
FIRST SUPPLEMENT TO THE AMENDED AND RESTATED SUBORDINATE
INDENTURE

between

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of March 27, 2008

Supplements the Amended and Restated Subordinate Indenture dated as of November 1, 2005
Relating To
San Diego County Regional Transportation Commission
Subordinate Sales Tax Revenue Commercial Paper Notes
(Limited Tax Bonds)

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**FIRST SUPPLEMENT TO THE
AMENDED AND RESTATED SUBORDINATE INDENTURE**

This FIRST SUPPLEMENT TO THE AMENDED AND RESTATED SUBORDINATE INDENTURE, dated as of March 27, 2008 (this "First Supplement"), between the SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION, a public entity duly established and existing under the laws of the State of California (the "Commission"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee");

W I T N E S S E T H:

WHEREAS, the Commission adopted the San Diego Transportation Improvement Program Ordinance and Expenditure Plan on July 31, 1987 (as amended, the "1987 Ordinance"), pursuant to the provisions of Sections 132000 through 132314, inclusive, of the Public Utilities Code of the State of California, which 1987 Ordinance provided for the imposition of a retail transactions and use tax (the "retail transactions and use tax") applicable in the incorporated and unincorporated territory of the County of San Diego (the "County") in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code at the rate of one-half of one percent (1/2%) for a period not to exceed twenty (20) years;

WHEREAS, by its terms the 1987 Ordinance became effective at the close of the polls on November 3, 1987, the day of the election at which the proposition imposing the retail transactions and use tax was adopted by a majority vote of the electors voting on such proposition;

WHEREAS, in order to provide for the extension of the initial term of the retail transactions and use tax for a period of forty (40) years, the Commission adopted the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (the "Sales Tax Extension Ordinance," and, together with the 1987 Ordinance, hereinafter collectively referred to as the "Ordinance") on May 28, 2004;

WHEREAS, by its terms the Sales Tax Extension Ordinance became effective on November 3, 2004, the day following the date of the election at which the proposition providing for the extension of the retail transactions and use tax was approved by at least two-thirds of the electors voting on such proposition;

WHEREAS, pursuant to Section 132310 of the California Public Utilities Code, the Commission is authorized to issue limited tax bonds (defined to include indebtedness and securities of any kind or class, including commercial paper notes), secured by and payable from revenues of the retail transactions and use tax;

WHEREAS, in order to provide for the issuance, authentication and delivery of certain limited tax bonds in the form of commercial paper notes (the "Notes"), the Commission entered into that certain Subordinate Indenture, dated as of August 1, 1991, as supplemented and

amended by that certain First Supplemental Subordinate Indenture, dated as of October 1, 1992 (hereinafter collectively referred to as the "Original Indenture"), between the Commission and U.S. Bank National Association, successor by merger to U.S. Bank Trust National Association, formerly known as First Trust of California, National Association, successor trustee to Bank of America National Trust and Savings Association, successor trustee to Security Pacific National Bank, as trustee;

WHEREAS, pursuant to the provisions of the Original Indenture, the Commission authorized the issuance and authentication of a series of Notes designated the San Diego County Regional Transportation Commission Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series A (the "Series A Notes");

WHEREAS, in order to provide liquidity for the payment of the Series A Notes, the Commission entered into an Amended and Restated Credit Agreement, dated as of January 29, 1998 (the "Prior Series A Support Agreement"), by and among the Commission, JPMorgan Chase Bank, National Association ("JPMorgan"), formerly known as Morgan Guaranty Trust Company of New York, and the other Banks referred to therein as Banks, and JPMorgan, as agent (the "Series A Administrative Agent"), pursuant to which the Banks party thereto extended a support facility involving a revolving line of credit to the Commission;

WHEREAS, in order to provide for the offering and sale of the Series A Notes, the Commission entered into a Dealer Agreement, dated as of August 1, 1991 (the "Prior Series A Dealer Agreement"), between the Commission and Lehman Brothers Inc., formerly known as Shearson Lehman Brothers Inc., as dealer (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series A Dealer");

WHEREAS, in order to facilitate certain changes to reflect then current market standards and to provide for the issuance and authentication of two additional series of Notes, the Commission amended and restated the Original Indenture pursuant to that certain Amended and Restated Subordinate Indenture, dated as of November 1, 2005 (the "Amended and Restated Indenture"), by and among the Commission and the Trustee;

WHEREAS, concurrently with the execution and delivery of the Amended and Restated Indenture, the Commission and the Series A Administrative Agent amended and restated the Prior Series A Support Agreement as set forth in the Amended and Restated Credit Agreement, dated as of November 9, 2005 (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series A Support Agreement"), by and among the Commission, JPMorgan and the other banks referred to therein, as banks (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series A Bank") and JPMorgan, as agent, pursuant to which JPMorgan extended a support facility involving a revolving line of credit (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series A Support Facility") to the Commission, which Series A Support Facility could be drawn upon by the Issuing and Paying Agent to pay principal of the Series A Notes;

WHEREAS, concurrently with the execution and delivery of the Amended and Restated Indenture, the Commission authorized the issuance, authentication and delivery of two

additional series of commercial paper notes designated the San Diego County Regional Transportation Commission Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series B (the "Series B Notes") and the San Diego County Regional Transportation Commission Subordinate Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds), Series C (the "Series C Notes");

WHEREAS, in order to provide liquidity for payment of the Series B Notes, the Commission entered into a Credit Agreement, dated as of November 9, 2005 (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series B Support Agreement"), by and among the Commission, Dexia Credit Local, New York Branch and the other banks named therein, as banks (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series B Bank"), and JPMorgan, as agent (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series B Administrative Agent"), pursuant to which the Series B Bank extended a support facility in the form of a revolving line of credit (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series B Support Facility") which Series B Support Facility could be drawn upon by the Issuing and Paying Agent to pay principal of the Series B Notes;

WHEREAS, in order to provide liquidity for payment of the Series C Notes, the Commission entered into a Credit Agreement, dated as of November 9, 2005 (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series C Support Agreement"), by and among the Commission, JPMorgan and the other banks named therein, as banks (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series C Bank"), and JPMorgan, as agent (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series C Administrative Agent"), pursuant to which the Series C Bank extended a support facility in the form of a revolving line of credit (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series C Support Facility") which Series C Support Facility could be drawn upon by the Issuing and Paying Agent to pay principal of the Series C Notes;

WHEREAS, concurrently with the execution and delivery of the Amended and Restated Indenture, the Commission and the Series A Dealer terminated the Prior Series A Dealer Agreement entered into a new Dealer Agreement, dated as of November 1, 2005 (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series A Dealer Agreement"), between the Commission and the Series A Dealer;

WHEREAS, in order to provide for the offering and sale of the Series B Notes, the Commission entered into a Dealer Agreement, dated as of November 1, 2005 (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series B Dealer Agreement"), between the Commission and Citigroup Global Markets Inc., as dealer (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series B Dealer");

WHEREAS, in order to provide for the offering and sale of the Series C Notes, the Commission entered into a Dealer Agreement, dated as of November 1, 2005 (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the "Series C Dealer

Agreement”), between the Commission and J. P. Morgan Securities Inc., as dealer (as more fully defined in Section 1.02 of the Amended and Restated Indenture, the “Series C Dealer”);

WHEREAS, in order to retire all outstanding notes, to permanently reduce the Commitment Amounts of the Series A Notes and the Series C Notes, to terminate the Series A Dealer Agreement, Series A Support Agreement, Series C Dealer Agreement and Series C Support Agreement and to provide continuing authorization of only a single series of Notes, the Series B Notes, the Commission has determined to enter into this First Supplement (together with the Amended and Restated Indenture, the “Indenture”);

WHEREAS, the Commission has determined pursuant to Section 9.01(b) of the Amended and Restated Indenture that the Commission and the Trustee are authorized to modify and amend the Amended and Restated Indenture by a Supplemental Indenture;

WHEREAS, the Commission has heretofore entered into an Indenture, dated as of October 1, 1992 (as supplemented and amended from time to time pursuant to its terms, the “Prior Bond Indenture”), between the Commission and U.S. Bank National Association, successor by merger to U.S. Bank Trust National Association, formerly known as First Trust of California, National Association, successor trustee to Bank of America National Trust and Savings Association as trustee (the “Prior Bond Trustee”) pursuant to which the Commission has issued certain limited tax bonds payable from and secured by the revenues of the retail transactions and use tax;

WHEREAS, the Commission has determined to defease concurrently with the execution and delivery of this First Supplement all outstanding bonds issued pursuant to the Prior Bond Indenture and to enter into the Sales Tax Extension Bond Indenture in order to provide for the authentication and delivery of certain limited tax bonds (the “Bonds”), to establish and declare the terms and conditions upon which the Bonds and other obligations secured by the retail transactions and use tax shall be issued and secured and to secure the payment of the principal thereof, premium (if any), and interest on the Bonds and obligations secured by the retail transactions and use tax on a parity with the Bonds (as more fully defined in Section 1.02 of the Amended and Restated Indenture, “Parity Obligations”) and to make available proceeds to pay the principal and unpaid interest on all Outstanding Notes;

WHEREAS, the Series B Notes are the only Series of Notes that may continue to be issued pursuant to this Indenture, and such Notes will be payable from and secured by a pledge of the retail transactions and use tax subordinate to the pledge of such retail transactions and use tax which secures limited tax bonds issued or to be issued pursuant to the Sales Tax Extension Bond Indenture and parity obligations incurred or to be incurred pursuant to the Sales Tax Extension Bond Indenture;

WHEREAS, the execution and delivery of this First Supplement has in all respects been duly and validly authorized by resolutions duly passed and approved by the Commission; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the

entering into of this Indenture do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this First Supplement;

NOW, THEREFORE, THIS FIRST SUPPLEMENT TO THE AMENDED AND RESTATED SUBORDINATE INDENTURE WITNESSETH, that in order to terminate the authorization to issue Series A Notes and Series C Notes, to permanently and completely reduce all commitments under the Series A Support Agreement and the Series C Support Agreement, to continue to secure the payment of the principal of and the interest on all Series B Notes at any time issued, authenticated and delivered under the Indenture, and for other valuable consideration, the receipt of which is hereby acknowledged, the Commission does hereby agree and covenant with the Trustee for the benefit of the respective Owners, from time to time, of the Notes, or any part thereof, and each Bank, as follows:

ARTICLE XII

RETIREMENT, DISCHARGE AND TERMINATION OF SERIES A NOTES AND SERIES C NOTES

SECTION 12.01. Definitions. All capitalized terms not otherwise defined herein shall have the meaning assigned to them in Section 1.02 of the Amended and Restated Indenture.

SECTION 12.02. Retirement of Notes. All Outstanding Series A Notes and Series C Notes have been paid on the date hereof by the deposit with the Trustee of an aggregate principal amount of cash and securities sufficient to be used to pay all of the principal and unpaid accrued interest on the Outstanding Series A Notes and series C Notes.

SECTION 12.03. Termination of Authorization. The authorization in the Section 2.01 of the Amended and Restated Indenture to issue Series A Notes and Series C Notes is hereby terminated.

SECTION 12.04. Discharge of Indenture; Discharge of a Series. Section 10.01 of the Amended and Restated Indenture is hereby amended by inserting the following paragraph after the existing text:

If the Commission shall pay all Notes of any Series for which any Notes are Outstanding and also pay or cause to be paid all other sums payable hereunder by the Commission, then and in that case, at the election of the Commission (evidenced by a Certificate of the Commission, filed with the Trustee, signifying the intention of the Commission to discharge all such indebtedness with regard to such Series under this Indenture), and notwithstanding that any Notes of such Series shall not have been surrendered for payment or that any Notes of any other Series shall remain Outstanding or that the Commission continues to have the authority to issue Notes of any other Series, this Indenture and the pledge of Revenues and other assets made under this Indenture and all covenants, agreements and other obligations of the Commission under this Indenture with regard to the Notes of such Series shall cease, terminate, become void and be completely discharged and satisfied with respect to such Series of Notes. In such event, upon

Request of the Commission, the Trustee shall cause an accounting for such Series of Notes and for such period or periods as may be requested by the Commission to be prepared and filed with the Commission and shall execute and deliver to the Commission all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of Notes of such Series, and the Trustee shall pay over, transfer, assign or deliver to the Commission all excess moneys or securities or other property held by it pursuant to this Indenture which secured such Series but which is not necessary under the terms Indenture for the security of any other Series of Notes which the Commission retains authority to issue.

SECTION 12.05. Retirement and Discharge of Series A and Series C Notes. Pursuant to Sections 14.04, 10.01 and 10.02 of the Indenture, as amended, and subject to receipt by the Trustee on or prior to the date hereof of a Certificate of the Commission evidencing such intent, the Series A and Series C Notes are discharged and the pledge of Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the Commission under the Indenture with regard to the Series A and Series C Notes has ceased, terminated, and become null and void and is completely discharged and satisfied with respect to the Series A Notes and the Series C Notes.

SECTION 12.06. References to Series A and Series C Null and Void. All references in the Amended and Restated Indenture to Series A, Series A Bank, Series A Dealer, Series A Dealer Agreement, Series A Master Note, Series A Note Fund, Series A Note Interest Account, Series A Note Principal Account, Series A Notes, Series A Support Agreement, Series A Support Facility, Series A Support Facility Fund, Series C, Series C Bank, Series C Dealer, Series C Dealer Agreement, Series C Master Note, Series C Note Fund, Series C Note Interest Account, Series C Note Principal Account, Series C Notes, Series C Support Agreement, Series C Support Facility, and Series C Support Facility Fund are hereby declared to be null and void.

SECTION 12.07. Authority to Issue Series B Notes. The authorization to issue Series B Notes and the terms of issuance of such Notes, as provided in the Indenture, remain unaffected by the provisions of this First Supplement and is confirmed in all respects..

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01. Severability. If any covenant, agreement or provision, or any portion thereof, contained in this First Supplement, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this First Supplement, and the application of any such covenant, agreement or provision, or portion thereof, to other Persons or circumstances, shall be deemed severable and shall not be affected thereby, and this First Supplement and any Notes issued pursuant to the Indenture shall remain valid, and the Holders of the Notes shall retain all valid rights and benefits accorded to them under the Indenture, the Act, and the Constitution and statutes of the State.

SECTION 13.02. Parties Interested Herein. Nothing in this First Supplement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Commission, the Trustee, the Issuing and Paying Agent, each Bank, and the

Owners of the Notes and any Parity Debt, any legal or equitable right, remedy or claim under or in respect of this First Supplement or any covenant, condition or provision herein contained; and all the covenants, conditions, and provisions are and shall be for the sole and exclusive benefit of the Commission, the Trustee, the Issuing and Paying Agent, each Bank, and the Owners of the Notes and any Parity Debt.

SECTION 13.03. Headings Not Binding. The headings in this First Supplement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this First Supplement.

SECTION 13.04. Amended and Restated Indenture to Remain in Effect. Save and except as amended and supplemented by this First Supplement, the Amended and Restated Indenture shall remain in full force and effect.

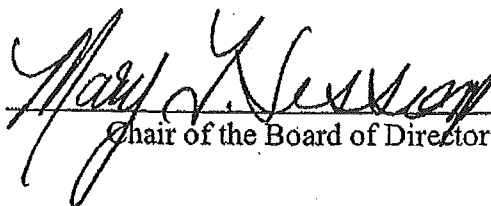
SECTION 13.05. Effective Date of First Supplemental Indenture. This First Supplement shall take effect upon its execution and delivery.

SECTION 13.06. Execution in Counterparts. This First Supplement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

SECTION 13.07. Request of the Commission. The Commission, by its execution of this First Supplement, hereby requests that the Trustee execute this First Supplement.


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

SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION

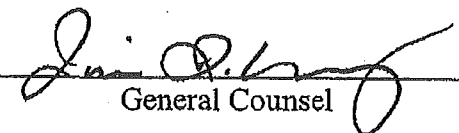

Chair of the Board of Directors

(Seal)

ATTEST:


Secretary

Approved as to Form:

By: 
General Counsel

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

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

SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION

Chair of the Board of Directors

(Seal)

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Secretary

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By: _____
General Counsel

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer