

PROMISSORY NOTE

For value received, this 23rd day of November, 2010, Southern California Regional Rail Authority ("SCRRA"), a public body corporate and politic ("Maker"), promises to pay to the Los Angeles County Metropolitan Transportation Authority, a California county transportation authority existing under the authority of §§ 130050.2 *et seq.* of the California Public Utilities Code, or its successors in interest (collectively, "Holder"), on or before June 30, 2017 (the "Maturity Date") the principal sum of Eighteen Million dollars (\$18,000,000) (the "Principal Amount"), with accrued interest on the Principal Amount in the manner and at the rate set forth below.

1. **Interest.** Interest (the "Interest") on the unpaid balance shall (a) commence to accrue on _____ (the "Origination Date"), the date the Loan is made, and shall continue to accrue until the entire unpaid balance (including all interest has been paid in full to Holder, (b) at the rate of 3.52% annually, (c) compound monthly, and (d) be calculated on the basis of a 365-day year and actual days elapsed.

2. **Receipt of Principal Amount.** As of the Origination Date, Maker shall have received the entirety of the Principal Amount. Maker shall use the Principal Amount for costs of its timely exercise of its Option No. 4 to Contract No. EP142-06 with Hyundai-Rotem for the purchase of 20 trailer rail cars.

3. **Repayment of Principal Amount, Interest and any Fees.** The Principal Amount and all Interest (the "Total Amount Due") shall be all due and payable by Maker to Holder on the Maturity Date. On or before the Maturity Date, Maker shall pay Holder the Total Amount Due, in lawful money of the United States of America, at One Gateway Plaza, Los Angeles, California 90012 (or at such other location as the Holder may designate in writing). All payments shall be first applied to interest and then to the outstanding balance of the Principal Amount. Maker shall use its CalEMA Proposition 1B Transit Security Grant Program Funds (the "Prop 1B Funds") to repay the Total Amount Due and if such Prop 1B Funds are not available, Maker shall use any other funds to repay the Total Amount Due.

4. **Right to Prepay.** Maker may, at its sole discretion, elect to prepay, in whole or in part, the Principal Amount and all then-accrued Interest (the "Total Amount Due") at any time prior to the Maturity Date without penalty, premium or discount.

5. **Default.** If Holder is not paid the Total Amount Due within fifteen (15) days after the Maturity Date, then Maker shall have defaulted on its obligations under this Promissory Note (a "Default").

6. **Remedies.** In the event of a Default, Holder may take any action against and pursue any remedy against Maker available to Holder under this Promissory Note, in law or equity.

7. **Waiver.** Maker hereby waives any rights of Presentment and Notice of Dishonor or any other rights requiring the provision of notice or allowing Maker to in any

way dispute its obligation to timely pay the Total Amount Due. "Presentment" means any right to require the Holder to demand payment of amounts due. "Notice of Dishonor" means any right to require the Holder to give notice to other persons that amounts due have not been paid.

8. **No Waiver.** No waiver by the Holder of any right or remedy shall be effective unless in writing and signed by the Holder, and no such waiver, on one occasion, shall be construed as a waiver on any other occasion. The acceptance of any payment hereunder that is less than the Total Amount Due shall not constitute a waiver of any of Holder's rights or Holder's exercise of those rights at such time or at any subsequent time.

9. **No Assignment by Maker.** Maker's obligations hereunder are personal to Maker and cannot be assigned by Maker or assumed by any third party.

10. **California Law.** This Promissory Note shall be construed and enforced in accordance with the laws of the State of California.

MAKER:

Southern California Regional Rail Authority

By: _____

Chief Executive Officer