



DATE: September 2, 2015

TO: GCTD Board of Directors

FROM: Steve L. Rosenberg *SLR*
Director of Finance and Administration

SUBJECT: **Consider Adoption of Resolution 2015-12, Authorizing the California Transit Finance Corporation to Issue up to \$22,000,000 in Certificates of Participation for GCTD to finance the unfunded portion of GCTD's new Administration and Operations Facility**

I. EXECUTIVE SUMMARY

This report recommends the Board adopt Resolution 2015-12, approving related documents and authorizing the District to finance up to \$22,000,000 to complete the financing of GCTD's new Administration and Operations Facility (the "Facility") with a Certificates of Participation ("COPs") issue from the California Transit Finance Corporation ("CTFC"). On May 13, 2015, the Board approved proceeding with this financing issue and directed staff to work with the CTFC to develop financing documents, including a Trust Agreement, Resolution, and Preliminary Official Statement for the issuance of COPs to fund the remaining portion of the Facility.

Since that time, GCTD has worked with the CTFC and its partners, Public Financial Management ("PFM"), RBC Capital Markets ("RBC"), Stifel, and Nossaman LLP, to prepare the financing documents, forms of which are attached to this report for the Board's review. On August 19, 2015, Moody's Investors Service assigned an initial rating of A2 to GCTD's Certificates of Participation; a copy of Moody's rating report is attached to this report. On August 26, 2015, the CTFC Board of Directors approved CTFC's participation in the sale of GCTD's COPs. Remaining decisions regarding the exact amount of the funding as well as the form and timing of the COPs will be made at the appropriate time prior to the pricing and sale.

IT IS RECOMMENDED that the Board of Directors approve Resolution 2015-12, authorizing the execution of the Lease Agreement, Trust Agreement, Site Lease, Preliminary and Final Official Statement (POS) and a Purchase Contract and authorizing the issuance of up to \$22,000,000 in COPs for GCTD to finance the unfunded portion of the Facility.

II. BACKGROUND INFORMATION

GCTD's new Administration and Operations Facility is in the final stage of design and review, and construction is scheduled to start in October or November 2015. The current working cost estimate for the project at completion is \$52.1 million. GCTD currently has commitments of \$16,075,000 in Federal grant funding and \$10,560,000 in State Proposition 1B funding, leaving

GOLD COAST TRANSIT DISTRICT

GCTD to fund the remaining \$25,465,000 (see table below)

<u>Major Task</u>	<u>Current Estimate</u>	<u>Funding Source</u>	<u>Current Estimate</u>
Planning	\$65,712	Existing Federal Grants	\$16,075,000
Real Estate	\$8,677,500	State Funds	\$10,560,000
Owner Costs	\$750,000	COP Proceeds / TIGER	
Design	\$3,875,000	Grant / GCTD Funds	<u>\$25,465,000</u>
Environmental	\$75,000		
Construction/Utilities/Const. Mgm	\$37,050,000		
Contingency	<u>\$1,606,788</u>		
Grand Total	\$52,100,000	Grand Total	\$52,100,000

The District closed FY 2014-15 with \$6.56 million in the Capital Reserve, some of which is available to fund a portion of the project. In June 2015 GCTD applied for a Transportation Investment Generating Economic Recovery (“TIGER”) grant, the results of which are pending. Depending on the amount of TIGER grant funding awarded, if any, the District proposes to finance the balance of the unfunded construction costs with debt financing. The District expects that the unfunded balance will not exceed \$22 million.

GCTD staff discussed its financing needs with two bankers, each of whom concurred that their bank was not positioned to provide competitive long-term financing of this type. Staff met with two entities that specialize in public agency financing and received similar recommendations. Staff reviewed these proposals with the Board’s Fiscal Policy committee. Staff recommended to the Board that we select the CTFC to issue COPs to finance the remainder of the project. The Certificates are a type of financing lease that are publicly sold obligations, generally to active purchasers of tax-exempt municipal bonds, and have similar characteristics as a municipal bond. The Certificates represent an interest in an underlying lease and entitles the owner to a proportionate share of lease payments made by the District pursuant to a lease agreement.

On May 13, 2015, the GCTD Board directed staff to proceed with the COP financing issue. In the past three months, all the documents for the offering were developed, presentations were made to Moody’s as well as two entities that insure bond offerings, a favorable A2 rating was achieved, and preliminary pricing scenarios have been prepared. On August 26, 2015, the CTFC Board of Directors approved CTFC’s participation in the sale of GCTD’s COPs.

Certificate financing would provide up to \$22 million of funding for the Facility, which would have annual payments of about \$1.4 million per year for 29 years. The amount of the final Project Fund amount (the amount GCTD needs for the project) will be determined after construction bids are received, and the actual interest costs for the COPs will be determined by the interest market rates at the time the Certificates are priced, based on the assigned A2 rating, and the level of investor interest. The true interest cost is estimated to be 4.2%.

GCTD’s COPs will be for a thirty-year term; typically in California such COPs cannot be called, or paid off, in the first ten years without including a special provision to call the Certificates earlier, which results in the payment of higher interest rates to compensate investors for the risk that the Certificates could be paid off early. Staff is considering an option that would allow 50% of the COPs to be called after five years; this would give GCTD the option to use available funding to pay off a portion of the Certificates early and reduce the annual interest payments. This option would increase our costs by approximately \$22,000 per year if the Certificates are

never paid off early and instead paid at maturity. This decision will need to be made before the bonds are priced.

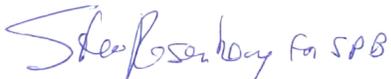
Issuance costs (including both Financing Team and underwriter compensation) are estimated by CTFC at \$284,000 and will be funded from the financing. The District has prepared preliminary long range operating projections for this process, which indicate the ability to absorb the debt payments and continue to provide an expected level of projects and services.

Regarding the project schedule, GCTD has experienced a delay in the contractor prequalification process and now expects to complete that process by the end of September. Bids would then be solicited from the prequalified contractors, to be received by the end of October. Once the winning bid amount is known, the project budget will be finalized and pricing and sale of the COPs will commence. Once the funds are in place staff will bring the construction contract to the Board for approval, after which it will be signed, a Notice to Proceed will be issued and a final construction schedule will be published.

III. RECOMMENDED ACTION

IT IS RECOMMENDED that the Board of Directors approve Resolution 2015-12, authorizing the execution of the Lease Agreement, Trust Agreement, Site Lease, Preliminary and Final Official Statement (POS) and a Purchase Contract, and authorizing the issuance of up to \$22,000,000 in Certificates of Participation for GCTD to finance the unfunded portion of GCTD's new Administration and Operations Facility.

Concurrence:


General Manager Concurrence

Board Vote:

Aye:

Nay:

Item Approved this 2nd Day of September 2015

Paul Blatz
Board Chair

**CERTIFICATE OF THE SECRETARY OF THE BOARD OF DIRECTORS OF GOLD
COAST TRANSIT DISTRICT**

I, Steve L. Rosenberg, Acting General Manager and Secretary to the Board of Directors of the Gold Coast Transit District (“GCTD”), hereby certify as follows:

Attached hereto is a full, true and correct copy of Resolution No. 2015-12, duly adopted by a majority vote of the members of the Board of Directors of GCTD at a meeting of the Board of Directors of GCTD duly, regularly and legally held at 301 E. Third St., Oxnard, California, on September 2, 2015, of which meeting all of the members of said Board had due notice and at which a quorum was present and acting throughout.

Said Resolution No. 2015-12 has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: September 2, 2015

Steve L. Rosenberg, Acting General Manager
and Secretary to the Board of Directors
Gold Coast Transit District

RESOLUTION NO. 2015-12

RESOLUTION OF THE BOARD OF DIRECTORS OF GOLD COAST TRANSIT DISTRICT APPROVING A LEASE AGREEMENT, TRUST AGREEMENT, SITE LEASE, PRELIMINARY AND FINAL OFFICIAL STATEMENT AND A PURCHASE CONTRACT; MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

WHEREAS, Gold Coast Transit District ("GCTD") is a public body duly organized and validly existing under the laws of the State of California; and

WHEREAS, there has been presented to this Board the form of a lease agreement, dated as of August 1, 2015 ("Lease Agreement"), between the GCTD and the California Transit Finance Corporation (the "Corporation"), all under and in accordance with the laws of the State of California; and

WHEREAS, there has been presented to this Board the form of a site lease, dated as of August 1, 2015 ("Site Lease"), between the GCTD and the Corporation, all under and in accordance with the laws of the State of California; and

WHEREAS, there has been presented to this Board the form of a trust agreement, dated as of August 1, 2015 ("Trust Agreement"), between the GCTD, Corporation and U.S. Bank National Association (the "Trustee"), all under and in accordance with the laws of the State of California; and

WHEREAS, the GCTD deems it appropriate to approve the sale and delivery of Certificates of Participation (Transit Facilities Project) (the "2015 Certificates") in a principal amount sufficient to provide funds for the acquisition, construction and equipping of a transit facilities project, to fund a debt service reserve and to pay the costs of the sale and delivery of the 2015 Certificates;

WHEREAS, this Board desires to approve the form of the agreements referred to in the recitals hereinabove, as well as a purchase contract and a preliminary and final official statement relating to the 2015 Certificates;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF GOLD COAST TRANSIT DISTRICT AS FOLLOWS:

SECTION 1. Approval of Agreements. The proposed forms of the Lease Agreement, Trust Agreement and Site Lease (the "GCTD Agreements"), as presented to this meeting are hereby approved. The Chair, Vice Chair, General Manager or Director of Finance and Administration or any other officers duly designated by GCTD (the "Officers") are hereby authorized and directed, for and on behalf of GCTD, to execute, acknowledge and deliver the GCTD Agreements, in substantially the form presented to this meeting, with such insubstantial

changes or such changes as shall relate to the final pricing or as otherwise required by a financial institution providing credit enhancement with respect to the 2015 Certificates, all therein as such Officers may require or approve, with the advice and approval of GCTD Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 2. Approval of Preliminary and Final Official Statement. The form of Preliminary Official Statement as presented to this meeting is hereby approved. The Officers are hereby authorized and directed, for and on behalf of GCTD, to execute all certificates necessary to deem final the Preliminary Official Statement as of its date, with the exception of certain final pricing and related information. The Officers are hereby authorized and directed, for and on behalf of GCTD, to execute and deliver the final Official Statement in substantially the form presented to this meeting, with such insubstantial changes therein or such changes as shall relate to the final pricing or as otherwise required by a financial institution providing credit enhancement with respect to the 2015 Certificates, all as such Officers may require or approve, with the advice and approval of counsel to GCTD, such approval to be conclusively evidenced by the execution and delivery thereof. The use and distribution of said Preliminary Official Statement and use and distribution of the final Official Statement in connection with the sale of the 2015 Certificates is hereby ratified and approved.

SECTION 3. Approval of Purchase Contract and Sale of Certificates. The form of purchase contract ("Purchase Contract") by and among the GCTD, the Corporation and RBC Capital Markets, LLC, on behalf of itself and as Representative for Stifel, Nicolaus & Company, Incorporated the initial purchasers of the 2015 Certificates (the "Purchasers") as presented to this meeting is hereby approved. The Officers are hereby authorized and directed, for and on behalf of the GCTD, to execute and deliver the Purchase Contract in substantially the form presented to this meeting, with such insubstantial changes therein or such changes as shall relate to the final pricing or as otherwise required by a financial institution providing credit enhancement with respect to the 2015 Certificates, all as such Officers may require or approve, with the advice and approval of GCTD Counsel, such approval to be conclusively evidence by the execution and delivery thereof; provided that, the principal amount of the 2015 Certificates sold and delivered shall not exceed \$22 million, the Purchasers' discount shall not exceed .80% of the principal amount of the 2015 Certificates, and the net interest cost with respect to the 2015 Certificates shall not exceed 5.75%.

SECTION 4. Other Acts. The Officers and staff of GCTD are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with Nossaman LLP, the special counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, including, without limitation, any and all agreements and/or certificates as required by a financial institution providing credit enhancement with respect to the 2015 Certificates, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

SECTION 5. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this ___ day of _____, 2015,
by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

GOLD COAST TRANSIT DISTRICT

Name: Paul Blatz

Title: Board Chair

APPROVED AS TO FORM:

Steven C. DeBaun
General Counsel

I hereby certify that the above Resolution No. 2015-12 was duly introduced, read and adopted by the Board of Directors of Gold Coast Transit District at a regular meeting held on September 2, 2015.

Name: Steve L. Rosenberg

Title: Acting Secretary of the Board

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NEW ISSUE—BOOK-ENTRY-ONLY

Rating: Moody's: " _ " (See "RATING" herein)

In the opinion of Nossaman LLP, Los Angeles, California, Special Counsel, based on existing statutes, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, the portion of each Lease Payment designated as and representing interest and received by the Owners of the Certificates (the "Interest Portion") is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the opinion of Special Counsel, the Interest Portion is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Counsel observes that it is included in adjusted current earning in calculating corporate alternative minimum taxable income. Special Counsel expresses no opinion regarding the federal or State tax consequences relating to the ownership or disposition of, or the accrual or receipt of the Interest Portion of, the Certificates. See "TAX EXEMPTION" herein.

\$ __, __, 000*

Certificates of Participation (Transit Facilities Project) Evidencing Proportionate Interests of the Owners Thereof in Lease Payments to be Made by the GOLD COAST TRANSIT DISTRICT Pursuant to the Lease Agreement with California Transit Finance Corporation

Dated: August __, 2015

Due: July 1, as shown below

The Certificates are being executed and delivered on behalf of the Gold Coast Transit District (the "District"), to (i) finance the construction of the District's new transit administration, operations and maintenance facility (the "Project"), (ii) fund a reserve fund for the Certificates and (iii) pay costs of issuing the Certificates. The Certificates evidence and represent the proportionate interests of the owners thereof in the lease payments (the "Lease Payments") required to be made by the District to the California Transit Finance Corporation (the "Corporation") pursuant to a Lease Agreement, dated as of August 1, 2015 (the "Lease Agreement"). The obligation of the District to make Lease Payments is an unconditional obligation of the District (and not subject to abatement) payable from all legally available funds of the District as described herein (collectively, the "Revenues"). See "SOURCES OF REVENUES" herein. The Lease Payments are required to be made by the District from Revenues whether or not the Project or any part thereof is operating or operable or seized or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part.

The Certificates will be delivered in book-entry-only form and when delivered, the Certificates will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Certificates. Purchasers will not receive certificates representing their ownership interest in the Certificates purchased. Principal of and interest evidenced by the Certificates (such principal being due on July 1 in the years shown below and such interest being due on each January 1 and July 1, commencing January 1, 2016) will be payable by U.S. Bank National Association, as trustee (the "Trustee"), to DTC. Payments of principal and interest to the actual purchasers of the Certificates will be made through the DTC System. See "BOOK-ENTRY-ONLY SYSTEM" herein. The Certificates will be available in book-entry form only in the denomination of \$5,000 or any integral multiple thereof.

The Certificates are subject to prepayment prior to maturity as described herein.

[Payment of the principal and interest evidenced by the Certificates when due will be insured by a financial guaranty insurance policy to be issued by [INSURER] simultaneously with the delivery of the Certificates.]

[INSURER LOGO]

Certain risk factors are associated with the purchase of the Certificates. See "RISK FACTORS" herein.

THE LIMITED OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS FROM REVENUES DOES NOT CONSTITUTE AN OBLIGATION OF THE DISTRICT FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR OTHER SOURCE OF REVENUE OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION OR OTHER SOURCE OF FUNDS. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT CONSTITUTE A DEBT OF THE DISTRICT, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA OR OTHERWISE OR A PLEDGE OF THE FAITH AND CREDIT OF THE DISTRICT.

MATURITY SCHEDULE

Table with 10 columns: Maturity (July 1), Principal Amount*, Rate, Yield, CUSIP [BASE], Maturity (July 1), Principal Amount*, Rate, Yield, CUSIP [BASE]

This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Certificates are offered to the public by the Underwriters when, as and if executed, delivered and received, subject to the approval of Nossaman LLP, Los Angeles, California, Special Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Kutak Rock LLP, Denver, Colorado; certain legal matters will be passed upon for the District by Best Best & Krieger LLP, Riverside, California. It is anticipated that the Certificates in definitive form will be available for delivery through the DTC Book-Entry-Only System on or about September __, 2015.

RBC CAPITAL MARKETS

STIFEL, NICOLAUS & COMPANY, INC.

* Preliminary; subject to change.

Dated: _____, 2015.

**GOLD COAST TRANSIT DISTRICT
BOARD OF DIRECTORS**

EXECUTIVE STAFF

Steven P. Brown — General Manager
Steve L. Rosenberg—Director of Finance and Administration

FINANCIAL ADVISOR

Public Financial Management, Inc.
Los Angeles, California

SPECIAL COUNSEL

Nossaman LLP
Los Angeles, California

TRUSTEE

U.S. Bank National Association
Los Angeles, California

No dealer, broker, salesperson or other person has been authorized by the Corporation, the District or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation may not be relied upon as having been authorized by the Corporation, the District or the Underwriters. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the Certificates 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 Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth herein has been obtained from sources which are believed to be reliable but is not guaranteed as to its accuracy or completeness, and is not to be construed as a representation by the Underwriters. The information and expression of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Corporation or the District since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters has reviewed the information in this Official Statement in accordance with, and as part of, their respective 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 EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE CERTIFICATES TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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OFFICIAL STATEMENT

\$ __, ____, 000*
Certificates of Participation
(Transit Facilities Project)
Evidencing Proportionate Interests of the Owners Thereof
in Lease Payments To Be Made by the
GOLD COAST TRANSIT DISTRICT
Pursuant to a Lease Agreement with
California Transit Finance Corporation

INTRODUCTION

The following introduction presents a brief description of certain information in connection with the Certificates and is qualified in its entirety by reference to the entire Official Statement and the documents summarized or described herein. References to, and summaries of, provisions of the Constitution and the laws of the State of California and any documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions thereof.

General Description

The purpose of this Official Statement, including the front cover and the Appendices hereto (the "Official Statement"), is to provide certain information in connection with the sale and delivery of the Certificates of Participation (Transit Facilities Project) (the "Certificates") in the aggregate principal amount of \$ __, ____, 000*. The Certificates evidence and represent the proportionate interests of the registered owners thereof (the "Owners") in the lease payments (the "Lease Payments") to be made by the Gold Coast Transit District (the "District") to the California Transit Finance Corporation (the "Corporation") as rental for a new administration, operation and maintenance facility for the District (the "Project") being leased from the Corporation pursuant to a Lease Agreement, dated as of August 1, 2015 (the "Lease Agreement"), by and between the District and the Corporation. Pursuant to a Site Lease, dated as of August 1, 2015 (the "Site Lease"), the Corporation will lease from the District the site upon which the Project will be constructed. The Certificates, in book-entry-only form, are being executed and delivered pursuant to a Trust Agreement, dated as of August 1, 2015 (the "Trust Agreement"), by and among the District, the Corporation and U.S. Bank National Association, as trustee (the "Trustee").

Proceeds from the Certificates will be used to (i) finance the acquisition and construction of the Project, (ii) fund a reserve fund for the Certificates and (iii) pay costs of issuing the Certificates. See "DESCRIPTION OF THE PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Pursuant to an Assignment Agreement, dated as of August 1, 2015 (the "Assignment Agreement"), the Corporation will assign to the Trustee for the benefit of the Owners of the Certificates its rights and remedies under the Lease Agreement (except certain rights to indemnity and reimbursement of expenses), including its rights to receive Lease Payments under the Lease Agreement.

* Preliminary; subject to change.

Source of Payment

The obligation of the District to make Lease Payments is an unconditional obligation of the District (and not subject to abatement) payable from all legally available funds of the District, including, without limitation, (a) certain Federal Transit Administration (“FTA”) Section 5307 capital grant funds; (b) Local Transportation Fund (“LTF”) funds; (c) State Transit Assistance (“STA”) funds; and (iv) the District’s farebox revenues and contract service revenues collected by the District in connection with the operation of all transit vehicles owned or leased by the District (the “Farebox Revenues”) (collectively, the “Revenues”). See “SOURCES OF REVENUES” herein. The Lease Payments are required to be made by the District from Revenues whether or not the Project or any part thereof is operating or operable or seized or its use is suspended, interfered with, reduced or curtailed, or terminated in whole or in part. The obligation of the District to make Lease Payments from Revenues does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or other source of revenue or for which the District has levied or pledged any form of taxation or other source of revenue. Neither the Certificates nor the obligation of the District to make Lease Payments under the Lease Agreement constitute a debt of the District, the State of California or any of its political subdivisions within the meaning of the Constitution of the State of California or otherwise or a pledge of the faith and credit of the District. See “SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES” herein.

Limited Liability

The limited obligation of the District to make Lease Payments solely from Revenues does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation or other sources of funds. Neither the Certificates nor the obligation of the District to make Lease Payments under the Lease Agreement constitute a debt of the District, the State of California or any of its political subdivisions within the meaning of any limitation on incurring indebtedness in the Constitution of the State of California or otherwise or a pledge of the faith and credit of the District. NEITHER THE TRUSTEE NOR THE CERTIFICATEHOLDERS WILL HAVE ANY RIGHT TO ENFORCE THE DISTRICT’S OBLIGATIONS UNDER THE LEASE AGREEMENT BY RELETTING OR SELLING THE PROJECT. See “SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES” herein.

Terms of the Certificates

The Certificates will mature on the dates and in the principal amounts set forth on the front cover page of this Official Statement. Interest with respect to the Certificates is payable on January 1 and July 1, commencing on January 1, 2016, computed at the respective rates of interest set forth on the front cover page of this Official Statement. The Certificates are subject to prepayment as described herein. See “THE CERTIFICATES” herein.

[Bond Insurance

Payment of the principal and interest evidenced and represented by the Certificates when due will be guaranteed under a bond insurance policy to be issued concurrently with the delivery of the Certificates by [INSURER] (the “Insurer”). For further information regarding the Insurer and the bond insurance policy, see “BOND INSURANCE” herein.]

Book-Entry-Only

The Certificates will be delivered in book-entry form only and when delivered, the Certificates will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Certificates. Purchasers will not receive certificates representing their ownership interest in the Certificates purchased. See “BOOK-ENTRY-ONLY SYSTEM” herein. The Certificates will be available in book-entry form only in the denomination of \$5,000 or any integral multiple thereof.

Continuing Disclosure

The District has covenanted in the Continuing Disclosure Certificate (the “Disclosure Certificate”), to provide, or cause to be provided, to each nationally recognized municipal securities information repository and any public or private repository or entity designated by the State as a state repository and any public or private repository for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (the “Rule”) certain annual financial information and operating data of the type set forth herein including, but not limited to, the Gold Coast Transit District Annual Financial Report and, in a timely manner, notice of certain material events. See “CONTINUING DISCLOSURE OBLIGATION” and “APPENDIX B—PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE” for a description of the specific nature of the annual report and notices of material events and a summary description of the terms of the Disclosure Certificate pursuant to which such reports and notices are to be made. These covenants have been made in order to assist the Underwriters in complying with the Rule. This is the first undertaking of the District under said Rule.

Tax Matters

In the opinion of Special Counsel, based on existing statutes, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, the portion of each Lease Payment designated as and representing interest and received by the Owners of the Certificates (the “Interest Portion”) is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the opinion of Special Counsel, the Interest Portion is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Counsel observes that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. Special Counsel expresses no opinion regarding other federal or State tax consequences relating to the ownership or disposition of, or the accrual or receipt of the Interest Portion of, the Certificates. See “TAX EXEMPTION” herein.

Other Information

The Certificates will be offered when, as and if executed and delivered, and received by the Underwriters, subject to the approval as to their legality by Special Counsel and certain other conditions. It is anticipated that the Certificates in definitive form will be available for delivery to DTC on or about September __, 2015.

The descriptions of the Certificates, the Lease Agreement, the Trust Agreement, the Assignment Agreement, the Site Lease and other documents described in this Official Statement do not purport to be definitive or comprehensive, and all references to those documents are qualified in their entirety by reference to the approved form of those documents, which documents are available at the principal corporate trust office of the Trustee in Los Angeles, California. During the period of the offering of Certificates, copies of such documents will also be available from the Underwriters named on the cover of this Official Statement. See “APPENDIX A—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—

DEFINITIONS OF CERTAIN TERMS” for the definitions of some of the terms used in the Lease Agreement, the Trust Agreement, the Assignment Agreement, the Site Lease and this Official Statement, and not otherwise defined herein.

The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the Corporation or the District since the date hereof.

THE CERTIFICATES

General Provisions

The Certificates will be dated as of August __, 2015, and will be executed and delivered in fully registered, book-entry-only form in \$5,000 denominations or any integral multiple thereof (“Authorized Denominations”). Payment of principal and interest to the actual purchasers of the Certificates will be made through the DTC System. See “BOOK-ENTRY-ONLY SYSTEM” herein. Interest with respect to the Certificates will be computed using a year of 360 days comprised of twelve 30-day months and is payable on January 1 and July 1 of each year, commencing on January 1, 2016 (the “Interest Payment Dates”). The Certificates will mature on the dates and in the principal amounts, and the interest with respect thereto shall be computed at the rates, all as set forth on the cover page of this Official Statement.

If the book-entry-only system is no longer in effect, principal and redemption premium, if any, with respect to the Certificates will be payable upon surrender thereof at maturity or the earlier redemption thereof at the principal corporate trust office of the Trustee in Los Angeles, California (the “Principal Office”). Interest will be payable by check or draft, mailed to the persons who are the Owners as of the close of business on the fifteenth day of the month immediately preceding any Interest Payment Date (a “Record Date”), or, upon the request of any Owner of at least \$1,000,000 in aggregate principal amount of the Certificates, by wire transfer for such payment, as their names and addresses appear on the registration books maintained by the Trustee.

If the book-entry-only system is no longer in effect, the registration of any Certificates may be transferred upon the surrender of such Certificates to the Trustee and payment of such reasonable transfer fees as the Trustee may establish. Certificates may be exchanged at the Principal Office of the Trustee for a new Certificate of like aggregate principal amount and maturity in Authorized Denominations of the same maturity. The Trustee may require the payment by the Owner thereof of any tax or other governmental charge required to be paid with respect to such exchange. No registration of any transfer or exchange of Certificates shall be required to be made during the 15 days prior to the date of selection of Certificates for redemption or of any Certificate selected for redemption.

Prepayment

Establishment of Prepayment Fund. The Trustee shall establish a special fund designated as the “Gold Coast Transit District Prepayment Fund” (the “Prepayment Fund”). The Trustee shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in the Trust Agreement. Moneys from prepaid Lease Payments to be used for prepayment of the Certificates shall be deposited into the Prepayment Fund for the purpose of prepaying the Certificates as set forth in the Trust Agreement.

Optional Prepayment. The Certificates maturing on or before July 1, 20__ are not subject to optional prepayment. The Certificates maturing after July 1, 20__ are subject to optional prepayment on

any date on or after July 1, 20__, at a prepayment price equal to the principal amount of the Certificates to be prepaid, plus accrued interest to the date of prepayment, without premium.

Mandatory Sinking Fund Prepayment. The Certificates maturing on July 1, 20__ are subject to mandatory sinking fund prepayment from the principal components of scheduled Lease Payments required to be paid by the DISTRICT pursuant to the Lease Agreement with respect to each such prepayment date, prior to their state maturity date, at the principal amount thereof without premium on each July 1, commencing July 1, 20__, in the principal amounts as set forth below:

Prepayment Date (July 1)	Principal Amount
	\$
(final maturity date)	

Prepayment in the Event of Damage or Destruction of the Project. The Certificates are subject to prepayment in whole or in part on any date from amounts transferred by the Trustee at the direction of the District from the “Gold Coast Transit District Insurance and Condemnation Fund,” established pursuant to the Trust Agreement, to the Prepayment Fund representing the Net Proceeds of insurance or condemnation award, in a principal amount not less than \$20,000, plus accrued interest to the date for prepayment, without premium.

Notice of Prepayment. When prepayment is authorized or required pursuant to the Trust Agreement, the Trustee shall prepare, with the assistance of the District, and give notice of prepayment of the Certificates. Such prepayment notice shall specify: (a) that the Certificates or a portion thereof are to be prepaid; (b) the CUSIP numbers of the Certificates to be prepaid; (c) the date of prepayment; (d) the place or places where the prepayment will be made; (e) whether any conditions exist in order for prepayment to occur, and if so, what those conditions are; (f) the date, interest rates and stated maturity dates of the Certificates to be prepaid; and (g) that a new Certificate in an amount equal to that portion not so prepaid will be executed by the Trustee and delivered to the Owner in the event of a partial prepayment. Such prepayment notice shall further state that on the specified date there shall become due and payable upon each Certificate to be prepaid, the portion of the principal amount of such Certificate to be prepaid, together with interest accrued to the said date, and that from and after such date, provided that moneys therefore have been deposited with the Trustee, interest with respect thereto shall cease to accrue and be payable.

Notice of such prepayment shall be mailed by first-class mail, postage prepaid, to the District, to all municipal Securities Depositories (as defined below) and to at least one national Information Service (as defined below) which the District shall designate to the Trustee, and the respective Owners of any Certificates designated for prepayment at their addresses appearing on the Certificate registration books at least 30 days, but not more than 60 days, prior to the Interest Payment Date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates.

Securities Depositories (the “Securities Depositories”) include the Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax (312) 663-2343; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax (215) 496-5058; or, in accordance with the then current guidelines of the Securities and Exchange Commission to such other addresses and/or such other securities depositories as the District may designate in writing to the Trustee.

Information Services (the “Information Services”) include Financial Information, Inc.’s “Daily Called Bond Service,” 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services “Called Bond Service,” 65 Broadway, 16th Floor, New York, New York 10006; Moody's Investors Service “Municipal and Government,” 99 Church Street, 9th Floor, New York, New York 10007 Attention: Municipal News Reports; Standard and Poor's Corporation “Called Bond Record,” 25 Broadway, 3rd Floor, New York, New York 10004; or, in accordance with then current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other services providing information with respect to called bonds as the District may designate in writing to the Trustee.

Effect of Notice of Prepayment. Notice having been given as described above, and the moneys for the prepayment (including the interest to the applicable date of prepayment), having been set aside in the Prepayment Fund, the Certificates shall become due and payable on said date of prepayment, and, upon presentation and surrender thereof at the Principal Office of the Trustee, said Certificates shall be paid at the unpaid principal price with respect thereto, plus interest accrued and unpaid to said date of prepayment.

If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, together with interest to said date of prepayment, shall be held by the Trustee so as to be available therefor on such date of prepayment, and, if notice of prepayment thereof shall have been given as aforesaid, then, from and after said date of prepayment, interest with respect to the Certificates shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the prepayment of Certificates shall be held in trust for the account of the Owners of the Certificates so to be prepaid.

All Certificates paid at maturity or prepaid prior to maturity pursuant to the Trust Agreement shall be cancelled upon surrender thereof and delivered to or upon the order of the District.

SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES

Lease Payments

Each Certificate represents a proportionate interest in the Lease Payments to be made by the District to the Corporation. The Corporation, pursuant to the Assignment Agreement, will assign its rights and remedies under the Lease Agreement (except certain rights to indemnity and reimbursement of expenses) to the Trustee for the benefit of the Owners of the Certificates, including its right to receive Lease Payments thereunder. Principal and interest due with respect to the Certificates will be made from the Lease Payments payable by the District on the 15th calendar day of the month preceding a Certificate Payment Date, insurance or condemnation proceeds pertaining to the Project, to the extent that such proceeds are not used for repair or replacement, and interest or other income derived from the investment of the funds and accounts by the Trustee pursuant to the Trust Agreement. Lease Payments will be paid from Revenues of the District. See “SOURCES OF REVENUES” herein.

Pledge of Farebox Revenues

The District pledges and assigns to the Trustee, as assignee of the Corporation, and grants to the Trustee, as assignee of the Corporation, a lien on and security interest in all right, title and interest of the District in and to the Farebox Revenues and provides that such lien and security interest will be prior in right to any other pledge, lien or security interest created by the District in the Farebox Revenues. The District has not previously created any charge or lien on or any security interest in the Farebox Revenues and the District agrees that, until all the Lease Payments and the Certificates are paid or are deemed to have been paid, it will not grant any prior or parity pledge of or any security interest in the Farebox Revenues pledged under the Lease Agreement; provided, however, that the District may grant a lien on or security interest in the Farebox Revenues as provided in the Lease Agreement. See “SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES—Limitation on Future Obligations” below.

Unconditional Obligation

The obligation of the District to make the Lease Payments solely from Revenues is unconditional (and is not subject to abatement) until such time as all Lease Payments shall have been fully paid and the Certificates are no longer outstanding (or provision for the payment thereof shall have been made pursuant to the Trust Agreement). Pursuant to the Lease Agreement, the District will not, under any circumstances, discontinue or suspend any Lease Payments required to be made thereunder when due, whether or not the Project or any part thereof is operating or operable or seized, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset, counterclaim, defense, recoupment, abatement, suspension, deferment or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement or covenant contained in the Lease Agreement for any cause whatsoever.

Limited Obligation

THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS FROM REVENUES DOES NOT CONSTITUTE AN OBLIGATION OF THE DISTRICT FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR OTHER SOURCE OF REVENUE OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION OR OTHER SOURCE OF REVENUE. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT CONSTITUTE A DEBT OF THE DISTRICT, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA OR OTHERWISE OR A PLEDGE OF THE FAITH AND CREDIT OF THE DISTRICT. NEITHER THE TRUSTEE NOR THE CERTIFICATEHOLDERS WILL HAVE ANY RIGHT TO ENFORCE THE DISTRICT’S OBLIGATIONS UNDER THE LEASE AGREEMENT BY RELETTING OR SELLING THE PROJECT.

Reserve Fund

A Reserve Fund is established under the Trust Agreement which will be initially funded from the proceeds of the Certificates in the amount indicated under the heading “ESTIMATED SOURCES AND USES OF FUNDS.” Amounts in the Reserve Fund are to be used only for the payment of Lease Payments to the extent amounts in the Lease Payment Fund are insufficient therefore and for the payment of the Lease Payments at final maturity. See “APPENDIX A—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF TRUST AGREEMENT—Funds and Accounts—Reserve Fund.”

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

Lease Payment Schedule

Pursuant to the Lease Agreement, the District will be required to deposit the Lease Payments due each January 1 and July 1 on or before the fifteenth day of the immediately preceding month.

Year Ending <u>June 30</u>	<u>Principal</u>[*]	<u>Interest</u>	<u>Total Lease Payment</u>
2016			

Total

^{*}Preliminary; subject to change.

[Bond Insurance

Payment of the principal and interest evidenced and represented by the Certificates when due will be guaranteed under a bond insurance policy to be issued concurrently with the delivery of the Certificates by the Insurer. For further information regarding the Insurer and the bond insurance policy, see "BOND INSURANCE" herein.]

Limitations on Future Obligations

No Obligation Superior to Pledge of Farebox Revenues to Secure Lease Payments. In order to protect further the security for the Lease Payments and any Parity Debt, the District agrees under the Lease Agreement that the District shall not, so long as any Certificates are outstanding, issue or incur any obligations payable from or secured by a pledge of the Farebox Revenues superior to the pledge of Farebox Revenues to secure the payment of Lease Payments or such Parity Debt.

Additional Certificates and Parity Debt. The District may authorize the sale and delivery of Additional Certificates and may incur Parity Debt, payable from or secured by a pledge of Farebox Revenues equally and ratably with the Lease Payments, subject to the following specific conditions, which are hereby made conditions precedent to the sale and delivery of Additional Certificates or the incurrence of any such Parity Debt:

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

(b) The District shall provide the Trustee with a certificate from an District Representative, certifying that the amount of Farebox Revenues received for any period of twelve (12) consecutive months during the eighteen (18) months immediately preceding the date on which such Additional Certificates will be delivered or such Parity Debt will be incurred shall have been at least 2.00 times the amount of Maximum Annual Debt Service on the Certificates and all Parity Debt then outstanding and the Additional Certificates or the additional Parity Debt then proposed to be incurred; provided that such certificate will not be required in connection with the sale and delivery of Additional Certificates or the issuance of Parity Debt, the proceeds of which are to be used to defease the outstanding principal amount of Certificates or Parity Debt and such defeasance will result in a net present value reduction in the aggregate amount of Lease Payments or payments with respect to the outstanding Parity Debt.

(c) The Reserve Fund shall be funded in an amount equal to the Reserve Requirement following the sale and delivery of Additional Certificates.

(d) Notwithstanding satisfaction of other conditions to the issuance of Additional Certificates contained in the Trust Agreement or in the Lease Agreement, no such issuance of Additional Certificates may occur (i) should any Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) have occurred and be continuing unless such default shall be cured upon such issuance and (ii) unless the Reserve Fund is fully funded at its requirement (including the new issue) upon the issuance of such Additional Certificates, in either case unless otherwise permitted by the Insurer.

Subordinated Indebtedness. The District may, from time to time, incur indebtedness which is subordinated to the Lease Payments and Parity Debt. Such indebtedness may be incurred at such times and upon such terms as the District shall determine, provided that: (a) any lien or security interest granted in the Revenues shall be specifically stated to be junior and subordinate to the lien on and security interest in such Revenues granted to secure the Lease Payments and Parity Debt; and (b) payment of principal and

interest on such subordinate indebtedness shall be permitted, provided that all deposits required to be made to the Corporation or the Trustee to be used to pay debt service on the Certificates and Parity Debt or to replenish the Reserve Fund or reserve funds created for such Parity Debt are then current.

[BOND INSURANCE

The following information has been furnished by the Insurer for use in this Official Statement. Reference is made to “APPENDIX F” for a specimen of the Policy. No representation is made by the District to the Underwriters as to the accuracy or completeness of this information, or the absence of any material adverse changes subsequent to the date hereof, and neither the District nor the Underwriters assume any responsibility therefor.]

[INSERT INSURER INFO]

ESTIMATED SOURCES AND USES OF FUNDS

Set forth below is the estimated sources of funds to be received in connection with the sale of the Certificates, and the estimated application thereof (net of accrued interest which will be deposited in the lease payment fund).

Sources of Funds:

Par Amount of Certificates
[Net Premium/Discount]
Total Sources

Uses of Funds:

Reserve Fund
Project Fund
Costs of Issuance¹
Total Uses

¹ Includes costs of issuance, Underwriters’ discount and [financial guaranty insurance policy premium.]

DESCRIPTION OF THE PROJECT

The project to be financed in part with the proceeds of the Certificates is in the final stages of design and consists of building a new administration and operations facility on a 15-acre site within an existing industrial business part at the corner of Paseo Mercado and Auto Center Drive in north Oxnard. The project is in the building permit stage and is under review by the city of Oxnard Department of Services Building Department which is the final stage of design before public bidding the project. Construction is anticipated to begin in the Fall 2015 and completed in Spring 2017. The District purchased the site on July 28, 2014 and has received both federal and state environmental approvals. The Federal Transit Administration issued on June 24, 2014 a determination that the project qualifies as a categorical exclusion under 23 CFR Part 771.118(d). At the July 8, 2014 council meeting the City of Oxnard City Council, as the delegated environmental authority for the State of California, approved a Mitigated Negative Declaration through the California Environmental Quality Act (CEQA). The project will replace and expand the current District administration, operation, and maintenance facility from a 54 bus-2.9 acre site to a 125 bus-15 acre site. The facility will consist of an Administration and Transit Operations Building; Fleet and Facilities Maintenance Building; Fuel Island and Service Building; and

Bus Wash Building. The project will use energy conserving 100% LED fixtures for both the interior and exterior lighting.

The District’s existing Administration and Operations facility is located at 301 East Third Street and is 35 years old. The existing facility requires substantial upgrades and was sized and designed for far fewer buses and staff than the agency has today. Expansion of the current facility is not logistically possible given the size of the site. The District cannot accommodate any more buses or staff at the current facility and would be unable to keep up with the growing demand for public transit in Western Ventura County without a new facility.

CALIFORNIA TRANSIT FINANCE CORPORATION

The California Transit Finance Corporation (the “Corporation”) is a nonprofit, public benefit corporation created in 1990 by the California Transit Association to provide assistance to transit entities in the State of California in financing (a) certain capital improvements and equipment, such as the Project, and (b) cash flow deficiencies. The Corporation may enter into other financings with other transit entities located in California which will have no impact on the Certificates. None of the funds of the Corporation are pledged to make any payments with respect to the Certificates. No assets of the Corporation are available to make any payments with respect to the Certificates. Neither the Corporation nor any of its officers have any personal liability with respect to the Certificates. The Corporation is governed by a five member Board, who are representatives of various transit entities located in the State of California. The current Directors and the General Manager of the Corporation are listed below.

<u>Director</u>	<u>Occupation</u>
Kevin Kane	General Manager, Victor Valley Transit Authority
Gloria Salazar	Chief Financial Officer, San Joaquin Regional Transit District
Kam Shadan	Gannet Fleming
Raj Srinath	Chief Financial Officer, Santa Clara Valley Transportation Authority
Michael Wiley	General Manager/CEO, Sacramento Regional Transit District
Joshua W. Shaw, General Manager	Executive Director, California Transit Association

SOURCES OF REVENUES

General

The District expects to make Lease Payments with respect to the Certificates from all legally available funds of the District (“Revenues”). Revenues include, without limitation, (a) certain FTA Section 5307 capital grant funds; (b) LTF funds; (c) STA funds; and (d) Farebox Revenues. It is expected that the FTA Section 5307 funds will provide reimbursement for 80% of each Net Lease Payment due under the Lease Agreement, subject to the limitations as described below under the caption “—Federal Funding.” The District will fund the remaining 20% of the Net Lease Payments (commonly referred to as its “local share”) from certain LTF and STA revenues of the District available under the Lease Agreement for such payment as more fully described below and, if such amounts are not sufficient, from Farebox Revenues.

Set forth below is a table which projects Lease Payments through the final maturity of the Certificates as well as the estimated FTA Section 5307 funds expected to be received by the District in an amount equal to 80% of Net Lease Payments due in each year and the estimated TDA, STA and Farebox Revenues of the District necessary to provide the “local share” required for the receipt of FTA capital

grants. It is estimated that the Maximum Annual Net Lease Payment, which will occur in the fiscal year ending June 30, 20__, will be \$_____. During the fiscal year ending June 30, 2016 the District estimates that FTA Section 5307 capital grant appropriations will total \$3,942,691. The FTA capital grants in excess of the FTA Project Grants expected to be received in the period are not legally available to pay any “local share” requirement payable by the District with respect to the Project. The required “local share” for use of these Federal funds, representing 20% of the estimated Net Lease Payments, is shown on the table for the 12-month period ending June 30, 2016 as \$_____. Actual Revenues available for payment of the “local share” which are expected to be received during the District’s fiscal year ending June 30, 2016 are estimated by the District to be approximately \$16,945,900, composed of farebox, STA, LTF, advertising, and other revenue, all of which would be available if FTA funding levels declined below the expected 80% level of Net Lease Payments. See “THE DISTRICT - Budgets” below.

A general description of historic and projected Revenues available for Lease Payments under the Lease Agreement is described following the table. Although the District believes that the projections shown below are reasonable estimates, no assurance can be given that the amounts projected in future fiscal years will be available.

NET LEASE PAYMENTS AND ANTICIPATED FUNDING SOURCES*

Year Ending June 30¹	Net Lease Payment²	80% Allocated from Section 5307 FTA Capital Grant	20% of Local Share	Total Available Local Revenues³	Annual Coverage Ratio
2016	\$	\$	\$	\$	_____x
Total	\$	\$	\$	\$	

*Preliminary; subject to change.

¹The District is required to deposit, with the Trustee, the principal of and interest on the Certificates due on each January 1 and July 1 on or before the fifteenth day of the month immediately preceding each such date.

²Net Lease Payments are net of reserve fund earnings calculated at the yield of ___%. See “SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES—Lease Payment Schedule” herein for additional information.

³ Projected. Assumes future LTF, STA and fare revenues in an amount equal to LTF revenues budgeted to be received by the District for Fiscal Year Ending June 30, 2016.

⁴ A portion of the final Lease Payment is assumed to be made from moneys in the Reserve Fund.

Federal and State Grant Funding

In October 2011 the Federal Transportation Administration (FTA) awarded a \$15 million Section 5309 Bus and Bus Facilities grant to the District for a new administration and operations facility. Including an additional \$1,075,000 from various other FTA Section 5307 Urbanized Area formula grants and Section 5309 Bus and Bus Facilities grants as well as nearly \$10 million in State grant funds from the proceeds of state transportation bonds authorized by the voters. The District has identified \$26,258,000 in grants for this project. [Additionally, DISTRICT has applied for and is currently competing for a Department of Transportation TIGER 2015 grant in the amount of \$11,250,000.]

Funds are available from FTA to qualified transit authorities pursuant to procedures set forth in the Federal Transit Act, Chapter 53 of Title 49 United States Code (“FT Act”) and regulations published pursuant to the FT Act.

The FT Act was enacted for the purpose of providing Federal assistance to public mass transportation systems. The District currently receives funds as provided under Sections 5307, 5310 and 5311 of the FT Act. Section 5307 capital grants are allocated by FTA directly to District on the basis of

population, population density, bus revenue miles, passengers and passenger miles. These funds can be used for both operating and capital assistance.

The District currently receives federal operating and capital assistance pursuant to an extension of the Moving Ahead for Progress Act for the 21st Century (“MAP 21”) approved by Congress and signed by President Obama on July 31, 2015 which expires on October 29, 2015. This is the third extension of MAP 21, which was originally signed by President Obama on July 6, 2012, and with guaranteed funding for highways, highway safety, and public transportation totaling \$105 billion for Fiscal Years 2013 and 2014, MAP 21 represents the largest surface transportation investment in U.S. history. MAP 21 replaced the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (“SAFETEA--LU”), which governed federal surface transportation programs from 2005 through 2012, including extensions. MAP 21 addresses challenges such as improving safety, reducing traffic congestion, improving efficiency in freight movement, increasing intermodal connectivity and protecting the environment.

Below are the amounts of FTA Section 5307 funds estimated by Ventura County Transportation Commission to be available to the District for capital purposes (including preventative maintenance) in the years indicated, including the current fiscal year. Although the District believes that the projections are reasonable estimates, no assurance can be given that the amounts projected in future fiscal years will be available.

**GOLD COAST TRANSIT DISTRICT
FTA Section 5307 Capital Grant Funding Trends
Fiscal Years 2010-11 through 2015-16**

<u>Year</u>	<u>FTA Section 5307 Capital Funds Allocated</u>
2010-11	\$3,240,097
2011-12	\$3,440,103
2012-13	\$3,542,859
2013-14	\$3,840,593
2014-15	\$3,940,593
2015-16	\$3,942,691

The process of obtaining funds authorized by Section 5307 of the FT Act begins with the filing of a funding request with FTA. The District intends to file an annual funding request with the FTA for the approval of the payment of the Net Lease Payment each year. At its current funding level, the FTA Project Grants will be sufficient to pay 80% of the Net Lease Payments until the final maturity of the Certificates. The current extension of MAP 21 provides federal funding for transportation purposes through October 29, 2015, and receipt of funding by the District beyond such date is subject to future Congressional appropriation for transit purposes. Any future funding by FTA, including the actual funding level, is subject to future Congressional authorization and future Congressional appropriation beyond October 29, 2015, including any changes to the FT Act and MAP 21. Future Congressional legislation or action could reduce or eliminate Section 5307 capital funding levels, thus requiring a corresponding increase in the local share. See “RISK FACTORS—Local, State and Federal Funding for Transit.”

The District intends to finance the local share portion of the capital cost from the sources described below.

Other Revenues

The District will repay long-term debt using FTA Section 5307 Urbanized Area formula funds, State of California Local Transportation Funds (LTF), State Transit Assistance (STA) and farebox revenue.

TDA Funds. The local subsidy consists in part of an allocation of sales tax revenue under the California Transportation Development Act of 1971, as amended (the “TDA”), whereby one-fourth of 1% of the State’s current 7.50% sales tax is made available for public transportation and operating and capital expenses in the County in which the sales tax is collected. The TDA provides two sources for funding public transportation. The first is the county Local Transportation Fund (“LTF”) which was established in 1972. The second is the State Transit Assistance Program (“STA”) which was established in 1979.

LTF Funds. The LTF is used for the deposit of sales tax revenues apportioned to Ventura County (the “County”) on the basis of the amount of such tax revenues collected by the State Board of Equalization within the County (“LTF Funds”). LTF Funds are apportioned, allocated and paid by designated local or regional transportation planning entities to individual transportation service entities. The Ventura County Transportation Commission (“VCTC”) is the agency responsible for approving allocations of LTF Funds from the Ventura County Transportation Fund. LTF Funds of the County are “apportioned” to the District based on the proportional population in the service area. The amount “allocated” and paid out annually to the District is determined by VCTC based on specific purposes identified by the District.

The District’s predecessor agency was a joint powers agency that relied upon allocations of LTF Funds from its member agencies and was required to credit its member agencies any claimed TDA Funds for operating costs in excess of actual operating costs. This prevented the District from establishing and maintaining an operating reserve. As a transit district created by State law in 2014, the District is presently an eligible claimant for LTF Funds allocated by the State to the portion of the County covered by its service area and no longer has to credit any claimed but unused TDA Funds to its member entities. For FY 2014-15, the District claimed the entire amount apportioned.

In accordance with procedures and eligibility requirements set forth in the TDA, the District submits a request for LTF Funds. If VCTC approves the request, VCTC directs the Auditor/Controller-Recorder of the County to release the LTF Funds to the District.

The District and its predecessor agency have been in compliance with TDA eligibility requirements and have received LTF Funds in each year since the establishment of the District’s predecessor agency and the District. The District makes the determination each year as to the amount to be allocated to operations and capital from the total amount of LTF Funds received each year. LTF Funds are generally received in substantially equal monthly installments.

The District may submit supplemental claims for LTF Funds during the year. Funds remaining with the County Auditor/Controller-Recorder are carried over to the following year. The District currently has \$1,754,088 in unspent LTF Funds from FY 2013-14 carried over into FY 2015-16.

The District also maintains a capital reserve consisting of LTF. The District’s capital reserve was approximately \$6.5 million as of June 30, 2015; currently the District anticipates drawing \$5.8 million of the reserve to pay for a portion of the capital costs of the Project.

Below are the historical and projected amounts of LTF Funds apportioned to the District or its predecessor agency each fiscal year, the amount expended by the District or its predecessor agency each year, the allocation to the cities within the District (subsequent to the District formation) for eligible transit expenditures, and the remaining amount available to the District for capital reserves and other eligible expenditures, including Lease Payment.

<u>Fiscal Year</u>	<u>Funds Allocated to Gold Coast Member Jurisdictions</u>	<u>Funds Apportioned to DISTRICT</u>	<u>Prior Year Carryover</u>	<u>Amount Expended on DISTRICT Operations</u>	<u>Allocated to DISTRICT Cities for Provision of Recurring Transit Services</u>	<u>Available for Capital, Reserve, Debt or Future Requirements</u>
2010-11	\$10,816,755			\$7,349,168		
2011-12	\$13,478,579			\$8,595,776		
2012-13	\$14,034,146			\$8,976,087		
2013-14	\$14,857,834			\$9,631,812		
*2014-15		\$16,666,708	\$1,302,713	\$9,354,150	\$2,437,985	\$6,177,286
2015-16		\$15,472,479	\$1,754,488	\$10,928,312	\$1,501,498	

Y/E Estimate as of M/E April 2015

¹Includes contribution to District capital reserve and amounts deferred to future years; \$444,500 has been allocated to members' capital project funding in FY 2014-15.

STA Funds. STA Funds come from the Public Transportation Account (“PTA”), which derives its revenues from the state sales tax on gasoline. Prior to the passage of the Fiscal Year 2001 State Budget, this account received differing portions of the state sales tax on gasoline and sales tax on diesel. With the passage of the Traffic Congestion Relief Act (“TCRA”), the Governor and the Legislature agreed on a transportation-funding plan, which, for a five-year period, would dedicate the entire sales tax on gasoline and diesel to transportation programs. Twenty percent of these funds are to be dedicated to the PTA. Since STA, as part of the PTA, is tied to the value of sales on these fuels, this funding source is subject to significant fluctuations. However, due to unanticipated budget shortfalls, the state commitment has not always been met. The passage of Proposition 42 amended the state constitution to take away the Governor’s and Legislature’s discretion on this commitment.

The distribution of STA Funds, as determined by the State Transportation Blueprint legislation in 1990 and as amended by Senate Bill 45 in 1997, is as follows:

- 25% of the funds are distributed to regional transportation planning agencies on the basis of population, for allocation to programs supported by LTF.
- 25% of the funds are distributed among the regional transportation planning agencies on the basis of the proportion of revenues generated in the region to the total fare revenues generated in the State. Within each region, these funds are distributed among the operators on the basis of fare generation.
- 50% of the funds are available for appropriation by the legislature to State transit programs, including Amtrak contracts, Peninsula Commute Services (the Caltrain), abandoned railroad

right-of-way acquisition, bus rehabilitation, guideway construction, rolling stock acquisition, grade separations and multimodal interface facilities.

The District has always been in compliance with STA eligibility requirements. STA Funds are claimed on an annual basis and received on a quarterly basis.

Below are the historical and projected allocations of STA Funds made by the California State Controller and available from the STA Fund in the years indicated.

**GOLD COAST TRANSIT DISTRICT
STA Funding Trends
Fiscal Years 2010-11 through 2015-16**

<u>Fiscal Year</u>	<u>STA Allocated to DISTRICT</u>
2010-11	n/a
2011-12	\$184,613
2012-13	\$219,487
2013-14	\$188,856
2014-15	*\$181,000
2015-16	**\$183,394

* Y/E Estimate as of M/E April 2015.

**Per January 2015 State Controllers Estimate

Farebox Revenues. The District utilizes different types of fare payment on the fixed routes, county routes and deviated (going off-route due if needed) routes. The following table shows current cash fares for various categories of transit riders.

**GOLD COAST TRANSIT DISTRICT
Current Fares by Service Type**

<u>Service Type</u>	<u>Regular</u>	<u>Youth (18 and under)</u>	<u>Seniors (ages 65-74) and Disabled</u>	<u>Children under 45” tall accompanied by paid fair and Seniors 75+</u>
Fixed Routes	\$1.50	\$1.50	\$0.75	Free
Multi-rides + Passes				
Day Pass	\$4.00	\$4.00	\$2.00	Free
15-Ride Pass	20.00	15.00	10.00	Free
31-Day Pass	50.00	40.00	25.00	Free

Source: The District

The District's ridership, passenger fare revenues and operating expenses for fiscal years 2008-2009 through 2014-2015 are summarized below.

**GOLD COAST TRANSIT DISTRICT
Ridership, Farebox Revenues and Operating Ratios
For Fiscal Years 2010-2011 through 2014-2015**

<u>Fiscal Year</u>	<u>Passenger Boardings</u>	<u>Farebox Revenues</u>	<u>Operating Expenses</u>
2010-11	3,430,269	\$3,041,669	\$15,141,244
2011-12	3,545,026	\$3,303,563	\$16,404,321
2012-13	3,637,397	\$3,148,100	\$16,642,267
2013-14	3,900,253	\$3,714,914	\$18,531,482
2014-15*	3,960,000	\$4,022,350	\$19,779,700

* Y/E Estimate as of M/E April 2015

THE DISTRICT

General

The District was established on July 1, 2014, as a California transit district. Prior to being created as a California transit district, the District was a joint powers agency established in 1973 by agreement among the Cities of Ojai, Oxnard, Port Hueneme and San Buenaventura through the merger of the Ventura Transit City Lines and the Oxnard Municipal Bus Lines; the County of Ventura joined the agency in 1977.

The District provides fixed-route bus and paratransit services in the cities of Ojai, Oxnard, Port Hueneme and Ventura, and in the unincorporated County areas between the cities. The service area is approximately 91 square miles with an estimated population of 443,000. The District served 3.9 million passenger boardings in Fiscal Year 2013-14 providing 233 thousand revenue hours and 2.6 million revenue miles of service, and anticipates increased ridership in Fiscal Year 2015-16. The District served 3.9 million – fixed-route passenger boardings in FY 2014/15, an increase of 2.3% from the previous year and operated __ million miles of revenue service, an increase of __% from the previous year. The ACCESS paratransit system transported 84,604 passengers, an increase of 2.6% over the previous year.

Governance and Management

Board of Directors. The District is governed by its Board of Directors (the “Board”) with representatives from each constituent community. The Board sets policy and direction for the District’s administration to follow. The current members of the Board are set forth below.

GOLD COAST TRANSIT DISTRICT
Board of Directors

Paul Blatz, Chair	City of Ojai, Mayor Pro Tem
Bryan MacDonald, Director	City of Oxnard, Councilman
Carl Morehouse, Director	City of Ventura, Councilmember
Doug Breeze, Director	City of Port Hueneme, Mayor Pro Tem
John Zaragoza, Director	County of Venture, Supervisor, 5 th District

Steven Brown, General Manager, has been with Gold Coast Transit District since 2006 and has been the General Manager since 2010. He has over 37 years experience in the public transit field and has previously been a Deputy Public Transit Director for the City of Phoenix, the Manager of Bus System Improvement Planning for LA Metro, had his own transportation consulting firm, and was the Director of Planning and Marketing for Phoenix Transit.

Mr. Brown is active in the community and the industry currently serving on the treasurer of the Board of Directors of the Ventura Chamber of commerce, is active in the American Public Transportation Association on the Small Operator's committee, the Bus Operations committee, and the Bus and Paratransit CEO's committee, and is active in the California Transit Association. Mr. Brown is involved in regional transit policy areas in Ventura County serving on the Coastal Express Policy Committee and the East County Transit Alliance in advisory roles. He has also been Chairman and Board member of the Arizona Transit Association.

Mr. Brown earned his Bachelor of Arts degree in Public Management from the University of Arizona in 1978.

Steven Rosenberg, Director of Finance and Administration, joined the District in his current position in 2007 after serving four years as Administration and Financial Services Manager in Bus Operations for the Los Angeles County Metropolitan Transportation Authority. He has over twenty-five years experience managing finance and administration in private and public sector organizations. He spent eighteen years with Lockheed Martin, with the last eight as Business Manager for Corporate Environmental Programs.

Mr. Rosenberg represents the District on the California Transit Indemnity Pool (CalTIP) Board of Directors, has served as chairman of CalTIP's Finance and Administration Committee and is currently serving on the organization's Executive Committee. He is an active member of the California State Municipal Finance Officers (CSMFO).

Mr. Rosenberg is a graduate of California State University, Northridge and earned his Masters of Business Administration from Pepperdine University. He has also attended the Eno Transportation Foundation's Transit Executive Seminar, L.A. Metro's Transportation Leadership Academy and the Lockheed Leadership Institute.

Existing Facilities and Equipment

The District operates a fleet of 54 full-size (35-foot and 40-foot) busses on fixed route service and 24 vehicles (cutaway buses and vans) on paratransit service, all using clean burning compressed natural gas (CNG). Only eleven of the District's 54 fixed route vehicles are approaching the end of their useful life, and the District is in the process of replacing its full paratransit fleet. The District has obtained full funding to replace all of these vehicles. The District owns and operates its own on-site CNG fueling station, having in 2011 completed construction of a second-generation CNG fueling station.

Employees

The District presently employs 191 employees. Bus operators, maintenance workers and a number of administrative employees are represented by Service Employees International Union (SEIU) Local 721, with agreements in place through October 2017.

Pension System; Health Benefits

The District employees are enrolled in the California Public Employees' Retirement System ("CalPERS"), one of the largest public employee pension systems in the United States with approximately 1.7 million members made up of employees of the State of California and other California public agencies. Effective July 1, 2015, District employees pay 4% of the 8% employee contribution, with the District paying the remainder; employee contributions will increase in 2016 to 6%. As of June 30, 2013, the District's pension liabilities are funded at 78% with an unfunded liability of \$8,254,317.

The District also belongs to the CalPERS health plan and offers its employees dental and vision coverage. The District pays a fixed monthly amount for employee or family coverage, with the employee paying the remainder. The District pays the minimum amount prescribed by the Public Employees' Medical Health and Hospital Care Act ("PEMHCA") for retiree benefits but has no unfunded OPEB liability as the result of having a fully funded California Employee Retiree Benefit Trust account.

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Results of Operations

The results of financial operations for the District for the past five fiscal years are summarized below. The figures for fiscal years 2010/11-2013/14 are audited and the figures for fiscal year 2014/15 are unaudited actuals.

GOLD COAST TRANSIT DISTRICT Statements of Operations Years Ended June 30, 2010/11 Through 2014/15

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015*</u>
OPERATING REVENUES:					
Passenger fares:					
Fixed Route	\$2,798,811	\$3,059,740	\$2,908,046	\$3,386,373	\$3,561,258
Paratransit	<u>242,858</u>	<u>243,823</u>	<u>240,054</u>	<u>328,541</u>	<u>461,725</u>
TOTAL OPERATING REVENUES:	3,041,669	3,303,563	3,148,100	3,714,914	4,022,983
OPERATING EXPENSES					
Vehicle operation	8,166,482	9,096,617	9,171,277	10,431,838	11,009,059
Vehicle Maintenance	2,499,641	2,600,226	2,468,149	2,917,575	2,952,092
Planning and Marketing	759,871	834,674	848,095	722,554	838,488
Operations and administration	1,710,938	1,835,611	1,921,105	1,947,331	2,234,392
Paratransit	2,004,310	2,037,193	2,233,641	2,512,184	2,661,463
TOTAL OPERATING EXPENSES	15,141,242	16,404,321	16,642,267	18,531,482	19,695,510
OPERATING LOSS BEFORE DEPRECIATION	(12,099,573)	(13,100,758)	(13,494,167)	(14,816,568)	(15,672,510)
DEPRECIATION:					
Capital assets – operations	2,484,054	2,444,149	2,507,373	2,519,756	2,405,787
Capital assets – paratransit operations	572,684	572,685	416,727	-	-
TOTAL DEPRECIATION	2,054,738	3,016,834	2,924,100	2,519,756	2,405,787
OPERATING LOSS	(14,154,311)	(16,117,592)	(16,418,267)	(17,336,324)	(18,078,297)
NONOPERATING REVENUES (EXPENSES):					
Local transportation funding	7,349,169	8,595,776	8,976,086	9,631,812	9,183,501
Federal funding – operating grants	3,620,661	3,502,074	3,855,259	4,733,271	5,123,411
Federal funding – matching grants	562,000	540,000		-	346,200
Federal funding – pass-through grants – VISTA fareboxes			568,077	-	-
Federal funding – pass-through expenses – VISTA fareboxes			(568,077)	-	-
State funding – operating grants	188,221	220,821	192,000	196,076	174,425
Interest earnings	13,901	14,540	15,758	13,885	11,206
Advertising revenue	157,466	215,007	219,932	231,998	220,960
Other, net	208,155	12,540	231,056	13,602	612,807
TOTAL NONOPERATING REVENUES, NET	12,099,573	13,100,758	13,494,167	14,816,568	15,672,510
LOSS BEFORE CAPITAL CONTRIBUTIONS	(3,054,738)	(3,016,834)	(2,924,100)	(2,519,756)	(2,405,787)
CAPITAL CONTRIBUTIONS:					

Federal capital grants	246,516	436,775	1,095,411	876,385	9,038,871
State capital grants	1,021	15,539	181,117	383,962	2,366,180
Local capital grants	22,758	14,648	1,110,523	761,603	2,610,654
TOTAL CAPITAL CONTRIBUTIONS	270,295	466,962	2,387,051	2,021,950	14,015,706
CHANGE IN NET ASSETS	(2,784,443)	(2,549,872)	(537,049)	(497,806)	11,609,919
NET POSITION – BEGINNING OF PERIOD	25,288,324	22,503,881	19,954,009	19,416,960	18,919,154
NET POSITION – END OF PERIOD	22,503,881	19,954,009	19,416,960	18,919,154	30,529,073

*Unaudited Actuals.

Source: The District's Audited Financial Statements, Fiscal Years 2010/11-2013/14, and Unaudited Actuals for Fiscal Year 2014/15.

Independent Accountants

The financial statements of the District for the fiscal year ended June 30, 2014 have been audited by Charles Z. Fedak & Company, Certified Public Accountants. The District's financial statements for the fiscal year ended June 30, 2014 are attached hereto as "APPENDIX D". See the footnotes to the District's financial statements included herein as "APPENDIX D" for certain other information concerning the District.

Budgets

In May of each year, the General Manager submits to the Board a proposed budget for the following fiscal year. Public hearings are then conducted to obtain comments. The budget is legally enacted through passage of a resolution by the Board; the Board first adopts a resolution approving a preliminary budget which must occur no later than June 30 and a final budget no later than August 30.

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The following tables summarize the District's 2014/15 Adopted Budget and 2015/16 Adopted Budgets. The 2015/16 budget was adopted by the District Board on June 3, 2015.

TABLE 1
Gold Coast Transit
Operating Budget Summaries
FY 2014/2015 and FY 2015/2016

<u>Operating Revenues</u>	<u>FY 2014/2015</u> <u>Budget</u>	<u>Proposed Budget</u> <u>FY 2015/2016</u>	<u>% +/-FY 2016</u> <u>vs 2015</u>
Passenger Fares-Fixed Route	\$2,993,700	\$3,295,400	+9.7%
Passenger Fares-Paratransit	224,100	213,500	(4.7%)
Special Transit Fares (FR) – Member Gov't	350,000	165,000	(52.9%)
Special Transit Fares (PT) – Member Gov't	0	0	N/A
Interest	15,000	12,000	(20.0%)
Advertising Income	225,000	245,000	+8.9%
Energy Credit Revenue	0	121,200	N/A
Other	1,000	1,000	+0.0%
Operating Assistance – State	250,000	210,000	(16.0%)
Operating Assistance – Local (LTF)	12,385,200	12,682,800	+2.4%

Demo Project – Vineyard Corridor Route	297,200	0	(100.0%)
Demo Project – Victoria Route	701,500	500,000	(28.7%)
Demo Project – Wells Center/Nyeland Acre	0	684,000	N/A
JARC Funding For Route 20	125,500	133,400	+3.0%
Operating Assistance – Federal	1,100,000	1,050,000	(4.5%)
Preventive Maintenance – Federal	1,750,000	1,632,700	(6.7%)
Paratransit Assistance - Federal	990,000	840,000	(15.2%)
Planning Assistance – Federal	346,200	200,000	(42.2%)
Medi-Cal Reimbursement/Paratransit	100,000	120,000	+20.0%
Other Fed Grants and Reimbursements	0	0	N/A
TOTAL	\$21,858,400	\$22,096,000	+1/1%

<u>Operating Expenses</u>	<u>FY 2014 – 2015</u> <u>Budget</u>	<u>Proposed Budget</u> <u>FY 2015/2016</u>	<u>% +/- FY 2016</u> <u>vs. 2015</u>
DEPARTMENT CATEGORIES			
Fixed Route	11,915,500	11,895,000	(0.2%)
Paratransit	2,974,200	2,924,000	(1.7%)
Maintenance	3,582,600	3,479,600	(2.9%)
Administration	2,414,400	2,713,400	+12.4%
Planning and Marketing	971,700	1,083,400	+11.5%
TOTAL	\$21,858,400	\$22,096,000	+1.1%

TABLE 2
Gold Coast Transit
Operating Budgets – Functional Categories
FY 2014/2015 and FY 2015/2016

<u>FUNCTION CATEGORIES</u>	<u>FY 2014 – 2015</u> <u>Budget</u>	<u>Proposed Budget</u> <u>FY 2015/2016</u>	<u>% FY 2016 vs.</u> <u>2015</u>
Employee Support	15,200,100	15,704,200	+3.3%
Services/Supplies – Operational	5,611,900	5,254,100	(6.4%)
Service/Supplies – Support	1,046,400	1,137,700	+8.7%
TOTAL	\$21,858,400	\$22,096,000	+1.1%

Investments

The District invests its working capital reserve in the Local Agency Investment Fund administered by the Treasurer of the State of California and in bank demand deposit accounts. Capital reserve funds are invested in the Ventura County Investment Fund. The Board establishes investments authorized for District funds pursuant to resolution.

RISK FACTORS

The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating a purchase of the Certificates. However, they do not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Certificates. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

Full Faith and Credit Not Pledged

Although the District covenants to appropriate and pay annually from any other legally available funds of the District an amount sufficient to make the Lease Payments to the extent such payment is not funded from Farebox Revenues, the District has not pledged its full faith and credit to the payment of Lease Payments. The District has no taxing power.

Local, State and Federal Funding for Transit

The Revenues of the District available to make Lease Payments include revenues from local and State operating grants derived from a portion of the sales taxes levied in the County. The amount of Revenues could significantly change if current laws governing the use and distribution of Revenues are amended or if there is a significant decrease in future sales tax revenues in the County. See “SOURCES OF REVENUES—Other Revenues” herein.

In addition, the District expects to be reimbursed 80% of the Net Lease Payments from funds derived from FTA Section 5307 funds. The current extension of MAP 21 currently expires on _____, 20___. The amount of FTA Section 5307 funds available for Net Lease Payments could significantly change depending upon future Congressional authorization of transportation legislation replacing MAP 21, as well as future year-to-year Congressional appropriations of funds for such legislation. See “SOURCES OF REVENUES—Federal Revenues” herein.

Insurance

The District covenants under the Lease Agreement to cause to be maintained property insurance on the Project; provided, however, that at any time that such insurance is not available on commercially reasonable terms at reasonable rates from reputable insurers, the District may self-insure. See “APPENDIX A—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—SUMMARY OF LEASE AGREEMENT—Insurance; Eminent Domain.”

Limited Recourse on Default

If the District defaults on its obligations to make Lease Payments with respect to the Project, the Trust Agreement provides that the Trustee, as assignee of the Corporation, may (subject to the restrictions

described below) retain the Lease Agreement and hold the District liable, but solely from Revenues, for all Lease Payments on an annual basis and will have no right to re-enter and attempt to re-let the Project. The Trustee may, by written notice, terminate the Lease Agreement with respect to the Project and proceed against the District to recover damages pursuant to the Lease Agreement.

Loss of Tax Exemption

As discussed under the heading “TAX EXEMPTION” herein, the interest represented by the Certificates could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Certificates, as a result of acts or omissions of the District in violation of its covenants in the Trust Agreement and the Lease Agreement. Should such an event of taxability occur, the Certificates would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Trust Agreement. In addition, if the District defaults on its obligations to make Lease Payments, the Trustee may have limited ability to re-let the Project so as to preserve the tax-exempt nature of the interest component of the Lease Payments and the Certificates.

Limited Ability to Accelerate Lease Payments

In the event of a default, although the Lease Agreement provides that the Trustee may accelerate payment of the Lease Payments, as a practical matter, the District is unlikely to have sufficient Revenues available to pay all of the Lease Payments in the event the Trustee accelerates payment of the Lease Payments upon the occurrence of an Event of Default.

No Liability of Corporation to the Owners

Except as expressly provided in the Trust Agreement, the Corporation shall not have any obligation or liability to the Owners of the Certificates with respect to the payment when due of the Lease Payments by the District, or with respect to the performance by the District of other agreements and covenants required to be performed by it contained in the Lease Agreement or the Trust Agreement, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

Bankruptcy and Equitable Limitations

In addition to the limitation on remedies contained in the Trust Agreement, the rights and remedies provided in the Trust Agreement and the Lease Agreement may be limited by and are subject to the provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors’ rights. The various legal opinions to be delivered concurrently with the delivery of the Certificates (including Special Counsel’s approving legal opinion) will be qualified, as to the enforceability of the Certificates, the Trust Agreement, the Lease Agreement and other related documents, by bankruptcy, reorganization, moratorium, insolvency, fraudulent conveyance or other similar laws relating to or affecting the enforcement of creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in the appropriate cases and to the limitation on legal remedies against public agencies in the State.

Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code) which governs the bankruptcy proceedings for public agencies such as the District, there are no involuntary petitions in bankruptcy. If the District was to file a petition under Chapter 9 of the Bankruptcy Code, the Owners and the Trustee could be prohibited from taking any steps to enforce their rights under the Lease Agreement

and the Trust Agreement, and from taking any steps to collect amounts due from the District under the Lease Agreement.

BOOK-ENTRY-ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Certificates, payment of principal, interest and other payments on the Certificates to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Certificates and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Certificates (the “Issuer”) nor the trustee, fiscal agent or paying agent appointed with respect to the Certificates (the “Agent”) take any responsibility for the information contained in this section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Certificates, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Certificates, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Certificates, or that they will so do 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.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Certificates (the “Securities”). The Securities 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. 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 contained on this Internet site is not incorporated herein by reference.*

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities 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 Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Securities 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 Issuer or Agent, on 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, Agent, or Issuer, subject to any statutory or

regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF CERTIFICATES AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE PARTICIPANTS.

In the event that the book entry only system is discontinued, payments of principal, premium, if any, and interest with respect to the Certificates and payment of the maturity amount, and prepayment premium, if any, of the Certificates shall be payable as described herein under the caption "THE CERTIFICATES—General Provisions."

ABSENCE OF MATERIAL LITIGATION

There is no controversy or litigation now pending against the Corporation or the District or, to the knowledge of their officers, threatened, restraining or enjoining the sale, execution or delivery of the Certificates, the Trust Agreement, the Lease Agreement, the Assignment Agreement or the Site Lease or in any way contesting or affecting the validity of the Certificates, the Trust Agreement, the Lease Agreement, the Assignment Agreement or the Site Lease.

Various other claims have been asserted against the District which in the opinion of the District will not materially adversely affect the District's ability to meet its obligations under the Lease Agreement, including its obligation to make Lease Payments.

TAX EXEMPTION

General

In the opinion of Nossaman LLP, Special Counsel, based on existing statutes, regulations, rulings and court decisions, the portion of each Lease Payment designated as and representing interest and received by the Owners of the Certificates (the "Interest Portion") is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. A copy of the proposed opinion of Special Counsel is set forth in APPENDIX __ hereto.

The Internal Revenue Code of 1986 (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 Certificates. The District has covenanted to

comply with certain restrictions designed to assure that the Interest Portion will not be includable in federal gross income. Failure to comply with these covenants may result in the Interest Portion being includable in federal gross income, possibly from the date of execution and delivery of the Certificates. The opinion of Special Counsel assumes compliance with these covenants. Special Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of execution and delivery of the Certificates may affect the value of, or the tax status of the Interest Portion. Further, no assurance can be given that pending or future legislation or amendments to the Code, will not adversely affect the value of, or the tax status of the Interest Portion. Prospective owners are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Special Counsel is further of the opinion that the Interest Portion is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. Special Counsel observes, however, that the Interest Portion is included in adjusted current earnings in calculating corporate alternative minimum taxable income.

Prospective purchasers of the Certificates should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest with respect to obligations such as that represented by the Certificates, (ii) interest with respect to obligations such as that represented by the Certificates earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income, including interest with respect to obligations such as that represented by the Certificates, may be subject to federal income taxation under Section 1375 of the Code for subchapter S corporations having subchapter C earnings and profits at the close of the taxable year and gross receipts more than 25% of which constitute passive investment income, and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on obligations such as those represented by the Certificates.

If the initial offering price to the public (excluding bond houses and brokers) at which a Certificate is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Certificate is sold is greater than the amount payable at maturity thereof, then the excess of the tax basis of a purchaser of such Certificate (other than a purchaser who holds such Certificate as inventory, stock in trade or for sale to customers in the ordinary course of business) over the principal amount of such Certificate constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes.

Under the Code, original issue discount is excludable from gross income for federal income tax purposes to the same extent as the Interest Portion. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each such Certificate and the basis of such Certificate acquired at such initial offering price by an initial purchaser of each such Certificate will be increased by the amount of such accrued discount. The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of such Certificates who purchase such Certificates after the initial offering of a substantial amount thereof. Owners who do not purchase such Certificates in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax

consequences of ownership of such Certificates. All holders of such Certificates should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition to the extent that calculation of such loss is based on accrued original issue discount.

Under the Code, original issue premium is amortized for federal income tax purposes over the term of such a Certificate based on the purchaser's yield to maturity in such Certificate, except that in the case of such a Certificate callable prior to its stated maturity, the amortization period and the yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Certificate. A purchaser of such a Certificate is required to decrease his or her adjusted basis in such Certificate by the amount of Certificate premium attributable to each taxable year in which such purchaser holds such Certificate. The amount of Certificate premium attributable to a taxable year is not deductible for federal income tax purposes. Purchasers of such Certificates should consult their tax advisors with respect to the precise determination for federal income tax purposes of the amount of Certificate premium attributable to each taxable year and the effect of Certificate premium on the sale or other disposition of such a Certificate, and with respect to the state and local tax consequences of owning and disposing of such a Certificate.

Certain agreements, requirements and procedures contained or referred to in the Lease Agreement and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in those documents, upon the advice or with the approving opinion of nationally recognized Special Counsel. Special Counsel expresses no opinion as to the effect on any Certificate or the interest payable with respect thereto if any change occurs or action is taken or omitted upon the advice or approval of counsel other than Special Counsel.

Although Special Counsel has rendered an opinion that the Interest Portion is excludable from federal gross income, and is exempt from State of California personal income taxes, the ownership or disposition of the Certificates, and the accrual or receipt of interest with respect to the Certificates may otherwise affect an Owner's state or federal tax liability. The nature and extent of these other tax consequences will depend upon each Owner's particular tax status and the Owner's other items of income or deduction. Special Counsel expresses no opinion regarding any such other tax consequences.

Future rulings, court decisions, legislative proposals, if enacted into law, or clarification of the Code may cause the Interest Portion to be subject, directly or indirectly, to federal income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. For example, Representative Dave Camp, Chair of the House Ways and Means Committee released draft legislation that would subject the Interest Portion to a federal income tax at an effective rate of 10% or more for individuals, trusts, and estates in the highest tax bracket, and the Obama Administration proposed legislation that would limit the exclusion from gross income of the Interest Portion to some extent for high-income individuals. There can be no assurance that such future rulings, court decisions, legislative proposals, if enacted into law, or clarification of the Code enacted or proposed after the date of execution and delivery of the Certificates will not have an adverse effect on the tax exempt status or market price of the Certificates

Internal Revenue Service Audit of Tax-Exempt Issues

The Internal Revenue Service (“IRS”) has initiated an expanded program for the auditing of tax-exempt issues, including both random and targeted audits. It is possible that the Certificates will be selected for audit by the IRS. It is also possible that the market value of the Certificates might be affected as a result of such an audit of the Certificates (or by an audit of similar obligations).

Information Reporting and Backup Withholding

Information reporting requirements apply to interest (including original issue discount) paid after March 31, 2007 on tax-exempt obligations, including the Certificates. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Certificate through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the Interest Portion from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

RATINGS

[The Certificates have been assigned the rating of “[__]” from Moody’s Investors Service (“RATING AGENCY”) with the understanding that, concurrent with the delivery of the Certificates, the Insurer will issue its Policy.] Moody’s Investors Service has assigned the Certificates the rating, without taking into account the Policy issued by the Insurer, of “__.” An explanation of the significance of such ratings may be obtained from Moody’s Investor Service at the following address: 7 World Trade Center, 250 Greenwich Street, New York, NY. The ratings reflect the views of such organizations and the District makes no representation as to the appropriateness of the ratings. Further, there is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely if in the sole judgment of such organizations circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the trading value and the market price of the Certificates.

CONTINUING DISCLOSURE OBLIGATION

The District has covenanted to provide such annual financial statements and other information in the manner required by Rule 15c2-12. The District has entered into an undertaking (the “Undertaking”) for the benefit of the Owners of the Certificates to provide certain financial information and operating data to certain information repositories annually and to provide notice to the Municipal Securities Rulemaking Board or to certain information repositories of certain events, pursuant to the requirements of

section (b)(5)(i) of Rule 15c2-12. See “APPENDIX B—PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE” herein for a description of the Undertaking. These covenants are being made in order to assist the Underwriters (as defined below) in complying with Rule 15c2-12. The District has not entertained any previous undertaking with regard to said Rule to provide annual reports or notices of material events.

A failure by the District to comply with the Undertaking will not constitute an Event of Default under the Trust Agreement. Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Certificates in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Certificates and their market price.

APPROVAL OF LEGALITY

Legal matters incident to the delivery of the Certificates are subject to the approving opinions of Nossaman Los Angeles, California, Special Counsel. The proposed form of the opinion of Special Counsel is attached hereto as “APPENDIX E.” Copies of such opinion will be available at the time of delivery of the Certificates. Except for the matters discussed in their opinions, Special Counsel has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of this Official Statement or any proceedings, reports, correspondence, financial statements or other documents containing financial or other information related to the District which have been or may be furnished or disclosed to purchasers of the Certificates, and Special Counsel expresses no opinion with respect to such financial or other information or the accuracy or sufficiency thereof. Certain matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, Denver, Colorado, and for the District by Best Best & Krieger LLP, Riverside, California. Payment of fees of Special Counsel and Underwriters’ Counsel is contingent upon the execution and delivery of the Certificates.

UNDERWRITING

The Certificates are being purchased by RBC Capital Markets and Stifel, Nicolaus & Company, Inc. (the “Underwriters”). The Underwriters have agreed to purchase the Certificates at a price of \$_____ (being the par amount of the Certificates plus a premium of \$_____ less the Underwriters’ discount of \$_____), plus accrued interest from _____, 2015. The purchase agreement relating to the Certificates provides that the Underwriters will purchase all of the Certificates if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said purchase agreement, the approval of certain legal matters by counsel and certain other conditions.

Certificates may be offered and sold to certain dealers and others at prices lower than the offering prices stated on the cover hereof. The offering prices may be changed from time to time.

FINANCIAL ADVISOR

The District has retained Public Financial Management, Inc., Los Angeles, California, as Financial Advisor in connection with the authorization and delivery of the Certificates. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement. The fee of the Financial Advisor is contingent upon the execution and delivery of the Certificates.

MISCELLANEOUS

The foregoing summaries do not purport to be complete and are expressly made subject to the provisions of the documents, copies of which may be obtained from the Trustee, or during the period of the offering, the Underwriters.

Any statements 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 does not constitute an agreement between the Corporation, the District or the Underwriters and the purchasers or owners of any of the Certificates.

Additional information relating to the Certificates and the District may be obtained upon request from the District located at 301 East Third Street, Oxnard, California, 93030, Attention: Director of Administrative Services.

This Official Statement and its distribution and use by the Underwriters has been duly authorized and approved by the District.

GOLD COAST TRANSIT DISTRICT

By _____
General Manager

APPENDIX A

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

Presented below are brief summaries of certain provisions contained in the Trust Agreement and Lease Agreement. Such summaries are not to be considered full statements pertaining thereto. Reference is directed to the Trust Agreement and the Lease Agreement for the complete text thereof. Copies of such documents are available upon request from the Trustee.

DEFINITIONS OF CERTAIN TERMS

The following are summaries of definitions of certain terms used in this Official Statement. All capitalized terms not defined here or elsewhere in the Official Statement have the meanings set forth in the Lease Agreement or the Trust Agreement.

[TO BE SUPPLIED]

SUMMARY OF LEASE AGREEMENT

The following is a brief outline of certain provisions contained in the Lease Agreement, and is not to be considered a full statement pertaining thereto. Reference is made to the Lease Agreement for the complete text thereof. A copy of the Lease Agreement is available upon request from the District or the Trustee.

[TO BE SUPPLIED]

SUMMARY OF TRUST AGREEMENT

The following is a brief outline of certain provisions contained in the Trust Agreement and is not to be considered a full statement of the terms thereof. Reference is made to the Trust Agreement for the complete text thereof. A copy of said document is available upon request from the District or the Trustee.

[TO BE SUPPLIED]

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF OXNARD AND VENTURA COUNTY

The Refunding Bonds are not a debt of the City of Oxnard or the County of Ventura. The County of Ventura, including its Board of Supervisors, officers, officials, agents and other employees, are required, only to the extent required by law, to: (i) levy and collect ad valorem taxes for payment of the Refunding Bonds in accordance with the law; and (ii) transmit the proceeds of such taxes to the paying agent for the payment of the principal of and interest on the Refunding Bonds at the time such payment is due.

General

The City. The City is located in the western part of the County on the shore of the Pacific Ocean. The City is approximately 65 miles northwest of the City of Los Angeles, 35 miles south of the City of Santa Barbara, and 6 miles south of the county seat of the County. The City is the largest city in the County, with an estimated population of 206,148 in 2015, accounting for approximately 24% of the County's population. The City has a diversified economic base composed of agricultural and related business, retail, various services, and governmental agencies.

The City was incorporated as a general law city on June 30, 1903, and operates under a council-manager form of government. The City is governed by a five-member City Council elected at large for four-year alternating terms, with the exception of the Mayor, who is indirectly elected for a two-year term.

The County. The County covers an area of 1,843 square miles and ranks 26th in size among the State's 58 counties. The County is bordered to the north by Kern County, to the west by Santa Barbara County, to the south and east by Los Angeles County and on the southwest by the Pacific Ocean.

The Los Padres National Forest makes up most of the northern half of the County. Mountain ranges create fertile valleys and broad alluvial basins, primarily in the southern half of the County. Forty-two miles of coastline comprise the southwestern edge of the County. The County's two military bases, Point Mugu and Port Hueneme, are among the largest employers in the County.

Population

The table below shows population estimates for the City, the County and the State of California for the last five years.

CITY OF OXNARD, VENTURA COUNTY AND STATE OF CALIFORNIA

Population Estimates

Calendar Year	City of Oxnard	County of Ventura	State of California
2010	197,899	823,318	37,253,956
2011	199,263	827,874	37,427,946
2012	199,515	829,386	37,680,593
2013	201,184	836,864	38,030,609
2014	203,474	842,385	38,357,121
2015	206,148	848,073	38,714,725

Source: State Department of Finance estimates, Demographic Research Unit (as of January 1). Includes March 2010 Benchmark.

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Employment and Industry

The District is included in the Oxnard-Thousand Oaks-Ventura Metropolitan Statistical Area (“MSA”). The preliminary unemployment rate in the County was 5.1 percent in April 2015, down from a revised 5.4 percent in March 2015, and below the year-ago estimate of 6.1 percent. This compares with an unadjusted unemployment rate of 6.1 percent for California and 5.4 percent for the nation during the same period.

The following table shows civilian labor force and wage and salary employment data for the Oxnard-Thousand Oaks-Ventura MSA, which is coterminous with the County, for the past five calendar years. These figures are area-wide statistics and may not necessarily accurately reflect employment trends in the City. Annual figures are not yet available for the calendar year 2015.

OXNARD-THOUSAND OAKS-VENTURA MSA

(Ventura County)

Annual Average Civilian Labor Force, Employment and Unemployment, Employment by Industry (March 2014 Benchmark)

	2010	2011	2012	2013	2014
<u>Civilian Labor Force</u> ⁽¹⁾	430,400	432,200	435,900	434,300	431,500
Employment	383,800	388,000	396,200	400,100	402,700
Unemployment	46,600	44,200	39,700	34,200	28,800
Unemployment Rate	10.8%	10.2%	9.1%	7.9%	6.7%
Employment by Industry: ⁽²⁾					
Total Farm	24,400	25,200	27,100	27,400	25,600
Total Non-Farm	274,700	276,600	281,600	287,900	293,000
Total Private	230,500	232,200	237,900	244,200	249,200
Goods Producing	44,000	43,200	42,900	43,800	45,600
Mining and Logging	1,200	1,300	1,300	1,200	1,300
Construction	11,300	11,300	11,800	12,600	13,700
Manufacturing	31,500	30,600	29,900	29,900	30,500
Service Providing	230,700	233,400	238,600	244,100	247,400
Private Service Providing	186,500	189,000	195,000	200,500	203,600
Trade, Transportation and Utilities	53,100	54,300	55,700	57,200	58,100
Wholesale Trade	12,300	12,500	12,600	12,900	13,000
Retail Trade	35,500	36,300	37,300	38,500	39,000
Trans., Warehousing and Information	5,300	5,500	5,700	5,900	6,200
Information	5,100	4,900	5,200	5,200	5,500
Financial Activities	20,300	20,400	19,600	18,900	18,700
Finance and Insurance	16,000	16,200	15,400	14,500	14,200
Real Estate and Rental and Professional and Business Services	4,300	4,200	4,200	4,400	4,500
Educational and Health Services	33,700	33,300	34,900	36,300	35,500
Leisure and Hospitality	34,700	35,500	37,500	39,500	41,000
Other Services	30,300	31,400	32,800	33,800	35,000
Government	9,200	9,200	9,400	9,700	9,900
Federal Government	44,200	44,400	43,600	43,600	43,800
State Government	7,800	7,400	7,200	7,000	7,000
Local Government	2,600	2,700	2,700	2,700	2,800
Local Government	33,900	34,300	33,700	33,900	34,200
Total, All Industries ⁽³⁾	299,100	301,800	308,700	315,300	318,600

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- (1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
 - (2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
 - (3) Data is not seasonally adjusted. Totals may not add due to rounding.
- Source: State of California Employment Development Department.*

Major Employers

The following table lists the major employers within the County, listed alphabetically.

VENTURA COUNTY Major Employers As of June 2015

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Amgen Inc.	Thousand Oaks	Biological Specimens-Manufacturers
Baxter International	Westlake Village	Healthcare
California Lutheran University	Thousand Oaks	Schools-Universities & Colleges Academic
Community Memorial Hospital	Ventura	Hospitals/Healthcare
Conejo Valley Unified School Distr.	Thousand Oaks	Education
County of Ventura	Ventura	Government
CSU Channel Islands	Camarillo	Schools-Universities & Colleges Academic
Haas Automation, Inc.	Oxnard	Machinery-Manufacturers
Los Robles Hospital & Med Ctr	Thousand Oaks	Hospitals/Healthcare
Moorpark Unified School District	Moorpark	Education
Naval Base Ventura County	Point Mugu	Military Bases
Oxnard	Oxnard	Government
Oxnard Elementary School District	Oxnard	Education
Oxnard Union High School District	Oxnard	Education
SAGE Publications	Thousand Oaks	Publishing
Simi Valley	Simi Valley	Government
Simi Valley Hospital	Simi Valley	Hospitals/Healthcare
Simi Valley Unified School District	Simi Valley	Education
Teledyne Technologies	Thousand Oaks	Electronics and Testing Equipment
U.S Postal Service – Ventura	Oxnard	Mail Service
Ventura	Ventura	Government
Ventura County Community College District	Ventura	Schools-Universities & Colleges Academic
Ventura County Health Care Agency	Ventura	Healthcare
Ventura Unified School District	Ventura	Education
Wellpoint	Thousand Oaks	Managed Healthcare

Source: *Pacific Coast Business Times*

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Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2009 through 2013. Effective buying income data is not yet available for the calendar year 2014.

CITY OF OXNARD AND VENTURA COUNTY
Effective Buying Income
As of January 1, 2009 through 2013

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2009	City of Oxnard	\$2,944,858	\$50,253
	Ventura County	20,448,570	62,193
	California	844,823,319	49,736
	United States	6,571,536,768	43,252
2010	City of Oxnard	\$2,738,220	\$46,869
	Ventura County	19,427,353	58,583
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	City of Oxnard	\$2,797,998	\$46,616
	Ventura County	19,920,950	58,300
	California	814,578,458	47,062
	United States	6,438,704,664	41,253
2012	City of Oxnard	\$3,059,218	\$47,708
	Ventura County	21,829,752	59,284
	California	864,088,828	47,307
	United States	6,737,867,730	41,358
2013	City of Oxnard	\$3,066,423	\$49,260
	Ventura County	21,077,443	60,285
	California	858,676,636	48,340
	United States	6,982,757,379	43,715

Source: The Nielsen Company (US), Inc.

Commercial Activity

In 2009, the State Board of Equalization converted the business codes of sales and use tax permit holders to North American Industry Classification System codes. As a result of the coding change, retail stores data for 2009 is not comparable to that of prior years. Summaries of the historic taxable sales within the City and the County during the past five years in which data is available are shown in the following tables. Annual figures are not yet available for 2014 or 2015.

During the first three quarters of the calendar year 2013, total taxable transactions in the City were reported to be \$1,765,078,000, a 5.00% increase over the total taxable transactions of \$1,681,091,000 that were reported in the City during the first three quarters of the calendar year 2012.

CITY OF OXNARD
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2009 through 2013 (shown in thousands of dollars)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2009 (1)	2,262	\$1,436,959	3,526	\$1,856,434
2010 (1)	2,262	1,507,987	3,530	1,933,728
2011 (1)	2,174	1,633,046	3,460	2,122,220
2012 (1)	2,175	1,765,630	3,474	2,290,589
2013 (1)	2,218	1,864,247	3,479	2,395,169

(1) Not comparable to prior years. "Retail" category now includes "Food Services"
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

During the first three quarters of the calendar year 2013, total taxable transactions in the County were reported to be \$9,393,491,000, a 8.63% increase over the total taxable transactions of \$8,647,530,000 that were reported in the County during the first three quarters of the calendar year 2012.

VENTURA COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2008 through 2012 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2009 (1)	14,331	\$7,213,606	22,564	\$9,883,853
2010 (1)	14,134	7,546,960	22,422	10,225,488
2011 (1)	13,788	8,156,404	22,032	11,020,181
2012 (1)	13,992	8,700,010	22,206	11,958,260
2013 (1)	14,285	9,101,436	22,234	12,824,296

(1) Not comparable to prior years. "Retail" category now includes "Food Services"
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Construction Activity

Construction activity in the City and the County for the past five years for which data is available is shown in the following tables. Annual figures are not yet available for calendar year 2015.

CITY OF OXNARD
Building Permit Valuation
Calendar Years 2010 through 2014
(Valuation in Thousands of Dollars)

Permit Valuation	2010	2011	2012	2013	2014
New Single-family	\$13,019.2	\$6,647.2	\$790.1	\$17,207.8	\$10,497.2
New Multi-family	21,388.6	40,084.8	13,871.4	78,903.5	48,026.2
Res. Alterations/Additions	5,086.7	7,081.7	4,159.9	7,023.0	12,277.6
Total Residential	39,494.5	53,813.8	18,821.4	103,134.3	70,801.0
New Commercial	16,292.7	12,497.8	1,615.1	11,875.3	713.0
New Industrial	0.0	0.0	5,126.5	0.0	9,118.2
New Other	2,290.7	9,997.5	2,929.2	1,700.0	3,903.5
Com. Alterations/Additions	11,097.0	13,735.5	8,497.8	23,839.5	19,682.6
Total Nonresidential	29,680.4	36,230.8	18,168.6	37,414.8	33,417.3
<u>New Dwelling Units</u>					
Single Family	44	20	4	66	42
Multiple Family	116	320	80	366	269
TOTAL	160	340	84	432	311

Source: Construction Industry Research Board, Building Permit Summary.

VENTURA COUNTY
Building Permit Valuation
Calendar Years 2010 through 2014
(Valuation in Thousands of Dollars)

Permit Valuation	2010	2011	2012	2013	2014
New Single-family	\$68,191.5	\$65,286.8	\$62,359.0	\$139,009.7	\$169,065.9
New Multi-family	52,395.9	67,765.1	23,303.3	121,304.6	102,514.6
Res. Alterations/Additions	61,349.0	63,166.4	56,288.6	53,255.4	72,971.1
Total Residential	181,936.4	196,218.3	141,950.9	313,569.7	344,551.6
New Commercial	41,329.1	31,340.6	10,377.1	31,371.7	20,672.6
New Industrial	0.0	6,955.4	9,636.2	336.6	17,938.6
New Other	38,757.7	27,990.9	19,037.2	35,058.0	31,580.1
Com. Alterations/Additions	80,035.6	80,890.5	69,241.1	79,728.1	79,948.9
Total Nonresidential	160,122.4	147,177.4	108,291.6	146,494.4	150,140.2
<u>New Dwelling Units</u>					
Single Family	192	167	175	360	450
Multiple Family	398	539	147	688	632
TOTAL	590	706	322	1,048	1,082

Source: Construction Industry Research Board, Building Permit Summary.

Transportation

The County is located at the approximate midpoint between Los Angeles and Santa Barbara and is linked to these areas by several highways. The largest and most heavily traveled highways are: U.S. 101 (Ventura Freeway), Highway 118 (Simi Valley Freeway), Highway 1 (Pacific Coast Highway), Highway 23, which connects Moorpark to Thousand Oaks and Simi Valley via U.S. 101 and Highway 118, Highway 33, which connects Ventura and Ojai, and Highway 126, which runs through the Fillmore and Santa Paula areas. Highways 118 and 126 connect to Interstate 5 in Los Angeles County.

The Southern Pacific Railroad serves the County's industrial areas, running 30 trains daily, with piggyback service and available industrial sidings. The County Railway, a privately owned shortline railroad serves the industrial areas of south Oxnard, the Port of Hueneme and the U.S. Navy Construction Battalion Center.

AMTRAK operates passenger trains daily through the County and has its major hub at the Oxnard Transportation Center. Connection stations are located in Ventura, Moorpark and Simi Valley. The trains run between San Francisco, Santa Barbara, Los Angeles, San Diego and other destinations.

Metrolink, Southern California's commuter train network, which connects commuters in five counties with employment centers throughout the region, originates in Moorpark. Metrolink links the County with the Los Angeles Metro Rail system.

Commuter air service to Los Angeles, Las Vegas, San Francisco, Monterey, Sacramento, Oakland, San Diego, Santa Barbara, San Jose and Bakersfield is available from the Oxnard Airport. Other airports serving the County are Camarillo Airport and the Santa Paula Airport, both general aviation facilities. The County is approximately 62 miles from the Los Angeles International Airport and 55 miles from the Burbank Airport

APPENDIX D

**GOLD COAST TRANSIT DISTRICT
AUDITED FINANCIAL STATEMENT
FOR FISCAL YEAR ENDING JUNE 30, 2014**

APPENDIX E

FORM OF OPINION OF SPECIAL COUNSEL

**[APPENDIX F
SPECIMEN BOND INSURANCE POLICY]**

LEASE AGREEMENT

Dated as of August 1, 2015

by and between the

CALIFORNIA TRANSIT FINANCE CORPORATION,
as Lessor

and the

GOLD COAST TRANSIT DISTRICT,
as Lessee

CERTIFICATES OF PARTICIPATION
(Transit Facilities Project)

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LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of August 1, 2015, by and between the CALIFORNIA TRANSIT FINANCE CORPORATION, a nonprofit, public benefit corporation organized and existing under the laws of the State of California, as Lessor (the "Corporation"), and the GOLD COAST TRANSIT DISTRICT, a transit district organized and existing under the Constitution and laws of the State of California, as Lessee (the "GCTD");

WITNESSETH:

WHEREAS, the GCTD desires to lease from the Corporation and operate certain transit facilities, more particularly described in Exhibit A hereto ("Project");

WHEREAS, the GCTD has leased the real property constituting the Project to the Corporation pursuant to that certain Site Lease dated as of August 1, 2015 (the "Site Lease");

WHEREAS, the cost to the GCTD of leasing such Project is a proper charge against the GCTD and the governing board of the GCTD is authorized to pay for the leasing of such Project in an amount such governing board determines to be necessary;

WHEREAS, the Corporation has been organized under the Nonprofit Public Benefit Corporation Law of the State of California primarily for the purpose of providing financial assistance to California transit agencies by acquiring, constructing, financing and refinancing various facilities, land and equipment for and on behalf of California transit agencies, such as the GCTD, and such transactions are permitted by the laws of the State of California and the articles and bylaws of the Corporation;

WHEREAS, the governing board of the GCTD has authorized the execution of this Lease Agreement for the purpose of leasing the Project, as described in Exhibit A hereto, for the benefit of the GCTD;

WHEREAS, the GCTD and the Corporation propose to authorize the sale and delivery pursuant to the Trust Agreement described herein of the Certificates of Participation (the "Certificates") evidencing proportionate interests in the Lease Payments to be paid by the GCTD under this Lease Agreement in order to provide funds for the acquisition and construction of the Project and to pay certain costs associated with the sale and delivery of the Certificates in accordance with the terms set forth herein;

WHEREAS, the GCTD does hereby confirm that, in view of the foregoing facts and circumstances, the Lease Payments required to be made hereunder are reasonable and advantageous and to the public benefit of the GCTD;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS AND EXHIBITS

Section 1.01. Definitions. Unless the context otherwise requires, the capitalized terms used herein shall, for all purposes of this Lease Agreement, have the meanings defined in the Trust Agreement; and the additional terms defined in this Section 1.01 shall, for all purposes of this Lease Agreement, have the meanings ascribed to them as follows:

“Additional Certificates” means certificates of participation payable from or secured by a pledge of the Farebox Revenues which are pledged to the payment of the Lease Payments on a parity basis with the Certificates which may be authorized under and described in a supplemental trust agreement provided that the conditions set forth in Section 4.06 hereof have been met.

“Authorized” means, with respect to any Program which has been Implemented and not terminated, the Authorized Amount less the amounts which are outstanding at the time of calculation.

“Authorized Amount” means, when used with respect to a Program, the maximum principal amount of Parity Debt which is then authorized by the GCTD to be outstanding at any one time under the terms of such Program.

“Balloon Indebtedness” means, with respect to the Certificates or any series of Parity Debt, twenty-five percent (25%) or more of the principal of which matures on the same date or within a Fiscal Year, that portion of such series which matures on such date or within such Fiscal Year; provided, however, that to constitute Balloon Indebtedness the amount of Certificates or Parity Debt of a series maturing on a single date or within a Fiscal Year must equal or exceed 150% of the amount of such series which matures during any preceding Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Certificates or Parity Debt, as the case may be, scheduled to be amortized by prepayment or redemption prior to their stated maturity date. A Commercial Paper Program and the Commercial Paper constituting part of such program shall not be Balloon Indebtedness.

“Certificates” means the \$____,____,000 Certificates of Participation (Transit Facilities project) and Additional Certificates.

“Commercial Paper” means notes of the GCTD with a maturity of not more than 270 days from the date of issuance and which are issued and reissued from time to time pursuant to a Program adopted by the GCTD.

“Corporation” means the California Transit Finance Corporation, a nonprofit, public benefit corporation organized and existing under the laws of the State of California.

“Farebox Revenues” means all farebox revenues and contract service revenues collected by the GCTD in connection with the operation of all transit vehicles owned or leased by the GCTD.

“Implemented” means, when used with respect to a Program, a Program which has been authorized and the terms thereof approved by a resolution adopted by the GCTD.

“Lease Payment Date” means the 15th day of the month immediately preceding each Certificate Payment Date.

“Lease Payments” means the payments described in Section 4.03 hereof.

“Lease Agreement” means this agreement, dated as of August 1, 2015, by and between the Corporation and the GCTD, and any duly authorized and executed amendment or supplement hereto.

“Maximum Annual Debt Service” means, at any point in time, with respect to all Outstanding Certificates and all Parity Debt which is then Outstanding or Authorized, the maximum amount of principal and interest becoming due in the then current or any future Fiscal Year, calculated as provided in this definition. For purposes of calculating Maximum Annual Debt Service, the following assumptions shall be used:

(i) in determining the principal due in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made with respect to the Certificates and Parity Debt in accordance with any amortization schedule established by the governing documents setting forth the terms of such Certificates or Parity Debt; in determining the interest due in each year, interest payable at a fixed rate shall (except to the extent subsection (ii), (iii) or (iv) of this definition applies) be assumed to be made at such fixed rate and on the required payment dates;

(ii) if all or any portion or portions of Parity Debt constitute Balloon Indebtedness, or if all or any portion or portions of any Parity Debt then proposed to be issued would constitute Balloon Indebtedness (excluding Parity Debt which is part of a Program and to which subsection (viii) applies), then, for purposes of determining Maximum Annual Debt Service, each maturity which constitutes Balloon Indebtedness shall, unless provision (iii) of this definition then applies to such maturity, be treated as if it were to be amortized over a term of 25 years commencing in the year the stated maturity of such Balloon Indebtedness occurs and with substantially level annual debt service payments; the interest rate used for such computation shall be that rate determined by a financial advisor or investment banker to be a reasonable market rate for 25-year fixed rate debt on the date of such calculation, with no credit enhancement and taking into consideration whether such Parity Debt bears interest which is or is not excluded from gross income for federal income tax purposes; with respect to any Parity Debt only a portion of which constitutes Balloon Indebtedness, the remaining portion shall be treated as described in (i) above or such other provision of this definition as shall

be applicable and, with respect to any portion which constitutes Balloon Indebtedness, all payments of principal and interest becoming due prior to the year of the stated maturity of the Balloon Indebtedness shall be treated as described in (i) above or such other provision of this definition as shall be applicable, provided that notwithstanding the application of provision (iii) of this definition in the event the Parity Debt which constitutes Balloon Indebtedness has a stated maturity within 24 months of the date of the calculation of Maximum Annual Debt Service the full principal amount of such Parity Debt shall be included in the calculation of Maximum Annual Debt Service;

(iii) any maturity which constitutes Balloon Indebtedness as described in provision (ii) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation is made, shall be assumed to become due and payable on the stated maturity date and provision (ii) above shall not apply thereto unless there is delivered to the entity making the calculation a certificate of a GCTD Representative stating that the GCTD intends to refinance such maturity and stating the probable terms of such refinancing and that the debt capacity of the GCTD is sufficient to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Indebtedness shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating Maximum Annual Debt Service, provided that such assumption shall not result in an amortization period longer than or an interest rate lower than that which would be assumed under provision (ii) above;

(iv) if any of the Outstanding Certificates or Parity Debt constitute Tender Indebtedness or if Parity Debt then proposed to be issued would constitute Tender Indebtedness (excluding Parity Debt which is part of a Program and to which subsection (viii) or (ix) applies), then, for purposes of determining Maximum Annual Debt Service, Tender Indebtedness shall be treated as if the principal amount of such Certificates or Parity Debt were to be amortized over a term of 25 years commencing in the year in which such Certificates or Parity Debt, as the case may be, is first subject to tender and with substantially level annual debt service payments; the interest rate used for such computation shall be that rate determined by a financial advisor or investment banker to be a reasonable market rate for 25-year fixed-rate debt on the date of such calculation, with no credit enhancement and taking into consideration whether such Certificates or Parity Debt, as the case may be, bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to all principal and interest payments becoming due prior to the year in which such Tender Indebtedness is first subject to tender such payments shall be treated as described in (i) above unless the interest during that period is subject to fluctuation, in which case the interest becoming due prior to such first tender date shall be determined as provided in (v) or (vi) below, as appropriate;

(v) if any Outstanding Certificates or Parity Debt constitute Variable Rate Indebtedness (except to the extent subsection (ii) or (iii) relating to Balloon Indebtedness or (iv) relating to Tender Indebtedness applies), the interest rate of such Certificates or

Parity Debt, as the case may be, shall be assumed to be 110% of the greater of (a) the daily average interest rate on such Certificates or Parity Debt, as the case may be, during the 12 months ending with the month preceding the date of calculation, or such shorter period that such Certificates or Parity Debt shall have been Outstanding, or (b) the rate of interest on such Certificates or Parity Debt, as the case may be, on the date of calculation;

(vi) if Parity Debt proposed to be issued would be Variable Rate Indebtedness, such Parity Debt shall be assumed to bear an interest rate equal to 110% of the rate which would, under the terms of the proposed governing documents, apply to such Parity Debt if issued on the date of such calculation;

(vii) with respect to any Commercial Paper Program which has been Implemented and not then terminated or with respect to any Commercial Paper Program then proposed to be Implemented, the principal and interest thereon shall be calculated as if the entire Authorized Amount of such Commercial Paper Program were to be amortized over a term of 25 years commencing in the year in which such Commercial Paper Program is Implemented and with substantially level annual debt service payments; the interest rate used for such computation shall be that rate determined by a financial advisor or investment banker to be a reasonable market rate for 25-year fixed-rate debt issued under the governing documents for such Commercial Paper Program on the date of such calculation, with no credit enhancement and taking into consideration whether such Parity Debt bears interest which is or is not excluded from gross income for federal income tax purposes;

(viii) with respect to any Program, other than a Commercial Paper Program, then proposed to be Implemented, it shall be assumed that the full principal amount of such Authorized Parity Debt will be amortized over a term certified by a GCTD Representative to be the expected duration of such Program, but not to exceed 25 years, and commencing in the year such Program is Implemented and that debt service shall be paid in substantially level annual debt service payments over such assumed term; the interest rate used for such computation shall be that rate determined by a financial advisor or investment banker to be a reasonable market rate for fixed-rate debt of a corresponding term issued under the governing documents for such Program on the date of such calculation, with no credit enhancement and taking into consideration whether such Parity Debt bears interest which is or is not excluded from gross income for federal income tax purposes;

(ix) with respect to any Program other than a Commercial Paper Program, which has been Implemented (a) debt service on Parity Debt then Outstanding as part of such Program shall be determined in accordance with such of the foregoing provisions of this definition as shall be applicable, and (b) with respect to the Parity Debt of such Program which is Authorized, it shall be assumed that the full principal amount of such Authorized Parity Debt will be amortized over a term certified by a GCTD Representative at the time of implementation of such Program to be the expected duration of such Program or, if such expectations have changed, over a term certified by a GCTD

Representative to be the expected duration of such Program at the time of such calculation, but not to exceed 25 years from the date such Program is Implemented and it shall be assumed that debt service shall be paid in substantially level annual debt service payments over such assumed term; the interest rate used for such computation shall be that rate determined by a financial advisor or investment banker to be a reasonable market rate for fixed-rate debt of a corresponding term issued under the governing documents for such Program on the date of such calculation, with no credit enhancement and taking into consideration whether such Parity Debt bears interest which is or is not excluded from gross income for federal income tax purposes;

(x) with respect to any interest rate swap agreement which is in effect with respect to, and is payable on a parity with, the Lease Payments or Parity Debt to which it relates, no amounts payable under such interest rate swap agreement shall be included in the calculation of Maximum Annual Debt Service unless the sum of (i) interest payable with respect to such Certificates or Parity Debt, as the case may be, plus (ii) amounts payable by the GCTD under such interest rate swap agreement, less (iii) amounts receivable by the GCTD under such interest rate swap agreement are greater than the interest payable with respect to the Certificates or Parity Debt, as the case may be, to which it relates, then, in such instance, the amount of such payments to be made that exceed the interest to be paid with respect to such Certificates or the Parity Debt, as the case may be, shall be included in such calculation; the interest rate used for such computation shall be that rate equal to 110% of the interest rate payable under such interest rate swap agreement on the date of calculation;

(xi) debt service on Repayment Obligations shall be calculated pursuant to the terms of the agreement creating such Repayment Obligation; and

(xii) if moneys or Permitted Investments have been irrevocably deposited with and are held by the Trustee or another fiduciary or capitalized interest has been set aside exclusively to be used to pay principal and/or interest with respect to specified Certificates or Parity Debt, then the principal and/or interest to be paid from such moneys, Permitted Investments or capitalized interest or from the earnings thereon shall be disregarded and not included in calculating Maximum Annual Debt Service.

“GCTD” means the Gold Coast Transit District, a transit district duly organized and existing under the Constitution and laws of the State of California.

“Owner” or “Certificate Owner” or “Owner of a Certificate,” or any similar term, means the person in whose name a Certificate shall be registered.

“Parity Debt” means indebtedness or other obligations (including leases and installment sale agreements) hereafter issued or incurred by the GCTD and payable from or secured by the Farebox Revenues equally and ratably with the pledge of Farebox Revenues to pay Lease Payments.

“Program” means a Commercial Paper Program, auction bond program or other Program pursuant to which the GCTD authorizes the issuance of Parity Debt from time to time up to an Authorized Amount and sets forth the procedures under which such Parity Debt shall be issued and the terms of such Parity Debt.

“Project” means the real property and transit facilities improvements to be acquired and constructed thereon, including equipment, all as described in Exhibit A attached hereto.

“Repayment Obligations” means an obligation arising under a written agreement between the GCTD and a credit and/or liquidity provider pursuant to which the GCTD agrees to reimburse the credit and/or liquidity provider for amounts paid through a credit and/or liquidity facility to be used to pay debt service on and/or to purchase any Certificates or Parity Debt.

“Revenues” means all funds of the GCTD legally available for payment of the Lease Payments, including, without limitation, (i) certain Federal Transit Administration (“FTA”) Section 5307 capital grant funds, (ii) Transit Development Act Funds, (iii) State Transportation Assistance funds, and (iv) Farebox Revenues.

“Site Lease” means that certain Site Lease by and between the Corporation and the GCTD regarding the lease of the real property constituting the Project from the GCTD to the Corporation.

“System” means the GCTD’s transportation system, including the facilities, equipment, devices and appurtenances and property rights constituting or to constitute part of, or used or useful in connection with the operation of any transit system now or hereafter owned by the GCTD.

“Tender Indebtedness” means any Certificates or Parity Debt, or portions of Certificates or Parity Debt, a feature of which is an option, on the part of the registered owners thereof, or an obligation, under the terms of such Certificates or Parity Debt, to tender all or a portion of such Certificates or Parity Debt, as the case may be, to the GCTD, a trustee, a paying agent or other fiduciary or agent or credit or liquidity provider for payment or purchase and requiring that such Certificates or Parity Debt, or portions of Certificates or Parity Debt, be purchased if properly presented.

“Term” means the time period during which this Lease Agreement is in effect, as provided in Section 4.02 hereof.

“Variable Rate Indebtedness” means any Certificates or Parity Debt the interest rate which is not, at the time in question, fixed to maturity.

Section 1.02. Exhibits. The following Exhibits are attached to, and by this reference are made a part of, this Lease Agreement:

Exhibit A: The Project to be leased hereunder.

Exhibit B: The schedule of the Lease Payments to be paid by the GCTD to the Corporation, showing the Lease Payment Date and amount of each Lease Payment.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties of the GCTD. The GCTD represents, covenants and warrants to the Corporation and the Insurer as follows:

- (a) Due Organization and Existence. The GCTD is a transit district, duly organized and existing under the Constitution and laws of the State of California.
- (b) Authorization. The GCTD has full legal power and authority to enter into this Lease Agreement, the Site Lease, the Continuing Disclosure Agreement and the Trust Agreement and to enter into the transactions contemplated by and to carry out its obligations under each of the aforesaid agreements, and the GCTD has duly authorized and executed each of the aforesaid agreements in accordance with the laws of the State of California.
- (c) No Violations. Neither the execution and delivery of this Lease Agreement, the Site Lease, the Continuing Disclosure Agreement or the Trust Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the GCTD is now a party or by which the GCTD is bound or constitutes a default under any of the foregoing.

Section 2.02. Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants and warrants to the GCTD and the Insurer as follows:

- (a) Due Organization and Existence. The Corporation is a nonprofit, public benefit corporation duly organized, existing and in good standing under and by virtue of the laws of the State of California; has power to enter into this Lease Agreement, the Site Lease, the Assignment Agreement and the Trust Agreement and to carry out its obligations under this Lease Agreement, the Site Lease, the Assignment Agreement and the Trust Agreement; is possessed of full power to undertake financing of the Project, and to lease the same; and has duly authorized the execution and delivery of all of the aforesaid agreements.
- (b) No Encumbrances. The Corporation has not pledged and will not pledge the Lease Payments or other amounts derived from the Project and from its other rights under this Lease Agreement, except as provided under the terms of this Lease Agreement, the Assignment Agreement and the Trust Agreement.

(c) No Violations. Neither the execution and delivery of this Lease Agreement, the Assignment Agreement, the Site Lease or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement, instrument, regulation or law to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing.

(d) No Assignment. Except as provided herein and in the Assignment Agreement, the Corporation will not assign this Lease Agreement, its right to receive Lease Payments from the GCTD or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.02.

ARTICLE III DEPOSIT OF MONEYS; PAYMENT OF DELIVERY COSTS

Section 3.01. Deposit of Moneys. On the Closing Date, the Corporation shall cause to be deposited with the Trustee the proceeds of the Certificates and other amounts as provided in the Trust Agreement.

Section 3.02. Payment of Acquisition Costs. Payment of Acquisition Costs shall be made from the moneys in the Project Fund, which moneys shall be disbursed for such purpose in accordance and upon compliance with Section 3.03 of the Trust Agreement.

Section 3.03. Payment of Delivery Costs. Payment of Delivery Costs shall be made from the moneys deposited with the Trustee in the Delivery Costs Fund, which moneys shall be disbursed for such purpose in accordance and upon compliance with Section 3.07 of the Trust Agreement.

ARTICLE IV LEASE OF THE PROJECT; TERM OF THE LEASE AGREEMENT; LEASE PAYMENTS

Section 4.01. Lease of the Project. The Corporation hereby agrees to lease to the GCTD the Project, and the GCTD hereby agrees to lease from the Corporation the Project upon the terms and conditions set forth in this Lease Agreement.

Section 4.02. Term of the Lease Agreement. The Term of this Lease Agreement shall commence as of the date hereof and shall terminate on July 1, 2037 unless such term is extended or sooner terminated as hereinafter provided. If on July 1, 2037 the Trust Agreement shall not be discharged by its terms, then the Term of this Lease Agreement shall be extended until the Trust Agreement shall be discharged by its terms. If prior to July 1, 2037 the Trust Agreement

shall be discharged by its terms, the Term of this Lease Agreement shall end on the date of such discharge.

Section 4.03. Lease Payments.

(a) Obligation to Pay. The GCTD agrees to pay to the Corporation, its successors and assigns, as consideration for leasing the Project, the Lease Payments, consisting of components of principal and interest, on the Lease Payment Dates and in the amounts specified in Exhibit B hereto. The Lease Payments shall be payable from Revenues of the GCTD.

(b) Reduction Upon Partial Prepayment. In the event the GCTD makes a security deposit to prepay less than all of the remaining principal components of the Lease Payments pursuant to Section 9.03 hereof, the amount of such prepayment shall be applied to reduce the principal component of the subsequent remaining Lease Payments and, therefore, the outstanding principal amount of Certificates, in inverse order of payment date and the interest component of each subsequent remaining Lease Payment shall be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Certificates prepaid as a result of such prepayment.

(c) Rate on Overdue Payments. In the event the GCTD should fail to make any of the payments required in this Section 4.03 so that there are insufficient funds on hand in the Lease Payment Fund to pay any Lease Payment in full on a Lease Payment Date, the Lease Payment in default shall continue as an obligation of the GCTD until the amount in default shall have been fully paid and the GCTD agrees to pay the same with interest thereon, to the extent permitted by law, from the date thereof at the rate of interest payable with respect to the Certificates.

(d) Assignment. The GCTD understands and agrees that the Corporation has assigned its right, title and interest in this Lease Agreement to the Trustee pursuant to the Assignment Agreement for the benefit of the Owners, and the GCTD assents to such assignment. The Corporation hereby directs the GCTD, and the GCTD hereby agrees, to pay to the Trustee at the Trustee's corporate trust office in Los Angeles, California, or to the Trustee at such other place as the Trustee shall direct in writing, all payments payable by the GCTD pursuant to this Section 4.03 and all amounts payable by the GCTD pursuant to Article IX hereof.

(e) Pledge of Farebox Revenues. To secure the payment of Lease Payments and the performance and observance by the GCTD of all the covenants, agreements and conditions expressed or implied herein or contained in the Trust Agreement or the Certificates, the GCTD hereby pledges and assigns to the Trustee, as assignee of the Corporation, and grants to the Trustee, as assignee of the Corporation, a lien on and security interest in all right, title and interest of the GCTD in and to the Farebox Revenues and provides that such lien and security interest shall be prior in right to any other pledge, lien or security interest created by the GCTD in the Farebox Revenues.

The GCTD hereby represents and states that it has not previously created any charge or lien on or any security interest in the Farebox Revenues and the GCTD covenants that, until all the Lease Payments and the Certificates evidencing interests therein shall have been paid or are deemed to have been paid, it will not grant any prior or parity pledge of or any security interest in the Farebox Revenues or any of the other security which is pledged hereunder, or create or permit to be created any charge or lien thereon or any security interest therein ranking prior to or on a parity with the charge or lien of the Lease Payments and the Certificates evidencing interests therein; provided, however, that the GCTD may grant a lien on or security interest in the Farebox Revenues, as provided in and as limited by Section 4.06.

Section 4.04. Unconditional Obligation of the GCTD. The obligations of the GCTD to make the Lease Payments from Revenues and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the GCTD, the Corporation or the Trustee of any obligation to the GCTD or otherwise with respect to the Project, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the GCTD by the Corporation or the Trustee. Until such time as all of the Lease Payments shall have been fully paid or prepaid, the GCTD (a) will not suspend, abate, or discontinue any payments provided for in Section 4.03 hereof, (b) will perform and observe all other agreements contained in this Lease Agreement, and (c) will not terminate the Term of this Lease Agreement or Site Lease for any cause, including, without limiting the generality of the foregoing, the occurrence of any act or circumstance that may constitute failure of consideration, failure to acquire the Project, failure to have full use and possession of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either thereof or any failure by the Corporation or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Trust Agreement or this Lease Agreement.

Nothing contained in this Section 4.04 shall be construed to release the Corporation from the performance of any of the agreements on its part herein contained, and in the event the Corporation shall fail to perform any such agreements on its part, the GCTD may institute such action against the Corporation as the GCTD may deem necessary to compel performance so long as such action does not abrogate the obligations of the GCTD contained in the first sentence of the preceding paragraph. The GCTD may, however, at the GCTD's own cost and expense, and in the GCTD's own name or in the name of the Corporation, prosecute or defend any action or proceeding or take any other action involving third persons which the GCTD deems reasonably necessary in order to secure or protect the GCTD's right to the Project hereunder, and in such event the Corporation hereby agrees to cooperate fully with the GCTD and to take such action as may be necessary to effect the substitution of the GCTD for the Corporation in such action or proceeding if the GCTD shall so request.

Section 4.05. Transfer to Pay Lease Payments. In order to provide for the payment of Lease Payments when due, the GCTD shall, on or before each Lease Payment Date, transfer to

the Trustee for deposit into the Lease Payment Fund the Lease Payments indicated in Exhibit B attached hereto, as required for the next occurring Lease Payment Date.

Section 4.06. Limitations on Future Obligations Payable from or Secured by Farebox Revenues.

(a) No Obligation Superior to Pledge of Farebox Revenues to Secure Payment of Lease Payments. In order to protect further the security for the Lease Payments and any Parity Debt, the GCTD hereby agrees that the GCTD shall not, so long as any Certificates are Outstanding, issue or incur any obligations payable from or secured by a pledge of the Farebox Revenues superior to the pledge of Farebox Revenues to secure the payment of Lease Payments or such Parity Debt.

(b) Additional Certificates and Parity Debt. The GCTD may authorize the sale and delivery of Additional Certificates and may incur Parity Debt, payable from or secured by a pledge of Farebox Revenues on a parity basis with the pledge of Farebox Revenues to secure the payment of Lease Payments, subject to the following specific conditions, which are hereby made conditions precedent to the sale and delivery of Additional Certificates or the incurrence of any such Parity Debt:

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

(2) The GCTD shall provide the Trustee with a certificate from a GCTD Representative, certifying that the amount of Farebox Revenues received for any period of twelve (12) consecutive months during the eighteen (18) months immediately preceding the date on which such Additional Certificates will be delivered or such Parity Debt will be incurred shall have been at least 2.00 times the amount of Maximum Annual Debt Service on the Certificates and all Parity Debt then outstanding and the Additional Certificates or the additional Parity Debt then proposed to be incurred; provided that such certificate will not be required in connection with the sale and delivery of Additional Certificates or the issuance of Parity Debt, the proceeds of which are to be used to defease the outstanding principal amount of Certificates or Parity Debt and such defeasance will result in a net present value reduction in the aggregate amount of Lease Payments or payments with respect to the outstanding Parity Debt.

(3) The Reserve Fund shall be funded in an amount equal to the Reserve Requirement following the sale and delivery of Additional Certificates.

(4) Notwithstanding satisfaction of other conditions to the issuance of Additional Certificates contained in the Trust Agreement or in this Lease Agreement, no such issuance of Additional Certificates may occur (i) should any Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) have occurred and be continuing unless such default shall be cured upon such issuance and (ii) unless the Reserve Fund is fully funded at its requirement (including the new issue) upon the

issuance of such Additional Certificates, in either case unless otherwise permitted by the Insurer.

(c) Subordinated Indebtedness. The GCTD may, from time to time, incur indebtedness which is subordinated to the Lease Payments and Parity Debt and the pledge of Farebox Revenues to secure the payments of Lease Payments and Parity Debt. Such indebtedness may be incurred at such times and upon such terms as the GCTD shall determine, provided that: (1) any lien or security interest granted in the Revenues shall be specifically stated to be junior and subordinate to the GCTD's obligation to make Lease Payments from Revenues or lien on and security interest in such Revenues granted to secure the Parity Debt; and (2) payment of principal and interest on such subordinate indebtedness shall be permitted, provided that all deposits required to be made to the Corporation or the Trustee to be used to pay debt service on the Certificates and Parity Debt or to replenish the Reserve Fund or reserve funds created for such Parity Debt are then current.

Section 4.07. Additional Payments. In addition to the Lease Payments, the GCTD shall pay when due, any amounts owed to the Insurer under Section 2 of the Trust Agreement and Section 10.11 hereof, all costs and expenses incurred by the Corporation to comply with the provisions of the Trust Agreement and this Lease Agreement, including, without limitation, all Delivery Costs (to the extent not paid from amounts on deposit in the Delivery Costs Fund), compensation due to the Trustee for its fees, costs and expenses incurred under the Trust Agreement and all costs and expenses of actuaries, attorneys, auditors, engineers and accountants (collectively, the "Additional Payments").

Section 4.08. Payments to Reserve Fund. In addition to the Lease Payments, the GCTD shall pay to the Trustee such amounts as shall be required to replenish the Reserve Fund in the event of a draw therefrom or a market valuation discloses a deficiency therein, all in accordance with Section 6.02(c) of the Trust Agreement.

Section 4.09. Special Covenants. So long as any Certificates are outstanding, the GCTD shall:

(a) Comply with the procedures necessary to access funds available to the GCTD under the California Transportation Development Act of 1971, to the extent such funds constitute Revenues and are available to make Lease Payments, and will comply with all other procedures required to be followed in order to access any other funds which constitute Revenues from any federal, state or local source, to the extent necessary to make Lease Payments.

(b) Comply with the requirements of the Federal Transit Administration ("FTA") in connection with the GCTD's obtaining reimbursement from the FTA for Lease Payments from moneys available under Section 5307 of the Federal Transit Act, as amended (the "FT Act"), or any successor provisions thereto.

(c) Not pledge, place a charge or lien on, assign or otherwise encumber Revenues to secure indebtedness or obligations of the GCTD to the extent provided by law so as

to permit the use of Revenues to pay principal of, premium, if any, and interest on such indebtedness or obligations prior to making the Lease Payments in each year except as provided in Section 4.06 hereof and not incur any additional indebtedness or obligations with a lien on or payable from the Revenues prior to the payment of the Lease Payments.

(d) Include all Lease Payments and Additional Payments, if any, due hereunder in the proposed adopted budget of the GCTD for each Fiscal Year.

Section 4.10. Possession and Enjoyment. During the Term of the Agreement, the GCTD shall have quiet use, possession and enjoyment of the Project, without suit, trouble or hindrance from the Corporation, except as expressly set forth in the Lease Agreement. The Corporation will, at the request of the GCTD and at the GCTD's cost, join in any legal action in which the GCTD asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so.

Section 4.11. Title to the Project. During the Term of the Lease Agreement, title to the Project and any and all additions, replacements or modifications will be retained by the GCTD or any person or entity as designated by the GCTD. The Corporation shall not have any right, title or interest in the Project or in any additions, repairs, replacements or modifications thereto except as expressly provided in this Lease Agreement and the Site Lease. GCTD hereby represents and warrants that there are no liens, encumbrances, easements or other matters of record which would materially interfere with the construction and operation of the Project for the purposes for which it is intended.

If the GCTD has paid all Lease Payments and Additional Payments, if any, during the Term of the Agreement, or upon deposit of the security deposit as provided in Section 9.03 hereof, all interests of the Corporation and its assignee in and to the Project, if any, shall be transferred to and shall vest in the GCTD, and any and all interests of the Corporation and its assignee in and to the Revenues shall be released and discharged. Additionally, if necessary, the Corporation shall authorize, execute and deliver to the GCTD a bill of sale in order to release any and all interest of the Corporation in and to the Project, if any, created under the provisions of the Lease Agreement, the Site Lease and the Trust Agreement, and any other documents required to terminate the Lease Agreement and consummate such transfer of title.

ARTICLE V MAINTENANCE, TAXES; INSURANCE; AND OTHER MATTERS

Section 5.01. Maintenance, Utilities, Taxes and Assessments. The GCTD covenants to maintain and preserve the System in good repair and working order.

The GCTD shall also pay or cause to be paid all taxes and assessments of any type or nature charged to the Corporation or the GCTD; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the GCTD shall be obligated to pay only such installments as are required to be paid during the Term of this Lease Agreement as and when the same become due. The GCTD

shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profits, excess profit, capital stock, corporate, or other similar tax payable by the Corporation, its successors or assigns, unless such tax is made in lieu of or as a substitute for any real estate or other tax upon the Project.

The GCTD may, at the GCTD's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless, by nonpayment of any such items, the Project or any part thereof will be subject to loss or forfeiture, in which event the GCTD shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation.

Section 5.02. Insurance on System. The GCTD will procure and maintain such insurance relating to the System which it shall deem advisable or necessary to protect its interests and the interests of the Corporation and the Trustee, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with public transit systems similar to the System; provided, that any such insurance may be maintained under a self-insurance program so long as GCTD certifies on July 1 of each year that such self-insurance is being maintained in the amounts and manner usually maintained in connection with public transit equipment similar to the System and is financially sound.

All policies of insurance required to be maintained hereunder shall provide that the Corporation and the Trustee shall be given written notice thirty (30) days prior to the cancellation thereof or any reduction in the amount of coverage maintained thereunder. The GCTD shall promptly advise the Corporation and the Trustee in writing if any change in the insurance coverage occurs and provide a report as to all insurance policies maintained and self-insurance programs maintained by the GCTD with respect to the System, including the names of the insurers which have issued the policies and the amounts thereof and the property or risks covered thereby.

Section 5.03. Advances. If the GCTD shall fail to perform any of its obligations under this Article V, the Corporation or the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the GCTD shall be obligated to repay all such advances as soon as possible, with interest at the rate of interest with respect to the Certificates from the date of the advance to the date of repayment.

Section 5.04. Operation of the System. The GCTD covenants to operate, or cause to be operated, the System in accordance with customary standards and practices applicable to similar facilities.

Section 5.05. Tax Covenants. The GCTD hereby covenants that, notwithstanding any other provision of this Lease Agreement, it will make no use of the proceeds of the Certificates or of any other amounts, regardless of the source, or of any property or take any action, or refrain from taking any action, that would cause the Certificates to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

The GCTD will not make any use of the proceeds of the Certificates of any other funds of the GCTD, or take or omit to take any other action, that would cause the obligation provided herein to be “federally guaranteed” within the meaning of Section 149(b) of the Code of “private activity bonds” within the meaning of Section 141 of the Code. To that end, so long as any Lease Payments are unpaid, the GCTD, with respect to such proceeds and such other funds, will comply with all requirements of such Sections of the Code and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Internal Revenue Code of 1954, as amended to the extent such requirements are, at the time, applicable and in effect.

Section 5.06. Damage, Destruction or Eminent Domain; Application of Net Proceeds from Insurance or Condemnation.

(a) If all or part of the Project is damaged, destroyed or taken under the power of eminent domain, the Net Proceeds from insurance or award resulting therefrom shall be deposited with the Trustee pursuant to Subsection (b) below and the GCTD shall file a certificate with the Trustee as provided in Section 3.08 of the Trust Agreement. If the Project is totally damaged or destroyed or taken in whole pursuant to such eminent domain proceedings, the remaining Lease Payment obligations of the GCTD shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, except to the extent that Net Proceeds are deposited in the Prepayment Fund pursuant to Subsection (b) below and Sections 3.08 and 4.01 of the Trust Agreement in which case there shall be a proportionate reduction of Lease Payments such that the resulting Lease Payments will be sufficient to pay all of that portion of the principal and interest on the remaining Outstanding Certificates, if any.

(b) Net Proceeds from insurance or condemnation awards shall be applied as follows:

(i) From Insurance Award. The Net Proceeds of any insurance award resulting from any damage to or destruction of the Project by fire or other casualty shall be paid to the Trustee for deposit in the Insurance and Condemnation Fund to be held and applied by the Trustee pursuant to Section 3.08 of the Trust Agreement. Upon such deposit the GCTD shall file a certificate with the Trustee as provided in such Section and such Net Proceeds shall be applied by the Trustee and the GCTD as provided in such Section.

(ii) From Eminent Domain Award. The Net Proceeds of any eminent domain award resulting from any event described in this Section 5.06 shall be paid to the Trustee for deposit in the Insurance and Condemnation Fund to be applied by the Trustee and the GCTD pursuant to Section 3.08 of the Trust Agreement

ARTICLE VI
DISCLAIMER OF WARRANTIES; INDEMNIFICATION

Section 6.01. Disclaimer of Warranties. The Corporation and the Trustee make no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the GCTD of the Project, or any other representation or warranty with respect to the Project. In no event shall the Corporation and the Trustee be liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease Agreement or the Trust Agreement for the existence, furnishing, functioning or GCTD's use of the Project.

Section 6.02. Access to the Project. The GCTD agrees that the Corporation and any Corporation Representative, and the Corporation's successors or assigns, shall have the right at all reasonable times to examine and inspect the Project. The GCTD further agrees that the Corporation, any Corporation Representative and the Corporation's successors or assigns shall have such rights of access to the Project as may be reasonably necessary to cause the proper maintenance of the Project in the event of failure by the GCTD to perform its obligations hereunder.

Section 6.03. Release and Indemnification Provisions. The GCTD shall and hereby agrees to indemnify and save the Corporation and the Trustee harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (a) any breach or default on the part of the GCTD in the performance of any of its obligations under this Lease Agreement, and (b) any act of negligence of the GCTD or of any of its agents, contractors, servants, employees with respect to the Project. No indemnification is made under this Section 6.03 or elsewhere in this Lease Agreement for willful misconduct, negligence, or breach of duty under this Lease Agreement by the Corporation or the Trustee, their officers, agents, employees, successors or assigns.

ARTICLE VII
ASSIGNMENT, SALE AND AMENDMENT

Section 7.01. Assignment by the Corporation. The Corporation's right, title and interest in this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the GCTD under this Lease Agreement, have been assigned to the Trustee at the direction of the Corporation, subject to certain exceptions, pursuant to the Trust Agreement and the Assignment Agreement, to which assignment the GCTD hereby consents.

Section 7.02. No Assignment by the GCTD. This Lease Agreement may not be assigned by the GCTD.

Section 7.03. Amendment of Lease Agreement. This Lease Agreement may be amended or any of its terms modified upon the execution and delivery of an amendment to this Lease Agreement by the Corporation and the GCTD; provided that no such amendment shall become effective unless approved by the Insurer; provided further, no such amendment shall be effective

unless approved by the Owners of the Certificates under the circumstances requiring consent of the Owners to amendments to the Trust Agreement under Article X of the Trust Agreement.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default Defined. The following shall be “Events of Default” under this Lease Agreement and the terms “Event of Default” and “default” shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

(a) failure by the GCTD to pay any Lease Payment by the Lease Payment Date therefor and such default is not cured within ten (10) days;

(b) failure by the GCTD to observe and perform any covenant, condition or agreement on its part to be observed or performed in this Lease Agreement or the Trust Agreement, other than as referred to in clause (a) of this Section 8.01, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the GCTD by the Corporation, the Trustee, the Insurer or the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Certificates then Outstanding; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation, the Trustee or such Owners, as applicable, shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the GCTD within the applicable period and diligently pursued until the default is corrected; and

(c) the filing by the GCTD of a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or the approval by a court of competent jurisdiction of a petition filed with or without the consent of the GCTD seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the GCTD or of the whole or any substantial part of its property.

Section 8.02. Remedies on Default. Whenever any event of default referred to in Section 8.01 hereof shall have happened and be continuing, the Corporation may, and in the event of the occurrence of an event of default specified in Section 8.01(a) or (c) hereof shall:

(a) declare all principal components of unpaid Lease Payments, together with accrued interest at the rate or rates specified in the respective Outstanding Certificates from the immediately preceding Certificate Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall become due and payable; and

- (b) take whatever action at law or in equity as is necessary or desirable to collect the Lease Payments then due or thereafter to become due during the Term of this Lease Agreement, or enforce performance and observance of any obligation, agreement or covenant of the GCTD under this Lease Agreement; provided in no event shall the Corporation have the right to repossess and sell or relet the Project.

Notwithstanding anything herein to the contrary, the Insurer shall have the right to control all remedies for default hereunder (unless the Insurer is not in compliance with its payment obligations under the Insurance Policy).

Section 8.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article VIII, it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.04. Prosecution and Defense of Suits. The GCTD shall defend, or cause to be defended against every suit, action or proceeding at any time brought against the Corporation or its assignee upon any claim arising out of the receipt, application or disbursement of any of the Revenues of the GCTD or involving the rights of the Corporation or its assignee under this Lease Agreement or the Trust Agreement; provided, that the Corporation and its assignee at their election may appear in and defend any such suit, action or proceeding. The GCTD shall indemnify or cause to be indemnified the Corporation and its assignee against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect, even though all Lease Payments have been fully paid and satisfied, until a date which is three (3) years following the payment of the last of said Lease Payments.

Section 8.05. No Additional Waiver Implied by One Waiver. In the event any agreement or covenant contained in this Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.06. Application of the Proceeds. The Corporation shall cause the Trustee, as assignee of the Corporation, to deposit all amounts received under this Article VIII in the Lease Payment Fund and credited towards the Lease Payments as provided in Section 13.04 of the Trust Agreement.

Section 8.07. Trustee and Certificate Owners to Exercise Rights. Such rights and remedies as are given to the Corporation under this Article VIII have been assigned by the Corporation to the Trustee under the Assignment Agreement, to which assignment the GCTD

hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Certificates as provided in the Trust Agreement.

ARTICLE IX PREPAYMENT OF LEASE PAYMENTS

Section 9.01. Prepayment. The GCTD shall have the right to prepay the Lease Payments, but only in the manner, at the times and in all respects in accordance with the provisions of this Article IX.

Section 9.02. Optional Prepayment. The GCTD shall have the option to prepay its Lease Payments under the circumstances described in Section 4.03 of the Trust Agreement with respect to the prepayment of the Certificates but only if it is not then in default under Section 8.01 of this Lease Agreement and only in the manner provided in this Article. The GCTD may exercise its option to prepay its Lease Payments by prepaying an amount equal to the amount necessary to prepay the unpaid principal component of the Lease Payments in whole or in part, plus accrued interest on such principal component to the date set for prepayment of the corresponding principal amount of the Certificates. Such prepayment shall be made by making the security deposit with the Trustee as provided in Section 9.03 hereof for deposit by the Trustee in the Prepayment Fund to be applied to the prepayment of the Certificates pursuant to Section 4.03 of the Trust Agreement. The GCTD shall give notice of its intention to prepay the Lease Payments not less than 60 days in advance of the date of exercise, and the GCTD shall deposit with the Trustee on the date which is at least 45 days in advance of the date set for prepayment of the Certificates an amount equal to the security deposit as described in Section 9.03 calculated to the date of the prepayment of the Certificates. If the GCTD shall have given notice to the Trustee of its intention to prepay, but the GCTD shall not have deposited the prepayment price with the Trustee on the date specified in such notice, the GCTD shall continue to pay Lease Payments as if no such notice had been given. In the event the GCTD exercises its option to prepay less than all of the principal component of the Lease Payments, the remaining amount of Lease Payments shall be adjusted so as to be sufficient to make payments of the principal and interest components of the Certificates when due after the prepayment.

Section 9.03. Security Deposit. Notwithstanding any other provision of this Lease Agreement, the GCTD may, on any date, secure the payment of previously unpaid Lease Payments and Additional Payments by a deposit with the Trustee of cash and/or securities meeting the requirements of Section 14.01(c)(i)-(iii) of the Trust Agreement (“Defeasance Investments”), as follows:

- (a) in the case of a security deposit relating to all Lease Payments, either (i) cash in an amount which, together with amounts on deposit in the Lease Payment Fund and the Reserve Fund, is sufficient to pay all unpaid Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit B attached hereto, or (ii) Defeasance Investments together with cash, if required, in such amount as will, in the opinion of counsel whose opinion is acceptable by underwriters in the marketing of tax-exempt obligations and of an

If to the Trustee: [TRUSTEE] as the Trustee
700 South Flower Street, Suite 500
Los Angeles, CA 90017
Attn: Corporate Trust Division

If to the Insurer:

The Corporation, the Trustee, the Insurer and the GCTD, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.02. Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the GCTD and their respective successors and assigns, including any successors and assigns of the GCTD succeeding to the functions of the GCTD.

Section 10.03. Severability. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.04. Amendments, Changes and Modifications. Subject to the provisions of Section 7.03 hereof and Article X of the Trust Agreement, this Lease Agreement may be amended or any of its terms modified with the written consent of the GCTD and the Corporation.

Section 10.05. Net Lease. This Lease Agreement shall be deemed and construed to be a “net-net-net lease” and the GCTD hereby agrees that the Lease Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

Section 10.06. Further Assurances and Corrective Instruments. The Corporation and the GCTD agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Lease Agreement.

Section 10.07. Execution in Counterparts. This Lease 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.

Section 10.08. Applicable Law. This Lease Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 10.09. Corporation and GCTD Representatives. Whenever under the provisions of this Lease Agreement the approval of the Corporation or the GCTD is required, or the Corporation or the GCTD is required to take some action at the request of the other, such approval or such request shall be given for the Corporation by a Corporation Representative and for the GCTD by a GCTD Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 10.10. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article or Section of this Lease Agreement.

IN WITNESS WHEREOF, the Corporation has caused this Lease Agreement to be executed in its corporate name by its duly authorized officer and sealed with its corporate seal; and the GCTD has caused this Lease Agreement to be executed in its name by its duly authorized officer as of the date first above written.

CALIFORNIA TRANSIT FINANCE
CORPORATION, as Lessor

By: _____
Joshua W. Shaw, General Manager

GOLD COAST TRANSIT DISTRICT,
as Lessee

By: _____
General Manager

EXHIBIT A

THE PROJECT

GOLD COAST TRANSIT DISTRICT

TRANSIT ADMINISTRATION, OPERATION AND MAINTENANCE FACILITY

PROJECT DESCRIPTION

The project to be financed in part with the proceeds of the Certificates consists of building a new administration & operations facility on a 15-acre site within an existing industrial business part at the corner of Paseo Mercado and Auto Center Drive in North Oxnard. District purchased the site in 2014. The project will replace and expand the current District administration, operation, and maintenance facility from a 54 bus-2.9 acre site to a 125 bus-15 acre site. The facility will consist of an Administration and Transit Operations Building; Fleet & Facilities Maintenance Building; Fuel Island and Service Building; and Bus Wash Building.



EXHIBIT B

SCHEDULE OF LEASE PAYMENTS

<u>Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Amount</u>
<hr/>			
Total:			
<hr/> <hr/>			

TRUST AGREEMENT

Dated as of August 1, 2015

by and among

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

and

CALIFORNIA TRANSIT FINANCE CORPORATION,

and

GOLD COAST TRANSIT DISTRICT

CERTIFICATES OF PARTICIPATION
(Transit Facilities Project)

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THIS TRUST AGREEMENT, made and entered into and dated as of August 1, 2015, by and among U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized under the laws of the United States of America, as trustee (the "Trustee"), the CALIFORNIA TRANSIT FINANCE CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, including without limitation Section 5110, et seq., of the Corporations Code of the State of California, as lessor under a Lease Agreement hereinafter referred to (the "Corporation"), and the GOLD COAST TRANSIT DISTRICT, a transit district duly organized and existing under the Constitution and laws of the State of California, as lessee under said Lease Agreement (the "GCTD");

W I T N E S S E T H:

WHEREAS, the GCTD and the Corporation have entered into a Lease Agreement, dated the date hereof (the "Lease Agreement"), whereby the GCTD has agreed to lease from the Corporation that certain transit facility project (the "Project"); and

WHEREAS, the GCTD will pay Lease Payments and such Additional Payments (as such terms are defined herein) as are payable to the Trustee under such Lease Agreement representing the fair market value of the Project provided thereunder; and

WHEREAS, the Trustee has agreed to execute and deliver certificates of participation (the "Certificates"), each evidencing proportionate interests in the Lease Payments and Prepayments to be made by the GCTD under the Lease Agreement; and

WHEREAS, as security therefor, the Corporation will assign to the Trustee the rights to receive such Lease Payments, which shall be in amounts sufficient to pay the components of principal, premium, if any, and interest represented by the Certificates, and the Corporation and GCTD will grant a security interest in all moneys held by the Trustee hereunder (except for moneys in certain funds and accounts as provided herein) to the Trustee for the benefit of the Owners of Certificates;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.01. Definitions and Rules of Construction. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings herein specified or in the Lease Agreement. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Trust Agreement, refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

“Acquisition Costs” with respect to the Project shall be deemed to include all items permitted to be financed under the Lease Agreement relating to the Project, including:

- (i) costs of acquiring and constructing the Project, including delivery costs and the cost of acquiring and installing all incidental machinery, equipment, tools and other supplies required for such Project;
- (ii) costs of engineering and legal services;
- (iii) fees paid to fiscal agents for financial and other advice or supervision;
- (iv) cost of plans and specifications and all expenses necessary or incidental to the modification, retrofitting, repair, renovation or improvement of the Project or the inspection of the Project upon completion therefor determining the feasibility or practicability of the Project; and
- (v) administrative expenses and such other expenses as may be necessary or incidental to the financing.

“Additional Certificates” means certificates of participation payable from or secured by the Revenues on a parity basis with the Certificates which may be authorized under and described in a supplemental trust agreement provided that the conditions set forth in Section 4.06 of the Lease Agreement have been met relating to the sale and delivery of Additional Certificates.

“Additional Payments” means Additional Payments as defined in Section 4.07 of the Lease Agreement.

“Assignment Agreement” means the Assignment Agreement, dated as of the date hereof, by and between the Corporation and the Trustee, together with any duly authorized and executed amendments thereto.

“Book-Entry Certificates” shall mean the Certificates held by DTC (or its nominee) as the registered owner thereof pursuant to the terms and provisions of Section 2.11 hereof.

“Business Day” means any day of the year other than a Saturday or Sunday or a day on which banks in the State of New York, the State of California or the state in which the corporate trust office of the Trustee is located are authorized or obligated by law or executive order to close or a day on which the New York Stock Exchange is closed.

“CEDE & Co.” shall mean CEDE & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Certificates.

“Certificate Payment Date” means each January 1 and July 1 commencing on January 1, 2016, or such other dates as shall be specified in a supplemental trust agreement pursuant to which Additional Certificates are executed and delivered.

“Certificate Year” means the period beginning on the Closing Date and ending on July 1, 2016, and each successive one-year or shorter period thereafter until there are no Outstanding Certificates.

“Certificates” means the \$____,____,000 Certificates of Participation (Transit Facilities Project) and Additional Certificates.

“Closing Date” means the day when the Certificates, duly executed by the Trustee, are physically delivered to the Original Purchaser thereof in exchange for the amount representing the purchase price of the Certificates.

“Code” means the Internal Revenue Code of 1986, as amended. All Code citations herein shall be deemed to refer to corresponding sections in any such amended Code.

“Continuing Disclosure Agreement” means that certain Continuing Disclosure Agreement, dated as of August 1, 2015, by and between the GCTD and the Trustee as dissemination agent, together with any duly authorized and executed amendments thereto.

“Corporation” means the California Transit Finance Corporation, a California nonprofit public benefit corporation.

“Corporation Representative” means the President or Vice President, General Manager, Treasurer, Assistant Treasurer of the Corporation, or any person authorized by resolution of the Board of Directors of the Corporation to act on behalf of the Corporation under or with respect to the Lease Agreement.

“Delivery Costs” means and further includes all items of expense directly or indirectly payable by or reimbursable to the GCTD or the Corporation relating to the financing or refinancing of the acquisition of the Project from the proceeds of the Certificates, including but not limited to costs provided in the purchase contract with the Original Purchaser, filing and recording costs, settlement costs, printing costs, word processing costs, reproduction and binding costs, initial fees, expenses and charges of the Trustee, Certificate insurance premiums, legal fees, charges and expenses, financing and other professional consultant fees, costs of rating agencies or credit ratings, fees for execution, transportation and safekeeping of the Certificates and charges and fees in connection with the foregoing.

“Delivery Costs Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.05 hereof.

“DTC” shall mean The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“Earnings Account” means the account in the Rebate Fund established in accordance with Section 8.08 hereof.

“Event of Default” means an event of default described under Section 8.01 of the Lease Agreement.

“Fiscal Year” means the fiscal year of the GCTD commencing July 1 and ending June 30 of the following year.

“GCTD Representative” means the President, Vice President, the General Manager or a person designated by the President, Vice President, or the General Manager to act on behalf of the GCTD under or with respect to this Trust Agreement and/or the Lease Agreement.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Corporation, the Trustee or the GCTD.

“Insurance Policy” means the municipal bond new insurance policy issued by the Insurer that guarantees the payment of principal and interest on the Certificates when due.

“Insurer” means _____.

“Lease Agreement” means the Lease Agreement dated as of the date hereof, by and between the GCTD and the Corporation, and any duly authorized amendments thereto.

“Lease Payment” means any payment required to be paid by the GCTD to the Corporation pursuant to Section 4.03 of the Lease Agreement.

“Lease Payment Date” has the meaning ascribed thereto in the Lease Agreement.

“Lease Payment Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.02 hereof.

“Moody's” means Moody's Investors Service, a corporation duly organized and existing under and by virtue of 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 GCTD with the consent of the Insurer.

“Net Proceeds” means any insurance proceeds or condemnation award paid with respect to the Project, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

“Original Purchaser” means UBS Securities LLC, as representative of the underwriters, or any successor thereto, as Original Purchaser of the Certificates.

“Outstanding,” when used as of any particular time with respect to Certificates, means (subject to the provisions of Section 10.03 hereof) all Certificates theretofore executed and delivered by the Trustee under this Trust Agreement except:

(1) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Certificates for the payment or prepayment of which funds or (i) noncallable direct obligations of the United States of America, (ii) evidences of ownership of proportionate interests in future interest and principal payments on U.S. Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying U.S. Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, or (iii) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or any combination thereof, together with interest earned thereon, in the necessary amount shall have theretofore been deposited with the Trustee as required by Section 14.01 hereof (whether upon or prior to the maturity or prepayment date of such Certificates), provided that, if such Certificates are to be prepaid prior to maturity, notice of such prepayment shall have been given as provided in Section 4.05 hereof or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(3) Certificates that have become due (at maturity or on prepayment, acceleration or otherwise) and for the payment, including interest accrued to the due date, of which sufficient moneys are held by the Trustee in the Lease Payment Fund as described in Section 14.02 hereof; and

(4) Certificates in lieu of or in exchange for which other Certificates shall have been executed and delivered by the Trustee pursuant to Sections 2.06 and 2.07 hereof.

“Owner” or “Certificate Owner” or “Owner of a Certificate,” or any similar term, when used with respect to a Certificate means the person in whose name such Certificate is registered on the registration books maintained by the Trustee.

“Participants” mean the participants of DTC which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (the Trustee is entitled to conclusively rely upon any direction of the GCTD as a certification that such investment constitutes a Permitted Investment):

1. Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America (“U.S. Government Securities”).
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to

principal and interest by federal agencies or United States government-sponsored enterprises.

3. Direct, general obligations of any state of the United States of America or any subdivision or agency thereof whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's or A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P.
4. Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1 by Moody's or A-1 or better by S&P.
5. Certificates of deposit, savings accounts, deposit accounts or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation ("FDIC"), including the Bank Insurance Fund and the Savings Association Insurance Fund which may be issued by the Trustee and its affiliates.
6. Certificates of deposit, deposit accounts, federal funds or bankers' acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank or United States branch office of a foreign bank which may include the Trustee and its affiliates, provided that such bank's short-term certificates of deposit are rated P-1 by Moody's or A-1 or better by S&P (not considering holding company ratings).
7. Investments in money-market funds rated AAAM or AAAM-G by S&P, including 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.
8. State-sponsored investment pools rated AA- or better by S&P.
Deposits with the Local Agency Investment Fund (LAIF) of the State of California.

9. Repurchase agreements that meet the following criteria:

- (a) Acceptable providers shall consist of (i) registered broker/dealers subject to Securities Investors' Protection Corporation ("SIPC") jurisdiction or commercial banks insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed rating of A3/P-1 or better by Moody's and A-/A-1 or better by S&P, or (ii) domestic structured investment companies approved by Financial Guaranty and rated Aaa by Moody's and AAA by S&P.
- (b) The repurchase agreement shall limit acceptable securities to U.S. Government Securities and to the obligations described in 2 above. The fair market value of the securities in relation to the amount of the repurchase obligation, including

principal and accrued interest, is equal to a collateral level of at least 104% for U.S. Government Securities and 105% for obligations described in 2 above. The repurchase agreement shall require (i) the Trustee or the Agent to value the collateral securities no less frequently than weekly, (ii) the delivery of additional securities if the fair market value of the securities is below the required level on any valuation date, and (iii) liquidation of the repurchase securities if any deficiency in the required percentage is not restored within two (2) business days of such valuation.

- (c) The repurchase securities shall be delivered free and clear of any lien to the bond trustee (herein, the “Trustee”) or to an independent third party acting solely as agent (“Agent”) for the Trustee, and the Trustee shall have received written confirmation from such third party that such third party holds such securities, free and clear of any lien, as agent for the Trustee.
- (d) A perfected first security interest in the repurchase securities shall be created for the benefit of the Trustee, and the issuer and the Trustee shall receive an opinion of counsel as to the perfection of the security interest in such repurchase securities and any proceeds thereof.

10. Investment agreements (also referred to as guaranteed investment contracts) that meet the following criteria:

- (a) Acceptable providers of uncollateralized investment agreements shall consist of domestic insurance companies, domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least A3 by Moody’s and AA- by S&P.
- (b) Acceptable providers of collateralized investment agreements shall consist of domestic insurance companies, domestic commercial banks, U.S. branches of foreign banks, or broker/dealers rated at least A3 or better by Moody’s and A- or better by S&P; . Required collateral levels shall be as set forth in 11(f) below.
- (c) The investment agreement shall provide that if the provider’s ratings fall below Aa3 by Moody’s or AA- by S&P, the provider shall within ten (10) days either (i) repay the principal amount plus any accrued and interest on the investment; or (ii) deliver Permitted Collateral as provided below.
- (d) The investment agreement must provide for termination thereof if the provider’s ratings are suspended, withdrawn or fall below A3 from Moody’s or A- from S&P. Within ten (10) days, the provider shall repay the principal amount plus any accrued interest on the agreement, without penalty to the Issuer.

- (e) The investment agreement shall provide for the delivery of collateral described in (i) or (ii) below (“Permitted Collateral”) which shall be maintained at the following collateralization levels at each valuation date:
 - (i) U.S. Government Securities at 104% of principal plus accrued interest; or
 - (ii) Obligations described in 2 above at 105% of principal and accrued interest.

The investment agreement shall require the Trustee or Agent to determine the market value of the Permitted Collateral not less than weekly and notify the investment agreement provider on the valuation day of any deficiency. Permitted Collateral may be released by the Trustee to the provider only to the extent that there are excess amounts over the required levels.

- (f) Securities held as Permitted Collateral shall be free and clear of all liens and claims of third parties, held in a separate custodial account and registered in the name of the Trustee or the Agent.
- (g) The provider shall grant the Trustee or the Agent a perfected first security interest in any collateral delivered under an investment agreement. For investment agreements collateralized initially and in connection with the delivery of Permitted Collateral under 11(f) above, the Trustee and Insurer shall receive an opinion of counsel as to the perfection of the security interest in the collateral.

11. Forward delivery agreements in which the securities delivered mature on or before each interest payment date (for debt service or debt service reserve funds) or draw down date (construction funds) that meet the following criteria:

- (a) Acceptable providers shall be limited to domestic insurance companies, domestic commercial banks, U.S. branches of foreign banks, rated A3/P-1 or better by Moody’s or A-/A-1 or better by S&P.
- (b) The forward delivery agreement shall provide for termination or assignment (to a qualified provider hereunder) of the agreement if the provider’s ratings are suspended, withdrawn or fall below A3 or P-1 from Moody’s or A- or A-1 from S&P. Within ten (10) days, the provider shall fulfill any obligations it may have with respect to shortfalls in market value.
- (c) Permitted securities shall include the investments listed in 1 and 2 above.
 - (i)

12. Forward delivery agreements in which the securities delivered mature after the funds may be required but provide for the right of the issuer or the Trustee to put the securities back to the provider under a put, guaranty or other hedging arrangement, only with the prior written consent of Insurer.
13. Maturity of investments shall be governed by the following:
 - (a) Investments of monies (other than reserve funds) shall be in securities and obligations maturing not later than the dates on which such monies will be needed to make payments.
 - (b) Investments shall be considered as maturing on the first date on which they are redeemable without penalty at the option of the holder or the date on which the Trustee may require their repurchase pursuant to repurchase agreements.
 - (c) Investments of monies in reserve funds not payable upon demand shall be restricted to maturities of five years or less.
14. . California Asset Management Program

Shares in a common law trust established pursuant to Title 1, Division 7, Charter 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

“Prepayment” means any payment made by the GCTD pursuant to Article IX of the Lease Agreement as a prepayment of the Lease Payments.

“Prepayment Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.01 hereof.

“Principal Office” means the principal corporate trust office of the Trustee in Los Angeles, California, or the principal corporate trust office of any successor Trustee except that with respect to presentation of Certificates 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.

“Project” means the real property and transit facilities identified in Exhibit A to the Lease Agreement, or any other equipment or facilities as identified in an amendment to Exhibit A to the Lease Agreement.

“Project Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.01 hereof.

“Rebate Account” means the account in the Rebate Fund established in accordance with Section 8.08 hereof.

“Rebate Fund” means the fund by that name established and held by the Trustee pursuant to Section 8.08 hereof.

“Record Date” means the close of business on the fifteenth day of the month whether or not a Business Day immediately preceding each Certificate Payment Date or such other date as shall be specified in a supplemental trust agreement pursuant to which Additional Certificates are executed and delivered.

“Related Document” means this Trust Agreement, the Lease Agreement, the Site Lease, the Continuing Disclosure Agreement, Assignment Agreement or any other document related to the execution and delivery of the Certificates.

“Representation Letter” means the Letter of Representations from the GCTD and the Trustee to DTC with respect to the Certificates.

“Requisition” means the form of written requisition from the Project Fund or the Delivery Costs Fund, as the case may be, substantially in the forms attached hereto as Appendix B.

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to Article VI hereof.

“Reserve Requirement” means as of the date of the initial delivery of the Certificates or any Additional Certificates as permitted hereunder an amount equal to the lowest of (i) ten percent (10%) of the par amount of the Certificates, (ii) Maximum Annual Debt Service (as defined in the Lease Agreement) due with respect to the Certificates (calculated on a Certificate Year basis), and (iii) 1.25 times average annual amount of principal of and interest due with respect to the Certificates (calculated on a Certificate Year basis).

“S&P” means Standard & Poor's Ratings Group, 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 “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the GCTD with the consent of the Insurer.

“Site Lease” means the Site Lease dated as of the date hereof, by and between the GCTD and the Corporation, and any duly authorized amendments thereto.

“Special Counsel” means an attorney or firm of attorneys, acceptable to the GCTD, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds and other obligations issued by states and their political subdivisions.

“State” means the State of California.

“Tax Certificate” means the Tax Certificate executed by the GCTD at the time of the sale and delivery of the Certificates to the Original Purchaser.

“Term” means the time during which the Lease Agreement is in effect, as provided in Section 4.02 of the Lease Agreement.

“Trustee” means U.S. BANK NATIONAL ASSOCIATION, a national banking association formed under the laws of the United States, and any successor trustee duly appointed hereunder.

“Trust Agreement” means this Trust Agreement, dated as of August 1, 2015, together with any amendments hereof or supplements hereto permitted to be made hereunder.

All other capitalized terms used in this Trust Agreement which are defined in Article I of the Lease Agreement have the same meanings assigned them in the Lease Agreement unless the context clearly requires otherwise.

Section 1.02. Rules of Construction. Unless the context otherwise requires,

- (a) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles applied on a consistent basis;
- (b) references to Articles and Sections are to the Articles and Sections of this Trust Agreement;
- (c) capitalized terms defined elsewhere in this Trust Agreement shall have the meanings therein prescribed for them;
- (d) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders;
- (e) headings used in this Trust Agreement are for convenience of reference only and shall not define or limit the provisions hereof; and
- (f) each reference herein or in the Certificates to a percentage of Certificates required for notices, consents or for any other reason shall be deemed to refer to Certificates then Outstanding.

Section 1.03. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution of this Trust Agreement by the officers and persons signing it.

ARTICLE II
THE CERTIFICATES OF PARTICIPATION

Section 2.01. Authorization. The Trustee is hereby authorized and directed to execute and deliver to the Original Purchaser, Certificates in an aggregate principal amount of \$ [REDACTED] evidencing proportionate and undivided ownership interests in the Lease Payments and the Prepayments as provided herein.

Section 2.02. Description of Certificates. Each Certificate shall be executed and delivered in fully registered form and shall be numbered respectively from R upwards in consecutive numerical order. Each Certificate shall be dated the Closing Date, and all Certificates shall be delivered in denominations of \$5,000 or integral multiples thereof.

(a) Principal Amounts; Interest Rates. The Certificates shall represent ownership interests in the right to receive Lease Payments and Prepayments. Each Certificate shall represent the right to receive, on a stated date, a stated amount of the principal component of the Lease Payments. The dates on which principal is due to Owners of the Certificates is shown below as “maturity dates” and shall be shown on the Certificates as the “maturity date.” The table below sets forth the maturity dates and the aggregate principal amounts which shall be due on such dates. The interest components of the Lease Payments shall be paid to the Owners of the Certificates bearing the maturity dates shown below on the basis of the interest rates shown below.

<u>Maturity Dates</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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Interest shall be computed on the basis of a year of 360 days and twelve 30-day months and will be paid on the Certificates on each January 1 and July 1, commencing January 1, 2016.

(b) Dating of Certificates. Each Certificate shall represent the right to receive interest accruing from the Certificate Payment Date next preceding the date of execution of such Certificate, unless it is executed after a Record Date and before the close of business on the immediately following Certificate Payment Date, in which event interest with respect thereto shall commence to accrue from such immediately following Certificate Payment Date or unless it is executed prior to December 15, 2015, in which event interest with respect thereto shall accrue from the Closing Date; provided, however, that if at the time of execution of any Certificate interest with respect thereto is in default, interest with respect thereto shall be calculated from the Certificate Payment Date to which interest has previously been paid or made available for payment.

(c) Payment to Registered Owners. Interest to be distributed with respect to any Certificate shall be payable on each Certificate Payment Date to the Owner thereof as of the close of business on the Record Date immediately preceding such Certificate Payment Date. Interest will be paid by check or draft of the Trustee, mailed on the Certificate Payment Date, by first-class mail, postage prepaid, to the Owner at the

Owner's address as it appears on the Certificate Register. Payments of defaulted interest shall be paid to the Owners as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the Owners not less than 10 days prior thereto. Principal and premium, if any, with respect to each Certificate is payable upon surrender of such Certificate at the Principal Office of the Trustee, or at the office of any paying agent. The principal, premium, if any, and interest with respect to the Certificates shall be payable by check or draft of the Trustee or by wire transfer, as herein provided, in each case, denominated in lawful money of the United States of America. Payment of principal, premium, if any, and interest with respect to the Certificates may, at the option of any Owners of at least \$1,000,000 principal amount of Certificates of the same series (such option to be exercised by written request of such Owners to the Trustee), be transmitted by wire transfer to such Owner to an account in the United States to the account number filed with the Trustee at least fifteen (15) days prior to a Certificate Payment Date.

Section 2.03. Form of Certificate. The Certificates and the assignment to appear thereon shall be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein. Pending the preparation of definitive Certificates, at the request of the Original Purchaser, the Certificates may be delivered by the Trustee in temporary form exchangeable for definitive Certificates when ready for delivery. If temporary Certificates are delivered, definitive Certificates in an equal aggregate principal amount shall be executed and delivered by the Trustee, when available, without additional charge to the Owner, and thereupon the temporary Certificates shall be surrendered to the Trustee at its Principal Office. Until so exchanged, the temporary Certificates shall be entitled to the same benefits under this Trust Agreement as definitive Certificates.

Section 2.04. Execution. The Certificates shall be executed by and in the name of the Trustee by the manual signature of any authorized signatory of the Trustee. If any officer whose signature appears on any Certificate ceases to be such officer before the date of delivery of such Certificate, such signature shall be as effective as if the signatory had remained in office until such date. The Trustee shall insert the date of execution of each Certificate in the place provided thereon.

Section 2.05. Application of Proceeds. The proceeds received by the Trustee from the original sale of the Certificates shall forthwith be set aside by the Trustee in the following respective funds and accounts and in the following order of priority:

(a) The Trustee shall deposit \$ _____, representing the Reserve Requirement, in the Reserve Fund;

(b) The Trustee shall deposit \$ _____, representing Delivery Costs, in the Delivery Costs Fund; and

(c) The Trustee shall deposit \$ _____, representing Acquisition Costs, in the Project Fund.

The Original Purchaser will pay by wire transfer the sum of \$_____ directly to the Insurer as and for the premium for the delivery of the Insurance Policy.

Section 2.06. Transfer and Exchange.

(a) Transfer of Certificates. Any Certificate may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.09 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation at the Principal Office of the Trustee accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. The Trustee shall require the payment by the Certificate Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. Whenever any Certificate or Certificates shall be surrendered for registration of transfer, the Trustee shall execute and deliver a new Certificate or Certificates of the same maturity and interest rate, for like aggregate principal amount in authorized denominations.

(b) Exchange of Certificates. Certificates may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity and interest rate. The Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange and all other costs incurred by the Trustee in connection with such exchange shall be paid by the GCTD. All Certificates surrendered pursuant to the provisions of this Section shall be cancelled and destroyed by the Trustee.

(c) Time for Transfer or Exchange. The Trustee shall not be obligated to transfer or exchange any Certificate selected for Prepayment in whole or in part after notice of Prepayment has been given as provided in Section 4.06 hereof or during the period beginning five (5) days prior to the date of selection for Prepayment and ending on the date notice of Prepayment is given.

(d) Costs. The costs of printing any Certificates or any expenses incurred by the Trustee in connection with any transfer and exchange shall be paid by the GCTD.

Section 2.07. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner of said Certificate, shall execute and deliver a new Certificate of like tenor and maturity and numbered as the Trustee shall determine in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be cancelled by it and redelivered to, or upon the order of, the GCTD. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and, if an indemnity satisfactory to the Trustee indemnifying the Trustee, the Corporation and the GCTD shall be given, the Trustee, at the expense of the Owner, shall execute and deliver a new Certificate of like tenor and maturity and numbered as the Trustee shall determine in lieu of and in substitution for the

Certificate so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Certificate delivered under this Section 2.07 and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section 2.07. Any Certificate executed under the provisions of this Section 2.07 in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section 2.07, in lieu of delivering a new Certificate which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Certificate upon receipt of indemnity satisfactory to the Trustee.

Section 2.08. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Certificates. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(b) The fact of the ownership of Certificates by any person, the amount and numbers of such Certificates and the date of execution shall be proved by the registration books maintained pursuant to Section 2.09 hereof.

Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the Trustee pursuant to such request or consent.

Section 2.09. Certificate Register. The Trustee will keep, or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Certificates which shall be open to inspection by the GCTD and the Corporation during normal working hours upon reasonable notice to the Trustee; 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 said books, Certificates as hereinbefore provided. The GCTD, the Corporation and the Trustee shall be entitled to treat the registered Owner of a Certificate as the absolute owner thereof for all purposes, whether or not a Certificate shall be overdue, and the GCTD, the Corporation and the Trustee shall not be affected by any notice to the contrary.

Section 2.10. Destruction of Cancelled Certificates. Whenever in this Trust Agreement provision is made for the surrender or cancellation by the Trustee and the delivery to the GCTD of any Certificates, the Trustee may, in lieu of such cancellation and delivery, destroy such Certificates and deliver a certificate of such destruction to the GCTD.

Section 2.11. Book-Entry Certificates.

(i) Except as provided in Subparagraph (iii) of this Section 2.11, the registered owner of all of the Certificates shall be DTC and the Certificates shall be registered in the name of CEDE & Co., as nominee for DTC. Payment of principal or interest for any Certificates registered in the name of CEDE & Co. shall be made by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of CEDE & Co. at the address indicated on the Record Date or special record date for CEDE & Co. in the registration books of the Trustee.

(ii) The Certificates shall be initially issued in the form of separate single executed fully registered Certificates for each separate stated maturity of the Certificates. Upon initial issuance, the ownership of such Certificates shall be registered in the registration books of the Trustee in the name of CEDE & Co., as nominee of DTC. The Trustee and the GCTD may treat DTC (or its nominee) as the sole and exclusive owner of the Certificates registered in its name for the purposes of payment of the principal or prepayment price of or interest on the Certificates, selecting the Certificates or portions thereof to be prepaid, giving any notice permitted or required to be given to the Owners of the Certificates under this Trust Agreement, registering the transfer of Certificates, obtaining any consent or other action to be taken by the Owners of the Certificates and for all other purposes whatsoever, and neither the Trustee nor the GCTD shall be affected by any notice to the contrary. Neither the Trustee nor the GCTD shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Certificates under or through DTC or any Participant, or any other person which is not shown on the registration books as being an Owner of a Certificate, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal of, redemption price of or interest on the Certificates; any notice which is permitted or required to be given to the Owners of the Certificates under the Trust Agreement; the selection by DTC or any Participant of any person to receive payment in

the event of a partial prepayment of the Certificates; any consent given or other action taken by DTC as an owner of a Certificate; or any other purpose. The Trustee shall pay all principal of and premium, if any, and interest on the Certificates only to or “upon the order of” DTC (as that term is used in the Uniform Commercial Code as adopted in the State of California), and all such payments shall be valid and effective to fully satisfy and discharge the GCTD's obligations with respect to the principal of and premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than DTC shall receive an executed Certificate evidencing the obligation of the GCTD to make Lease Payments. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & Co., and subject to the provisions herein with respect to Record Dates, the word “CEDE & Co.” in this Trust Agreement shall refer to such new nominee of DTC.

(iii) In the event the GCTD determines that it is in the best interest of the beneficial owners that they be able to obtain Certificates, and notifies DTC and the Trustee of such determination, then DTC will notify the Participants of the availability through DTC of Certificates. In such event, the Trustee shall execute, transfer and exchange Certificates as requested by DTC and any other Owners of the Certificates in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving notice to the GCTD and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the GCTD and the Trustee shall be obligated to deliver Certificates as described in this Trust Agreement. In the event Certificates are issued, the provisions of this Trust Agreement shall apply to, among other things, the transfer and exchange of such Certificates and the method of payment of principal of and interest on such Certificates. Whenever DTC requests the GCTD and the Trustee to do so, the Trustee and the GCTD will cooperate with DTC in taking appropriate action after reasonable notice (a) to make available one or more separate Certificates evidencing the Certificates to any DTC Participant having Certificates credited to its DTC account or (b) to arrange for another securities depository to maintain custody of Certificates evidencing the Certificates.

(iv) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as any Certificate is registered in the name of CEDE & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, to DTC as provided in the Representation Letter.

(v) In connection with any notice or other communication to be provided to Owners of the Certificates pursuant to this Trust Agreement by the GCTD or the Trustee with respect to any consent or other action to be taken by Owners of the Certificates, the GCTD or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole owner of the Certificates.

(vi) NEITHER THE GCTD, THE CORPORATION, NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO: THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF THE PRINCIPAL OF OR INTEREST ON THE CERTIFICATES; THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS; THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE CERTIFICATES.

ARTICLE III PROJECT FUND; DELIVERY COSTS FUND

Section 3.01. Establishment of Project Fund. The Trustee shall establish a special fund designated as the “Gold Coast Transit District Project Fund” and shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such fund as provided herein.

Section 3.02. Purpose. Moneys in the Project Fund shall be expended for Acquisition Costs.

Section 3.03. Deposit of Moneys; Payment of Acquisition Costs. There shall be credited to the Project Fund the proceeds of sale of the Certificates required to be deposited therein pursuant to Section 2.05(c) hereof and any other funds from time to time deposited with the Trustee for such purposes, subject to the provisions of Article VIII hereof. Investment earnings on moneys held in the Project Fund shall be retained in the Project Fund. The Trustee shall disburse moneys in the Project Fund from time to time to pay Acquisition Costs directly or to reimburse the GCTD for payment of Acquisition Costs upon receipt by the Trustee of a requisition signed by the GCTD Representative, such requisition to be in the form of Appendix B-1. Each such requisition 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.

Section 3.04. Transfers of Unexpended Proceeds. The Trustee shall transfer and be directed by GCTD to use amounts deposited in the Project Fund which are no longer needed to pay Acquisition Costs first to the Reserve Fund until the amount therein equals the Reserve Requirement, and thereafter to the Lease Payment Fund to be credited to the payment of the Certificates as provided herein. In the event the Acquisition Fund has not been depleted by the date which is three years after the Closing Date, GCTD shall give written instructions to the Trustee as to the investment of any moneys remaining therein fifteen days prior to such date and shall provide an opinion of nationally recognized bond counsel to the effect that such investment shall not adversely affect the tax-exempt status of the Certificates.

Section 3.05. Establishment of Delivery Costs Fund. The Trustee shall establish a special fund designated as the “Gold Coast Transit District Delivery Costs Fund;” shall keep such fund

separate and apart from all other funds and moneys held by it; and shall administer such fund as herein provided. The Delivery Costs Fund shall be held and applied by the Trustee in accordance herewith.

Section 3.06. Purpose. Moneys in the Delivery Costs Fund shall be expended for Delivery Costs.

Section 3.07. Transfers of Unexpended Proceeds. On February 1, 2016, the Trustee shall withdraw all remaining moneys in the Delivery Costs Fund (other than any moneys retained therein to pay Delivery Costs not then due and payable and certified by the GCTD Representative) and shall deposit such moneys in the Project Fund.

Section 3.08. Deposit of Moneys; Payment of Delivery Costs. There shall be credited to the Delivery Costs Fund the proceeds of sale of the Certificates required to be deposited therein pursuant to Section 2.05(b) hereof and any other funds from time to time deposited with the Trustee for such purposes, subject to the provisions of Article VIII hereof. Investment earnings on moneys held in the Delivery Costs Fund shall be retained therein. The Trustee shall disburse moneys in the Delivery Costs Fund from time to time on or after the Closing Date to pay Delivery Costs or to reimburse the GCTD for payment of Delivery Costs upon receipt by the Trustee of a Requisition signed by the GCTD Representative in the form of Appendix B-2.

Section 3.09. Establishment and Application of Insurance and Condemnation Fund. The Trustee shall establish and maintain when needed a separate fund designated as the "Gold Coast Transit District Insurance and Condemnation Fund." All Net Proceeds which are received by the Trustee shall be deposited in the Insurance and Condemnation Fund. The Trustee shall promptly give notice of the receipt of Net Proceeds to the GCTD.

(a) Application of Proceeds of Insurance. The Net Proceeds of any insurance or award received by the Trustee with respect to the Project resulting from any damage or destruction to the Project shall be deposited in the Insurance and Condemnation Fund. Within one hundred and twenty (120) days of such deposit the GCTD shall certify to the Trustee and the Insurer (i) as to whether the Project has been damaged or destroyed in whole or in part, (ii) as to whether Net Proceeds are to be utilized for the repair, replacement or improvement of all or specified components (the "Repairable Components") of the damaged or destroyed portion of the Project and, if so, that sufficient funds, together with the Net Proceeds related to the Repairable Components, have been appropriated to pay the total costs of such repair, replacement or improvement, and (iii) as to whether repair, replacement or improvement of all or specified components (the "Unrepairable Components") of the damaged or destroyed portion of the Project is not economically feasible or in the best interest of the GCTD. If such certification is to the effect that Net Proceeds are to be utilized for the repair, replacement or improvement of Repairable Components and that sufficient funds, together with the Net Proceeds related to such Repairable Components, have been appropriated to pay the total cost of such repair, replacement or improvement, the Trustee will disburse the Net Proceeds related to the Repairable Components to the GCTD, in order for the GCTD to cause the Repairable Components to be repaired, replaced or improved to at least the same good order, repair and condition as they were in prior to the damage or destruction, insofar as the same may be accomplished with said Net

Proceeds, and the Trustee shall transfer any amounts indicated by the GCTD in writing to be excess Net Proceeds related to the Repairable Components to the Lease Payment Fund to be credited against the GCTD's next Lease Payment. If such certification is also, or alternatively, as the case may be, to the effect that repair, replacement or improvement of the Unrepairable Components is not economically feasible or in the best interest of the GCTD, the Trustee will transfer the Net Proceeds related to the Unrepairable Components to the Prepayment Fund to be applied to the prepayment of Certificates.

(b) Application of Proceeds of Condemnation Award.

(i) If any part of the Project is taken by eminent domain proceedings, the Net Proceeds received by the Trustee therefrom shall be deposited in the Insurance and Condemnation Fund. Within one hundred and twenty (120) days of such deposit the GCTD shall certify to the Trustee and the Insurer (A) as to whether the Project has been taken in whole or in part pursuant to such proceedings, (B) as to whether the remaining portion of the Project is still useful for the purposes originally intended, and (C) as to whether it desires that any available Net Proceeds from such eminent domain proceedings be applied for repair or replacement of the Project and, if so, that sufficient funds, together with such Net Proceeds, have been appropriated to pay the total cost of such repair and replacement. If such certification is to the effect that the Project has been taken in whole pursuant to such eminent domain proceedings or has been taken in part to such extent that the remaining portion of the Project is no longer useful for the purposes originally intended, the Trustee shall transfer all of such Net Proceeds to the Prepayment Fund to be applied to the prepayment of Certificates. If such certification is to the effect that the Project has been taken in part pursuant to such eminent domain proceedings and that the remaining portion of the Project is still useful for the purposes originally intended, the Trustee shall transfer such Net Proceeds to the Prepayment Fund to be applied to the prepayment of Certificates; provided that, if such certification is also to the effect that the GCTD desires that any available Net Proceeds be applied for repair or replacement of the Project, and that sufficient funds, together with such Net Proceeds, have been appropriated to pay the total cost of such repair and replacement, the Trustee will disburse such Net Proceeds to the GCTD, in order for the GCTD to cause the Project to be repaired, replaced or improved to at least the same good order, repair and condition as it was in prior to the eminent domain proceedings, insofar as the same may be accomplished with said Net Proceeds, and the Trustee shall transfer any amounts indicated by the GCTD in writing to be excess Net Proceeds to the Lease Payment Fund to be credited against the GCTD's next Lease Payment.

Section 3.09. [RESERVED].

ARTICLE IV
PREPAYMENT OF CERTIFICATES

Section 4.01. Establishment of Prepayment Fund. The Trustee shall establish a special fund designated as the "Gold Coast Transit District Prepayment Fund." The Trustee shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as herein provided. Moneys from prepaid Lease Payments to be used for prepayment

of the Certificates shall be deposited into the Prepayment Fund for the purpose of prepaying the Certificates as set forth in this Article IV.

Section 4.02. Prepayment in the Event of Damage or Destruction of the Project. The Certificates are subject to prepayment in whole or in part on any date from amounts transferred by the Trustee at the written direction of the GCTD from the Insurance and Condemnation Fund to the Prepayment Fund representing the Net Proceeds of insurance or condemnation award, in a principal amount not less than \$20,000, plus accrued interest to the date for prepayment, without premium.

Section 4.03. Optional Prepayment. The Certificates maturing on or before July 1, 201_ are not subject to optional prepayment prior to their maturity. The Certificates maturing after July 1, 201_, are subject to optional prepayment in whole or in part on any date on and after July 1, 201_, at a prepayment price equal to the principal amount of Certificates to be prepaid, plus accrued interest to the date of prepayment, without premium.

Section 4.04. Mandatory Sinking Fund Prepayment. The Certificates maturing on July 1, 20__ are subject to mandatory sinking fund prepayment from the principal components of scheduled Lease Payments required to be paid by the GCTD pursuant to the Lease Agreement with respect to each such prepayment date, prior to their state maturity date, at the principal amount thereof without premium on each July 1, commencing July 1, 20__, in the principal amounts as set forth below:

Prepayment Date (July 1)	Principal Amount
	\$
(final maturity date)	

Section 4.05. Selection of Certificates for Prepayment. Whenever provision is made in this Trust Agreement for the prepayment of Certificates and less than all Outstanding Certificates are called for prepayment, the Trustee shall select Certificates for prepayment, from the Outstanding Certificates not previously called for prepayment, in authorized denominations, in inverse order of maturity and by lot within a maturity. The Trustee shall promptly notify the GCTD and the Corporation in writing of the Certificates so selected for prepayment. The Corporation shall provide the Trustee with a revised sinking fund schedule following prepayment pursuant to Section 4.02 or Section 4.03.

Section 4.06. Notice of Prepayment. When prepayment is authorized or required pursuant to this Article IV, the Trustee shall prepare, with the assistance of the GCTD, and give notice of the prepayment of the Certificates. Such notice shall specify: (a) that the Certificates or a designated portion thereof are to be prepaid; (b) the CUSIP numbers of the Certificates to be prepaid; (c) the date of prepayment; (d) the place or places where the prepayment will be made; (e) whether any conditions exist in order for prepayment to occur, and if so, what those conditions are; (f) the date, interest rates and stated maturity dates of the Certificates to be prepaid; and (g) that a new Certificate in an amount equal to that portion not so prepaid will be executed by the Trustee and delivered to the Owner in the event of a partial prepayment. Such notice shall further state that on the specified date there shall become due and payable upon each Certificate to be prepaid, the portion of the principal amount of such Certificate to be prepaid, together with interest accrued to said date, and that from and after such date, provided that moneys therefore have been deposited with the Trustee, interest with respect thereto shall cease to accrue and be payable.

Notice of such prepayment shall be mailed by first-class mail, postage prepaid, to the GCTD, to all municipal Securities Depositories (as defined below) and to at least one national Information Service (as defined below) which the GCTD shall designate to the Trustee, and the respective Owners of any Certificates designated for prepayment at their addresses appearing on the Certificate registration books at least 30 days, but not more than 60 days, prior to the prepayment date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates.

Securities Depositories include the Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attn. Call Notification Department, Fax (212) 855-7232; or, in accordance with the then current guidelines of the Securities and Exchange Commission to such other addresses and/or such other securities depositories as the GCTD may designate in writing to the Trustee.

Information Services include Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services "Called Bond Service," 65 Broadway, 16th Floor, New York, New York 10006; Moody's Investors Service "Municipal and Government," 99 Church Street, 9th Floor, New York, New York 10007 Attention: Municipal News Reports; Standard and Poor's Corporation "Called Bond Record," 25 Broadway, 3rd Floor, New York, New York 10004; or, in accordance with then current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other services providing information with respect to called bonds as the GCTD may designate in writing to the Trustee.

Section 4.07. Partial Prepayment of Certificates. Upon surrender by the Owner of a Certificate for partial prepayment at the Principal Office of the Trustee, payment of such partial prepayment of the principal amount of a Certificate will be made to such Owner by check or draft mailed by the Trustee on the payment date by first-class mail to the Owner at his address as it appears on the registration books of the Trustee, or by wire transfer to any Owner who has exercised its option for payment by wire transfer pursuant to Section 2.02(c) hereof. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the GCTD, a new Certificate or Certificates which shall be of authorized denominations equal in aggregate principal amount to the unprepaid portion of the Certificate surrendered and of the same interest rate and the same maturity. Such partial prepayment shall be valid upon payment of the amount thereby required to be paid to such Owner, and the GCTD, the Corporation and the Trustee shall be released and discharged from all liability to the extent of such payment.

Section 4.08. Effect of Notice of Prepayment. Notice having been given as aforesaid, and the moneys for the prepayment (including the interest to the applicable date of prepayment), having been set aside in the Prepayment Fund, the Certificates shall become due and payable on said date of prepayment, and, upon presentation and surrender thereof at the Principal Office of the Trustee, said Certificates shall be paid at the unpaid principal price with respect thereto, plus interest accrued and unpaid to said date of prepayment.

If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, together with interest to said date of prepayment, shall be held by the Trustee so as to be available therefor on such date of prepayment, and, if notice of prepayment thereof shall have been given as aforesaid, then, from and after said date of prepayment, interest with respect to the Certificates shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the prepayment of Certificates shall be held in trust for the account of the Owners of the Certificates so to be prepaid.

All Certificates paid at maturity or prepaid prior to maturity pursuant to the provisions of this Article IV shall be cancelled upon surrender thereof and delivered to or upon the order of the GCTD.

Section 4.09. Surplus. Any funds remaining in the Prepayment Fund after prepayment and payment of all Certificates Outstanding, or provision has been made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses to the Trustee (including the Trustee's legal fees and expenses) and any amounts owed to the Insurer, shall be withdrawn by the Trustee and remitted to the GCTD.

ARTICLE V LEASE PAYMENTS; LEASE PAYMENT FUND

Section 5.01. Security Provisions.

(a) Assignment of Rights in Lease Agreement. Pursuant to the Assignment Agreement, the Corporation has assigned and set over to the Trustee certain of its rights in the Lease Agreement, including but not limited to all of the Corporation's rights to receive and collect all of the Lease Payments, the Prepayments, the Additional Payments and all other amounts required to be deposited in the Lease Payment Fund or the Prepayment Fund pursuant to the Lease Agreement or pursuant to this Trust Agreement. All Lease Payments, Prepayments and such other amounts to which the Corporation may at any time be entitled (other than Additional Payments due under Section 4.07 of the Lease Agreement) shall be paid directly to the Trustee, and all of the Lease Payments and Prepayments collected or received by the Corporation shall be deemed to be held and to have been collected or received by the Corporation as the agent of the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one Business Day after the receipt thereof, and all such Lease Payments, Prepayments and such other amounts shall be forthwith deposited by the Trustee upon the receipt thereof in the Lease Payment Fund or the Prepayment Fund, as applicable.

(b) Security Interest in Moneys and Funds. The Corporation and the GCTD, as their interests may appear, hereby grant to the Trustee for the benefit of the Owners, a lien on and a security interest in all moneys in the funds held by the Trustee under this Trust Agreement (excepting only the Rebate Fund and any moneys to be deposited into such Rebate Fund, as applicable, and any moneys set aside by the Trustee to satisfy the requirements of Section 14.02 hereof) including, without limitation, the Lease Payment Fund, the Reserve Fund, the Prepayment Fund, the Project Fund and the Delivery Costs Fund, and all such moneys shall be held by the Trustee in trust and applied to the respective purposes specified herein and in the Lease Agreement.

(c) Pledge of Lease Payments; Pledge of Farebox Revenues. The Lease Payments are hereby irrevocably pledged to and shall be used for the punctual payment of the interest and principal represented by the Certificates, and the Lease Payments shall not be used for any other purpose while any of the Certificates remain Outstanding. This

pledge shall constitute a first and exclusive lien on the Lease Payments in accordance with the terms hereof. Pursuant to the Lease Agreement, the GCTD has pledged to the Corporation and to the Trustee as the assignee of the Corporation the Farebox Revenues (as defined in the Lease Agreement) to secure payment of the Lease Payments and the Certificates.

Section 5.02. Establishment of Lease Payment Fund. The Trustee shall establish a special fund designated as the “Gold Coast Transit District Lease Payment Fund.” All moneys at any time deposited by the Trustee in the Lease Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Certificates. So long as any Certificates are Outstanding, neither the GCTD nor the Corporation shall have any beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

Section 5.03. Deposits. There shall be deposited in the Lease Payment Fund all Lease Payments (other than Prepayments, which shall be deposited in the Prepayment Fund pursuant to Section 4.01 hereof) received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to Section 4.03 of the Lease Agreement (regarding Lease Payments), Section 2.05(a) hereof (regarding accrued interest), Section 3.09 hereof (regarding unexpended proceeds held in the Delivery Costs Fund), Section 5.07 hereof and Section 6.04 hereof (regarding moneys held in the Reserve Fund), and any other moneys required to be deposited therein pursuant to the Lease Agreement or pursuant to this Trust Agreement.

Section 5.04. Application of Moneys. Except as provided in Sections 5.05 and 5.06 hereof, all amounts in the Lease Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and interest with respect to the Certificates as the same shall become due and payable, in accordance with the provisions of Article II, Article V and Article IV of this Trust Agreement.

Section 5.05. Investment Earnings on Lease Payment Fund. Any income or profit on the investment of moneys in the Lease Payment Fund, net of any amounts required to be transferred to the Rebate Fund as provided in Sections 8.07 and 8.08 hereof, shall remain in the Lease Payment Fund.

Section 5.06. Surplus. Any funds remaining in the Lease Payment Fund after payment of all Certificates Outstanding, or provision made therefor satisfactory to the Trustee, and provision for any amount required to be transferred to the Rebate Fund pursuant to Sections 8.07 and 8.08 hereof, including accrued interest, shall be withdrawn by the Trustee and applied first to the payment of any fees and expenses owed to the Trustee, second to the payment of amounts owed to the Insurer, and the remainder, if any, then to the GCTD.

ARTICLE VI RESERVE FUND

Section 6.01. Establishment of Reserve Fund. The Trustee shall establish a special fund designated as the “Gold Coast Transit District Reserve Fund” All moneys at any time on deposit

in the Reserve Fund shall be held by the Trustee in trust for the benefit of the GCTD and for the benefit of the Owners as a reserve for the payment when due of all the Lease Payments and Prepayments to be paid pursuant to the Lease Agreement and of all payments on the Certificates and applied solely as provided herein.

Section 6.02. Deposits.

(a) From Amounts Deposited Under Section 2.05(b). There shall be deposited in the Reserve Fund an amount equal to the Reserve Requirement in accordance with Section 2.05(a) hereof.

(b) From Delinquent Lease Payments. The GCTD hereby agrees that if at any time the balance in the Reserve Fund shall be reduced below the Reserve Requirement, the first payments of Lease Payments thereafter payable by the GCTD and not needed to pay interest and principal components of Lease Payments payable to the Owners on the next Certificate Payment Date or owed to the Trustee under this Trust Agreement, shall be used to increase the balance in the Reserve Fund to the required Reserve Requirement.

(c) Reserve Replenishment. If the amount on deposit in the Reserve Fund is less than the Reserve Requirement and such deficiency has not been replenished pursuant to subsection (b), the GCTD shall replenish such deficiency from Revenues remaining after making the deposits to the Lease Payment Fund required under Section 5.03 hereof, all within 12 months of the date such deficiency occurs.

(d) Consent of Insurer. The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Fund.

Section 6.03. Transfers of Excess. The Trustee shall, on or before each Certificate Payment Date, provide written notice to the GCTD of any moneys which will be on hand in the Reserve Fund in excess of the Reserve Requirement on the next Certificate Payment Date, and the Trustee shall transfer such excess moneys to the Lease Payment Fund.

Section 6.04. Application of Reserve Fund in Event of Deficiency in Lease Payment Fund. If one Business Day immediately preceding any Certificate Payment Date the moneys available in the Lease Payment Fund do not equal the amount of the principal and interest with respect to the Certificates then coming due and payable, the Trustee shall apply the moneys available in the Reserve Fund to make up any shortfalls in Lease Payments on behalf of the GCTD by transferring the amount necessary for this purpose to the Lease Payment Fund.

Section 6.05. Transfer to Make All Lease Payments. If on any Certificate Payment Date the moneys on deposit in the Reserve Fund, the Prepayment Fund and the Lease Payment Fund (excluding amounts required for payment of past due principal or interest with respect to Certificates not presented for payment) are sufficient to pay all Outstanding Certificates, including all principal, interest and prepayment premiums (if any), the Trustee shall, upon the

written direction of the GCTD Representative, transfer all amounts then on hand in the Reserve Fund to the Prepayment Fund, which amounts, together with the amounts then held in the Lease Payment Fund and the Prepayment Fund, shall be applied to the payment of the Lease Payments and Prepayments, if any, on behalf of the GCTD, and such moneys shall be distributed to the Owners of Certificates in accordance with Article II of this Trust Agreement and to the Trustee to satisfy obligations owed the Trustee under this Trust Agreement. Any amounts remaining in the Reserve Fund upon payment in full of all Outstanding Certificates, or upon provision for such payments as provided in Section 14.01 hereof, shall be withdrawn by the Trustee and paid to the GCTD.

**ARTICLE VII
[RESERVED]**

**ARTICLE VIII
MONEYS IN FUNDS; INVESTMENT**

Section 8.01. Held in Trust. Moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owners to the extent described in Section 5.01(b) hereof, and, in the case of the Rebate Fund, for payment as required to the United States Treasury and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either the Corporation, the Trustee or the GCTD, or any of them.

Section 8.02. Investments Authorized.

(a) By Trustee. Subject to further provisions of this Article VIII, moneys held by the Trustee hereunder shall be invested and reinvested at maturity by the Trustee at the direction of the GCTD in Permitted Investments; provided, however, that the Trustee shall have received, at least two (2) days prior to the date of any such proposed investment or reinvestment, written directions of the GCTD setting forth the GCTD's request for investment or reinvestment. Such investments and reinvestments shall be made giving full consideration for the time at which funds are required to be available to provide moneys to meet any required payment, transfer, withdrawal or disbursement based upon information supplied by the GCTD. Notwithstanding the foregoing, if the GCTD shall fail to so direct the Trustee with respect to such investment or reinvestment of moneys, the Trustee shall invest such moneys in obligations described in paragraph 8 of Permitted Investments. The GCTD shall, from time to time, advise the Trustee in writing as to whether any such securities are no longer such legal investments. The Trustee may conclusively rely on the list of securities set forth under the definition of "Permitted Investments" as being legal investments under the laws of the State unless it shall receive notice to the contrary.

(b) Upon Direction of GCTD. The GCTD Representative shall by written order filed with the Trustee direct such investment in specific Permitted Investments identified in such written order.

(c) Registration. Such investments, if registrable, shall be registered in the name of the Trustee for the benefit of the Owners and held by the Trustee.

(d) Trustee as Purchaser or Agent. The Trustee may purchase or sell for itself or any affiliate, as principal or agent, investments authorized by this Section 8.02. The Trustee may act as purchaser or agent in the making or disposing of any investment.

(e) Trustee Standard of Care. Except as otherwise provided in Section 9.05 hereof, the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Section 8.02.

Section 8.03. Disposition of Investments. Any income, profit or loss on the investment of moneys held by the Trustee hereunder shall be credited to the respective fund for which it is held, except as otherwise provided herein.

Section 8.04. Accounting. The Trustee shall furnish to the GCTD not less than monthly an accounting of all investments made by the Trustee. The Trustee shall keep accurate records of all funds administered by it and all Certificates paid and discharged.

GCTD acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant GCTD the right to receive brokerage confirmations of security transactions as they occur, GCTD specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish GCTD periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

Section 8.05. Valuation and Disposition of Investments.

(a) Valuation. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at the lesser of cost or market value (exclusive of accrued interest after the first interest payments following purchase); provided, however, that Permitted Investments credited to the Reserve Fund shall be valued at cost.

(b) Disposition. Subject to the directions of GCTD, which shall comply with Section 8.07 and 8.08 hereof and the Tax Certificate, the Trustee shall sell or present for prepayment, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited.

Section 8.06. Commingling of Moneys in Funds. Except for moneys held by the Trustee in the Rebate Fund, the Trustee may, at its sole discretion, commingle any of the other funds and accounts held by it pursuant to this Trust Agreement and place them into a separate fund or funds for investment purposes only, provided, however, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding any such commingling by the Trustee.

Section 8.07. Arbitrage Covenant. The Corporation and the GCTD hereby covenant with the Owners of the Certificates that, notwithstanding any other provision of this Trust Agreement, they will make no use of the proceeds of the Certificates which will cause the Certificates to be “arbitrage bonds” within the meaning of Section 148(a) of the Code, the interest on which is not excludable from gross income for federal income tax purposes under Section 103 of the Code.

Section 8.08. Rebate Fund.

If required pursuant to the terms of the Tax Certificate GCTD shall instruct the Trustee to establish a special fund designated as the “Gold Coast Transit District Rebate Fund” (the “Rebate Fund”) and within the Rebate Fund shall establish a Rebate Account (the “Rebate Account”) and an Earnings Account (the “Earnings Account”). The GCTD shall retain Special Counsel, if the Rebate Fund is established, to advise the GCTD as to the computation of any rebate requirement and the disposition thereof.

**ARTICLE IX
THE TRUSTEE**

Section 9.01. Appointment of Trustee.

(a) Appointment. U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the Corporation and the GCTD.

(b) Qualifications. The Corporation and the GCTD agree that any successor Trustee shall be a commercial bank, national banking association or trust company having its Principal Office in New York, New York, or in the State of California with a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000), and subject to supervision or examination by federal or state authority, so long as any Certificates are Outstanding. If such commercial bank, national banking association or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority referred to above, then for purposes of this Section 9.01, the combined capital and surplus of such commercial 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.

(c) Removal. Except at times when the GCTD is in default of its obligations under this Trust Agreement or the Lease Agreement, by written notice to the

Corporation, the Insurer and the Trustee, the GCTD shall have the right to terminate the responsibilities of and remove the Trustee under this Trust Agreement at any time for any reason. The Insurer is hereby granted the right to remove the Trustee; provided that no such removal shall be effective until the appointment of a successor to the Trustee.

(d) Resignation. The Trustee may resign by giving written notice to the GCTD and the Corporation. Upon receiving such notice of resignation, the GCTD shall promptly appoint a successor Trustee. In the event the GCTD does not name a successor Trustee within 30 days of receipt of notice of the Trustee's resignation, then the resigning Trustee may petition a court of competent jurisdiction to seek the immediate appointment of a successor Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee as provided in subsection (e) below.

(e) Successor. Any successor Trustee shall be a commercial bank, national banking association or trust company meeting the qualifications as set forth in subsection (b) above. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon the acceptance of appointment and assumption of the Trustee's duties by the successor Trustee. Upon such acceptance and assumption, the successor Trustee shall mail notice thereof to Moody's if the Certificates are then rated by Moody's, S&P if the Certificates are rated by S&P, and the Owners at their respective addresses set forth in the Certificate registration books maintained pursuant to Section 2.09 hereof.

Section 9.02. Merger or Consolidation. Any company or national banking association into which the Trustee may be merged or converted or with which it may be consolidated or any company or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company or national banking association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company or national banking association shall be eligible under Section 9.01 hereof, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. Notice of such merger or consolidation shall be given to the GCTD.

Section 9.03. Protection of the Trustee.

(a) Reliance Upon Papers or Documents. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may, in the absence of bad faith on its part, accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

(b) Reliance Upon Opinions of Counsel. The Trustee may consult with counsel, who may be counsel to the GCTD, with regard to legal questions 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 in accordance therewith. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee which opinion shall be made available to the other parties hereto upon request, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

(c) Reliance Upon Requested Certificates. Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed), in the absence of bad faith on its part, shall be deemed to be conclusively proved and established by the certificate of the GCTD Representative or the Corporation Representative and such certificate shall be full warranty to the Trustee, in the absence of bad faith on its part, for any action taken or suffered under the provisions of this Trust Agreement upon the faith thereof, 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 to the Trustee.

(d) Notice of Default. Except for failure to pay amounts due with respect to the Certificates or failure to pay Lease Payments as required under the Lease Agreement, the Trustee shall not be deemed to have any notice of any default hereunder or under the Lease Agreement unless the Trustee has actual knowledge thereof or has been notified in writing of such default, which notification shall have been received at the Principal Office of the Trustee.

(e) Expenditure of Funds. No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights and powers hereunder, if it shall have reasonable grounds for believing that payment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(f) Liability Regarding Disclosure. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement or other disclosure materials distributed with respect to the Certificates.

(g) Indemnity Bond. Before taking any action under Article XIII of this Trust Agreement at the request or direction of the Owners or Insurer, the Trustee may require that a satisfactory indemnity bond be furnished to it by the Owners or Insurer for the reimbursement of all expenses that the Trustee may incur pursuant to taking such action, and to protect the Trustee against all liability that may arise from such action, except for any liability which is adjudicated to have resulted from the Trustee's

negligence or willful misconduct in connection with such action; provided, however, that the Trustee may not require such an indemnity bond prior to taking action as directed herein to make payments of principal, premium, if any, and interest with respect to the Certificates when due if sufficient moneys are then held hereunder by the Trustee for such purpose.

(h) **Electronic Communication.** The Trustee agrees to accept and act upon instructions or directions pursuant to this Trust Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, 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 GCTD or the Corporation elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee acts 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 GCTD and the Corporation 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.

(i) **Force Majeure.** 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 delay in the performance of such obligations due to unforeseeable causes beyond its 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, acts of the other party, 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, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, 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.

Section 9.04. Rights of the Trustee.

(a) **Ownership of Certificates.** The Trustee may become the Owner of the Certificates with the same rights it would have if it were not Trustee; may acquire and dispose of other bonds or evidences of indebtedness of the GCTD with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Certificates, whether or not such

committee shall represent the Owners of the majority in principal amount of the Certificates then Outstanding.

(b) Attorneys, Agents and Receivers. 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, shall not be liable for the acts or omission of such attorneys or agents appointed with due care, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder.

Section 9.05. Standard of Care. So long as there is no Event of Default, the Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. In the event of an Event of Default, the Trustee shall exercise such care in performing its duties hereunder as a prudent person would exercise in the conduct of his affairs.

Section 9.06. Compensation of the Trustee. As an Additional Payment under Section 4.07 of the Lease Agreement, the GCTD shall from time to time on demand, pay to the Trustee reasonable compensation for its services and shall reimburse the Trustee for all its advances and expenditures, including but not limited to, advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys at law or other experts employed by it in the exercise and performance of its powers and duties hereunder and the Trustee shall have a lien therefor on any and all funds at any time held by it under this Trust Agreement, which lien shall be prior and superior to the lien of the Certificate Owners, except that the Trustee shall have no lien on any moneys on deposit in the Rebate Fund or on moneys held by the Trustee to satisfy the requirements of Section 14.02 hereof. The GCTD's obligations hereunder shall remain valid and binding notwithstanding maturity and payment of the Certificates, or the resignation or removal of the Trustee.

Section 9.07. Indemnification of Trustee. The GCTD shall, to the extent permitted by law, indemnify and save the Trustee, harmless from and against all claims, losses, costs, expenses, liability and damages incurred by the Trustee, including reasonable legal fees and expenses, arising out of (i) any breach or default on the part of the GCTD in the performance of any of its obligations under this Trust Agreement; and (ii) the exercise and performance by the Trustee of its powers and duties hereunder or any Related Document. The indemnification set forth in this Section 9.07 shall extend to the Trustee's officers, agents, employees, successors and assigns. No indemnification will be made under this Section 9.07 or elsewhere in this Trust Agreement or other agreements for willful misconduct, negligence or breach of duty under this Trust Agreement by the Trustee, its officers, agents, employees, successors or assigns. The GCTD's obligations hereunder shall remain valid and binding notwithstanding maturity and payment of the Certificates, or the resignation or removal of the Trustee.

In accepting the trust hereby created, the Trustee acts solely as trustee for the Owners and not in its individual capacity, and all persons, including, without limitation, the Owners, Corporation and GCTD, having any claim against the Trustee arising from this Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment, except as otherwise provided herein or where the Trustee has breached its standard of care as described in

Section 9.05 hereof. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates.

Section 9.08. Consent of the Insurer. The Trustee shall take no remedial action in connection with an event of default under this Trust Agreement without the consent of the Insurer.

ARTICLE X MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 10.01. Amendments Permitted.

(a) With Consent. This Trust Agreement and the rights and obligations of the Owners hereunder, and the Lease Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplement which shall become effective when the written consents of the owners of at least a majority in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 10.03 hereof, shall have been filed with the Trustee and Moody's. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the prepayment thereof, without the express consent of the Owner of such Certificate, or (2) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of this Trust Agreement or the Lease Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become effective as provided in Section 10.02 hereof. Copies of any such modification or amendment shall be provided to Moody's at least 10 days prior to the effective date thereof.

(b) Without Consent. This Trust Agreement and the rights and obligations of the Owners hereunder, and the Lease Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement, without the consent of any such Owners, but only to the extent permitted by law and only (1) to cure, correct or supplement any ambiguous or defective provision contained herein or therein, and which shall not materially adversely affect the interest of the Owners, (2) to reflect the comments of Moody's in order to maintain any applicable rating on the Certificates, (3) in regard to matters arising hereunder or under the Lease Agreement, as the parties hereto or thereto may deem necessary or desirable and which shall not materially adversely affect the interest of the Owners, or (4) in connection with the sale and delivery of Additional Certificates provided the requirements and conditions of Section 4.06 of the Lease Agreement have been satisfied. Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto or thereto as the case may be and shall be provided to Moody's.

Section 10.02. Procedure for Amendment with Written Consent of the Owners. This Trust Agreement or the Lease Agreement may be amended by supplemental agreement as provided in this Section 10.02 in the event the consent of the Owners required pursuant to Section 10.01(a) hereof is obtained in the manner set forth in this Section 10.02. A copy of such supplemental agreement, together with a request to the Owners for their consent thereto, shall be mailed first-class mail by the Trustee to each Owner of a Certificate at his address as set forth in the Certificate registration books maintained pursuant to Section 2.09 hereof, but failure to receive copies of such supplemental agreement and request so mailed shall not affect the validity of the supplemental agreement when assented to as in this Section 10.02 provided.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consents of the Owners of at least a majority in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in Section 10.03 hereof) and notices shall have been mailed as hereinafter in this Section 10.02 provided. Each such consent by the Owners shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be such as is permitted by Section 2.08 hereof. Any such consent shall be binding upon the Owner of the Certificate giving such consent and on any subsequent owner (whether or not such subsequent owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the supplemental agreement becomes effective.

After the Owners of the required percentage of Certificates shall have filed their consents to such supplemental agreement, the Trustee shall mail a notice to the Owners of the Certificates in the manner hereinbefore provided in this Section 10.02 for the mailing of such supplemental agreement, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section 10.02 (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). The Trustee, the GCTD and the Corporation shall simultaneously therewith execute such supplemental agreement and such other documents as may be necessary to properly effectuate such supplemental Agreement. A record, consisting of the papers required by this Section 10.02 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. Copies of any such supplemental agreement shall be provided to Moody's at least 10 days prior to the effective date thereof.

Section 10.03. Disqualified Certificates. Certificates owned or held by or for the account of the GCTD or the Corporation or by any person directly or indirectly controlled or controlled by, or under direct or indirect common control with the GCTD or the Corporation (except any Certificates held in any pension or retirement fund) shall not be deemed outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificates provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement except that for purposes of determining whether the Trustee shall be protected in relying on such vote, consent, waiver or other action, only Certificates so owned of which the Trustee has knowledge shall be disqualified. Upon request of the Trustee, GCTD and the Corporation shall specify in a

certificate to the Trustee those Certificates disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 10.04. Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article X, this Trust Agreement or the Lease Agreement, as the case may be, shall be deemed to be modified and amended in accordance with such supplemental agreement, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Certificates Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder and thereunder subject in all respects to such supplemental agreement, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Lease Agreement, as the case may be, for any and all purposes.

The GCTD or the Trustee may adopt appropriate regulations to require each Owner, before his consent provided for in this Article X shall be deemed effective, to reveal if the Certificates as to which such consent is given are disqualified as provided in Section 10.03 hereof and the Trustee may conclusively rely on such information.

Section 10.05. Endorsement or Replacement of Certificates Delivered After Amendments. The Trustee may determine that Certificates delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any Outstanding Certificate at such effective date of such supplemental agreement, and upon presentation of his Certificate at the Principal Office of the Trustee, a suitable notation shall be made on such Certificate at the cost of the GCTD. The Trustee may determine that new Certificates, so modified as in the opinion of the Trustee is necessary to conform to such Certificate Owners action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Certificate then Outstanding, such new Certificate shall be exchanged in the Principal Office of the Trustee, without cost to such Owner and at the cost of the GCTD, for a Certificate of the same character then Outstanding, upon surrender of such Certificate.

Section 10.06. Amendatory Endorsement of Certificates. Subject to Section 10.01 hereof, the provisions of this Article X shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him, provided that due notification thereof is made by suitable notation on such Certificates.

Section 10.07. Consent of Insurer Required. No modification, amendment or supplement to this Trust Agreement or any other Related Document may become effective except upon obtaining the prior written consent of the Insurer.

ARTICLE XI COVENANTS; NOTICES

Section 11.01. Compliance With and Enforcement of the Lease Agreement. The GCTD covenants and agrees with the Owners to perform all obligations and duties imposed on it under

the Lease Agreement. The Corporation covenants and agrees with the Owners to perform all obligations and duties imposed on it under the Lease Agreement.

The GCTD will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Lease Agreement by the Corporation thereunder.

Section 11.02. Recordation and Filing. The GCTD shall cooperate with the Trustee and the Corporation to record and file any documents as may be required by law (and shall take all further actions which may be necessary or which may be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order to fully preserve, protect and perfect the security of the Trustee and the Certificate Owners.

Section 11.03. Observance of Laws and Regulations. The GCTD will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control over the GCTD, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the GCTD, including its right to exist and carry on business as a transit agency, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 11.04. Prosecution and Defense of Suits. The GCTD shall promptly, and also upon request of the Trustee or any Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in the Project, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify, to the extent permitted by law, and save the Trustee and every Certificate Owner harmless from all loss, cost, damage and expense, including attorney's fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

Section 11.05. GCTD Budgets. The GCTD will provide the Trustee with an executive summary of its proposed annual budget within 30 days of the filing thereof and of its adopted budget within 30 days of the adopting thereof, and, simultaneously with the provision of such information to the Trustee, the GCTD Representative shall certify to the Trustee that the GCTD has, to the extent required by Section 4.09(d) of the Lease Agreement, included all Lease Payments and Additional Payments due under the Lease Agreement in the Fiscal Year covered by such proposed annual budget and adopted budget. As of the date of execution of this Trust Agreement, the annual budget is adopted by the GCTD in June of each year for its immediately succeeding Fiscal Year. If the GCTD fails to include all such Lease Payments and Additional Payments in such proposed annual budget or adopted budget to the extent required by the Lease Agreement, or fails to provide the Trustee with the certification required by this Section 11.05, the Trustee shall promptly provide the GCTD written notice specifying that the GCTD has failed to observe and perform its covenant and agreement in such Section 4.09(d) of the Lease Agreement and requesting that such failure be remedied within 30 days, or such failure shall

constitute an Event of Default under Section 8.01 (b) of the Lease Agreement. The Trustee shall forward a copy or such notice to the Corporation. Upon receipt of such notice, the GCTD shall notify the Trustee of the proceedings proposed to be taken by the GCTD, and shall keep the Trustee advised of all proceedings thereafter taken by the GCTD.

Section 11.06. Further Assurances. The Corporation and the GCTD will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement, and for the better assuring and confirming unto the Owners the rights and benefits provided herein.

Section 11.07. Tax Covenants. The GCTD will not make any use of the proceeds of the Certificates or any other funds of the GCTD, or take or omit to take any other action, which would cause the Certificates to be “private activity bonds” within the meaning of Section 141 of the Code, or “federally guaranteed” within the meaning of Section 149(b) of the Code. To that end, so long as any Lease Payments are unpaid, the GCTD, with respect to such proceeds and such other funds, will comply with all requirements of such Sections of the Code and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Code to the extent such requirements are, at the time, applicable and in effect.

ARTICLE XII LIMITATION OF LIABILITY

Section 12.01. Limited Liability of the GCTD. Except for the payment of Lease Payments and Additional Payments when due in accordance with the Lease Agreement and the performance of the other covenants and agreements of the GCTD contained herein and in the Lease Agreement, the GCTD shall have no obligation or liability to any of the other parties or to the Owners with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trustee.

Section 12.02. No Liability of the GCTD or Corporation for Trustee Performance. Except as expressly provided herein, neither the GCTD nor the Corporation shall have any obligation or liability to any of the other parties or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 12.03. Limited Liability of Trustee.

(a) No Investment Advice. The Trustee shall have no obligation or responsibility for providing information to the Owners concerning the investment character of the Certificates.

(b) Sufficiency of this Trust Agreement or Lease Payments. The Trustee makes no representations as to the validity or sufficiency of this Trust Agreement or of the Certificates, shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon it. The Trustee shall not be responsible for the sufficiency of the Lease Agreement. The Trustee shall not be liable for the sufficiency or collection of any Lease Payments or other moneys required to be paid to it under the Lease Agreement (except as provided in this Trust Agreement) or its right to receive moneys pursuant to said Lease Agreement.

(c) Actions of Corporation and GCTD. The Trustee shall have no obligation or liability to any of the other parties or the Owners with respect to this Trust Agreement or the failure or refusal of any other party to perform any covenant or agreement made by any of them under this Trust Agreement or the Lease Agreement, but shall be responsible solely for the performance of the duties and obligations expressly imposed upon it hereunder as provided in Section 9.05 of this Trust Agreement.

(d) Recitals and Agreements of Corporation and GCTD. The recitals of facts, covenants and agreements herein and in the Certificates contained shall be taken as statements, covenants and agreements of the GCTD or the Corporation (as the case may be), and the Trustee assumes no responsibility for the correctness of the same.

Section 12.04. Limitation of Rights to Parties and Certificate Owners. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the GCTD, the Corporation, the Trustee, the Insurer and the Owners, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the GCTD, the Corporation, the Trustee, the Insurer and the Owners.

ARTICLE XIII
EVENTS OF DEFAULT AND REMEDIES OF CERTIFICATE OWNERS

Section 13.01. Assignment of Rights. The parties hereto acknowledge that, pursuant to the Assignment Agreement, the Corporation has transferred, assigned and set over to the Trustee for the benefit of the Owners certain of the Corporation's rights under the Lease Agreement.

Section 13.02. Reserved.

Section 13.03. Acceleration. If any Event of Default occurs and is continuing, the Trustee by notice to the GCTD, or the Owners of at least 25% in principal amount of the Certificates by notice to the GCTD and the Trustee (except for an Event of Default under Section 8.01(c) of the Lease Agreement, for which no such notice is required), may, with the consent of the Insurer, declare the principal and accrued interest with respect to the Certificates to be due and payable immediately. Upon a declaration, the principal and accrued interest to the date of the Trustee's declaration of acceleration on the Certificates shall be due and payable. The Trustee shall give notice of acceleration to the Owners and Moody's . The Trustee may, and upon the request of Owners of a majority in principal amount of the Certificates shall, rescind an acceleration and its consequences if all existing Events of Default have been cured or waived, if the rescission would not conflict with any judgment or decree, if all payments due the Trustee have been made.

In the event the maturity of the Certificates is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued on such principal to the date of acceleration (to the extent unpaid by the GCTD), and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to the Certificates shall be fully discharged.

Section 13.04. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XIII or of Article VIII of the Lease Agreement, shall be deposited into the Lease Payment Fund and be applied by the Trustee, after payment of all amounts due and payable under Section 9.06 hereof, in the following order upon presentation of the several Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

FIRST--to the payment of the costs and expenses of the Trustee and of the Owners declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel;

SECOND--to the payment to the persons entitled thereto, to the extent that they shall be entitled to interest of all installments of interest then due in the order of the maturity of such installment, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

THIRD--to the payment to the persons entitled thereto, to the extent that they shall be entitled to the unpaid principal of any Certificates which shall have become due, whether at maturity or by call for prepayment, in the order of their due dates, with interest on the overdue principal and interest at a rate equal to the rate paid with respect to the Certificates and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the Certificates on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

Section 13.05. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding the Trustee shall, or the Trustee may, at its discretion, proceed to protect or enforce its rights or the rights of the Owners by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein or in the Lease Agreement, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder, provided, however, that the Trustee shall be indemnified to its satisfaction when acting upon any such request of the Owners of a majority in principal amount of Certificates then Outstanding.

Section 13.06. Non-waiver. Nothing in this Article XIII or in any other provision of this Trust Agreement or in the Certificates shall affect or impair the obligation of the GCTD which is absolute and unconditional, to pay the Lease Payments as provided in the Lease Agreement. No delay or omission of the Trustee or of any Owner of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XIII to the Trustee or to the Owners of Certificates may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners.

Section 13.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

Section 13.08. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Certificates then Outstanding, it shall have full power, in the exercise of its discretion for the best interest of the Owners, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of at least a majority in principal amount of the Outstanding Certificates hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 13.09. Limitation on Certificate Owners' Right to Sue. No Owner of any Certificate executed hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default under the Lease Agreement; (b) the Owners of a majority in aggregate principal amount of all

the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to the Trustee have approved such request.

Such notification, request, tender of indemnity, refusal or omission and approval are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided and for the equal benefit of all Owners of the Outstanding Certificates.

The right of any Owner of any Certificate to receive payment of said Owner's proportionate interest in the Lease Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section 13.09 or any other provision of this Trust Agreement.

Section 13.10. Agreement to Pay Attorneys' Fees and Expenses. In the event any party to this Trust Agreement other than the Trustee should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees and disbursements of such attorneys and such other expenses so incurred by the nondefaulting party.

ARTICLE XIV MISCELLANEOUS

Section 14.01. Defeasance. If all Outstanding Certificates shall be paid and discharged in any one or more of the following ways:

- (a) by well and truly paying or causing to be paid the principal of and interest and prepayment premiums, if any, with respect to all Certificates Outstanding, as and when the same become due and payable;
- (b) if prior to maturity and having given notice of prepayment by irrevocably depositing with the Trustee, in trust, at or before maturity, an amount of cash which, together with amounts then on deposit in the Lease Payment Fund and the Reserve Fund, is sufficient to pay all Certificates Outstanding, including all principal and interest and premium, if any; or

(c) by irrevocably depositing with the Trustee, in trust cash or (i) noncallable direct obligations of the United States of America, (ii) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, or (iii) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or any combination thereof, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Lease Payment Fund and the Reserve Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Certificates (including all principal and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

then, notwithstanding that any Certificates shall not have been surrendered for payment, all obligations of the Corporation, the Trustee and the GCTD with respect to all Outstanding Certificates shall cease and terminate, except only the covenants of the Corporation and the GCTD hereunder to comply with the Code and the obligation of the Trustee to pay or cause to be paid, from Lease Payments paid by or on behalf of the GCTD from funds deposited pursuant to paragraphs (b) and (c) of this Section 14.01, to the Owners of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) and (c) of this Section 14.01, the Certificates shall continue to represent direct and proportionate interests of the Owners thereof in Lease Payments under the Lease Agreement.

Any funds held by the Trustee, at the time of one of the events described in paragraphs (a) through (c) of this Section 14.01, which are not required for payment as required therein shall be paid over to the GCTD.

In the event of a defeasance, with respect to the Certificates as described in paragraphs (b) and (c) above, the GCTD shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Certificates in full on the maturity or redemption date (“Verification”), (ii) an escrow deposit agreement (which shall be acceptable in form and substance to the Insurer), and (iii) an opinion of Special Counsel to the effect that the Certificates are no longer “Outstanding” under this Trust Agreement; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed to the GCTD, the Trustee and the Insurer. In the event a forward purchase agreement will be employed in the refunding, such agreement shall be subject to the approval of the Insurer and shall be accompanied by such opinions of counsel as may be required by the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

This Trust Agreement shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

Section 14.02. Non-Presentment of Certificates. In the event any Certificate shall not be presented for payment when the principal with respect thereof becomes due, either at maturity, or at the date fixed for prepayment thereof, if moneys sufficient to pay such Certificate shall have been deposited in the Lease Payment Fund, and/or in the Prepayment Fund, all liability of the GCTD to the Owner thereof for payment of such Certificate shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys, without liability for interest thereon, for the benefits of the Owner of such Certificate who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his or her part under this Trust Agreement or on, with respect to, said Certificate.

Any moneys so deposited with and held by the Trustee not so applied to the payment of Certificates within two (2) years after the date on which the same shall have become due shall be paid by the Trustee to the GCTD. Thereafter, Owners shall be entitled to look only to the GCTD for payment, and then only to the extent of the amount so disbursed by the Trustee. The GCTD shall not be liable for any interest on the sums paid to it pursuant to this Section 14.02 and shall not be regarded as a trustee or trustees of such money. Any moneys held in accordance with this Section 14.02 shall be held uninvested.

Section 14.03. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement by it, which shall be available for inspection by the GCTD, the Corporation and any Owner, or the agent of any of them, at any time during regular business hours and upon reasonable prior notice.

Section 14.04. Notices. All written notices to be given under this Trust Agreement shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice to the Trustee shall be effective upon receipt. Notice to all other parties shall be deemed to have been received upon the earlier of actual receipt or five business days after deposit in the United States mail, in certified form, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to GCTD:	Gold Coast Transit District Attn: General Manager
If to the Corporation:	California Transit Finance Corporation 1414 K Street, Suite 320 Sacramento, CA 95814 Attn: General Manager/Vice President
If to the Trustee:	U.S. BANK NATIONAL ASSOCIATION, as Trustee 633 W. 5th Street, 24 th Floor Los Angeles, CA 90071 Attn: Global Corporate Trust Services

If to the Insurer:

Notwithstanding any provision contained in this Trust Agreement to the contrary, the Trustee shall notify Moody's of any of the following occurrences of which the Trustee has actual knowledge: (1) prepayment of any Certificates, (2) modifications or amendments to this Trust Agreement or the Lease Agreement, and (3) defeasance of the Certificates, to the address set forth in Section 14.11 below.

Section 14.05. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 14.06. Binding Effect; Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including any successor or assignee of the GCTD which succeeds to the functions of the GCTD. Whenever in this Trust Agreement either the Corporation, the GCTD or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Corporation, the GCTD or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 14.07. Execution in Counterparts. This Trust 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 agreement.

Section 14.08. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles", "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement.

Section 14.09. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any 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 14.10. Separability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant to this Trust Agreement, irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

Section 14.11. Provisions Relating to Rating Agencies.

(a) All notices given by the Trustee pursuant to Sections 9.01, 10.02, 13.03 and 14.04 hereof shall also be sent to Moody's.

(b) If at any time Moody's does not have a rating outstanding on the Certificates, then references herein to such entity shall not be effective.

(c) Notice to Moody's shall be sent to Moody's Investors Service, 99 Church Street, New York, New York 10007, Attention: Public Finance Department-- Structured Finance Group.

Section 14.12. Co-Trustees.

(a) At any time, for the purpose of meeting the legal requirements of any applicable jurisdiction, the Trustee shall have power to appoint one or more persons to act as co-trustee under this Trust Agreement, with such powers as may be provided in the instrument of appointment, and to vest in such person or persons any property, title, right or power deemed necessary or desirable, subject to the remaining provisions of this Section.

(b) Each co-trustee shall, to the extent permitted by applicable law, be appointed subject to the following terms:

(1) The rights, powers, duties and obligations conferred or imposed upon any such co-trustee shall not be greater than those conferred or imposed upon the Trustee, and such rights and powers shall be exercisable only jointly with the Trustee, except to the extent that, under any law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights and powers shall be exercised by such co-trustee subject to the provisions of Section 14.12(b)(4) hereof.

(2) The Trustee may at any time, by an instrument in writing executed by it, accept the resignation of or remove any co-trustee appointed under this Section 14.12.

(3) No co-trustee under this Trust Agreement shall be liable by reason of any act or omission of any other co-trustee appointed under this Trust Agreement.

(4) No power given to such co-trustee shall be separately exercised hereunder by such co-trustee except with the consent in writing of the Trustee, anything herein contained to the contrary notwithstanding.

(c) The provisions of Section 9.07 hereof shall extend to any co-trustee, its officers, employees, agents, successors and assigns appointed hereunder.

Section 14.13. Continuing Disclosure. The GCTD and the Trustee (if it has been appointed to act as dissemination agent under the Continuing Disclosure Agreement) hereby covenant and agree that they will comply with and carry out all provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Trust Agreement, failure of the GCTD or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee shall, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% aggregate principal amount of Outstanding Certificates subject to the requirements set forth in the Securities and Exchange Commission Rule 15c2-12(a)(5) and upon receipt of indemnification satisfactory to the Trustee, or any Certificate Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the GCTD or the Trustee, as the case may be, to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries).

Section 14.15. Claims Upon the Insurance Policy and Payments by and to the Insurer.

. As long as the Insurance Policy shall be in full force and effect and the Insurer is in compliance with its payment obligations thereunder, the GCTD and the Trustee agree to comply with the following provisions:

(a) If, on the third day preceding any Interest Payment Date for the Certificates there is not on deposit with the Trustee sufficient moneys available to pay all principal and interest components with respect to the Certificates due on such date, the Trustee shall immediately notify the Insurer and U.S. Bank Trust National Association, New York, New York, or its successor as its Fiscal Agent (the "Fiscal Agent") of the amount of such deficiency. If, by said Interest Payment Date, the GCTD has not provided the amount of such deficiency, the Trustee shall simultaneously make available to the Insurer and to the Fiscal Agent the registration books for the Certificates maintained by the Trustee. In addition:

- (i) The Trustee shall provide the Insurer with a list of the Certificate Owners entitled to receive principal or interest components from the Insurer under the terms of the Certificate Policy and shall make arrangements for the Insurer and its Fiscal Agent (1) to mail checks or drafts to Certificate Owners entitled to receive full or partial interest payments from the Insurer and (2) to pay principal components with respect to the Certificates surrendered to the Fiscal Agent by the Certificate Owners entitled to receive full or partial principal components from the Insurer; and

(ii) The Trustee shall, at the time it makes the registration books available to the Insurer pursuant to (i) above, notify Certificate Owners entitled to receive the payment of principal or interest components with respect to the Certificates, from the Insurer (1) as to the fact of such entitlement, (2) that the Insurer will remit to them all or part of the interest components coming due subject to the terms of the Insurance Policy, (3) that, except as provided in paragraph (b) below, in the event that any Certificate Owner is entitled to receive full payment of principal components from the Insurer, such Certificate Owner must tender his Certificate with the instrument of transfer in the form provided on the Certificate executed in the name of the Insurer, and (4) that, except as provided in paragraph (b) below, in the event that such Certificate Owner is entitled to receive partial payment of principal components from the Insurer, such Certificate Owner must tender his Certificate for payment first to the Trustee, which shall note on such Certificate the portion of principal components paid by the Trustee, and then, with an acceptable form of assignment executed in the name of the Insurer, to the Fiscal Agent, which will then pay the unpaid portion of principal components to the Certificate Owner subject to the terms of the Insurance Policy.

(b) In the event that the Trustee has notice that any payment of principal or interest components with respect to the Certificates has been recovered from a Certificate Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, non-appealable order of a court having competent jurisdiction, the Trustee shall, at the time it provides notice to the Insurer, notify all Certificate Owners that in the event that any Certificate Owner's payment is so recovered, such Certificate Owner will be entitled to payment from the Insurer to the extent of such recovery, and the Trustee shall furnish to the Insurer its records evidencing the payments of principal and interest components with respect to the Certificates which have been made by the Trustee and subsequently recovered from Certificate Owners, and the date on which such payments were made.

(c) The Insurer shall, to the extent it makes payment of principal or interest components with respect to the Certificates, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy and, to evidence such subrogation, (i) in the case of subrogation as to claims for past due interest, the Trustee shall note the Insurer's rights as subrogee on the registration books maintained by the Trustee upon receipt from the Insurer of proof of the payment of interest components to the Certificate Owners of such Certificates and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note the Insurer's rights as subrogee on the registration books for the Certificates maintained by the Trustee upon receipt of proof of the payment of principal components to the Certificate Owners of such Certificates. Notwithstanding anything in this Trust Agreement or the Certificates to the contrary, the Trustee shall make payment of such past due interest and past due principal

components directly to the Insurer to the extent that the Insurer is a subrogee with respect thereto.

Section 14.16. Certain Provisions for the Benefit of the Insurer. For so long as the Insurance Policy is outstanding, notwithstanding anything to the contrary set forth in the Trust Agreement, the GCTD agrees as follows:

(a) **Notices.** Any notice to be given to any party under the Trust Agreement shall also be given to the Insurer as follows: _____.

The Insurer shall be provided with the following:

(i) Notice of prepayment, other than mandatory sinking fund prepayment, of any of the Certificates, or of any advance prepayment of the Certificates, including the principal components, maturities and CUSIP[®] numbers thereof;

(ii) Notice of the downgrading by any Rating Agency of the GCTD's underlying public rating, or the underlying rating on the Certificates or any Parity Obligations, to "non-investment grade";

(iii) Notice of any drawing on the Reserve Fund or any debt service reserve fund securing the Certificates;

(iv) Notice of any rate covenant violation with respect to the Certificates, which shall be provided by the GCTD;

(v) Notice of any material events pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended; and

(vi) Such additional information as the Insurer may reasonably request from time to time.

(b) **Amendments or Supplements.** Any amendment or supplement to the Trust Agreement requiring the consent of the Owners of the Certificates shall also require the consent of the Insurer. The GCTD agrees to send a copy of any amendment or supplement requiring the consent of the Insurer to S&P. The GCTD shall give the Insurer notice of any amendment or supplement made to the Trust Agreement which does not require Owner of Certificate consent.

(c) **Events of Default.** Upon the occurrence of an Event of Default under the Trust Agreement, until such time as the Event of Default is cured the Insurer shall be deemed the Owner of all Certificates, and shall have all the rights as the Owner of the Certificates as are specified in the Trust Agreement, provided that the Insurer is not in default under the Insurance Policy.

(d) **Insurer as Third Party Beneficiary.** The Insurer is a third-party beneficiary hereunder and shall have the power to enforce any right, remedy or claim conferred, given or granted hereunder.

(e) **Subrogation.** If principal and/or interest components due with respect to the Certificates shall be paid by the Insurer, the Certificates shall remain outstanding under the Trust Agreement for all purposes, and shall not be deemed defeased or otherwise satisfied, or paid by the GCTD, and the Lease Payments and other amounts allocated by the GCTD to the payment of the Certificates under the Trust Agreement, and all covenants, agreements and other obligations of the GCTD to the Owners of Certificates shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such Owners of Certificates.

Section 14.17. Consent of the Insurer. No provision of the Trust Agreement which expressly recognizes or grants rights in or to the Insurer may be amended in any manner which affects the rights of the Insurer hereunder without the prior written consent of the Insurer. No action requiring the consent of the Owners may be initiated or approved without obtaining the consent of the Insurer. No action under the Trust Agreement which requires the consent of Owners of Certificates may become effective except upon obtaining the prior written consent of the Insurer.

Section 14.18. Reimbursement of Expenses of the Insurer. The GCTD shall pay or reimburse the Insurer for any and all charges, fees, costs, and expenses that the Insurer may reasonably pay or incur in connection with the following: (i) the administration, enforcement, defense, or preservation of any rights or security hereunder or under any other transaction document; (ii) the pursuit of any remedies under the Trust Agreement, under any other transaction document, or otherwise afforded by law or equity; (iii) any amendment, waiver, or other action with respect to or related to the Trust Agreement or any other transaction document whether or not executed or completed; (iv) the violation by the GCTD of any law, rule or regulation or any judgment, order or decree applicable to it; (v) any advances or payment made by the Insurer to cure defaults of the GCTD under the transaction documents; or (vi) any litigation or other dispute in connection with the Trust Agreement, any other transaction document, or the transactions contemplated hereby or thereby, other than amounts resulting from the failure of the Insurer to honor its payment obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver, or consent proposed in respect of the Trust Agreement or any other transaction document. The obligations of the GCTD to the Insurer shall survive discharge and termination of the Trust Agreement. The Trust Agreement shall not be discharged until all Policy Costs under the Reserve Policy owing to the Insurer have been paid in full.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Title: _____

CALIFORNIA TRANSIT FINANCE
CORPORATION

By: _____
Joshua W. Shaw, General Manager

GOLD COAST TRANSIT DISTRICT

By: _____
General Manager

APPENDIX A

CERTIFICATE OF PARTICIPATION
(TRANSIT FACILITIES PROJECT)

Evidencing the Proportionate Interest of the Owner Hereof
In Lease Payments to be Made by
GOLD COAST TRANSIT DISTRICT
Pursuant to a Lease Agreement With
CALIFORNIA TRANSIT FINANCE CORPORATION

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
%	July 1, _____	August __, 2015	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THIS IS TO CERTIFY THAT the registered owner named above, or registered assigns, as the Registered Owner of this Certificate of Participation (the "Certificate") is the owner of a proportionate and undivided interest in the right to receive certain Lease Payments and Prepayments thereof under and defined in that certain Lease Agreement (the "Lease Agreement"), dated as of August 1, 2015, by and between the CALIFORNIA TRANSIT FINANCE CORPORATION, a nonprofit public benefit corporation duly organized under the laws of the State of California (the "Corporation") and the GOLD COAST TRANSIT DISTRICT, a public body corporate and politic duly organized and existing under and by virtue of the Constitution and the laws of the State of California (the "GCTD"), which Lease Payments and Prepayments and certain other rights and interests under the Lease Agreement have been assigned to U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee"), pursuant to that certain Trust Agreement, dated as of August 1, 2015, by and among the Corporation, the GCTD and the Trustee (the "Trust Agreement"). All capitalized terms appearing on this Certificate and not otherwise defined herein shall have the meanings given to such terms in the Trust Agreement.

This Certificate has been executed and delivered by the Trustee pursuant to the terms of the Trust Agreement. The GCTD is authorized to enter into the Lease Agreement and the Trust Agreement under the Constitution and the laws of the State of California. Reference is hereby made to the Lease Agreement and the Trust Agreement (copies of which are on file at the Principal Office of the Trustee) for a description of the terms on which the Certificates are delivered, the rights thereunder of the Owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the GCTD under the Lease Agreement, to all of the provisions of which Lease Agreement and Trust Agreement the Registered Owner of this Certificate, by acceptance hereof, assents and agrees.

Additional provisions of the Certificate are set forth on the following pages of this Certificate.

The GCTD has certified that all acts, conditions and things required by the Constitution and statutes of the State of California and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the Trustee is duly authorized to execute and deliver this Certificate, and that the amount of this Certificate, together with all other Certificates executed and delivered under the Trust Agreement, is not in excess of the amount of Certificates authorized to be executed and delivered thereunder.

IN WITNESS WHEREOF, this Certificate has been executed and delivered by U.S. BANK NATIONAL ASSOCIATION, as Trustee, acting pursuant to the Trust Agreement.

Date of Execution: August __, 2015
Trustee

U.S. BANK NATIONAL ASSOCIATION, as

By _____
Authorized Signatory

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease Agreement, on the maturity date specified above, the principal amount specified above, representing a portion of the Lease Payments designated as principal coming due during the preceding twelve months, and to receive on January 1, 2016 and semi-annually thereafter on July 1 and January 1 of each year (the "Certificate Payment Dates") until payment in full of said portion of principal, the Registered Owner's portion of the Lease Payments designated as interest coming due during the six months immediately preceding each of the Certificate Payment Dates; provided that interest with respect hereto shall be payable from the Certificate Payment Date next preceding the date of execution of this Certificate (unless (i) this Certificate is executed as of a Certificate Payment Date in which event interest shall be payable from the date of execution thereof, or (ii) this Certificate is executed after the Record Date (as defined below) with respect to a Certificate Payment Date and before the following Certificate Payment Date, in which event interest shall be payable from such following Certificate Payment Date, or (iii) this Certificate is executed on or before December 15, 2015, in which event interest shall be payable from August __, 2015). "Record Date" means the close of business on the fifteenth day of the month immediately preceding the Certificate Payment Date. The portion of the Lease Payments designated as interest is the result of the multiplication of the aforesaid portion of the Lease Payments designated as principal by the interest rate payable with respect to the Certificates (specified above). Said amounts are payable in lawful money of the United States of America.

Payment of interest with respect to any Certificate on any Certificate Payment Date or prepayment date shall be made to the person appearing on the registration books of the Trustee as the Owner thereof as of the Record Date immediately preceding such Certificate Payment Date or prepayment date, as the case may be, such interest to be paid by check or draft mailed by the Trustee by first-class mail on the Certificate Payment Date to such Owner at his address as it appears on such registration books. Payments of defaulted interest shall be paid by check of the Trustee mailed to the registered Owners as of a special record date to be fixed by the Trustee in its sole discretion, notice of which shall be given to the Owners not less than 10 days prior to such special record date. Payment of interest represented by the Certificates may, at the option of any Owner of at least \$1,000,000 principal amount of Certificates (such option to be exercised by written request of such Owner to the Trustee), be transmitted by wire transfer to such Owner to an account in the United States to the account number filed with the Trustee prior to the Record Date for a Certificate Payment Date.

The principal payable upon maturity or prepayment with respect to the Certificates shall be payable upon surrender at the Principal Office of the Trustee with such principal to be paid by check mailed by the Trustee on the Certificate Payment Date by first-class mail to each Owner at his address as it appears on the registration books; provided, however, that payment of such principal shall be made by wire transfer to an Owner of Certificates who has exercised its option for payment of interest by wire transfer as described in the preceding paragraph. Said amounts shall be payable in lawful money of the United States of America. Upon surrender by the Owner of a Certificate for partial prepayment at the Principal Office of the Trustee, payment of such partial prepayment of the principal amount of a Certificate will be made to such Owner by check mailed by the Trustee on the payment date by first-class mail to the Owner at his address as it

appears on the registration books of the Trustee, or by wire transfer to any Owner who has exercised its option for payment of interest by wire, as described above. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the GCTD, a new Certificate or Certificates which shall be of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Certificate surrendered and of the same interest rate and the same maturity.

The GCTD is obligated to pay Lease Payments from "Revenues." Revenues include all funds of GCTD legally available to pay Lease Payments of the GCTD, including Farebox Revenues (as defined in the Lease Agreement), which are also pledged to secure payment of the Lease Payments. The GCTD has covenanted in the Lease Agreement to annually budget and to make the necessary appropriations to pay Lease Payments. The obligation of the GCTD to pay the Lease Payments does not constitute an obligation of the GCTD for which the GCTD is obligated to levy or pledge any form of taxation or for which the GCTD has levied or pledged any form of taxation. The obligation of the GCTD to pay Lease Payments does not constitute a debt of the State of California or any of its political subdivisions, and does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement and the Lease Agreement may be amended by the parties thereto with the written consent of the Owners of at least a majority in aggregate principal amount of the Certificates then Outstanding, and may be amended without such consent under certain circumstances but in no event such that the interests of the Owners of the Certificates are adversely affected. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the prepayment thereof, without the express consent of the Owner of such Certificate, or (2) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of the Trust Agreement or the Lease Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto.

This Certificate is transferable by the Owner hereof, in person or by his duly authorized attorney, at the Principal Office of the Trustee, upon surrender and cancellation of this Certificate as prescribed in the Trust Agreement. Upon such transfer a new Certificate or Certificates, for the same aggregate principal amount, maturity and interest rate will be delivered to the transferee in exchange here for. This Certificate also may be exchanged at the Principal Office of the Trustee (but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement) for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity and interest rate. The GCTD, the Corporation and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes whether or not this Certificate shall be overdue, and the GCTD, the Corporation and the Trustee shall not be affected by any notice to the contrary.

Upon damage or destruction of the Project, the Certificates are subject to prepayment in whole or in part on any date from amounts transferred by the Trustee at the direction of the GCTD representing the net proceeds of insurance or condemnation award, in a principal amount not less than \$20,000, plus accrued interest to the date for prepayment, without premium.

The Certificates are subject to optional prepayment as provided in the Trust Agreement.

The Certificates with a maturity date of July 1, 20__ are subject to mandatory sinking fund prepayment as provided in the Trust Agreement.

Except as otherwise provided in the Trust Agreement, notice of prepayment shall be mailed, not less than 30 nor more than 60 days before the prepayment date, to the Registered Owner of this Certificate, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for prepayment.

If this Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, interest shall cease to accrue and be payable with respect hereto from and after the date fixed for prepayment.

The Trustee has no obligation or liability to the Owners of the Certificates for the payment of the interest or principal evidenced and represented by the Certificates; but rather the Trustee's sole obligation is to administer, for the benefit of the GCTD, the Corporation and the Owners of the Certificates, the various funds established under the Trust Agreement. The Corporation has no obligation or liability whatsoever to the Owners of the Certificates.

STATEMENT OF INSURANCE

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(please print or typewrite name, address and social security or other identifying number of Transferee)

the within Certificate and all rights thereunder, a irrevocably constitutes and appoints

to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an authorized guarantor organization. Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The Signature to this assignment must correspond to the name that appears upon the face of this Certificate in every respect without any change or alteration whatsoever.

APPENDIX B-1

FORM OF REQUISITION

REQUISITION FOR DISBURSEMENT

From Project Fund

Certificates of Participation
(Transit Facilities Project)
Gold Coast Transit District

The undersigned hereby states and certifies:

1. That he is the duly appointed and qualified General Manager of the Gold Coast Transit District, a transit district, duly organized and validly existing under the constitution and laws of the State of California (the "GCTD").

2. That he is a "GCTD Representative," as such term is defined in Section 1.01 of the Trust Agreement, dated as of August 1, 2015 (the "Trust Agreement"), among U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee"), the California Transit Finance Corporation and the GCTD.

3. That, pursuant to Section 3.03 of the Trust Agreement, the undersigned hereby requests the Trustee to disburse from the Project Fund established under the Trust Agreement, to the GCTD, the amount of \$_____ representing payment of a portion of the Acquisition Costs, as that term is defined in the Trust Agreement.

4. That the amounts to be disbursed are for Acquisition Costs properly chargeable to the Project Fund.

Dated: _____, 20____.

GOLD COAST TRANSIT DISTRICT

By: _____
Title: General Manager

APPENDIX B-2

FORM OF REQUISITION

REQUISITION FOR DISBURSEMENT
From Delivery Costs Fund

Certificates of Participation
(Transit Facilities Project)
Gold Coast Transit District

The undersigned hereby states and certifies:

1. That he is the duly appointed and qualified General Manager of the Gold Coast Transit District, a transit district, duly organized and validly existing under the constitution and laws of the State of California (the "GCTD").

2. That he is a "GCTD Representative," as such term is defined in Section 1.01 of the Trust Agreement, dated as of August 1, 2015 (the "Trust Agreement"), among U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee"), the California Transit Finance Corporation and the GCTD.

3. That, pursuant to Section 3.07 of the Trust Agreement, the undersigned hereby requests the Trustee to disburse from the Delivery Costs Fund established under the Trust Agreement, to the GCTD, the amount of \$_____ representing payment of a portion of the Delivery Costs, as that term is defined in the Trust Agreement.

4. That the amounts to be disbursed are for Delivery Costs properly chargeable to the Delivery Costs Fund.

Dated: _____, 20____.

GOLD COAST TRANSIT DISTRICT

By: _____
Title: General Manager



Rating Action: Moody's assigns initial A2 to Gold Coast Transit District, CA's \$20M Certificates of Participation; outlook stable

Global Credit Research - 19 Aug 2015

New debt issuance, no debt outstanding.

New York, August 19, 2015 --

Moody's Rating

Issue: Certificates of Participation (Transit Facilities Project); Rating: A2; Sale Amount: \$20,000,000.00; Expected Sale Date: 08/24/2015; Rating Description: Lease Rental: Appropriation

Opinion

Moody's Investors Service has assigned an initial A2 rating to the Gold Coast Transit District's (GCTD) \$20 million of Certificates of Participation (Transit Facilities Project).

SUMMARY RATING RATIONALE

The rating reflects a narrow pledge solely of farebox revenues buttressed by GCTD's covenant to pay debt service with all legally available funds that include four separate revenue streams; good coverage of maximum annual debt service (MADS) provided by farebox revenues of 3.1 times; adequate legal provisions including a 2 times additional bonds test and debt service reserve; and GCTD's recent designation as a transit district under state law that allows it to retain local transportation fund apportionments that it previously was required to remit to local governments in its service area. The rating also accounts for GCTD's flexibility to manage operating expenses and its healthy liquidity, which it may need to use to mitigate potential delays in the federal transit grants it expects to pay debt service.

OUTLOOK

The outlook is stable, reflecting a service area with a reasonably stable economy and steady ridership growth that supports farebox revenues.

WHAT COULD MAKE THE RATING GO UP

- Stronger job and population trends and higher transit utilization
- Lower dependency on intergovernmental assistance to fund operations

WHAT COULD MAKE THE RATING GO DOWN

- Deterioration of either the pledged farebox revenues or other operating revenues
- Material delays or cancellation of remaining FTA Section 5307 grants due to US Department of Labor certification process, which could strain GCTD's operations and liquidity

OBLIGOR PROFILE

GCTD was established as a California Transit District in July 2014, pursuant to state statute. It formerly served as a joint powers agency established in 1973 by agreement among the Cities of Ojai, Oxnard, Port Hueneme and San Buenaventura through the merger of the Ventura Transit City Lines and the Oxnard Municipal Bus Lines; the County of Ventura joined the agency in 1977. GCTD provides fixed bus route and paratransit services with 54 full size buses (fixed routes) and 24 vehicles (Paratransit) across a service area of 91 square miles.

LEGAL SECURITY

The transaction is part of a lease/leaseback structure between GCTD and the California Transit Finance Corporation, a nonprofit that solely exists to facilitate the financing of transit-related projects. Pursuant to the lease agreement, GCTD legally pledges farebox revenues, but covenants to use all legally available revenues for lease payments, which include Local Transportation Funds, State Transportation Assistance Funds, FTA Section 5307 Grants, and farebox revenues. The legal pledge is relatively narrow compared to our other rated enterprise mass transit entities. Fiscal 2015 unaudited farebox revenues and legally available revenues provide 3.05 times and 12.7 times MADS coverage, respectively. Fiscal 2015 debt service coverage by net revenues are 5.39 times, which include excess LTF funds remaining after operations and assuming entire debt issuance. GCTD expects that the FTA Section 5307 funds will provide reimbursement for 80% of each payment due under the lease agreement. GCTD will fund the remaining 20% from certain LTF and STA revenues of the District available under the lease agreement and, if such amounts are not sufficient, from farebox Revenues.

USE OF PROCEEDS

Proceeds will finance the construction of an operations, maintenance, and administration facility to facilitate increased service delivery for passengers and commuters. The total project will cost \$52 million dollars and will be supplemented with local, state, and federal resources.

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was Global Mass Transit Enterprises Methodology published in February 2015. Please see the Credit Policy page on www.moody.com for a copy of this methodology.

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