transportation Expenditure Plan (TEP) allows up to 4.5 percent of the sales taxes collected to be spent on administrative costs. Each year that administrative costs were less than the 4.5 percent allowed since 2002; there was an increase in the fund balance.

The general fund reserve policy recommendation is to continue to accumulate excess administrative funds not utilized for one-time costs throughout the life of the Measure with the goal of reaching two months' worth of expenditures for the general fund based on the adopted budget and one months' worth of expenditures for the all other funds. Based on the budget adopted for FY13-14 this amount would be \$35.5 million. This policy will help to ensure that Alameda CTC is able to deliver all of its programs and projects, in particular those approved in the TEP.

Programming of general fund reserves will be limited to one time costs such as disasters, unforeseen circumstances, immediate capital needs, shortfalls in projects or programs, shortfalls in the budget, or election costs for a new transportation measure. Paying for

election costs for a new measure out of these funds would not harm any of the projects or programs within the TEP, would help transportation within Alameda County, is permitted by Measure B and has been approved by the Commission.

Background

In accounting, the term “fund balance” is used to describe the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). Fund balance is intended to serve as a measure of the financial resources available in a governmental fund. There are five categories of fund balance including:

- Nonspendable fund balance,
- Restricted fund balance,
- Committed fund balance,
- Assigned fund balance, and
- Unassigned fund balance.

The total of the last three categories, which include only resources without a constraint on spending, is considered unrestricted fund balance.

In most cases, discussions of fund balance focus on a government's general fund. However, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance in the general fund.

Fiscal Impact: There is no fiscal impact.

Staff Contact

[Patricia Reavey](#), Director of Finance



Memorandum

4.6

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: January 6, 2014

SUBJECT: Alameda CTC 2014 Meeting Schedule

RECOMMENDATION: Approve the Alameda CTC meeting schedule for the 2014 Calendar year

Summary

The Alameda County Transportation Commission adopts its meeting calendar at its annual organization meeting in January. The calendar outlines the meeting schedule for the full Commission in addition to standing committee meetings which include the following: I-580 Express Lane Policy Committee (I-580 PC), Planning, Policy and Legislation Committee (PPLC), Programs and Policy Committee (PPC) and, Finance and Administration Committee (FAC). Any Ad-hoc or steering committee meeting schedules are developed at the discretion of the Commission and will be noticed in accordance to Government Code Section 54950.

Background

Pursuant to Section 4.2.10 of the Alameda CTC Administrative Code, the Commission shall adopt the schedule of regular meetings of the Commission and the Standing Committees for the upcoming year at its January organizational meeting. The Commission and each Standing Committee may change the date for a regular meeting of such body to another business day if the regular date is a holiday or as otherwise determined by the Commission or such Standing Committee.

Fiscal Impact:

There is no fiscal impact.

Attachments

A. Alameda CTC 2014 Meeting Schedule

Staff Contact

[Art Dao](#), Executive Director

[Vanessa Lee](#), Clerk of the Commission

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(Second Monday of the Month)	(Fourth Thursday of the Month)
I-680 JPA I-580 PC PPLC PPC FAC	ACTC COMMISSION
January 13, 2014	January 23, 2014
February 3, 2014	February 27, 2014
March 10, 2014	March 27, 2014
April 14, 2014	April 24, 2014
May 12, 2014	May 22, 2014
June 9, 2014	June 26, 2014
July 14, 2014	July 24, 2014
August Summer Recess	August Summer Recess
September 8, 2014	September 25, 2014
October 13, 2014	October 23, 2014
November 10, 2014	No November Commission Meeting
No December Committee Meeting	December 4, 2014

Meeting Acronyms:

Meeting Time

I-680 JPA Board	I-680 Sunol Smart Carpool Lane Joint Powers Authority Board	9:30 AM
I-580 PC	I-580 Policy Committee	10:00 AM
PPLC	Planning, Policy & Legislation Committee	10:30 AM
PPC	Programs and Projects Committee	12:00 PM
FAC	Finance and Administration Committee	1:30 PM
ACTC Commission	Alameda County Transportation Commission	2:00 PM

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