

July 27, 2010

Ms. Renee Wasmund
Director of Finance
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101- 4231

RE: Standby Bond Purchase Agreement among San Diego Regional Transportation Commission, U.S. Bank National Association, as Trustee, and Dexia Crédit Local, acting through its New York Branch dated March 27, 2008 in connection with San Diego County Regional Transportation Commission Sales Tax Revenue Bonds, (Limited Tax Bonds) 2008 Series C and 2008 Series D [F0781B]

Dear Ms. Wasmund:

We hereby inform you that Dexia Credit Local, New York Branch ("Dexia") is exercising its option of not renewing its facility beyond the current expiration date of March 27, 2013 of the above-referenced agreement. As a result, you should seek another provider to replace the above Dexia facility, or consider alternate financing structures, which do not require our bank facility.

We wanted to let you know well in advance so as to allow necessary time to replace the facility and most importantly, to avoid any potential purchase of obligations by the Bank under a mandatory tender, usually triggered on a date in advance of the scheduled expiration date.

While this comes as a difficult decision for the Bank to make with our customers, the 2008 disruptions in the market lead us to the necessity of implementing a reduction in the amount of our liquidity exposures, at this time.

Separately, however, Dexia remains active in other product areas of the municipal market namely letters of credit for fixed rate obligations, letters of credit for debt service reserve funds, direct lending, private placements, derivative products and interest rate swaps. To the extent that our decision outlined above leads you to consider alternative financing in the taxable market, we would be most pleased to discuss our capabilities with you. Please let us know if we can be of service to you in the aforementioned product areas.

We appreciate your understanding, and stand ready to work with you through this transition process.

Please acknowledge receipt of this notice by signing and returning an enclosed copy of this letter.

Sincerely,
Dexia Credit Local, New York Branch



John W. Flaherty
Managing Director
Public Finance
212.515.7003

Received and Acknowledged:

By: Lauren Warren

Title: Director of Finance

Company: San Diego Association of Govt's

Date: 8/9/10