



Board Report

File #: 2017-0352, **File Type:** Resolution

Agenda Number: 14.

**FINANCE, BUDGET AND AUDIT COMMITTEE
SEPTEMBER 20, 2017**

SUBJECT: PROPOSITION A BONDS

ACTION: AUTHORIZE COMPETITIVE SALE OF BONDS

RECOMMENDATION

ADOPT a resolution, Attachment A, that:

- A. AUTHORIZES the competitive sale of up to \$550 million of Prop A “New Money Bonds” and up to \$135 million of “Prop A Refunding Bonds” (collectively the “Prop A Bonds”) in one or more series and one or more transactions through June 30, 2018;
- B. APPROVES the forms of Notice of Intention to Sell Bonds, Notice Inviting Bids, Supplemental Trust Agreement, Continuing Disclosure Agreement, Escrow Agreement and Preliminary Official Statement on file with the Board Secretary, all subject to modification as set forth in the resolution; and
- C. AUTHORIZES taking all action necessary to achieve the foregoing, including, without limitation, the further development and execution of bond documentation associated with the issuance of the Prop A Bonds.

(REQUIRES SEPARATE, SIMPLE MAJORITY BOARD VOTE)

ISSUE

The Prop A New Money Bonds will be issued as fixed rate bonds in a par amount not to exceed \$550 million. The Prop A New Money Bonds will fund Prop A eligible capital projects and expenditures and permanently finance \$123.7 million of outstanding Prop A commercial paper, the proceeds of which financed Prop A eligible capital projects and capital expenditures. We want to issue the fixed rate long-term bonds before interest rates move higher. All or a portion of the Prop A New Money Bonds are expected to be certified as Green Bonds, meaning the financed projects meet the environmental requirements under the Climate Bonds Initiative.

Current interest rate levels provide an opportunity to lock in approximately \$4.5 million of net present value savings by issuing the Prop A Refunding Bonds to refund certain of the outstanding Prop A Senior Lien Bonds (primarily the Prop A 2011-B Bonds) in compliance with the Board-adopted Debt Policy.

DISCUSSION

The Debt Policy provides guidelines for new money bond issues and establishes criteria to evaluate refunding opportunities. Prop A new money bond issues are permitted under the terms of the Debt Policy and the Prop A Ordinance to provide funding for the construction of the Southwestern Yard, heavy and light rail vehicle replacement and maintenance, rail facilities improvements and other eligible expenditures on commuter rail, bus and rail capital projects. We currently have \$123.7 million of outstanding Prop A tax-exempt commercial paper, the proceeds of which were used to pay Prop A project expenses, which we plan to replace with a portion of the proceeds of the Prop A New Money Bonds. The Prop A New Money Bonds shall be sold with a true interest cost not to exceed 5% and with a final maturity not to exceed 31 years.

Consistent with the Debt Policy criteria for evaluating refunding opportunities, the refunding of the Prop A 2011-B Bonds and any other refunding candidates must provide a minimum net present value savings of 3% of the refunded par amount or in aggregate exceed 80% of the call option value. The value of the call option, also referred to as the refunding efficiency, estimates the refunding savings today in comparison to potential future refunding savings. If the ratio is close to 100% the refunding is deemed efficient. Under current market conditions, the refunding of the Prop A 2011-A Bonds would produce net present value savings equal to about 4.9% of the par amount of the refunded bonds and an aggregate call option value of 97%. The Prop A Refunding Bonds shall be sold with a true interest cost not to exceed 5% and with a final maturity date not later than the final maturity date of the bonds being refunded.

The Prop A Bonds will be sold using a competitive sale process whereby prospective underwriters bid for the bonds on a specified sale date. The Prop A Bonds will be sold to the underwriter(s) offering the lowest true interest cost. The timing of the bond sales is contingent upon our ability to take advantage of favorable market conditions as they arise. In the event that bids do not meet our criteria, all bids will be rejected. The Prop A Bonds may be sold in separate sales on separate dates, depending on market conditions and other factors.

DETERMINATION OF SAFETY IMPACT

Approval of this report will not impact the safety of Metro's patrons or employees.

FINANCIAL IMPACT

The costs of issuance for the Prop A Bonds will be paid from proceeds of the financing and will be budget neutral. Funding for the Prop A Bonds principal and interest expense for this financing will be included under principal account 51101 and the bond interest account 51121. Savings from the Prop A Refunding Bonds will be reflected in future budgets.

ALTERNATIVES CONSIDERED

The Board could defer the issuance of the Prop A Bonds to a later time or indefinitely. This is not recommended because the bond proceeds are needed to pay or reimburse project expenses and the permanent financing of the Prop A commercial paper will free up capacity for additional projects if

needed. Additionally, Federal Reserve Bank actions and other market and economic conditions may push interest rates higher thus making it more expensive to complete projects (or refinance commercial paper, the proceeds of which were used to pay project expenses). Delaying may also result in a reduction of potential refunding savings from the currently identified refunding candidates.

NEXT STEPS

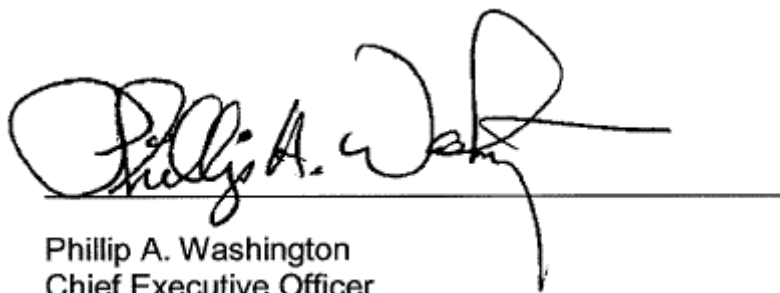
- Develop bond issuance documentation
- Obtain credit ratings
- Distribute the preliminary official statement and Notice Inviting Bids to prospective underwriters and potential investors and publish Notice of Intention to Sell Bonds and Notice Inviting Bids
- Receive electronic bids from underwriters
- Finalize bond documentation and issue Prop A Bonds

ATTACHMENTS

Attachment A - Authorizing Resolution

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Phillip A. Washington
Chief Executive Officer

Authorizing Resolution

**RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY AUTHORIZING THE ISSUANCE
AND SALE OF ONE OR MORE SERIES OF ITS PROPOSITION A FIRST
TIER SENIOR SALES TAX REVENUE BONDS AND/OR PROPOSITION
A FIRST TIER SENIOR SALES TAX REVENUE REFUNDING BONDS
AND APPROVING OTHER RELATED MATTERS**

(PROPOSITION A SALES TAX)

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the "LACMTA"), as successor to the Los Angeles County Transportation Commission (the "Commission"), is authorized, under Chapter 5 of Division 12 of the California Public Utilities Code (the "Act"), to issue bonds to finance and refinance the acquisition, construction or rehabilitation of facilities to be used as part of a countywide transportation system; and

WHEREAS, pursuant to the provisions of Section 130350 of the California Public Utilities Code, the Commission was authorized to adopt a retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the County of Los Angeles (the "County") subject to the approval by the voters of the County; and

WHEREAS, the Commission, by Ordinance No. 16 adopted August 20, 1980 ("Ordinance No. 16"), imposed a 1/2 of 1% retail transactions and use tax upon retail sales of tangible personal property and upon the storage, use or other consumption of tangible personal property in the County, the proceeds of the tax to be used for public transit purposes (the "Proposition A Tax"), and such tax was approved by the electors of the County on November 4, 1980; and

WHEREAS, the revenues received by the LACMTA from the imposition of the Proposition A Tax are, by statute, directed to be used for public transit purposes, which purposes include a pledge of such tax to secure any bonds issued pursuant to the Act and include the payment or provision for the payment of the principal of the bonds and any premium, interest on the bonds and the costs of issuance of the bonds; and

WHEREAS, the LACMTA, on an on-going basis, is planning and engineering a County-wide public transportation system (the "Public Transportation System") to serve the County and on an on-going basis is constructing portions of the Public Transportation System; and

WHEREAS, to facilitate the development and construction of the Public Transportation System, as authorized by the Act, pursuant to the terms of a Trust Agreement, dated as of July 1, 1986, as amended and supplemented (the "Trust Agreement") between the Commission, as predecessor to the LACMTA, and First Interstate Bank of California, the predecessor trustee to The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), the LACMTA has issued several series of bonds, including its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2008-B (the "Series 2008-B Bonds"), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2009-A (the "Series 2009-A Bonds"), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2011-A (the

“Series 2011-A Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2011-B (the “Series 2011-B Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2012-A (the “Series 2012-A Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2013-A (the “Series 2013-A Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2014-A (the “Series 2014-A Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2015-A (the “Series 2015-A Bonds”), and its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2016-A (the “Series 2016-A Bonds,” and collectively with the Series 2008-B Bonds, the Series 2009-A Bonds, the Series 2011-A Bonds, the Series 2011-B Bonds, the Series 2012-A Bonds, the Series 2013-A Bonds, the Series 2014-A Bonds and the Series 2015-A Bonds, the “Prior Senior Lien Bonds”); and

WHEREAS, the LACMTA now desires to provide for the issuance of one or more series of its Proposition A First Tier Senior Sales Tax Revenue Bonds, from time to time and in one or more transactions (collectively, the “New Money Bonds”) to: (a) finance and/or refinance (through the refunding and repayment of the LACMTA’s Second Subordinate Sales Tax Revenue Commercial Paper Notes (Proposition A) (the “Proposition A Commercial Paper Notes”)), or reimburse itself for prior expenditures with respect to, additional portions of the Public Transportation System; (b) fund or make provision for one or more reserve funds or accounts, if necessary, for the New Money Bonds; and (c) pay certain costs of issuance related thereto; and

WHEREAS, in addition to the New Money Bonds, the LACMTA now desires to provide for the issuance of one or more series of its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, from time to time and in one or more transactions (collectively, the “Refunding Bonds”) to: (a) advance refund all or a portion of the outstanding Series 2011-B Bonds (the Series 2011-B Bonds so refunded shall be collectively referred to herein as the “Refunded Series 2011-B Bonds”), provided that the refunding of the Refunded Series 2011-B Bonds is consistent with the Debt Policy of the LACMTA (the “Debt Policy”) as in effect at the time of pricing of the applicable series of Refunding Bonds; (b) current refund all or a portion of the outstanding Series 2008-B Bonds (the Series 2008-B Bonds so refunded shall be collectively referred to herein as the “Refunded Series 2008-B Bonds”), provided that the refunding of the Refunded Series 2008-B Bonds is consistent with the Debt Policy as in effect at the time of pricing of the applicable series of Refunding Bonds; (c) fund or make provision for one or more reserve funds or accounts, if necessary, for the Refunding Bonds; and (d) pay certain costs of issuance related thereto; and

WHEREAS, the LACMTA desires to sell the New Money Bonds and the Refunding Bonds on a competitive basis in accordance with the Debt Policy; and

WHEREAS, forms of the following documents are on file with the Secretary of the Board of Directors of the LACMTA and have been made available to the members of the Board of Directors of the LACMTA (the “Board”):

- (a) a Supplemental Trust Agreement (the “Supplemental Trust Agreement”), by and between the LACMTA and the Trustee, one or more of which will be executed

and delivered and will supplement the Trust Agreement for the purposes of providing the terms and conditions of the New Money Bonds and the Refunding Bonds;

(b) an Escrow Agreement (the “Escrow Agreement”), among the LACMTA, the Trustee and The Bank of New York Mellon Trust Company, N.A., as escrow agent, one or more of which will be executed and delivered in connection with the refunding and defeasance of the Refunded Series 2011-B Bonds and the Refunded Series 2008-B Bonds, as applicable;

(c) a Preliminary Official Statement (the “Preliminary Official Statement”), one or more of which will be used, from time to time, in connection with the offer and sale of the New Money Bonds and the Refunding Bonds;

(d) a Notice of Intention to Sell Bonds (the “Notice of Intention to Sell Bonds”), one or more of which will be published in connection with any proposed sale of the New Money Bonds and the Refunding Bonds;

(e) a Notice Inviting Bids (the “Notice Inviting Bids”), one or more of which will set forth the terms and the manner in which proposals from qualified bidders for the purchase of the New Money Bonds and the Refunding Bonds shall be received; and

(f) a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), one or more of which will be executed by the LACMTA and will be used in order to assist the underwriters of the New Money Bonds and the Refunding Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), and which will provide for the annual and periodic update of certain financial and operating information with respect to the LACMTA and the collection of the Proposition A Tax, among other things, and certain enumerated events; and

WHEREAS, the LACMTA has been advised by its Bond Counsel that such documents are in appropriate form, and the LACMTA hereby acknowledges that said documents will be modified and amended to reflect the various details applicable to the New Money Bonds and the Refunding Bonds, whether the New Money Bonds and the Refunding Bonds are issued in a single issuance or multiple issuances, and that said documents are subject to completion to reflect the results of the sale of the New Money Bonds and the Refunding Bonds; and

WHEREAS, the LACMTA has pledged the Proposition A Tax, less the 25% allocated to local jurisdictions and less the State Board of Equalization’s costs of administering the Proposition A Tax (as further defined in the Trust Agreement, the “Pledged Revenues”) pursuant to the terms of the Trust Agreement to secure the Prior Senior Lien Bonds and certain other obligations of the LACMTA, and once issued, the New Money Bonds and the Refunding Bonds will be “Bonds” as defined in the Trust Agreement and will be secured by the pledge of the Pledged Revenues under the Trust Agreement; and

WHEREAS, the LACMTA desires to designate the Chief Executive Officer of the LACMTA, the Chief Financial Officer of the LACMTA, the Treasurer of the LACMTA, and each Assistant Treasurer of the LACMTA (or such other titles as the LACMTA may from time to time assign for such respective positions), including any such officer serving in an acting or

interim capacity, as an “Authorized Commission Representative” and an “Authorized Authority Representative” for all purposes under the Trust Agreement and the Supplemental Trust Agreement; and

WHEREAS, terms used in this Resolution and not otherwise defined herein shall have the meanings assigned to them in the Trust Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, AS FOLLOWS:

Section 1. Findings. The LACMTA hereby finds and determines that the issuance of (a) one or more series of its New Money Bonds under the Trust Agreement to finance and/or refinance (through the refunding and repayment of all or a portion of the outstanding Proposition A Commercial Paper Notes), or reimburse itself for prior expenditures with respect to, additional portions of the Public Transportation System, to fund or make provision for one or more reserve funds or accounts, if necessary, for the New Money Bonds, and to pay certain costs of issuance related to the issuance of the New Money Bonds, and (b) one or more series of its Refunding Bonds under the Trust Agreement to advance refund all or a portion of the Series 2011-B Bonds and/or current refund all or a portion of the Series 2008-B Bonds (provided that the refunding of the Refunded Series 2011-B Bonds and/or the Refunded Series 2008-B Bonds (collectively, the “Refunded Bonds”) is consistent with the Debt Policy as in effect at the time of pricing of the applicable series of Refunding Bonds), to fund or make provision for one or more reserve funds or accounts, if necessary, for the Refunding Bonds, and to pay certain costs related to the issuance of the Refunding Bonds, is in the public interest.

Section 2. Issuance of New Money Bonds and Refunding Bonds. The Board hereby authorizes the issuance by the LACMTA of one or more series of New Money Bonds, from time to time and in one or more transactions, in a total aggregate principal amount not to exceed \$550 million, for the purposes of (a) financing and/or refinancing (through the refunding and repayment of all or a portion of the outstanding Proposition A Commercial Paper Notes), or reimbursing itself for prior expenditures with respect to, additional portions of the Public Transportation System, (b) funding or making provision for one or more reserve funds or accounts, if necessary, for the New Money Bonds, and (c) paying certain costs of issuance related to the issuance of the New Money Bonds; *provided, however*, that the True Interest Cost (as defined below) of each series of the New Money Bonds shall not exceed 5.00%, as such shall be calculated by the LACMTA’s municipal advisor as of the date of delivery of each series of the New Money Bonds. The LACMTA hereby specifies that each series of New Money Bonds shall not mature later than 31 years after their respective date(s) of issuance.

The Board hereby authorizes the issuance by the LACMTA of one or more series of Refunding Bonds, from time to time and in one or more transactions, for the purposes of (a) advance refunding all or a portion of the Series 2011-B Bonds (provided that the refunding of the Series 2011-B Bonds is consistent with the Debt Policy as in effect at the time of pricing of the applicable series of Refunding Bonds as determined and calculated at the discretion of the Treasurer of the LACMTA, which shall be conclusive for all purposes of this Resolution), (b) current refunding all or a portion of the Series 2008-B Bonds (provided that the refunding of

the Series 2008-B Bonds is consistent with the Debt Policy as in effect at the time of pricing of the applicable series of Refunding Bonds as determined and calculated at the discretion of the Treasurer of the LACMTA, which shall be conclusive for all purposes of this Resolution), (c) funding or making provision for one or more reserve funds or accounts, if necessary, for the Refunding Bonds, and (d) paying certain costs of issuance related to the issuance of the Refunding Bonds. The aggregate principal amount of each series of the Refunding Bonds issued by the LACMTA shall not exceed an amount sufficient (taking into account any original issue discount) to refund all or a portion of the Series 2011-B Bonds, refund all or a portion of the Series 2008-B Bonds, fund or make provision for one or more reserve funds or accounts, if necessary, for the Refunding Bonds, and pay certain costs related to the issuance of the Refunding Bonds (including, but not limited to, underwriters' discount), and in any event the aggregate principal amount of all Refunding Bonds shall not exceed \$135 million. The True Interest Cost of each series of the Refunding Bonds shall not exceed 5.00%, as such shall be calculated by LACMTA's municipal advisor as of the date of delivery of each series of the Refunding Bonds. Each series of the Refunding Bonds shall not mature later than the final maturity date of the Refunded Bonds that are being refunded with proceeds of such Refunding Bonds.

The New Money Bonds and the Refunding Bonds shall be issued in a manner by which the interest thereon is excludable from gross income under the Internal Revenue Code of 1986, as amended. The Chief Executive Officer of the LACMTA ("CEO"), the Chief Financial Officer of the LACMTA ("CFO"), the Treasurer of the LACMTA ("Treasurer"), any Assistant Treasurer of the LACMTA (or such other titles as the LACMTA may from time to time assign for such respective positions), including any officer serving in an acting or interim capacity, and any written designee of any of them (each a "Designated Officer"), acting in accordance with this Section 2, are each hereby severally authorized to determine the actual aggregate principal amount of each series of New Money Bonds and Refunding Bonds to be issued (not in excess of the maximum amounts set forth above), and to direct the execution and authentication of the New Money Bonds and the Refunding Bonds in such amounts. Such direction shall be conclusive as to the principal amounts hereby authorized. The New Money Bonds and the Refunding Bonds shall be in fully registered form and shall be issued as Book-Entry Bonds as provided in each Supplemental Trust Agreement. Payment of the principal of, interest on and premium, if any, on the New Money Bonds and the Refunding Bonds shall be made at the place or places and in the manner provided in each Supplemental Trust Agreement.

As used herein, the term "True Interest Cost" shall be the interest rate (compounded semiannually) necessary to discount the debt service payments from their respective payment dates to the dated date of the applicable series of New Money Bonds or Refunding Bonds and to the principal amount, and premium or discount if any, of the applicable series of New Money Bonds or Refunding Bonds. For the purpose of calculating the True Interest Cost, the principal amount of the applicable series of New Money Bonds or Refunding Bonds scheduled for mandatory sinking fund redemption as part of a term bond shall be treated as a serial maturity for such year. The calculation of the True Interest Cost shall include such other reasonable assumptions and methods as determined by the LACMTA's municipal advisor.

Section 3. Terms of New Money Bonds and the Refunding Bonds. The New Money Bonds and the Refunding Bonds shall be issued as current interest bonds and shall be available in

denominations of \$5,000 and integral multiples thereof. The New Money Bonds and the Refunding Bonds, when issued, shall be in the aggregate principal amounts and shall be dated as shall be provided in the final form(s) of the Supplemental Trust Agreement. The New Money Bonds and the Refunding Bonds may be issued as serial bonds or as term bonds or as both serial bonds and term bonds, all as set forth in the Supplemental Trust Agreement(s). Interest on the New Money Bonds and the Refunding Bonds shall be paid at the rates and on the dates set forth in the Supplemental Trust Agreement(s). No New Money Bond or Refunding Bond shall bear interest at a rate in excess of 6.00% per annum. The New Money Bonds and the Refunding Bonds shall be subject to redemption at the option of the LACMTA on such terms and conditions as shall be set forth in the Supplemental Trust Agreement(s). The New Money Bonds and the Refunding Bonds issued as term bonds also shall be subject to mandatory sinking fund redemption as shall be set forth in the Supplemental Trust Agreement(s).

Execution and delivery of each Supplemental Trust Agreement, which documents will contain the maturities, principal amounts, interest rates and the fixed interest payment obligations of the LACMTA within parameters set forth in this Resolution, shall constitute conclusive evidence of the LACMTA's approval of such maturities, principal amounts, interest rates and payment obligations.

Section 4. Special Obligations. The New Money Bonds and the Refunding Bonds shall be special obligations of the LACMTA secured by and payable from the Pledged Revenues and from the funds and accounts held by the Trustee under the Trust Agreement.

Section 5. Forms of New Money Bonds and Refunding Bonds. The New Money Bonds and the Refunding Bonds and the Trustee's Certificate of Authentication to appear thereon shall be in substantially the form set forth in Exhibit A to the Supplemental Trust Agreement on file with the Secretary of the Board and made available to the Board, with such necessary or appropriate variations, omissions and insertions as permitted or required by the Trust Agreement or the applicable Supplemental Trust Agreement or as appropriate to adequately reflect the terms of such New Money Bonds and Refunding Bonds and the obligations represented thereby.

Section 6. Execution of New Money Bonds and Refunding Bonds. Each of the New Money Bonds and the Refunding Bonds shall be executed on behalf of the LACMTA by any Designated Officer and any such execution may be by manual or facsimile signature, and each bond shall be authenticated by the endorsement of the Trustee or an agent of the Trustee. Any facsimile signature of such Designated Officer shall have the same force and effect as if such officer had manually signed each of such New Money Bonds and Refunding Bonds.

Section 7. Approval of Documents, Authorization for Execution. The form, terms and provisions of the Supplemental Trust Agreement, the Notice Inviting Bids, the Notice of Intention to Sell Bonds, the Continuing Disclosure Certificate and the Escrow Agreement on file with the Secretary of the Board and made available to the Board within the parameters set forth in this Resolution are in all respects approved, and each of the Designated Officers is hereby severally authorized, empowered and directed to execute, acknowledge and deliver in the name of and on behalf of the LACMTA one or more Supplemental Trust Agreements, one or more Notices Inviting Bids, one or more Notices of Intention to Sell Bonds, one or more Continuing

Disclosure Certificates, and one or more Escrow Agreements, including counterparts thereof. The Supplemental Trust Agreement(s), the Notice(s) Inviting Bids, the Notice(s) of Intention to Sell Bonds, the Continuing Disclosure Certificate(s) and the Escrow Agreement(s), as executed and delivered, shall be in substantially the forms now on file with the Secretary of the Board and made available to the Board and hereby approved, or with such changes therein as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Supplemental Trust Agreement, the Notice Inviting Bids, the Notice of Intention to Sell Bonds, the Continuing Disclosure Certificate and the Escrow Agreement now on file with the Secretary of the Board and made available to the Board; and from and after the execution and delivery of each Supplemental Trust Agreement, each Notice Inviting Bids, each Notice of Intention to Sell Bonds, each Continuing Disclosure Certificate and each Escrow Agreement, the officers, agents and employees of the LACMTA are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of each Supplemental Trust Agreement, each Notice Inviting Bids, each Notice of Intention to Sell Bonds, each Continuing Disclosure Certificate and each Escrow Agreement.

Section 8. Sale of New Money Bonds and Refunding Bonds.

(a) Each Designated Officer is hereby authorized, from time to time, to choose such times and dates as such Designated Officer shall, in his or her discretion, deem to be necessary or desirable to provide for the sale of the New Money Bonds and the Refunding Bonds, to receive proposals from qualified bidders for the purchase of the New Money Bonds and the Refunding Bonds (through the receipt of bids through the use of computerized bidding systems) upon the terms and in the manner set forth in each Notice Inviting Bids.

(b) Each Designated Officer is hereby authorized and directed to execute one or more Notices Inviting Bids, from time to time, in such form as the Designated Officer executing the same shall approve, and call for bids for the sale of the New Money Bonds and the Refunding Bonds from qualified bidders in accordance with each such Notice Inviting Bids.

(c) Each Designated Officer is hereby authorized and directed to cause each Notice of Intention to Sell Bonds to be published from time to time (after completion, modification or correction thereof reflecting the terms of each series of the New Money Bonds and/or each series of the Refunding Bonds, as approved by said Designated Officer, such approval to be conclusively evidenced by such publication) in *The Bond Buyer* (or such other publication as may be selected by Bond Counsel and/or a Designated Officer), a financial publication generally circulated throughout the State of California or reasonably expected to be disseminated among prospective bidders for the New Money Bonds and the Refunding Bonds, at least five days prior to the sale of each series of the New Money Bonds and the Refunding Bonds in accordance with Section 53692 of the Government Code of the State of California and any such action previously taken is hereby confirmed, ratified and approved.

(d) Each Designated Officer is authorized and directed to cause each Notice Inviting Bids to be published, if determined by Bond Counsel and/or a Designated Officer to be necessary or desirable (after completion, modification or correction thereof reflecting the terms of each series of the New Money Bonds and/or each series of the Refunding Bonds, as approved by said Designated Officer, such approval to be conclusively evidenced by such publication) in such publication(s) as selected by a Designated Officer and Bond Counsel and any such action previously taken is hereby confirmed, ratified and approved.

(e) Each Designated Officer is authorized and directed to distribute each Notice Inviting Bids (including via electronic methods) to such municipal broker-dealers, banking and financial institutions and other persons as such Designated Officer deems necessary or desirable, and any such action previously taken is hereby confirmed, ratified and approved.

(f) Each Designated Officer is hereby authorized and directed for and on behalf of the LACMTA to accept the best bid for the New Money Bonds and the Refunding Bonds received from qualified bidders pursuant to and subject to the terms and conditions set forth in this Resolution and the Notice(s) Inviting Bids herein approved and to award the New Money Bonds and the Refunding Bonds, from time to time, to such best bidder(s).

(g) Each Designated Officer is hereby authorized and directed to take any other action such Designated Officer determines is necessary or desirable to cause any such competitive sale to comply with the LACMTA's Debt Policy and applicable law.

Section 9. Preliminary Official Statement and Official Statement. One or more Preliminary Official Statements shall be used by the LACMTA in connection with the sale and issuance of the New Money Bonds and the Refunding Bonds. The form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board is hereby approved. Each Preliminary Official Statement used by the LACMTA in connection with the sale and issuance of the New Money Bonds and the Refunding Bonds shall be substantially in the form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board with such changes as a Designated Officer approves (such approval to be conclusively evidenced by the execution and delivery of the certificate referenced in the following sentence). Each Preliminary Official Statement shall be circulated for use in selling the New Money Bonds and the Refunding Bonds at such time or times as a Designated Officer shall deem such Preliminary Official Statement(s) to be final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, said determination to be conclusively evidenced by a certificate signed by said Designated Officer to said effect. Each Preliminary Official Statement shall contain a description of the finances and operations of the LACMTA, a description of the Proposition A Tax and a description of historical receipts of sales tax revenues substantially in the form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board, with such changes as any Designated Officer determines are appropriate or necessary. Each Preliminary Official Statement shall also contain a description of the New Money Bonds and the Refunding Bonds, as applicable, and the

terms and conditions of the applicable Supplemental Trust Agreement together with such information and description as a Designated Officer determines is appropriate or necessary.

Upon the sale of each series of the New Money Bonds and the Refunding Bonds, any Designated Officer shall provide for the preparation, publication, execution and delivery in electronic and/or printed form of a final Official Statement in substantially the form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board with such changes as any Designated Officer determines are appropriate or necessary. Any Designated Officer is hereby authorized and directed to execute and deliver each final Official Statement in the name and on behalf of the LACMTA. One or more supplements to any final Official Statement may be prepared and delivered reflecting updated and revised information as any Designated Officer deems appropriate or necessary. Each Official Statement shall be circulated for use in selling the New Money Bonds and the Refunding Bonds at such time or times as any Designated Officer deems appropriate.

Section 10. Trustee, Paying Agent and Registrar. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee, Paying Agent and Registrar for the New Money Bonds and the Refunding Bonds. Such appointments shall be effective upon the issuance of the New Money Bonds and the Refunding Bonds and shall remain in effect until the LACMTA, by supplemental agreement, resolution or other action, shall name a substitute or successor thereto.

Section 11. Escrow Agent. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Escrow Agent under each Escrow Agreement. Such appointment shall be effective upon the issuance of the Refunding Bonds and shall remain in effect until the LACMTA, by supplemental agreement, resolution or other action, shall name a substitute or successor thereto.

Section 12. Bond Insurance and Reserve Fund Surety Bond. In connection with the sale of all or a portion of the New Money Bonds and the Refunding Bonds, the Designated Officers are hereby authorized on behalf of the LACMTA to purchase or otherwise arrange for the provision of (including the payment of such premiums, fees and other costs and expenses as such Designated Officer determines acceptable), one or more policies of municipal bond insurance to support the timely payment of principal of and interest on all or a portion of the New Money Bonds and the Refunding Bonds and/or one or more reserve fund surety bonds, said municipal bond insurance and/or reserve fund surety bond to contain such terms and conditions as such Designated Officer(s) shall determine is appropriate or necessary for the issuance of the New Money Bonds and the Refunding Bonds. Notwithstanding the Debt Policy of the LACMTA, each of the Designated Officers is hereby authorized and directed to determine the process of procuring the provider of municipal bond insurance or reserve fund surety and such process may be, at the determination of such Designated Officer, either a competitive bidding process or a privately negotiated process, even if such process does not comply with the Debt Policy of the LACMTA.

Section 13. Authorized Commission Representative/Authorized Authority Representative. The CEO, the CFO, the Treasurer, any Assistant Treasurer of the LACMTA (or such other titles as the LACMTA may from time to time assign for such respective

positions), including any such officer serving in an acting or interim capacity, are each hereby designated as an Authorized Commission Representative and an Authorized Authority Representative for all purposes under the Trust Agreement and with respect to all bonds outstanding under the Trust Agreement. Such appointment shall remain in effect until modified by resolution. All previous designations of Authorized Commission Representatives and Authorized Authority Representatives are hereby ratified and confirmed.

Section 14. Additional Authorization. The Designated Officers, for and on behalf of the LACMTA, be and they hereby are authorized and directed to do any and all things necessary to effect the execution and delivery of the New Money Bonds and the Refunding Bonds, each Supplemental Trust Agreement, each Notice of Intention to Sell Bonds, each Notice Inviting Bids, each Continuing Disclosure Certificate and each Escrow Agreement, and to carry out the terms thereof. The Designated Officers and all other officers, agents and employees of the LACMTA are further authorized and directed, for and on behalf of the LACMTA, to execute all papers, documents, certificates and other instruments and take all other actions that may be required in order to carry out the authority conferred by this Resolution or the provisions of the Trust Agreement, each Supplemental Trust Agreement, each Notice of Intention to Sell Bonds, each Notice Inviting Bids, each Continuing Disclosure Certificate and each Escrow Agreement or to evidence said authority and its exercise. The foregoing authorization includes, but is in no way limited to, the direction (from time to time) by a Designated Officer of the investment of the proceeds of the New Money Bonds and the Refunding Bonds and of the Pledged Revenues including the execution and delivery of investment agreements or purchase agreements related thereto, the execution by a Designated Officer and the delivery of one or more tax certificates as required by each Supplemental Trust Agreement for the purpose of complying with the rebate requirements of the Internal Revenue Code of 1986, as amended; the execution by a Designated Officer of any documents necessary in connection with obtaining bond insurance on all or a portion of the New Money Bonds and the Refunding Bonds, and the execution and delivery of documents required by The Depository Trust Company in connection with the Book-Entry Bonds. All actions heretofore taken by the officers, agents and employees of the LACMTA in furtherance of this Resolution are hereby confirmed, ratified and approved.

Any Designated Officer, on behalf of the LACMTA, is further authorized and directed to cause written notice(s) to be provided to the California Debt and Investment Advisory Commission (“CDIAC”) of the proposed sale of the New Money Bonds and the Refunding Bonds, said notice(s) to be provided in accordance with Section 8855 et seq. of the California Government Code, to file the notice(s) of final sale with CDIAC, to file the rebates and notices required under section 148(f) and 149(e) of the Internal Revenue Code of 1986, as amended, if necessary, and to file such additional notices and reports as are deemed necessary or desirable by such Designated Officer in connection with the New Money Bonds and the Refunding Bonds, and any such notices are hereby ratified, confirmed and approved.

Section 15. Continuing Authority of Designated Officers. The authority of any individual serving as a Designated Officer under this Resolution by a written designation signed by the CEO, the CFO, the Treasurer or any Assistant Treasurer of the LACMTA shall remain valid notwithstanding the fact that the individual officer of the LACMTA signing such designation ceases to be an officer of the LACMTA, unless such designation specifically provides otherwise.

Section 16. Further Actions. From and after the delivery of the New Money Bonds and the Refunding Bonds, the Designated Officers and each of them are hereby authorized and directed to amend, supplement or otherwise modify each Supplemental Trust Agreement, each Continuing Disclosure Certificate and each Escrow Agreement at any time and from time to time and in any manner determined to be necessary or desirable by the Designated Officer executing such amendment, supplement, or modification, upon consultation with the LACMTA's municipal advisor and Bond Counsel, the execution of such amendment, supplement or other modification being conclusive evidence of the LACMTA's approval thereof. Further, the Designated Officers and each of them are hereby authorized and directed to terminate any municipal bond insurance policy, reserve fund surety or investment agreement and enter into one or more municipal bond insurance policies, reserve fund sureties or investment agreements as any such Designated Officer shall determine is appropriate or necessary.

Section 17. Costs of Issuance. The LACMTA authorizes funds of the LACMTA, together with the proceeds of the New Money Bonds and the Refunding Bonds, to be used to pay costs of issuance of the New Money Bonds and the Refunding Bonds, including, but not limited to, costs of attorneys, accountants, verification agents, municipal advisors, trustees, escrow agents, the costs associated with rating agencies, bond insurance and surety bonds, printing, publication and mailing expenses and any related filing fees.

Section 18. Severability. The provisions of this Resolution are hereby declared to be severable, and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 19. Effective Date. This Resolution shall be effective upon adoption and shall be effective with respect to the New Money Bonds and the Refunding Bonds issued on or before June 30, 2018.

[Remainder of page intentionally left blank]

CERTIFICATION

The undersigned, duly qualified and acting as Board Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct copy of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on _____, 2017.

[SEAL]

By _____
Board Secretary, Los Angeles County
Metropolitan Transportation Authority

Dated: _____, 2017

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by the Los Angeles County Metropolitan Transportation Authority (the “Authority”) in connection with the issuance of its \$_____ Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds) (the “Series 2017-A Bonds”) and its \$_____ Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2017-B (the “Series 2017-B Bonds”, and collectively the “Series 2017 Bonds”) pursuant to the terms of the Agreement (as defined herein). The Authority covenants and agrees as follows:

Section 1. Definitions.

“*Agreement*” means, collectively, the Trust Agreement, dated as of July 1, 1986, as amended and supplemented, by and between the Authority (as successor to the Los Angeles County Transportation Commission) and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A., as successor to BNY Western Trust Company, as successor in interest to Wells Fargo Bank, N.A., successor by merger to First Interstate Bank of California), as trustee (the “*Trustee*”), and the Thirty-Eighth Supplemental Trust Agreement, dated as of [October] 1, 2017, by and between the Authority and the Trustee.

“*Annual Information*” means the information specified in Section 4 hereof.

“*EMMA System*” means the MSRB’s Electronic Municipal Market Access system or any successor nationally recognized municipal securities information repositories recognized by the Securities and Exchange Commission for the purposes referred to in Rule 15c2-12.

“*Holder*” means any registered owner of Series 2017 Bonds and any beneficial owner of Series 2017 Bonds within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

“*Listed Events*” means any of the events listed in Section 5 hereof.

“*MSRB*” means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“*Official Statement*” means the Official Statement, dated [____], 2017, prepared and distributed in connection with the issuance of the Series 2017 Bonds.

“*Rule 15c2-12*” means Rule 15c2-12, as amended through the date of this Certificate, as promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

Section 2. Purpose of the Certificate. This Certificate is being executed and delivered by the Authority pursuant to Rule 15c2-12 for the benefit of the Holders of the Series 2017 Bonds in order to assist the participating underwriters in complying with Rule 15c2-12.

Section 3. Provision of Annual Information.

(a) The Authority shall, not later than 195 days following the end of each Fiscal Year of the Authority (which Fiscal Year currently ends on June 30), commencing with the report for Fiscal Year 2017, provide to the MSRB through the EMMA System, in an electronic format and accompanied by

identifying information all as prescribed by the MSRB, the Annual Information relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 hereof, which Annual Information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 hereof; provided that any audited financial statements may be submitted separately from the balance of the Annual Information and later than the date required above for the filing of the Annual Information if they are not available by that date. If the Fiscal Year for the Authority changes, the Authority shall give notice of such change in the same manner as for a Listed Event under Section 5(e) hereof.

(b) If in any year, the Authority does not provide the Annual Information to the MSRB by the time specified above, the Authority shall instead file a notice to the MSRB through the EMMA System stating that the Annual Information has not been timely completed and, if known, stating the date by which the Authority expects to file the Annual Information.

Section 4. Content of Annual Information. The Annual Information shall contain or incorporate by reference the following:

(a) The audited financial statements of the Authority for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as in effect from time to time and as applied to governmental units. If the Authority's audited financial statements are not available by the time the Annual Information is required to be filed pursuant to Section 3(a) hereof, the Annual Information shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Information when they become available.

(b) Updated historical information of the type set forth in "TABLE 4—Historic Net Proposition A Sales Tax Revenues, Local Allocations and Pledged Revenues" of the Official Statement; and

(c) Updated information of the type set forth in "TABLE 9—Los Angeles County Metropolitan Transportation Authority, Combined Debt Service Schedule First Tier Senior Lien Series 2017 Bonds" of the Official Statement, but only the information in the columns entitled "Principal," "Interest" and "Total Debt Service" under the headings "Series 2017-A Bonds Debt Service" and "Series 2017-B Bonds Debt Service" and in the column entitled "Combined Total Debt Service First Tier Senior Lien Bonds" and only to the extent the information in these columns has changed.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, that have been submitted to the MSRB through the EMMA System.

Section 5. Reporting of Listed Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2017 Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions with respect to the tax status of the Series 2017 Bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Series 2017 Bonds;
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the Authority.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2017 Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2017 Bonds or other material events affecting the tax status of the Series 2017 Bonds;
2. Modifications to rights of the Owners of the Series 2017 Bonds;
3. Optional, unscheduled or contingent bond calls;
4. Release, substitution or sale of property securing repayment of the Series 2017 Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The Authority shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a) hereof, as provided in Section 3 hereof.

(d) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the Authority shall determine if such event would be material under applicable federal securities laws.

(e) If the Authority learns of an occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the Authority shall within ten business days of occurrence file a notice of such occurrence with the MSRB through the EMMA System in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2017 Bonds pursuant to the Agreement.

Section 6. Remedies. If the Authority shall fail to comply with any provision of this Certificate, then any Holder may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding in law or in equity, this Certificate against the Authority and any of the officers, agents and employees of the Authority, and may compel the Authority or any such officers, agents or employees to perform and carry out their duties under this Certificate; provided that the sole and exclusive remedy for breach of this Certificate shall be an action to compel specific performance of the obligations of the Authority hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and, provided further, that any challenge to the adequacy of any information provided pursuant to Section 4 or 5 hereof may be brought only by the Holders of 25% in aggregate principal amount of the Series 2017 Bonds at the time outstanding. A failure by the Authority to comply with the provisions of this Certificate shall not constitute an Event of Default under the Agreement.

Section 7. Parties in Interest. This Certificate is executed and delivered solely for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 8. Amendment. Without the consent of any Holders of Series 2017 Bonds, the Authority at any time and from time to time may enter into any amendments or changes to this Certificate for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 or any authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Authority and the assumption by any such successor of the covenants of the Authority hereunder;

(d) to add to the covenants of the Authority for the benefit of the Holders, or to surrender any right or power herein conferred upon the Authority; or

(e) to modify the contents, presentation and format of the Annual Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Authority, or type of business conducted; provided that (i) the certificate, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the offering of the Series 2017 Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances; and (ii) the amendment or change does not materially impair the interests of Holders, as determined either by a party unaffiliated with the Authority (such as bond counsel), or by the vote or consent of Holders of a majority in outstanding principal amount of the Series 2017 Bonds on or prior to the time of such amendment or change.

Section 9. Termination of Obligation. This Certificate shall remain in full force and effect until such time as all principal of and interest on the Series 2017 Bonds shall have been paid in full or legally defeased pursuant to the Agreement. Upon any such legal defeasance, the Authority shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Series 2017 Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 10. Governing Law. THIS CERTIFICATE SHALL BE GOVERNED BY THE LAWS OF CALIFORNIA DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW.

IN WITNESS WHEREOF, the undersigned has executed this Continuing Disclosure Certificate this ___th day of October, 2017.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By _____
Donna R. Mills, Treasurer

ESCROW AGREEMENT

by and between

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee and Escrow Agent

relating to:

Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds
Series 2011-B

Dated October [__], 2017

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated October [___], 2017 (this “*Escrow Agreement*”), is made by and between the **LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY** (the “*Authority*”), a county transportation commission duly organized and existing pursuant to Chapter 2, Division 12 of the California Public Utilities Code (commencing with Section 130050.2) and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association organized and existing under the laws of the United States of America, formerly known as The Bank of New York Trust Company, N.A., successor to BNY Western Trust Company, as successor to Wells Fargo Bank, N.A., the successor to First Interstate Bank of California, as trustee under the hereinafter defined Agreement and Thirty-First Supplemental Agreement, and as escrow agent (the “*Trustee/Escrow Agent*”).

WITNESSETH:

WHEREAS, the Authority has previously issued its Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2011-B (the “*Series 2011-B Bonds*”), pursuant to the Trust Agreement, dated as of July 1, 1986, as amended and supplemented (the “*Agreement*”), by and between the Authority and the Trustee/Escrow Agent, as trustee, and the Thirty-First Supplemental Trust Agreement, dated as of October 1, 2011, (the “*Thirty-First Supplemental Agreement*”), by and between the Authority and the Trustee/Escrow Agent, as trustee;

WHEREAS, the Authority is, simultaneously with the execution of this Escrow Agreement, issuing \$[_____] aggregate principal amount of its Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2017-B (the “*Series 2017-B Bonds*”), under the terms of the Agreement and the Thirty-Eighth Supplemental Trust Agreement, dated as of October 1, 2017 (the “*Thirty-Eighth Supplemental Agreement*”) by and between the Authority and the Trustee/Escrow Agent, as trustee;

WHEREAS, the Series 2017-A Bonds are being issued to, among other things, advance refund and defease the Series 2011-B Bonds set forth in Exhibit A attached hereto (the “*Refunded Bonds*”); and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

Section 1. Creation of Escrow Fund. There is hereby created and established with the Trustee/Escrow Agent a special and irrevocable escrow fund designated “Los Angeles County Metropolitan Transportation Authority, Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2011-B Escrow Fund” (herein referred to as the “*Escrow Fund*”) to be held in the custody of the Trustee/Escrow Agent in trust under this Escrow Agreement for the benefit of the owners of the Refunded Bonds. Except as otherwise provided in Section 5 hereof, the Authority shall have no interest in the funds held in the Escrow Fund.

Section 2. Deposit to the Escrow Fund.

(a) Concurrently with the execution and delivery of this Escrow Agreement, the Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, deposit the sum of \$[_____] to be derived from the proceeds of the sale of the Series 2017-A Bonds (which the Authority shall transfer or caused to be transferred to the Trustee/Escrow Agent on October [___], 2017) to the Escrow Fund.

(b) The Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, on or before October [___], 2017, transfer or cause to be transferred (i) \$[_____] from the Series 2011 Bond Interest Subaccount of the Bond Interest Account of the Debt Service Fund (as established and maintained pursuant to the Agreement and the Thirty-First Supplemental Agreement), and (ii) \$[_____] from the Series 2011 Reserve Account of the Reserve Fund (as established and maintained pursuant to the Agreement and the Thirty-First Supplemental Agreement), to the Escrow Fund.

(c) The Trustee/Escrow Agent hereby acknowledges receipt of \$[_____] as described in clauses (a) and (b) above, and that such amounts were deposited in the Escrow Fund.

(d) The Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, on October [___], 2017, use \$[_____] on deposit in the Escrow Fund to purchase the securities described in Schedule I attached hereto (the “*Initial Government Securities*”), and shall retain \$[_____] in the Escrow Fund as a beginning cash balance.

Section 3. Investment of the Escrow Fund. The Trustee/Escrow Agent shall purchase the Initial Government Securities as provided in Section 2 hereof and shall hold such Initial Government Securities, the beginning cash balances and any earnings received thereon and any reinvestment thereof created by this Escrow Agreement and disburse such amounts as provided herein. The Trustee/Escrow Agent shall collect amounts due and shall sell or otherwise redeem or liquidate investments in the Escrow Fund as needed to make the payments and transfers required by this Escrow Agreement and may substitute different Government Securities, as defined and subject to the terms and limitations of Section 7 hereof, for the Initial Government Securities but otherwise shall have no power or duty to sell, transfer, request the redemption of or otherwise dispose of the Initial Government Securities.

Section 4. Creation of Lien on Escrow Fund. The deposit of the moneys, the Initial Government Securities and any other Government Securities in the Escrow Fund shall constitute an irrevocable deposit in trust for the benefit of the holders of the Refunded Bonds. The holders of the Refunded Bonds are hereby granted an express lien on the Escrow Fund and all moneys and investments from time to time held therein for the payment of amounts described in Section 5 hereof.

Section 5. Use of Escrow Fund. The Trustee/Escrow Agent shall withdraw the amounts described in Schedule II attached hereto on the dates set forth in such Schedule II from the

Escrow Fund and use such amounts in its capacity as trustee for the Refunded Bonds to pay the principal of and interest on the Refunded Bonds as directed pursuant to the Agreement and the Thirty-First Supplemental Agreement.

The Trustee/Escrow Agent shall retain all unclaimed moneys, together with interest thereon, in the Escrow Fund and shall invest such unclaimed moneys as directed in writing by an Authorized Authority Representative (as defined in the Agreement). At such time as the Authority delivers to the Trustee/Escrow Agent written notice that no additional amounts from the Escrow Fund will be needed to redeem the Refunded Bonds, or on July 2, 2021, whichever occurs first, the Trustee/Escrow Agent shall transfer all amounts then remaining in the Escrow Fund to the Series 2017 Bond Interest Subaccount of the Bond Interest Account of the Debt Service Fund, established under the Agreement and the Thirty-Eighth Supplemental Agreement to be used to pay interest on the Series 2017-B Bonds. At such time as no amounts remain in the Escrow Fund, such fund shall be closed.

Section 6. Notice of Redemption of the Refunded Bonds. By the execution of this Escrow Agreement and delivery hereof to the Trustee/Escrow Agent, the Authority hereby delivers notice to the Trustee/Escrow Agent pursuant to the Agreement and the Thirty-First Supplemental Agreement that the Authority wishes to redeem the Refunded Bonds on July 1, 2021. The Trustee/Escrow Agent hereby waives any right to receive any other notices that it may be entitled to from the Authority under the Agreement and the Thirty-First Supplemental Agreement with respect to the redemption of the Refunded Bonds, as described herein. The Trustee/Escrow Agent agrees to give or cause to be given notice of such redemption at such times and in such manner as provided in the Agreement and the Thirty-First Supplemental Agreement to the owners of the Refunded Bonds, including, (a) notice of the defeasance of the Refunded Bonds (a form of which is attached hereto as Exhibit B), to be mailed to The Depository Trust Company, and (b) at least 20 days but not more than 60 days prior to July 1, 2021, notice of redemption of the Refunded Bonds (a form of which is attached hereto as Exhibit C) as required pursuant to Section 2.07 of the Thirty-First Supplemental Agreement.

Section 7. Reinvestment; Substitution of Government Securities. EXCEPT AS SPECIFICALLY PROVIDED BELOW, THE TRUSTEE/ESCROW AGENT MAY NOT SELL, TRANSFER, REQUEST THE REDEMPTION OF OR OTHERWISE DISPOSE OF THE INITIAL GOVERNMENT SECURITIES.

Interest income and other amounts received by the Trustee/Escrow Agent as payments on the Initial Government Securities held in the Escrow Fund shall be held as part of the Escrow Fund to be used for the purposes set forth in Section 5 hereof and may be invested by the Trustee/Escrow Agent at the written direction of the Authority; provided that (a) such amounts may only be invested in Government Securities as defined in this Section 7; and (b) such investments shall have maturities which do not extend beyond the dates on which the moneys so invested will be needed to make payments required by Section 5 hereof.

Upon the fulfillment of the conditions set forth in this Section 7, the Trustee/Escrow Agent at the written direction of the Authority may sell, liquidate or otherwise dispose of some or all of the Initial Government Securities then held as an investment of the Escrow Fund and reinvest the proceeds thereof, together with other moneys held in the Escrow Fund in different

Government Securities; provided that no such substitution shall occur unless the Authority shall first deliver to the Trustee/Escrow Agent, (a) an opinion by an independent certified public accountant that, after such reinvestment or substitution, the principal amount of the Government Securities then held in the Escrow Fund, together with the interest thereon and other available moneys therein, will be sufficient to pay the principal of and interest on the Refunded Bonds on the dates and in the amounts as required pursuant to this Escrow Agreement and the Thirty-First Supplemental Agreement; and (b) an opinion of nationally recognized bond counsel to the effect that such sale, liquidation or other disposition and substitution of different Government Securities is permitted under this Escrow Agreement, the Agreement and the Thirty-First Supplemental Agreement, and will not have any adverse effect with respect to the exemption of the interest on the Series 2017-B Bonds or the Refunded Bonds from income taxation under the Internal Revenue Code of 1986, as amended; provided further that no opinions shall be required pursuant to this Section 7 with respect to the reinvestment of any moneys derived from Government Securities held in the Escrow Fund hereunder which have matured so long as such moneys are reinvested in Government Securities maturing not later than the dates such funds are required to pay the principal of and interest on the Refunded Bonds and the yield on such Government Securities does not exceed the yield on the Series 2017-B Bonds or the Refunded Bonds.

“*Government Securities*,” as used in this Escrow Agreement, means only noncallable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the full faith and credit of, the United States of America, and which are limited to U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series—“*SLGS*” and any stripped interest on the principal portion of such U.S. Treasury Certificates, Notes and Bonds).

If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a SLGS subscription that is to be submitted pursuant to this Escrow Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the Authority with respect to escrowed funds which were to be invested in SLGS. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the Authority. In the absence of investment instructions from the Authority, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the Authority’s selection of an alternative investment as a determination of the alternative investment’s legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 8. Liability of Trustee/Escrow Agent.

(a) The Trustee/Escrow Agent shall not under any circumstance be liable for any loss resulting from any investment made pursuant to this Escrow Agreement in compliance with the provisions hereof. The Trustee/Escrow Agent shall have no lien whatsoever on the Escrow Fund or moneys on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Trustee/Escrow Agent under this Escrow Agreement or otherwise.

(b) The Trustee/Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of any moneys deposited into the Escrow Fund or the Initial Government Securities or any Government Securities purchased at the direction of the Authority to pay the principal of and interest on the Refunded Bonds.

(c) The Authority agrees that if for any reason the investments and moneys and other funds available to pay principal of and interest on the Refunded Bonds are insufficient therefor, the Authority shall continue to be liable for payment therefor in accordance with the terms of the Agreement and the Thirty-First Supplemental Agreement.

(d) No provision of this Escrow Agreement shall require the Trustee/Escrow Agent to expend or risk its own funds.

(e) The Trustee/Escrow Agent may consult with bond counsel to the Authority or with such other counsel of its own choice subject to reasonable approval by the Authority (which may but need not be counsel to the Authority) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(f) Whenever in the administration of this Escrow Agreement the Trustee/Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or not taking any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Trustee/Escrow Agent, be deemed to be conclusively proved and established by a certificate of an Authorized Authority Representative, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Trustee/Escrow Agent, be full warrant to the Trustee/Escrow Agent for any action taken or not taken by it under the provisions of this Escrow Agreement in reliance thereon. Except with respect to any future reinvestment or substitution of Government Securities as may be directed by the Authority as set forth in Section 7 hereof, the Trustee/Escrow Agent hereby represents that, as of the date hereof, it does not need any further certificate or direction from any other party in order to carry out the terms of this Escrow Agreement.

(g) The Trustee/Escrow Agent may conclusively rely, as to the truth and accuracy of the statements and correctness of the opinions and the calculations provided, and shall be protected and indemnified as set forth in Section 12 hereof, in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Trustee/Escrow Agent signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

(h) The Trustee/Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Trustee/Escrow Agent be liable for any special, indirect or consequential damages.

(i) The Trustee/Escrow Agent shall not be responsible for any of the recitals or representations contained herein.

(j) The Trustee/Escrow Agent's rights to indemnification hereunder shall survive its resignation or removal and the termination of this Escrow Agreement.

(k) The Trustee/Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

(l) The Trustee/Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee/Escrow Agent 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 Authority elects to give the Trustee/Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee/Escrow Agent in its discretion elects to act upon such instructions, the Trustee/Escrow Agent's understanding of such instructions shall be deemed controlling. The Trustee/Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee/Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee/Escrow Agent, including without limitation the risk of the Trustee/Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(m) The Trustee/Escrow Agent shall incur no liability for losses arising from any investment made pursuant to this Escrow Agreement.

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

Section 9. Successor Trustee/Escrow Agent. Any corporation into which the Trustee/Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Trustee/Escrow Agent shall be a party or any corporation succeeding to the corporate trust business of the Trustee/Escrow Agent, shall be the successor Trustee/Escrow Agent under

this Escrow Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10. Termination. This Escrow Agreement shall terminate when all transfers and payments required to be made by the Trustee/Escrow Agent under the provisions hereof shall have been made. Any deficiency in the amounts required to be paid hereunder shall be paid by the Authority. The Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, distribute any moneys remaining in the Escrow Fund at the time of such termination to the Series 2017 Bond Interest Subaccount of the Bond Interest Account of the Debt Service Fund.

Section 11. Tax-Exempt Nature of Interest on the Refunded Bonds. The Authority covenants and agrees for the benefit of the holders of the Refunded Bonds that it will not direct or permit any thing or act to be done in such manner as would cause interest on the Refunded Bonds to be included in the gross income of the recipients thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, nor will it use any of the proceeds received from the sale of the Series 2017-B Bonds, directly or indirectly, in any manner which would result in the Series 2017-B Bonds being classified as “arbitrage bonds” within the meaning of the Code.

Section 12. Compensation and Indemnity of Trustee/Escrow Agent. For acting under this Escrow Agreement, the Trustee/Escrow Agent shall be entitled to payment of fees of \$[_____] for its services, including, without limitation, reasonable compensation for all services rendered in the execution, exercise and performance of any of the duties of the Trustee/Escrow Agent to be exercised or performed pursuant to the provisions of this Escrow Agreement, and all reasonable expenses, disbursements and advances incurred in accordance with any provisions of this Escrow Agreement (including the reasonable compensation and expenses and disbursements of independent counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder and out-of-pocket expenses including, but not limited to, postage, insurance, wires, stationery, costs of printing forms and letters and publication of notices of redemption); however, such amount shall never be payable from or become a lien upon the Escrow Fund, which fund shall be held solely for the purposes and subject to the liens set forth in Sections 4 and 5, respectively, hereof. To the extent permitted by law, the Authority agrees to indemnify and hold the Trustee/Escrow Agent harmless from and against all claims, suits and actions brought against it, or to which it is made a party, and from all costs, expenses (including reasonable attorneys’ fees of counsel reasonably acceptable to the Authority), losses and damages suffered by it as a result thereof, including the costs and expenses of defending against any such claims, suits or actions, where and to the extent such claim, suit or action arises out of the performance by the Trustee/Escrow Agent of its duties under this Escrow Agreement; provided, however, that such indemnification shall not extend to claims, suits and actions brought against the Trustee/Escrow Agent which result in a judgment being entered, settlement being reached or other disposition made based upon the Trustee/Escrow Agent’s negligence or willful misconduct. The indemnification provided for in this Escrow Agreement shall never be payable from or become a lien upon the Escrow Fund, which Escrow Fund shall be held solely for the purpose and subject to the liens set forth in Sections 4 and 5, respectively, hereof. The obligations of the Authority under this Section 12

shall remain in effect and continue notwithstanding the termination of this Escrow Agreement and the resignation or the removal of the Trustee/Escrow Agent.

Section 13. Third-Party Beneficiaries and Amendments. The owners of the Refunded Bonds are hereby recognized as third-party beneficiaries of this Escrow Agreement to the extent of their interests in the Escrow Fund as set forth in Sections 4 and 5 hereof.

Section 14. Replacement and Resignation of Trustee/Escrow Agent. The Authority may remove the Trustee/Escrow Agent and/or the Trustee/Escrow Agent may resign pursuant to the provisions of Section 9.09 of the Agreement and the applicable provisions of the Thirty-First Supplemental Agreement.

Section 15. Severability. If any one or more of the provisions of this Escrow Agreement should be determined by a court of competent jurisdiction to be contrary to law, such provision shall be deemed and construed to be severable from the remaining provisions herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Section 16. Successors and Assigns. All of the covenants and agreements in this Escrow Agreement contained by or on behalf of the Authority or the Trustee/Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 17. Governing Law. This Escrow Agreement shall be governed by the applicable laws of the State of California.

Section 18. Headings. Any headings preceding the text of the several Sections hereof, and any table of content appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Escrow Agreement, nor shall they affect its meaning, construction or effect.

Section 19. Amendments. The Authority and the Trustee/Escrow Agent shall not modify this Escrow Agreement without the consent of all of the owners of the Refunded Bonds affected by such modification which have not been paid in full.

Section 20. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Agreement to be executed by their duly authorized officers as of the date first above written.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By _____
Donna R. Mills, Treasurer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee and Escrow Agent

By _____
Authorized Officer

[Signature page to Escrow Agreement]

EXHIBIT A

REFUNDED BONDS

**Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds
Series 2011-B**

Maturity Date (July 1)	Principal to be Redeemed	Redemption Price	Redemption Date
2022	\$ 175,000	100%	July 1, 2021
2022	610,000	100	July 1, 2021
2022	43,665,000	100	July 1, 2021
2023	1,250,000	100	July 1, 2021
2023	500,000	100	July 1, 2021
2023	44,910,000	100	July 1, 2021

EXHIBIT B

FORM OF DEFEASANCE NOTICE

NOTICE OF DEFEASANCE

RELATING TO:

Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds
Series 2011-B

Notice is hereby given to the holders of the below listed Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2011-B (the “Defeased Series 2011-B Bonds”) that: (i) such Defeased Series 2011-B Bonds have been defeased; (ii) there has been deposited with The Bank of New York Mellon Trust Company, N.A., as Escrow Agent, moneys and investment securities as permitted by the Trust Agreement, dated as of July 1, 1986, as amended (the “Trust Agreement”), by and between the Los Angeles County Metropolitan Transportation Authority (the “Authority”), as successor to the Los Angeles County Transportation Commission, and The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as successor in interest to BNY Western Trust Company, as successor in interest to Wells Fargo Bank, N.A., the successor to First Interstate Bank of California, as trustee (the “Trustee”), and the Thirty-First Supplemental Trust Agreement, dated as of October 1, 2011 (the “Thirty-First Supplement”), by and between the Authority and the Trustee, relating to the Defeased Series 2011-B Bonds, the principal of and the interest on which when due will provide moneys which, together with such other moneys deposited with the Escrow Agent, will be sufficient and available to redeem on July 1, 2021 the Defeased Series 2011-B Bonds, at a redemption price of 100% of the principal amount thereof, and (iii) the Defeased Series 2011-B Bonds are deemed paid for purposes of the Trust Agreement and the Thirty-First Supplement. The Escrow Agent has been irrevocably instructed to redeem the following Defeased Series 2011-B Bonds on July 1, 2021:

CUSIP Number¹	Maturity Date (July 1)	Principal Amount to be Redeemed
5447123T7	2022	\$ 175,000
5447123U4	2022	610,000
5447123V2	2022	43,665,000
5447123W0	2023	1,250,000
5447123X8	2023	500,000
5447123Y6	2023	44,910,000

¹ CUSIP numbers are provided only for the convenience of the reader. Neither the Authority nor the Trustee undertake any responsibility for the accuracy of such CUSIP numbers or for any changes or errors in the list of CUSIP numbers.

At least 20 days, but not more than 60 days, prior to July 1, 2021, in accordance with the terms of the Trust Agreement and the Thirty-First Supplement, the Trustee will mail a redemption notice for the Defeased Series 2011-B Bonds.

Dated this [____] day of October, 2017.

**Los Angeles County Metropolitan Transportation
Authority**

**The Bank of New York Mellon Trust Company, N.A., as
Trustee**

EXHIBIT C

FORM OF REDEMPTION NOTICE

Notice of Redemption of

Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2011-B

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Article III of the Trust Agreement, dated as of July 1, 1986, as amended and supplemented (the “Agreement”) by and between the Los Angeles County Transportation Commission (the “Commission”), the predecessor to the Los Angeles County Metropolitan Transportation Authority (the “Authority”), and The Bank of New York Mellon Trust Company, N.A., as successor in interest to First Interstate Bank of California, as trustee (the “Trustee”), and pursuant to Section 2.05 of the Thirty-First Supplemental Trust Agreement, dated as of October 1, 2011 (the “Thirty-First Supplemental Agreement,” and together with the Agreement, the “Trust Agreement”), by and between the Authority and the Trustee, all of the outstanding Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2011-B (the “Bonds”), shall be redeemed on July 1, 2021 (the “Redemption Date”) at a redemption price of 100% of the principal amount thereof (the “Redemption Price”), plus accrued interest thereon. The Bonds were originally issued on October 27, 2011. The Bonds selected for full redemption are as follows:

CUSIP Number¹	Maturity Date (July 1)	Principal Amount to be Redeemed	Interest Rate	Redemption Price
5447123T7	2022	\$ 175,000	3.000%	100%
5447123U4	2022	610,000	4.000	100
5447123V2	2022	43,665,000	5.000	100
5447123W0	2023	1,250,000	3.000	100
5447123X8	2023	500,000	4.000	100
5447123Y6	2023	44,910,000	5.000	100

¹ CUSIP numbers are provided only for the convenience of the reader. Neither the Authority nor the Trustee undertake any responsibility for the accuracy of such CUSIP numbers or for any changes or errors in the list of CUSIP numbers.

From and after the Redemption Date, interest on the Bonds shall cease to accrue. For all purposes of the Trust Agreement, the Bonds called for redemption in accordance with the foregoing will be deemed to be no longer outstanding from and after the Redemption Date and no longer secured by or entitled to any lien, benefit or security under the Trust Agreement except for purposes of payment from certain moneys and investments held by the Trustee under the Escrow Agreement entered into with respect to the refunding of the Bonds.

Bonds called for redemption must be surrendered for payment by hand or by mail at the following locations:

BY HAND OR OVERNIGHT BY MAIL

The Bank of New York
Corporate Trust Operations
111 Sanders Creek Parkway
East Syracuse, NY 13057

BY MAIL

The Bank of New York
Corporate Trust Operations
P.O. Box 396
111 Sanders Creek Parkway
East Syracuse, NY 13057

For Bonds surrendered by mail, the use of registered or certified mail is suggested.

No representation is made as to the correctness of the CUSIP number either as printed on any Bond or as contained herein and any error in the CUSIP number shall not affect the validity of the proceedings for redemption of the Bonds.

IMPORTANT NOTICE: ALL HOLDERS SUBMITTING THEIR BONDS MUST ALSO SUBMIT A FORM W-9. FAILURE TO PROVIDE A COMPLETED FORM W-9 MAY RESULT IN A TWENTY-EIGHT PERCENT (28%) BACK UP WITHHOLDING PURSUANT TO THE ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001 AND BROKER REPORTING REQUIREMENTS. THE FORM W-9 MAY BE OBTAINED FROM THE INTERNAL REVENUE SERVICE.

By: The Bank of New York Mellon Trust Company, N.A., as Trustee

Dated: _____, 2021

SCHEDULE I

INITIAL GOVERNMENT SECURITIES

Maturity Date	Type	Coupon	Yield	Price	Par Amount	Total Cost	CUSIP No.
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Uninvested cash: \$[_____]

SCHEDULE II

PAYMENT REQUIREMENTS FOR REFUNDED BONDS

Payment Date	Principal	Interest	Total
January 1, 2018*	\$ 0.00	\$2,257,950.00	\$ 2,257,950.00
July 1, 2018*	0.00	2,257,950.00	2,257,950.00
January 1, 2019*	0.00	2,257,950.00	2,257,950.00
July 1, 2019	0.00	2,257,950.00	2,257,950.00
January 1, 2020*	0.00	2,257,950.00	2,257,950.00
July 1, 2020	0.00	2,257,950.00	2,257,950.00
January 1, 2021*	0.00	2,257,950.00	2,257,950.00
July 1, 2021	91,110,000.00	2,257,950.00	93,367,950.00

* Not a Business Day. Payment will be made on next succeeding Business Day

NOTICE INVITING BIDS

\$_[_____]*

Los Angeles County Metropolitan Transportation Authority
 Proposition A First Tier Senior Sales Tax Revenue Bonds
 Series 2017-A (Green Bonds)

\$_[_____]*

Los Angeles County Metropolitan Transportation Authority
 Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds
 Series 2017-B

NOTICE IS HEREBY GIVEN that electronic bids will be received by the Los Angeles County Metropolitan Transportation Authority (“**LACMTA**”) for the purchase of \$_[_____]* aggregate principal amount of its Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds) (the “**Series 2017-A Bonds**”), and \$_[_____]* aggregate principal amount of its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2017-B (the “**Series 2017-B Bonds**,” and together with the Series 2017-A Bonds, the “**Series 2017 Bonds**”). Electronic bids for the purchase of each Series of the Series 2017 Bonds will be accepted through the use of the electronic bidding system of Ipreo’s BiDCOMP™/PARITY®. The bids for each Series of the Series 2017 Bonds will be received on the date and up to the respective times specified below:

Date: [DAY], October [___], 2017

Time: **Series 2017-A Bonds:** [9:00] a.m. (California Time)

Series 2017-B Bonds: [9:30] a.m. (California Time)

[Separate bids will be received for the Series 2017-A Bonds and the Series 2017-B Bonds]

Submission
 of Electronic Bids:

Electronic bids may be submitted only through Ipreo’s BiDCOMP™/PARITY® electronic bid system (the “**Approved Provider**”). The Approved Provider will act as agent of the bidder and not of LACMTA in connection with the submission of bids and LACMTA assumes no responsibility or liability for bids submitted through the Approved Provider. **None of LACMTA, KNN Public Finance, LLC (“Municipal Advisor”) or Kutak Rock LLP (“Bond Counsel”) shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate or untimely bid submitted through the Approved Provider by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines or any other cause arising from delivery through the Approved Provider. See “TERMS OF SALE—Information Regarding Electronic Bids” herein.**

* Preliminary; subject to change.

No written bids or facsimile bids will be accepted.

All electronic bids shall be deemed to incorporate the provisions of the applicable Bid Form attached hereto. See instructions under “TERMS OF SALE—Form of Bid; Interest Rates” and “TERMS OF SALE—Additional Information” herein.

Bids will be considered by LACMTA at the times set forth above at One Gateway Plaza, Treasury Department, 21st Floor, Los Angeles, California 90012. Action will be taken awarding each Series of the Series 2017 Bonds or rejecting all bids for one or more of the Series of Series 2017 Bonds as set forth herein.

DESCRIPTION OF THE SERIES 2017 BONDS

Security; Purpose

The Series 2017 Bonds will be issued under the terms of the Trust Agreement, dated as of July 1, 1986, as amended and supplemented (the “*Trust Agreement*”), by and between the Los Angeles County Transportation Commission, as predecessor to the LACMTA, and First Interstate Bank of California, as predecessor trustee to The Bank of New York Mellon Trust Company, N.A. (the “*Trustee*”). In connection with the issuance of the Series 2017 Bonds, LACMTA will enter into a Thirty-Eighth Supplemental Trust Agreement, to be dated as of October 1, 2017 (the “*Thirty-Eighth Supplemental Agreement*”), by and between LACMTA and the Trustee, to provide for the issuance of the Series 2017 Bonds and related matters. This Notice Inviting Bids refers to the Trust Agreement and the Thirty-Eighth Supplemental Agreement as the “*Agreement*.”

The Series 2017 Bonds are limited obligations of LACMTA payable from and secured by a first lien on and a pledge of the “*Pledged Revenues*,” which are (a) moneys collected as a result of the imposition of a certain 1/2 of 1% retail transactions and use tax applicable in the County of Los Angeles (the “*County*”) pursuant to Ordinance No. 16, which the electors of the County approved on November 4, 1980 (the “*Proposition A Sales Tax*”), less 25% thereof which is allocated to local jurisdictions for local transit purposes and less an administrative fee paid to the California State Board of Equalization in connection with the collection and disbursement of the Proposition A Sales Tax; and (b) certain other limited amounts held by the Trustee under the Agreement, all as further described in the Preliminary Official Statement (the “*Preliminary Official Statement*”) for the Series 2017 Bonds. LACMTA is not obligated to make payments of principal of and interest on the Series 2017 Bonds from any other source of funds.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, OTHER THAN LACMTA TO THE EXTENT OF THE PLEDGED REVENUES AND CERTAIN OTHER AMOUNTS HELD BY THE TRUSTEE UNDER THE AGREEMENT, WILL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS. LACMTA HAS NO POWER TO LEVY PROPERTY TAXES TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS.

The Series 2017 Bonds are limited obligations of LACMTA and are payable, both as to principal and interest, solely from a first lien on and pledge of the Pledged Revenues and certain other amounts held by the Trustee under the Agreement. Other than Pledged Revenues and such other amounts held by the Trustee under the Agreement, the general fund of LACMTA is not liable, and neither the credit nor the taxing power of LACMTA is pledged, for the payment of the principal of or interest on the Series 2017 Bonds.

The Series 2017-A Bonds will be issued for the purposes of (a) financing a portion of the costs of the development and construction of certain projects of LACMTA's rail, bus and highway transit system, including projects that have been identified as environmentally beneficial, (b) refunding a portion of LACMTA's outstanding Proposition A Commercial Paper Notes, (c) making a deposit to the Reserve Fund, and (d) paying the costs associated with issuing the Series 2017-A Bonds.

The Series 2017-B Bonds will be issued for the purposes of (a) advance refunding and defeasing all or a portion of LACMTA's outstanding Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2011-B (the "**Refunded Bonds**"), (b) making a deposit to the Reserve Fund, if necessary, and (c) paying the costs associated with issuing the Series 2017-B Bonds.

LACMTA has previously issued several series of its Proposition A First Tier Senior Sales Tax Revenue Bonds payable from the Pledged Revenues on a parity with the Series 2017 Bonds of which \$820,130,000 in aggregate principal amount remains outstanding as of October 1, 2017 (including the Refunded Bonds). Additional future series of parity bonds are expected to be issued by LACMTA, from time to time, with a lien on the Pledged Revenues on a parity with the Series 2017 Bonds subject to the terms and conditions set forth in the Agreement. Bidders are referred to the Agreement and the Preliminary Official Statement for further particulars.

Payment; Book-Entry-Only

The Series 2017 Bonds will be issued in registered form only, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Series 2017 Bonds will initially be issued in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"). Purchasers will not receive certificates from LACMTA representing their interest in the Series 2017 Bonds. Payments of principal and interest will be made by the Trustee to DTC for subsequent disbursement to DTC participants to then be remitted to the beneficial owners of the Series 2017 Bonds. See the discussion of the Book-Entry-Only System in Appendix G to the hereinafter described Preliminary Official Statement.

Interest Payment Dates

The Series 2017 Bonds will be dated their Date of Delivery (October [___], 2017).^{*} The Series 2017 Bonds will bear interest from such date and such interest shall be payable on July 1, 2018 and semiannually thereafter on each July 1 and January 1 until maturity or prior redemption. The Series 2017 Bonds shall bear interest at the rates to be fixed upon the sale thereof.

Principal Amortization

The Series 2017-A Bonds will be issued in the aggregate principal amount of \$[_____],^{*} and the Series 2017-B Bonds will be issued in the aggregate principal amount of \$[_____],^{*} with principal amounts payable either through serial maturities or by mandatory sinking fund redemption or a combination thereof on July 1 in years and in the amounts set forth in the applicable Bid Form (subject to adjustments described below).

Adjustments of Principal Amounts

The principal amounts set forth in each Bid Form for the Series 2017 Bonds will reflect certain estimates of LACMTA and the Municipal Advisor with respect to the likely interest rates of the winning

^{*} Preliminary; subject to change.

bids and the premium/discount contained in the winning bids. After selecting each winning bid, the amortization schedule contained in the related Bid Form may be adjusted as necessary in the determination of the Municipal Advisor in \$5,000 increments to reflect the actual interest rates and any premium/discount in the related winning bid, to create a more level annual debt service on LACMTA's Proposition A bonds (including the Series 2017 Bonds), and/or to accommodate certain other sizing requirements or preferences of LACMTA. The dollar amount bid for each Series of the Series 2017 Bonds by the related winning bidder will be adjusted, if applicable, to reflect any such adjustment in the amortization schedule. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per bond underwriter's discount provided in the winning bid. Any such adjustments will be communicated to the applicable winning bidder within twenty-seven (27) hours after the opening of the bid.

Changes in the amortization schedule made as described above will not affect the determination of the applicable winning bidder or give the applicable winning bidder any right to reject the related Series of Series 2017 Bonds.

Serial Bonds and/or Term Bonds

Bidders may provide that all of the applicable Series of Series 2017 Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds.

Mandatory Sinking Fund Redemption

If a successful bidder designates principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption commencing on July 1 of the first year which has been combined to form such term bond continuing on July 1 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the Bid Form as adjusted in accordance with the provisions described above under the caption "—Adjustments of Principal Amounts." The Series 2017 Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from among the Series 2017 Bonds then subject to redemption. LACMTA, at its option, may credit against any mandatory sinking fund redemption requirement term bonds of the maturity then subject to redemption, which have been purchased and cancelled by LACMTA or have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

No Series 2017A term bond maturing on or after July 1, 20[___], may have sinking fund payments prior to July 1, 20[___].

Optional Redemption of Series 2017-A Bonds

The Series 2017-A Bonds maturing on and after July 1, 20[___] are subject to redemption at the option of LACMTA on or after July 1, 20[___], in whole or in part, in denominations of \$5,000 (in such amounts and maturities as may be specified by LACMTA, or if LACMTA fails to specify such maturities, in inverse order of maturity), by lot within a maturity at any time, from any moneys that may be provided for such purpose and at a redemption price of 100% of the principal amount of such Series 2017-A Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

No Optional Redemption of Series 2017-B Bonds

The Series 2017-B Bonds shall not be subject to optional redemption prior to maturity.

TERMS OF SALE

Form of Bid; Interest Rates

Bidders for each Series of the Series 2017 Bonds must bid to purchase all and not part of such Series of the Series 2017 Bonds, and must submit their bids through electronic means as provided in this Notice Inviting Bids. All electronic bids shall be deemed to incorporate the provisions of the applicable Bid Form attached hereto. Bidders must specify one, and only one, rate of interest for each maturity of the Series of Series 2017 Bonds they are bidding on. Each interest rate must be expressed in multiples of 1/8 or 1/20 of 1%, and no interest rate shall exceed 6% per annum.

Bidders may bid to purchase the Series 2017 Bonds from LACMTA at a discount or with a premium. LACMTA reserves the right to reject any and all bids. Each bid must be in accordance with the terms and conditions set forth in this Notice Inviting Bids.

Information Regarding Electronic Bids

Electronic bids must be submitted through the Approved Provider. Any electronic bid submitted through any other means shall be disregarded.

LACMTA, the Municipal Advisor and Bond Counsel are not responsible for the proper operation of, and shall not have any liability for any delays or interruptions of or any damages caused by, the Approved Provider. Each bidder expressly assumes the risk of any incomplete, inaccurate or untimely bid submitted through the Approved Provider, including, without limitation, by reason of garbled transmissions, mechanical failure, slow or engaged telephone or telecommunications lines or any other cause. LACMTA is using the Approved Provider as a communications mechanism and not as LACMTA's agent to conduct electronic bidding for the Series 2017 Bonds. LACMTA is not bound by any advice and determination of the Approved Provider to the effect that any particular bid complies with the terms of this Notice Inviting Bids. All costs and expenses incurred by prospective bidders in connection with their submission of bids through the Approved Provider are the sole responsibility of the bidders and LACMTA is not responsible for any of such costs or expenses. Further information about the Approved Provider, including any fee charged, may be obtained from Ipreo, 2nd Floor, 1359 Broadway, New York, New York 10018, Telephone: (212) 849-5021. LACMTA assumes no responsibility or liability for bids submitted through the Approved Provider. To the extent any instructions or directions set forth by the Approved Provider conflict with this Notice Inviting Bids, the terms of this Notice Inviting Bids shall control.

LACMTA may regard the electronic submission of a bid through the Approved Provider (including information about the purchase price for the Series 2017 Bonds and interest rate or rates to be borne by the various maturities of the Series 2017 Bonds and any other information included in such transmission) as though the same information were submitted by the bidder on the Bid Form and executed on the bidder's behalf by a duly authorized signatory. If such bid is accepted by LACMTA, this Notice Inviting Bids, the Bid Form and the information that is electronically transmitted through the Approved Provider shall form a contract and the winning bidder shall be bound by the terms of such contract.

In the event of any conflict between the information represented by the Approved Provider and the terms set forth in this Notice Inviting Bids and the Bid Form, the terms set forth in this Notice Inviting Bids and the Bid Form shall control.

Good Faith Deposit

A Good Faith Deposit (the “*Series 2017-A Deposit*”) in the amount of \$[_____] is required of the winning bidder for the Series 2017-A Bonds.

A Good Faith Deposit (the “*Series 2017-B Deposit*,” and with the Series 2017-A Deposit, each a “*Deposit*”) in the amount of \$[_____] is required of the winning bidder for the Series 2017-B Bonds.

The winning bidder for each Series of Series 2017 Bonds is required to submit the applicable Deposit payable to the order of “Los Angeles County Metropolitan Transportation Authority” in the form of a wire transfer as instructed by LACMTA or the Municipal Advisor not later than four (4) hours after LACMTA has notified the applicable winning bidder of the award. If not so received, the bid of the lowest bidder for such applicable Series of Series 2017 Bonds will be rejected and LACMTA may direct the second lowest bidder for such Series of Series 2017 Bonds to submit a Deposit and thereafter may award the sale of such Series of Series 2017 Bonds to the same. **No interest on a Deposit will accrue to the winning bidders.** Each Deposit will be deposited in an escrow fund and applied to the purchase price of the applicable Series of Series 2017 Bonds at the time of delivery of such Series of Series 2017 Bonds.

If after the award of a Series of Series 2017 Bonds, the winning bidder for such Series fails to complete the purchase on the terms stated in its bid, the applicable Deposit received from such bidder by LACMTA will be retained by LACMTA as stipulated liquidated damages. No interest will be paid upon the Deposit made by any bidder. If the aggregate principal amount of the applicable Series of Series 2017 Bonds is adjusted as described under the caption “DESCRIPTION OF THE SERIES 2017 BONDS—Adjustments of Principal Amounts,” the applicable winning bidder will not be required to make an additional deposit and will not be entitled to the return of any portion of the wire transfer previously delivered except as described in this paragraph.

Best Bid

If a satisfactory bid is received for a Series of Series 2017 Bonds, the Series 2017 Bonds of that Series will be awarded to the lowest responsible bidder, considering the rate or rates specified and the discount bid or premium offered, if any. The lowest responsible bidder shall be the bidder submitting a price for such Series of Series 2017 Bonds that results in the lowest true interest cost to LACMTA. The true interest cost shall be computed by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from their respective payment dates to the dated date of such Series of Series 2017 Bonds and to the price bid (including any premium or discount) not including accrued interest, if any. For the purpose of calculating the true interest cost, the principal amount of such Series of Series 2017 Bonds scheduled for mandatory sinking fund redemption as part of a term bond shall be treated as serial maturity for such year. In the event two or more bids offer the same lowest true interest cost for a Series of Series 2017 Bonds, LACMTA reserves the right to exercise its own discretion and judgment in making the award. Upon accepting the best bid, LACMTA shall notify the bidder submitting such bid and shall reject all other bids. LACMTA’s determination of the best bid shall be binding and final absent manifest error.

Opening of Bids; Award

The electronic bids for each Series of Series 2017 Bonds will be retrieved at the applicable times shown above. LACMTA intends to take action awarding each or both Series of Series 2017 Bonds or rejecting each of the bids or both of the bids for the Series 2017 Bonds not later than twenty-seven (27) hours after the time herein prescribed for the receipt of bids, unless such time of award is waived by the applicable winning bidder. LACMTA will notify the winning bidders of its decision to award each Series

of Series 2017 Bonds to the applicable winning bidder through delivery (via facsimile or other electronic means) of a signed Certificate of Award. Each such Certificate of Award will be promptly delivered to the applicable winning bidder after the award is made.

Establishment of Issue Price

(a) Each winning bidder shall assist LACMTA in establishing the issue price of the Series 2017 Bonds and shall execute and deliver to LACMTA on the Date of Delivery of the Series 2017 Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public of the applicable Series of Series 2017 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of each winning bidder, LACMTA and Bond Counsel.

(b) LACMTA intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2017 Bonds) will apply to the initial sale of the Series 2017 Bonds (the “competitive sale requirements”) because:

(1) LACMTA shall disseminate this Notice Inviting Bids to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) LACMTA may receive bids for each Series of the Series 2017 Bonds from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) LACMTA anticipates awarding the sale of each Series of the Series 2017 Bonds to the bidder who submits a firm offer to purchase such Series at the highest price (or lowest interest cost), as set forth in this Notice Inviting Bids.

Any bid submitted pursuant to this Notice Inviting Bids shall be considered a firm offer for the purchase of the applicable Series of the Series 2017 Bonds, as specified in the bid.

[IN THE EVENT THAT THE COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED FOR EITHER SERIES OF SERIES 2017 BONDS, LACMTA WILL REJECT ALL BIDS AND CANCEL THE SALE.]

BIDDERS SHOULD PREPARE THEIR BIDS ON THE ASSUMPTION THAT THE ISSUE PRICE OF EACH SERIES OF THE SERIES 2017 BONDS WILL BE THE REASONABLY EXPECTED INITIAL OFFERING PRICE TO THE PUBLIC.

Right to Reject Bids; Waive Irregularities

LACMTA reserves the right, in its discretion, to reject any and all bids (in addition to the right to reject bids described in “—Establishment of Issue Price” above) and, to the extent permitted by law, to waive any irregularity or nonconformity in any bid.

Delivery and Payment; Book-Entry-Only

Delivery of the Series 2017 Bonds is expected to be made in the name of Cede & Co., as nominee of The Depository Trust Company in New York, New York on or about October [], 2017* (the Date of Delivery) and will be available to the winning bidders in book-entry form only, as more fully set forth in the Preliminary Official Statement for the Series 2017 Bonds. The winning bidders shall pay for the Series 2017 Bonds in Los Angeles in immediately available federal funds on the Date of Delivery of such Series 2017 Bonds to DTC. Any expense of providing federal funds shall be borne by the winning bidders.

Right of Cancellation

Each winning bidder shall have the right, at its option, to cancel the contract of purchase if LACMTA shall fail to deliver the related Series of Series 2017 Bonds within sixty (60) days from the date of sale thereof, and in such event each applicable winning bidder shall be entitled to the return of the related Deposit accompanying its bid.

List of Account Members

Prior to the time of its bid, each Bidder is requested to provide to the Municipal Advisor the members of the bidding group on whose behalf such bid is made. (See “—Additional Information” below for information regarding the Municipal Advisor.) Each bid shall constitute the joint and several obligation of all of the members of the bidding group.

Equal Opportunity

IT IS THE POLICY OF LACMTA TO ENSURE THAT DISADVANTAGED BUSINESS ENTERPRISE (“*DBE*”), SMALL BUSINESS ENTERPRISE (“*SBE*”), AND DISABLED VETERAN BUSINESS ENTERPRISE (“*DVBE*”) FIRMS AND ALL OTHER BUSINESS ENTERPRISES HAVE AN EQUAL OPPORTUNITY TO RECEIVE AND PARTICIPATE IN THE PERFORMANCE OF ALL LACMTA CONTRACTS. BIDDERS ARE REQUESTED TO ASSIST LACMTA IN IMPLEMENTING THIS POLICY BY TAKING ALL REASONABLE STEPS TO ENSURE THAT ALL BUSINESS ENTERPRISES, INCLUDING DBES, SBES AND DVBS, HAVE AN EQUAL OPPORTUNITY TO PARTICIPATE IN ANY SYNDICATE SUBMITTING A BID.

CUSIP Numbers; Fees

It is anticipated that CUSIP numbers will be printed on the Series 2017 Bonds, but neither failure to print such numbers on any Series 2017 Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by a winning bidder thereof to accept delivery of and pay for the applicable Series of Series 2017 Bonds. It will be the responsibility of each winning bidder to ensure that CUSIP numbers are obtained for the related Series of Series 2017 Bonds. The CUSIP Service Bureau charge for assignment of the CUSIP numbers shall be paid for by each applicable winning bidder.

Official Statement

LACMTA has delivered a Preliminary Official Statement relating to the Series 2017 Bonds and has authorized the use of said Preliminary Official Statement in connection with the sale of the Series 2017 Bonds. The Preliminary Official Statement has been “deemed final” by LACMTA for purposes of

* Preliminary; subject to change.

Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”). Upon the sale of the Series 2017 Bonds, LACMTA will prepare an Official Statement substantially in the same form as the Preliminary Official Statement subject to such amendments as are necessary, and will deliver such Official Statement to the winning bidders within seven (7) business days of the acceptance of bids by LACMTA. An electronic copy of the Official Statement will be supplied to the winning bidder of each Series of the Series 2017 Bonds for this purpose at the expense of LACMTA. Printed copies may be obtained at the expense of each winning bidder.

Continuing Disclosure

LACMTA will covenant and agree to enter into a written agreement or contract, constituting an undertaking to provide ongoing disclosure about LACMTA, for the benefit of the Bondholders on or before the Date of Delivery of the Series 2017 Bonds as required by Section (b)(5)(i) of Rule 15c2-12, which undertaking shall be in the form as summarized in the Preliminary Official Statement, with such changes as may be agreed to in writing by the winning bidder.

Digital Assurance Corporation, Inc. (“DAC”) has been engaged by LACMTA to review and prepare a report on LACMTA’s compliance with its continuing disclosure undertakings with respect to its bonds during the past five years. Prospective bidders may obtain access to DAC’s report on its website by sending a written request by email to LACMTA (TreasuryDept@metro.net), referencing “Prop. A. 2017 Bonds” in the email subject line, by no later than 12:00 noon California time on [_____], 2017. LACMTA will then request that DAC provide those bidders access to its online report. LACMTA can give no assurance as to the timeliness with which DAC will provide access to the report online or that the procedures performed by DAC in developing the report are sufficient for any purpose.

Ratings in Effect

Each bid will be understood to be conditioned upon there being in place at the Date of Delivery of the Series 2017 Bonds the same (or higher) rating or ratings, if any, as were in place with respect to the Series 2017 Bonds on the date and at the time fixed for receiving bids.

Change in Tax-Exempt Status

At any time before the Series 2017 Bonds are tendered for delivery, the winning bidders may disaffirm and withdraw their bid if the interest received by private holders of obligations of the same type and character of the Series 2017 Bonds (as determined by Bond Counsel) shall be declared to be includible in gross income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable by the terms of any federal income tax law enacted subsequent to the date of this Notice Inviting Bids.

Information Required From Winning Bidder; Reoffering Price

By making a bid for the Series 2017 Bonds, each winning bidder agrees to provide to LACMTA, via facsimile or e-mail, within two (2) hours of the acceptance of its bid, price and yield information for each maturity of the applicable Series of Series 2017 Bonds, the aggregate production, the amount to be retained by such bidder as compensation (i.e., the underwriter’s discount), and such other information as is reasonably requested by Bond Counsel.

Additionally, by making a bid for the Series 2017 Bonds, each winning bidder agrees (a) to provide all information necessary to complete the Official Statement; (b) to disseminate to all members of the underwriting syndicate copies of the Official Statement, including any supplements prepared by

LACMTA; (c) to promptly file a copy of the final Official Statement, including any supplements prepared by LACMTA, with the Municipal Securities Rulemaking Board's ("**MSRB**") Electronic Municipal Market Access system; and (d) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and MSRB rules governing the offering, sale and delivery of the Series 2017 Bonds to ultimate purchasers.

California Debt and Investment Advisory Commission Fee

All bidders are advised that pursuant to Section 8856 of the California Government Code, it will be the responsibility of each winning bidder to pay the statutory fee to the California Debt and Investment Advisory Commission ("**CDIAC**") with respect to the Series 2017 Bonds. CDIAC will invoice the winning bidders.

DTC Fee

All fees due DTC with respect to the Series 2017 Bonds shall be paid by the winning bidders.

Legal Opinion; Closing Documents

Each bid will be understood to be conditioned upon LACMTA furnishing to each winning bidder, without charge, concurrently with payment and delivery of each Series of Series 2017 Bonds, the following closing papers, each dated the Date of Delivery:

(a) **Legal Opinion; Tax-Exempt Status.** An opinion of Bond Counsel in substantially the form attached to the Preliminary Official Statement as Appendix E.

(b) **No Litigation Certificate.** A certificate of an official of LACMTA that there is no litigation pending concerning the validity of the Series 2017 Bonds, the corporate existence of LACMTA or the entitlement of the officers legally responsible for the authorization, execution and delivery of the Series 2017 Bonds to their respective offices.

(c) **Official Statement Certificate.** A certificate of an official of LACMTA stating that as of the date thereof and as of the Date of Delivery, to the best of the knowledge and belief of said official after reading and reviewing the Official Statement and any amendments thereto, the Official Statement together with any amendments thereto does not contain an untrue statement of a material fact or omit to state any material fact necessary, in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(d) **Continuing Disclosure Certificate.** A Continuing Disclosure Certificate, in substantially the form attached to the Preliminary Official Statement as Appendix F, pursuant to which LACMTA will agree to provide certain financial information and operating data annually and notice of certain enumerated events.

(e) **Receipt.** A receipt of the Trustee showing that the respective purchase price of each Series of Series 2017 Bonds has been received by the Trustee.

(f) **Verification Report.** A verification report to be received by LACMTA with respect to the advance refunding of the Refunded Bonds.

Right to Modify or Amend

LACMTA reserves the right to modify or amend this Notice Inviting Bids and each Bid Form, including, but not limited to, the right to adjust and change the principal amount of each Series of Series 2017 Bonds being offered and/or the structure of the offering; however, such notifications or amendments shall be made not later than 2:00 p.m., California Time, on the last business day prior to any date scheduled for receipt of bids and communicated through Thomson Municipal Market Monitor (www.tm3.com) (“**TM3**”) and by facsimile transmission to any bidder timely requesting such notice.

Postponement; Rejection of Bids

LACMTA reserves the right to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be announced through TM3. If any date fixed for the receipt of bids and the sale of the Series 2017 Bonds is postponed, any alternative sale date will be announced through TM3 at least twenty-four (24) hours prior to such alternative sale date and will be provided by facsimile transmission to any bidder timely requesting such notice. In addition, LACMTA reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent date on which bids for purchase of the Series 2017 Bonds will again be received. If all bids are rejected and a subsequent date for receipt of bids is established, notice of the subsequent sale date will be announced via TM3 at least twenty-four (24) hours prior to such subsequent sale date and will be provided by facsimile transmission to any bidder timely requesting such notice. On any such alternative sale date, any bidder may submit an electronic bid for the purchase of the Series 2017 Bonds in conformity in all respects with the provisions of this Notice Inviting Bids except for the date of sale and except for the changes announced through TM3 at the time the sale date and time are announced.

Blue Sky Laws

Each winning bidder will be responsible for the clearance or exemption with respect to the status of the applicable Series of Series 2017 Bonds for sale under the securities or “Blue Sky” laws of the several states and the preparation of any surveys or memoranda in connection therewith.

Governing Law

This Notice Inviting Bids and the Series 2017 Bonds shall be governed by and construed in accordance with the laws of the State of California.

Additional Information

For further information respecting the terms and conditions of the Series 2017 Bonds, bidders are referred to the Trust Agreement, the Thirty-Eighth Supplemental Agreement and the Preliminary Official Statement. A copy of the Preliminary Official Statement and other information concerning the proposed financing will be furnished upon request made to the Municipal Advisor: KNN Public Finance, LLC, 1300 Clay Street, Suite 1000, Oakland, California 94611, Telephone: (510) 208-8288. Additionally, a copy of the Preliminary Official Statement and complete copy of this Notice Inviting Bids can be obtained in electronic format at www.MuniOS.com and www.i-dealprospectus.com.

Given by order of the Los Angeles County Metropolitan Transportation Authority on October
[], 2017.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By _____
[]

EXHIBIT A-1

BID FORM (SERIES 2017-A BONDS)

**Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Bonds
Series 2017-A (Green Bonds)**

October [__], 2017

The Honorable Board of Directors of
the Los Angeles County Metropolitan
Transportation Authority
c/o Treasurer
One Gateway Plaza
21st Floor
Treasury Department
Los Angeles, CA 90012

Ladies and Gentlemen:

Subject to the provisions of and in accordance with the terms of the Notice Inviting Bids, dated October [__], 2017, of the Los Angeles County Metropolitan Transportation Authority (“*LACMTA*”) for its Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds) (the “*Series 2017-A Bonds*”), which is incorporated herein and hereby made a part hereof:

We hereby offer to purchase all, but not less than all, of the \$[_____]* aggregate principal amount of the Series 2017-A Bonds described in the Notice Inviting Bids and to pay therefor the amount of \$_____. This offer is for the Series 2017-A Bonds bearing interest at the rates and in the form of serial bonds and term bonds as follows:

* Aggregate principal amount and principal amortization amounts may be adjusted as set forth in the Notice Inviting Bids.

Maturity Date July 1	Principal Amount*	Interest Rate	Serial Maturity	Sinking Account Installment	Term Maturity Date
			(check one)		
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					

This bid is subject to acceptance not later than twenty-seven (27) hours after the expiration of the time established for the final receipt of bids.

In accordance with the Notice Inviting Bids, we agree that if we are the winning bidder, we will send a wire transfer of immediately available federal funds in the amount of \$1,000,000 not later than four (4) hours after being informed by LACMTA that we are the winning bidder.

We acknowledge and agree that after we submit this bid, LACMTA may modify the aggregate principal amount of the Series 2017-A Bonds and/or the principal amounts of each maturity of the Series 2017-A Bonds, subject to the limitations set forth in the Notice Inviting Bids.

We further acknowledge and agree that in the event that any adjustments are made to the principal amount of the Series 2017-A Bonds, we agree to purchase all of the Series 2017-A Bonds, taking into account such adjustments on the above specified terms of this bid for the Series 2017-A Bonds.

If we are the winning bidder, we will (a) within two (2) hours after being notified of the award of the Series 2017-A Bonds, advise LACMTA of the initial public offering prices of the Series 2017-A

Bonds; and (b) timely furnish the additional information described under the caption “TERMS OF SALE—Information Required from Winning Bidder; Reoffering Price” in the Notice Inviting Bids.

[If we are the winning bidder, we agree to provide to LACMTA as soon as possible after the sale of the Series 2017-A Bonds a complete list of syndicate members, the actual allocation of the Series 2017-A Bonds and the orders placed by the syndicate members.]

We have noted that payment of the purchase price is to be made in immediately available funds at the time of delivery of the Series 2017-A Bonds.

This bid is a firm offer for the purchase of the Series 2017-A Bonds, on the terms set forth in this Bid Form and the Notice Inviting Bids, and is not subject to any conditions, except as permitted by the Notice Inviting Bids. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds.

As set forth in the Notice Inviting Bids, this bid shall be cancelled and deemed to be withdrawn in the event that the competitive sale requirements are not satisfied.

We understand that we may obtain printed copies of the Official Statement at our own expense.

We represent that we have full and complete authority to submit this bid on behalf of our bidding syndicate and that the undersigned will serve as the lead manager for the group if the Series 2017-A Bonds are awarded pursuant to this bid. We further certify (or declare) under penalty of perjury under the laws of the State of California that this bid is genuine, and not a sham or collusive, nor made in the interest of or on behalf of any person not herein named, and that the bidder has not directly or indirectly induced or solicited any other bidder to put in a sham bid or any other person, firm or corporation to refrain from bidding, and that the bidder has not in any manner sought by collusion to secure for itself an advantage over any other bidder.

Respectfully submitted,

By _____

Account Manager

Company Name: _____

Telephone _____

Facsimile _____

EXHIBIT A-2

BID FORM (SERIES 2017-B BONDS)

**Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds
Series 2017-B**

October [__], 2017

The Honorable Board of Directors of
the Los Angeles County Metropolitan
Transportation Authority
c/o Treasurer
One Gateway Plaza
21st Floor
Treasury Department
Los Angeles, CA 90012

Ladies and Gentlemen:

Subject to the provisions of and in accordance with the terms of the Notice Inviting Bids, dated October [__], 2017, of the Los Angeles County Metropolitan Transportation Authority (“**LACMTA**”) for its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2017-B (the “**Series 2017-B Bonds**”), which is incorporated herein and hereby made a part hereof:

We hereby offer to purchase all, but not less than all, of the \$[_____]* aggregate principal amount of the Series 2017-B Bonds described in the Notice Inviting Bids and to pay therefor the amount of \$_____. This offer is for the Series 2017-B Bonds bearing interest at the rates and in the form of serial bonds and term bonds as follows:

Maturity Date July 1	Principal Amount*	Interest Rate	Serial Maturity	Sinking Account Installment	Term Maturity Date
			(check one)		
2022					
2023					

This bid is subject to acceptance not later than twenty-seven (27) hours after the expiration of the time established for the final receipt of bids.

In accordance with the Notice Inviting Bids, we agree that if we are the winning bidder, we will send a wire transfer of immediately available federal funds in the amount of \$200,000 not later than four (4) hours after being informed by LACMTA that we are the winning bidder.

We acknowledge and agree that after we submit this bid, LACMTA may modify the aggregate principal amount of the Series 2017-B Bonds and/or the principal amounts of each maturity of the Series 2017-B Bonds, subject to the limitations set forth in the Notice Inviting Bids.

* Aggregate principal amount and principal amortization amounts may be adjusted as set forth in the Notice Inviting Bids.

We further acknowledge and agree that in the event that any adjustments are made to the principal amount of the Series 2017-B Bonds, we agree to purchase all of the Series 2017-B Bonds, taking into account such adjustments on the above specified terms of this bid for the Series 2017-B Bonds.

If we are the winning bidder, we will (a) within two (2) hours after being notified of the award of the Series 2017-B Bonds, advise LACMTA of the initial public offering prices of the Series 2017-B Bonds; and (b) timely furnish the additional information described under the caption "TERMS OF SALE—Information Required from Winning Bidder; Reoffering Price" in the Notice Inviting Bids.

[If we are the winning bidder, we agree to provide to LACMTA as soon as possible after the sale of the Series 2017-B Bonds a complete list of syndicate members, the actual allocation of the Series 2017-B Bonds and the orders placed by the syndicate members.]

We have noted that payment of the purchase price is to be made in immediately available funds at the time of delivery of the Series 2017-B Bonds.

This bid is a firm offer for the purchase of the Series 2017-B Bonds, on the terms set forth in this Bid Form and the Notice Inviting Bids, and is not subject to any conditions, except as permitted by the Notice Inviting Bids. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds.

As set forth in the Notice Inviting Bids, this bid shall be cancelled and deemed to be withdrawn in the event that the competitive sale requirements are not satisfied.

We understand that we may obtain printed copies of the Official Statement at our own expense.

We represent that we have full and complete authority to submit this bid on behalf of our bidding syndicate and that the undersigned will serve as the lead manager for the group if the Series 2017-B Bonds are awarded pursuant to this bid. We further certify (or declare) under penalty of perjury under the laws of the State of California that this bid is genuine, and not a sham or collusive, nor made in the interest of or on behalf of any person not herein named, and that the bidder has not directly or indirectly induced or solicited any other bidder to put in a sham bid or any other person, firm or corporation to refrain from bidding, and that the bidder has not in any manner sought by collusion to secure for itself an advantage over any other bidder.

Respectfully submitted,

By _____
Account Manager
Company Name: _____
Telephone _____
Facsimile _____

EXHIBIT B

WINNING BIDDER'S ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____ (the “[UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the Los Angeles County Metropolitan Transportation Authority [Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds)] [Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2017-B] (the “Bonds”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the [UNDERWRITER] are the prices listed in Schedule A attached hereto (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the [UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B hereto is a true and correct copy of the bid provided by the [UNDERWRITER] to purchase the Bonds.

(b) [UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. Defined Terms.

“*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

“*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

“*Related Party*”. A purchaser of any Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

“*Sale Date*” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October [___], 2017.

“*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract

directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Los Angeles County Metropolitan Transportation Authority (the "Authority") with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Kutak Rock LLP, Bond Counsel to the Authority in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Authority from time to time relating to the Bonds.

IN WITNESS WHEREOF, the undersigned has set their hand as of the date set forth below.

Dated: October [__], 2017

[UNDERWRITER]

By: _____

SCHEDULE A
INITIAL OFFERING PRICES OF BONDS

SCHEDULE B
BID OF WINNING BIDDER

NOTICE OF INTENTION TO SELL BONDS

Approximately \$[_____]*
 Los Angeles County Metropolitan Transportation Authority
 Proposition A First Tier Senior Sales Tax Revenue Bonds
 Series 2017-A (Green Bonds)

Approximately \$[_____]*
 Los Angeles County Metropolitan Transportation Authority
 Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds
 Series 2017-B

On [October __], 2017, the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) intends to receive bids, through the electronic bidding services of Ipreo’s BiDCOMP™/PARITY®, for:

- (1) the above-referenced Series 2017-A Bonds until [9:00] a.m., California Time, and
- (2) the above-referenced Series 2017-B Bonds until [9:30] a.m., California Time.

Electronic bids received by LACMTA will be considered by LACMTA at the times described above at One Gateway Plaza, Treasury Department, 21st Floor, Los Angeles, California 90012. Awarding and/or rejecting bids for the Series 2017-A Bonds and the Series 2017-B Bonds (collectively, the “Series 2017 Bonds”) will take place in accordance with the provisions of the Notice Inviting Bids. LACMTA reserves the right, in its sole discretion, to reject any and all bids and, to the extent permitted by law, to waive any irregularity or nonconformity in any bid. LACMTA also reserves the right to modify or amend the Notice Inviting Bids as set forth therein, including to modify the size or structure of the transaction.

LACMTA reserves the right to postpone, from time to time, the date established for the receipt of bids as more fully set forth in the Notice Inviting Bids. Any such postponement will be announced via Thomson Municipal Market Monitor (www.tm3.com) (“TM3”). If any date fixed for the receipt of bids and the sale of the Series 2017 Bonds is postponed, any alternative sale date will be announced through TM3 at least 24 hours prior to such alternative sale date.

The Series 2017 Bonds will be dated their Date of Delivery. The principal amount of each Series of the Series 2017 Bonds sold may be adjusted after the award of such Series 2017 Bonds, as set forth in the Notice Inviting Bids.

Copies of the Notice Inviting Bids, the Preliminary Official Statement with respect to the Series 2017 Bonds, the Resolution of LACMTA authorizing the issuance of the Series 2017 Bonds, the Trust Agreement and the form of the Thirty-Eighth Supplemental Trust Agreement related thereto are available from the offices of LACMTA’s municipal advisor: KNN Public Finance, LLC, 1300 Clay Street, Suite 1000, Oakland, California 94611, Telephone: (510) 208-8288. Copies of the Preliminary Official Statement and the Notice Inviting Bids also are available in electronic format at www.MuniOS.com and www.i-dealprospectus.com.

LOS ANGELES COUNTY METROPOLITAN
 TRANSPORTATION AUTHORITY

By _____
 [_____]

* Preliminary; subject to change.
 4836-6496-5963.3

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2017

[DAC Logo]

NEW ISSUE—BOOK-ENTRY ONLY

Ratings: Moody's: "[]"
 S&P: "[]"
 See "RATINGS" herein.

In the opinion of Kutak Rock LLP, Bond Counsel to LACMTA, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax, except that interest on the Series 2017 Bonds will be included in a corporate taxpayer's adjusted current earnings for purposes of computing its federal alternative minimum tax. Bond Counsel is further of the opinion that interest on the Series 2017 Bonds is exempt from present State of California personal income taxes. For a more complete description, see "TAX MATTERS" herein.

[climate bond certified logo]

\$[]*
**LOS ANGELES COUNTY METROPOLITAN
 TRANSPORTATION AUTHORITY**

\$[]*
**Proposition A First Tier Senior
 Sales Tax Revenue Bonds,
 Series 2017-A (Green Bonds)**

\$[]*
**Proposition A First Tier Senior Sales
 Tax Revenue Refunding Bonds,
 Series 2017-B**

Dated: Date of Delivery**Due: As shown on inside cover**

The Los Angeles County Metropolitan Transportation Authority ("LACMTA") is issuing its Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds) (the "Series 2017-A Bonds") and its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2017-B (the "Series 2017-B Bonds"). The Series 2017-A Bonds and the Series 2017-B Bonds are collectively referred to herein as the "Series 2017 Bonds."

The Series 2017 Bonds are being issued pursuant to the Trust Agreement, dated as of July 1, 1986, as amended and supplemented (the "Trust Agreement"), by and between LACMTA and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and the Thirty-Eighth Supplemental Trust Agreement, to be dated as of [October] 1, 2017 (the "Thirty-Eighth Supplemental Agreement," and together with the Trust Agreement, the "Agreement"), by and between LACMTA and the Trustee. The Series 2017 Bonds are limited obligations of LACMTA payable from and secured by a first lien on and pledge of the Pledged Revenues (which includes the receipts from the imposition in the County of Los Angeles for public transit purposes of a one-half cent retail transactions and use tax, less 25% thereof paid to local jurisdictions and certain administrative fees) and by certain other amounts held under the Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS" and "PROPOSITION A SALES TAX AND COLLECTIONS" herein. LACMTA will use the proceeds of the Series 2017 Bonds, along with certain other available moneys, to (a) finance or refinance (through the repayment of Proposition A Commercial Paper Notes) the development and construction of certain projects of the rail, bus and highway transit system, including projects that have been identified as environmentally beneficial, as further described herein, (b) refund, on an advance basis, and defease certain of the outstanding bonds as further described herein, (c) make a deposit in the reserve fund as further described herein, and (d) pay the costs of issuance of the Series 2017 Bonds.

The Series 2017 Bonds will be issued in denominations of \$5,000 and integral multiples thereof. The Series 2017 Bonds will be issued in fully registered form and will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), the securities depository for the Series 2017 Bonds. Individual purchases and sales of the Series 2017 Bonds may be made in book-entry form only. See "APPENDIX H—BOOK-ENTRY—ONLY SYSTEM." The Series 2017 Bonds will mature in the principal amounts and will bear interest at the rates set forth on the inside front cover page. LACMTA will pay interest on the Series 2017 Bonds on January 1 and July 1, commencing on July 1, 2018.

Certain of the Series 2017-A Bonds are subject to redemption prior to maturity as described in this Official Statement. The Series 2017-B Bonds are not subject to redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2017 BONDS—Redemption."

Neither the faith and credit nor the taxing power of the County of Los Angeles, the State of California or any political subdivision or public agency thereof, other than LACMTA to the extent of the Pledged Revenues and certain other amounts held by the Trustee under the Agreement, is pledged to the payment of the principal of or interest on the Series 2017 Bonds. Other than Pledged Revenues and such other amounts held by the Trustee under the Agreement, the

* Preliminary, subject to change.

general fund of LACMTA is not liable, and neither the credit nor the taxing power of LACMTA is pledged, to the payment of the principal of or interest on the Series 2017 Bonds. LACMTA has no power to levy property taxes to pay the principal of and interest on the Series 2017 Bonds.

Purchasers of the Series 2017 Bonds will be deemed to have consented to certain amendments to the Trust Agreement. See “INTRODUCTION—Proposed Amendments to Trust Agreement” herein.

This cover page contains certain information for general reference only. It is not intended to be a summary of the terms of, or the security for, the Series 2017 Bonds. Investors are advised to read this Official Statement in its entirety to obtain information essential to making an informed investment decision. Capitalized terms used on this cover page and not otherwise defined have the meanings set forth herein.

LACMTA is offering the Series 2017 Bonds when, as and if it issues the Series 2017 Bonds. The issuance of the Series 2017 Bonds is subject to the approval as to their validity by Kutak Rock LLP, Bond Counsel to LACMTA. The Los Angeles County Counsel, as General Counsel to LACMTA, and Nixon Peabody LLP, as Disclosure Counsel, will pass on certain legal matters for LACMTA. LACMTA anticipates that the Series 2017 Bonds will be available for delivery through the facilities of DTC on or about October [__], 2017. Electronic bids for the purchase of the Series 2017-A Bonds will be received by LACMTA until [9:00] a.m., California time, on October [__], 2017 and bids for purchase of the Series 2017-B Bonds will be received by LACMTA until [9:30] a.m., California time, on October [__], 2017, in each case unless postponed as set forth in the Notice Inviting Bids.*

Date of Official Statement: October __, 2017

MATURITY SCHEDULE

\$_[_____]*

Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Bonds Series 2017-A (Green Bonds)

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP Nos.†
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					

* Preliminary, subject to change.

† Copyright 2017, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with LACMTA and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Series 2017 Bonds. LACMTA does not take any responsibility for the accuracy of the CUSIP numbers provided herein.

\$[_____]*
Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds
Series 2017-B

<u>Maturity Date (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP Nos.[†]</u>
2022					
2023					

* Preliminary, subject to change.

† Copyright 2017, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with LACMTA and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Series 2017 Bonds. LACMTA does not take any responsibility for the accuracy of the CUSIP numbers provided herein.

[Insert Map of LACMTA System]

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

Board Members

Eric Garcetti, Chair
Sheila Kuehl, First Vice-Chair
James T. Butts, Jr., Second Vice-Chair
Kathryn Barger
Mike Bonin
Jacquelyn Dupont-Walker
John Fasana
Robert Garcia
Janice Hahn
Paul Krekorian
Ara J. Najarian
Mark Ridley-Thomas
Hilda L. Solis
Carrie Bowen, Non-Voting Member

LACMTA Officers

Phillip A. Washington, Chief Executive Officer
Nalini Ahuja, Chief Financial Officer
Donna R. Mills, Treasurer

LACMTA General Counsel

Office of the County Counsel
Los Angeles, California

MUNICIPAL ADVISOR

KNN Public Finance, LLC
Oakland, California

BOND COUNSEL

Kutak Rock LLP

DISCLOSURE COUNSEL

Nixon Peabody LLP

TRUSTEE AND ESCROW AGENT

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

VERIFICATION AGENT

Causey Demgen & Moore P.C.

LACMTA has not authorized any dealer, broker, salesperson or other person to give any information or to make any representation in connection with the offer or sale of the Series 2017 Bonds other than as set forth in this Official Statement and, if given or made, such other information or representation must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2017 Bonds, by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not a contract with the purchasers or owners of the Series 2017 Bonds. Statements contained in this Official Statement which involve estimates, projections or matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of facts.

The information and expressions of opinion in this Official Statement are subject to change without notice, and the delivery of this Official Statement and any sale made pursuant to this Official Statement do not, under any circumstances, imply that the information and expressions of opinion in this Official Statement and other information regarding LACMTA have not changed since the date hereof. LACMTA is circulating this Official Statement in connection with the sale of the Series 2017 Bonds and this Official Statement may not be reproduced or used, in whole or in part, for any other purpose.

In making an investment decision, investors must rely on their own examination of the terms of the offering and the security and sources of payment of the Series 2017 Bonds, including the merits and risks involved. The Series 2017 Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Agreement been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. Neither the U.S. Securities and Exchange Commission nor any other federal, state or other governmental entity, nor any agency or department thereof, has passed upon the merits of the Series 2017 Bonds or the accuracy or completeness of this Official Statement. The Series 2017 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Any representation to the contrary may be a criminal offense.

This Official Statement contains statements relating to future results that are “forward looking statements.” When used in this Official Statement, the words “estimate,” “forecast,” “projection,” “intend,” “expect” and similar expressions identify forward looking statements. Any forward looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward looking statements. Some assumptions used to develop forward looking statements inevitably will not be realized, and unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results; those differences could be material.

In connection with this offering, the Winning Bidders may over allot or effect transactions which stabilize or maintain the market price of the Series 2017 Bonds 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 Winning Bidders may offer and sell the Series 2017 Bonds to certain dealers and others at yields higher or prices lower than the public offering yields and/or prices stated on the inside cover page of this Official Statement, and such public offering yields and/or prices may be changed from time to time by the Winning Bidders.

CERTIFICATION AS CLIMATE BONDS

The certification of the Series 2017-A Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bond Standard and does not, and is not intended to, make any representation

or give any assurance with respect to any other matter relating to the Series 2017-A Bonds or any projects financed with the proceeds of the Series 2017-A Bonds (referred to in this section as the “Nominated Projects”), including but not limited to this Official Statement, the transaction documents, LACMTA or the management of LACMTA.

The certification of the Series 2017-A Bonds as Climate Bonds by the Climate Bonds Initiative was addressed solely to the board of directors of the LACMTA and is not a recommendation to any person to purchase, hold or sell the Series 2017-A Bonds and such certification does not address the market price or suitability of the Series 2017-A Bonds for a particular investor. The certification also does not address the merits of the decision by LACMTA or any third party to participate in any Nominated Project and does not express and should not be deemed to be an expression of an opinion as to LACMTA or any aspect of any Nominated Project (including but not limited to the financial viability of any Nominated Project) other than with respect to conformance with the Climate Bond Standard.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any Nominated Project or LACMTA. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any Nominated Project. The certification may only be used with the Series 2017-A Bonds and may not be used for any other purpose without the Climate Bonds Initiative’s prior written consent.

The certification does not and is not in any way intended to address the likelihood of timely payment of interest when due on the Series 2017-A Bonds and/or the payment of principal at maturity or any other date.

The certification may be withdrawn at any time in the Climate Bonds Initiative’s sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.

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OFFICIAL STATEMENT

\$[_____]*
**LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY**

\$[_____]* \$[_____]*
Proposition A First Tier Senior Proposition A First Tier Senior Sales
Sales Tax Revenue Bonds, Tax Revenue Refunding Bonds,
Series 2017-A (Green Bonds) Series 2017-B

INTRODUCTION

This Official Statement, which includes the cover page and the appendices hereto, sets forth information in connection with the offering by the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) of \$[_____]* aggregate principal amount of its Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds) (the “Series 2017-A Bonds”) and its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2017-B (the “Series 2017-B Bonds”). The Series 2017-A Bonds and the Series 2017-B Bonds are collectively referred to herein as the “Series 2017 Bonds.” This Introduction is not a summary of this Official Statement. This Introduction is qualified by the more complete and detailed information contained in this entire Official Statement and the documents summarized or described in this Official Statement. Prospective investors should review this entire Official Statement, including the cover page and appendices, before they make an investment decision to purchase the Series 2017 Bonds. LACMTA is only offering the Series 2017 Bonds to potential investors by means of this entire Official Statement. Capitalized terms used but not defined herein have the meanings ascribed to them in “APPENDIX E—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS.”

LACMTA

LACMTA was established in 1993 pursuant to the provisions of Section 130050.2 et seq. of the California Public Utilities Code (the “LACMTA Act”). LACMTA is the consolidated successor entity to both the Southern California Rapid Transit District (the “District”) and the Los Angeles County Transportation Commission (the “Commission”). As the consolidated successor entity, LACMTA succeeded to all powers, duties, rights, obligations, liabilities, indebtedness, bonded or otherwise, immunities and exemptions of the Commission and the District, including the Commission’s responsibility for planning, engineering and constructing a county-wide rail transit system. The Commission was authorized, subject to approval by the electorate of the County of Los Angeles (the “County”), to adopt a retail transactions and use tax ordinance, with the revenues of such tax to be used for public transit purposes. On November 4, 1980, the voters of the County approved the “Proposition A Sales Tax.” The Proposition A Sales Tax is a ½ of 1 percent sales tax and is not limited in duration. For more information regarding the Proposition A Sales Tax, see “PROPOSITION A SALES TAX AND COLLECTIONS—The Proposition A Sales Tax.”

For further discussion of LACMTA, its other sources of revenues, the services it provides and the projects it is undertaking, see “APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY.” The information provided in Appendix A is intended as general information only. The Series 2017A Bonds are limited obligations of the LACMTA payable from

* Preliminary, subject to change.

Pledged Revenues, which consist primarily of proceeds of the Proposition A Sales Tax. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS.

For certain economic and demographic data about the County, see “APPENDIX D—LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION.”

Purpose of the Series 2017 Bonds

LACMTA will use the proceeds of the Series 2017 Bonds, together with other available funds, to (a) finance or refinance (through the repayment of Proposition A Commercial Paper Notes) the development and construction of certain projects of the rail, bus and highway transit system, including projects that have been identified as environmentally beneficial, as further described herein, (b) refund, on an advance basis, and defease the Refunded Bonds (as defined herein), (c) make a deposit in the Reserve Fund as further described herein, and (d) the costs of issuance of the Series 2017 Bonds. For a more detailed description of LACMTA’s proposed use of proceeds from the issuance of the Series 2017 Bonds, see “PLAN OF FINANCE AND APPLICATION OF BOND PROCEEDS.”

Description of the Series 2017 Bonds

The Series 2017 Bonds are limited obligations of LACMTA to be issued pursuant to, and payable from and secured under, the Trust Agreement, dated as of July 1, 1986, as amended and supplemented (the “Trust Agreement”), by and between LACMTA (as successor to the Commission) and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A., as successor to BNY Western Trust Company, as successor in interest to Wells Fargo Bank, N.A., as successor by merger to First Interstate Bank of California), as trustee (the “Trustee”), and to be further amended and supplemented by the Thirty-Eighth Supplemental Trust Agreement, to be dated as of [October] 1, 2017 (the “Thirty-Eighth Supplemental Agreement”), by and between LACMTA and the Trustee. The Trust Agreement and the Thirty-Eighth Supplemental Agreement are collectively referenced herein as the “Agreement.”

The Series 2017 Bonds will be issued in registered form, in denominations of \$5,000 or any integral multiple thereof. The Series 2017 Bonds will be dated their initial date of delivery and will mature and will bear interest at the rates per annum as shown on the inside cover page hereof, computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2017 Bonds will be delivered in book-entry-only form and 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 Series 2017 Bonds. See “APPENDIX H—BOOK-ENTRY-ONLY SYSTEM.”

Security and Sources of Payment for the Series 2017 Bonds

The Series 2017 Bonds are limited obligations of LACMTA payable solely from and secured by a first lien on and pledge of “Pledged Revenues,” which include moneys collected as a result of the imposition of the Proposition A Sales Tax (the imposition of which is not limited in duration), less 25% thereof which is allocated to local jurisdictions for local transit purposes (the “Local Allocation”) and less an administrative fee paid to the California State Board of Equalization (the “State Board of Equalization”) in connection with the collection and disbursement of the Proposition A Sales Tax (the “Pledged Tax”), plus interest, profits and other income received from investment of such amounts held by the Trustee, and all other amounts held by the Trustee under the Agreement except for amounts held in any rebate fund and any escrow fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS” and “PROPOSITION A SALES TAX AND COLLECTIONS—The Proposition A Sales Tax.”

Proposition A Sales Tax Obligations

LACMTA has issued other obligations under the Agreement that are secured by and payable from Pledged Revenues on a parity with the Series 2017 Bonds, and LACMTA is permitted to issue additional parity obligations in the future upon satisfaction of certain additional bonds tests contained in the Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS—Additional First Tier Senior Lien Bonds.” The Series 2017 Bonds, the existing obligations on a parity with the Series 2017 Bonds and all future obligations issued on a parity with the Series 2017 Bonds are collectively referred to herein as the “First Tier Senior Lien Bonds.” As of September 1, 2017, \$820,130,000 aggregate principal amount of First Tier Senior Lien Bonds (including the Refunded Bonds) were outstanding. See “PLAN OF FINANCE AND APPLICATION OF BOND PROCEEDS” and “PROPOSITION A SALES TAX OBLIGATIONS.”

In addition, LACMTA has issued other obligations under the Agreement that are secured by and payable from Pledged Revenues on a basis subordinate to the First Tier Senior Lien Bonds (including the Bonds), and it may issue additional subordinate obligations in the future. See “PROPOSITION A SALES TAX OBLIGATIONS.”

The Series 2017 Bonds Are Limited Obligations of LACMTA Only

Neither the faith and credit nor the taxing power of the County, the State of California or any political subdivision or public agency thereof, other than LACMTA to the extent of the Pledged Revenues and certain other amounts held by the Trustee under the Agreement, is pledged to the payment of the principal of or interest on the Series 2017 Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2017 Bonds.

The Series 2017 Bonds are limited obligations of LACMTA and are payable, as to both principal and interest, solely from a first lien on and pledge of the Pledged Revenues and certain other amounts held by the Trustee under the Agreement. Other than Pledged Revenues and such other amounts held by the Trustee under the Agreement, the general fund of LACMTA is not liable, and neither the credit nor the taxing power of LACMTA is pledged, to the payment of the principal of or interest on the Series 2017 Bonds.

Reserve Fund

Pursuant to the Agreement, the Reserve Fund was established and is held by the Trustee and is available to make payments of principal of and interest on all First Tier Senior Lien Revenue Bonds, including the Series 2017 Bonds, issued by LACMTA under the Agreement to the extent the amounts in the Bond Interest Account or the Bond Principal Account are not sufficient to pay in full the principal of and interest on the First Tier Senior Lien Bonds when due. The Reserve Fund is required to be funded in an amount equal to the Reserve Fund Requirement. At the time of issuance of the Series 2017 Bonds, the Reserve Fund will be funded in an amount equal to the Reserve Fund Requirement (which is expected to be approximately \$_____ at the time of issuance of the Series 2017 Bonds). At the time of issuance of the Series 2017 Bonds, the Reserve Fund Requirement will be satisfied by an existing municipal bond debt service reserve insurance policy (the “AGM Reserve Policy”) provided by Assured Guaranty Municipal Corp. (as successor to Financial Security Assurance Inc.) (“AGM”) with a policy limit of \$85,500,000, and cash and investments in the amount of approximately \$_____. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS—Reserve Fund—AGM Reserve Policy.” The Reserve Fund also contains a municipal bond debt service reserve fund policy (the “FGIC Reserve Policy”) provided by Financial Guaranty Insurance Company (National Public Finance Guarantee Corporation by novation). The Reserve Fund Requirement is satisfied without taking into account the

FGIC Reserve Policy. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS—Reserve Fund—FGIC Reserve Policy.”

Following the Amendment Effective Date (as defined under “—Proposed Amendments to Trust Agreement” below), LACMTA expects to elect that the Series 2017 Bonds will no longer be secured by the Reserve Fund or any other debt service reserve fund. See “—Proposed Amendments to Trust Agreement” below and “APPENDIX I—PROPOSED AMENDMENTS TO TRUST AGREEMENT.”

Proposed Amendments to Trust Agreement

Pursuant to the Thirty-Seventh Supplemental Trust Agreement, dated as of March 1, 2016, between LACMTA and the Trustee, certain amendments will be made to the Trust Agreement (the “Proposed Amendments”), which are described in Appendix I hereto. The Proposed Amendments will not become effective until such time as the Bondholders of not less than 60% in aggregate principal amount of the First Tier Senior Lien Bonds then Outstanding have consented to such Proposed Amendments (the “Amendment Effective Date”). ***By the purchase and acceptance of the Series 2017 Bonds, the Bondholders and Beneficial Owners of the Series 2017 Bonds will be deemed to have consented to the Proposed Amendments.*** Any Bondholders and Beneficial Owners of First Tier Senior Lien Bonds issued on and after the date of issuance of the Series 2017 Bonds (including the Series 2017 Bonds) will be deemed to have consented to and will be subject to the Proposed Amendments, but only after the Bondholders of not less than 60% in aggregate principal amount of the First Tier Senior Lien Series 2017 Bonds then Outstanding have consented to the Proposed Amendments. As of September 1, 2017, the Bondholders of 19.9% of the then-Outstanding First Tier Senior Lien Bonds have consented to the Proposed Amendments and none of the other required consents have been obtained. On the date of issuance of the Series 2017 Bonds, approximately ___% of the Bondholders of the Outstanding First Tier Senior Lien Bonds (including the Bondholders of the Series 2017 Bonds) will have consented to the Proposed Amendments. Only the Bondholders of the Series 2017 Bonds and the Bondholders of LACTMA’s Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2016-A (the “Series 2016 Bonds”) have consented to the Proposed Amendments. None of the Bondholders of the other currently Outstanding First Tier Senior Lien Bonds have consented to the Proposed Amendments, and, LACMTA has no plans to solicit the consent of the Bondholders of the other currently Outstanding First Tier Senior Lien Bonds to the Proposed Amendments. Based on the amortization schedule for the Outstanding First Tier Senior Lien Bonds and the expected amortization schedule for the Series 2017 Bonds, assuming that all First Tier Senior Lien Bonds are paid as scheduled, no additional First Tier Senior Lien Bonds are issued and no First Tier Senior Lien Bonds are refunded after the issuance of the Series 2017 Bonds, the LACMTA expects that it would obtain the consent of the Bondholders of not less than 60% in aggregate principal amount of the First Tier Senior Lien Bonds then-Outstanding in July 2019.* However, the timing of obtaining the required Bondholder consents could change. There can be no assurance as to when (or whether) the Proposed Amendments will become effective.

The Proposed Amendments include, among other amendments, changes to the requirement under the Trust Agreement that the Series 2016 Bonds and any other Additional First Tier Senior Lien Bonds issued after the date of issuance of the Series 2016 Bonds, including the Series 2017 Bonds, participate in and be secured by the Reserve Fund. The Proposed Amendments will allow the Series 2016 Bonds and any First Tier Senior Lien Bonds issued after the date of issuance of the Series 2016 Bonds, including the Series 2017 Bonds, to (i) participate in and be secured by the Reserve Fund, or (ii) participate in and be secured by a separate debt service reserve fund, or (iii) not participate in or be secured by the Reserve Fund or any other debt service reserve fund. See “APPENDIX I—PROPOSED AMENDMENTS TO

* Preliminary, subject to change.

TRUST AGREEMENT.” LACMTA currently expects that upon the Amendment Effective Date it will elect that the Series 2017 Bonds will no longer participate in or be secured by the Reserve Fund or any other debt service reserve fund. At the time the Series 2017 Bonds are no longer secured by the Reserve Fund, LACMTA expects that the Reserve Requirement will be reduced and a portion of the moneys on deposit in the Reserve Fund will be released, at which time such moneys may be applied by LACMTA for any lawful purpose. See “RISK FACTORS—After Amendment Effective Date Series 2017 Bonds May Not be Secured by Reserve Fund.”

Continuing Disclosure

In connection with the issuance of the Series 2017 Bonds, for purposes of assisting the Winning Bidders in complying with Rule 15c2-12 (the “Rule”) promulgated by the U.S. Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as amended, LACMTA will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (the “EMMA System”), certain annual financial information and operating data relating to LACMTA and notice of certain enumerated events. See “CONTINUING DISCLOSURE” and “APPENDIX G—FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Additional Information

Brief descriptions of the Series 2017 Bonds, the Agreement and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, report or other instrument. The information herein is subject to change without notice, and the delivery of this Official Statement will under no circumstances, create any implication that there has been no change in the affairs of LACMTA since the date hereof. This Official Statement is not to be construed as a contract or agreement between LACMTA or the purchasers or Bondholders of any of the Series 2017 Bonds. LACMTA maintains a website and social media accounts, the information on which is not part of this Official Statement, has not and is not incorporated by reference herein, and should not be relied upon in deciding whether to invest in the Series 2017 Bonds.

Copies of the Agreement may be obtained from LACMTA at One Gateway Plaza, 21st Floor, Treasury Department, Los Angeles, California 90012, or by emailing TreasuryDept@metro.net, or by calling (213) 922-2554.

PLAN OF FINANCE AND APPLICATION OF BOND PROCEEDS

Use of Proceeds; Plan of Finance

Series 2017-A Bonds. LACMTA will use the proceeds of the Series 2017-A Bonds to (a) finance or refinance (through the repayment of Proposition A Commercial Paper Notes) the development and construction of certain projects of the rail, bus and highway transit system which have been identified as environmentally beneficial as further described herein, (b) fund an account in the Reserve Fund as further described herein, and (c) pay the costs of issuance of the Series 2017-A Bonds.

The projects expected to be financed or refinanced with the proceeds of the Series 2017A Bonds consist of improvements to the rail, bus and highway transit system, including (a) construction of the new Southwestern Yard maintenance facility to store, maintain, repair and clean light rail vehicles required for the Crenshaw/LAX project and existing Metro Green Line as well as future lines in the area, (b) construction of the Universal City Station pedestrian bridge, (c) procurement of new light rail vehicles for

the Gold Line Foothill Extension, Exposition Line and Crenshaw LAX projects, (d) procurement of heavy rail vehicles for Purple Line Extension, Segment 1, and to replace vehicles that have met their intended service, and (e) other rail vehicle maintenance and rail facilities improvements. LACMTA may ultimately use the Series 2017-A Bond proceeds for different or additional eligible projects. See “CLIMATE BOND CERTIFICATION OF THE SERIES 2017-A BONDS.”

Series 2017-B Bonds. LACMTA will use the proceeds of the Series 2017-B Bonds to (a) refund, on an advance basis, and defease the Refunded Bonds, as described below under “—Refunding Plan,” and (b) pay the costs of issuance of the Series 2017-B Bonds.

Refunding Plan

LACMTA will use the proceeds of the Series 2017-B Bonds, together with certain other available moneys, to refund, on an advance basis, and defease all or a portion of its outstanding Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2011-B (the portion so refunded, the “Refunded Bonds”) as set forth in more detail in the following table. The specific maturities, if any, to be refunded will depend on market conditions.

Refunded Bonds*

<u>Maturity Date (July 1)</u>	<u>Principal Amount</u>	<u>Redemption or Payment Date</u>	<u>Redemption Price</u>
2022	175,000	July 1, 2021 ¹	100%
2022	610,000	July 1, 2021 ¹	100
2022	43,665,000	July 1, 2021 ¹	100
2023	1,250,000	July 1, 2021 ¹	100
2023	500,000	July 1, 2021 ¹	100
2023	44,910,000	July 1, 2021 ¹	100
	<u>\$91,110,000</u>		

¹ The Refunded Bonds will be redeemed on July 1, 2021 at a redemption price of 100% of the principal thereof, plus accrued interest.

A portion of the proceeds of the Series 2017-B Bonds, together with certain other available moneys, will be deposited with The Bank of New York Mellon Trust Company, N.A., as trustee and escrow agent, and will be held in an escrow fund (the “Escrow Fund”) for the Refunded Bonds to be created under the terms of an escrow agreement to be entered into between LACMTA and The Bank of New York Mellon Trust Company, N.A., as trustee and escrow agent. Amounts deposited into the Escrow Fund will be invested in direct, noncallable obligations of the United States Treasury and/or held uninvested in cash. Amounts on deposit in the Escrow Fund will be used to pay: (i) interest on the Refunded Bonds, when due; and (ii) the redemption price of the Refunded Bonds on July 1, 2021.

Causey Demgen & Moore P.C., certified public accountants, will deliver a report stating that the firm has verified the mathematical accuracy of certain computations relating to the adequacy of the moneys to be deposited to the Escrow Fund to pay: (i) interest on the Refunded Bonds, when due; and (ii) the redemption price of the Refunded Bonds on July 1, 2021. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein.

* Preliminary, subject to change.

Estimated Sources and Uses of Funds

The following table presents the estimated sources and uses of funds in connection with the issuance of the Series 2017 Bonds.

<u>Sources</u>	2017-A Bonds	2017-B Bonds
Principal Amount	\$	\$
Original Issue Premium		
Release of Funds from Refunded Bonds Interest and Principal Subaccounts		
Release of Funds from Reserve Fund		
Total Sources	<u>\$</u>	<u>\$</u>
<u>Uses</u>		
Deposit to Construction Fund ¹		
Deposit to Escrow Fund		
Deposit to Reserve Fund		
Costs of Issuance ²		
Total Uses	<u>\$</u>	<u>\$</u>

¹ Includes amounts to repay approximately \$123.7 million of Proposition A Commercial Paper Notes.

² Includes underwriter's discount, legal fees, rating agency fees, financial advisor fees, verification agent fees, financial printer costs and other costs of issuance.

CLIMATE BOND CERTIFICATION OF THE SERIES 2017-A BONDS

The information set forth under this caption "Climate Bond Certification of the Series 2017-A Bonds" concerning (1) the Climate Bonds Initiative (the "Climate Bonds Initiative") and the process for obtaining Climate Bond Certification (the "Climate Bond Certification"), and (2) First Environment, Inc. ("First Environment") in its role as a verifier with respect to the Climate Bond Certification, all as more fully described below, has been extracted from materials provided by the Climate Bonds Initiative and First Environment, respectively, for such purposes, and none of such information is guaranteed as to accuracy or completeness or is to be construed as a representation by LACMTA or the Underwriters. Additional information relating to the Climate Bonds Initiative, the Climate Bonds Standard, the Certification Process (defined herein) and the process for obtaining Climate Bond Certification can be found at www.climatebonds.net. This website is included for reference only and the information contained therein is not incorporated by reference in this Official Statement.

The terms "Climate Bond Certified" and "green bonds" are neither defined in, nor related to the Agreement, and their use herein is for identification purposes only and is not intended to provide or imply that a holder of the Series 2017-A Bonds is entitled to any additional security other than as provided in the Agreement. LACMTA has no continuing legal obligation to maintain the Climate Bond Certification of the Series 2017-A Bonds.

Introduction. Green Bonds, also known as Climate Bonds, were popularized in 2008 as a method for raising capital for climate-friendly projects across the globe. In 2016, \$81 billion in Climate Bonds were issued worldwide, according to the Climate Bonds Initiative, an international nongovernmental, nonprofit organization dedicated to stimulating investment in projects and assets supporting environmental sustainability. LACMTA has requested, and the Climate Bonds Standard

Board [has approved], the labeling of the Series 2017-A Bonds as “Climate Bond Certified” based on the Climate Bonds Standard Verification Statement provided by First Environment. First Environment’s factual findings assessed that the proceeds of the Series 2017-A Bonds will be used on eligible projects conforming to the Climate Bonds - Low Carbon Land Transport Standard.

The Climate Bonds Initiative and Climate Bond Certification. The Series 2017-A Bonds are being issued to finance or refinance projects that assist LACMTA in providing mass transit services using an electrified railway that provides a low-carbon alternative to automobile travel.

As such, LACMTA applied to the Climate Bonds Initiative under the Climate Bonds Standard & Certification Scheme (the “Certification Process”) for designation of the Series 2017-A Bonds as “Climate Bond Certified.” The Certification Process is a voluntary verification initiative which allows LACMTA to demonstrate to the investor market, the users of LACMTA’s system, and other stakeholders that the Series 2017-A Bonds meet international standards for climate integrity, management of proceeds and transparency. The Certification Process provides a scientific framework for determining which projects and assets are consistent with a low carbon and climate resilient economy and, therefore, eligible for inclusion in a Certified Climate Bond. The Certification Process relating to the 2017-A Bonds includes pre-issuance and post-issuance requirements.

The pre-issuance requirements are designed to ensure that LACMTA has established appropriate internal processes and controls prior to issuance of the Series 2017-A Bonds, and that these internal processes and controls are sufficient to enable conformance with the Certification Process after the 2017-A Bonds have been issued and bond proceeds are expended.

As required by the Certification Process, LACMTA will engage First Environment to provide a post-issuance certification of compliance. LACMTA will provide to the Climate Bonds Initiative an annual statement with respect to the Series 2017-A Bonds certifying, to the best of its knowledge, its conformance with the certification requirements of the Climate Bonds Standard. LACMTA will also provide periodic reports to bondholders of the Series 2017-A Bonds regarding the projects financed by proceeds of the Series 2017-A Bonds, and may voluntarily file such report on EMMA (as defined herein).

RISK FACTORS

The following factors, together with all other information provided in this Official Statement, should be considered by potential investors in evaluating the purchase of the Series 2017 Bonds. The discussion below does not purport to be, nor should it be construed to be, complete nor a summary of all factors which may affect LACMTA, the Proposition A Sales Tax revenues, or the Series 2017 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Economic Factors May Cause Declines in Proposition A Sales Tax Revenues

The Series 2017 Bonds are limited obligations of LACMTA payable solely from and secured by a first lien on and pledge of Pledged Revenues, consisting primarily of certain revenues of the Proposition A Sales Tax and other amounts that are held by the Trustee under the Agreement. The level of Proposition A Sales Tax revenues collected depends on the level of taxable sales transactions within the County, which, in turn, depends on the level of general economic activity in the County. In Fiscal Years 2009 and 2010, the national economic recession and regional general economic conditions resulted in reductions in economic activity and taxable sales within the County and correspondingly Proposition A Sales Tax revenues received by LACMTA declined. Sales tax revenues increased in Fiscal Years 2011

through 2017. It is possible that Proposition A Sales Tax revenues could decline in the future, reducing amounts available to pay the principal of and interest on the Series 2017 Bonds.

To project future Proposition A Sales Tax revenues for budgetary purposes, LACMTA incorporates actual long-term experience combined with forecasts from local economists and other publicly available sources of data. LACMTA does not itself develop forecasts of current or future economic conditions. Furthermore, the State Board of Equalization does not provide LACMTA with any forecasts of Proposition A Sales Tax revenues for future periods. Therefore, LACMTA is unable to forecast or predict with certainty future levels of Proposition A Sales Tax revenues. In addition, the County is located in a seismically active region. A major earthquake or other natural disaster could adversely affect the economy of the County and the amount of Proposition A Sales Tax revenues. Future significant declines in the amount of Proposition A Sales Tax revenues could ultimately impair the ability of LACMTA to pay principal of and interest on the Series 2017 Bonds. See “PROPOSITION A SALES TAX AND COLLECTIONS—Historical Proposition A Sales Tax Collections.” Also see “APPENDIX D—LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION.”

California State Legislature or Electorate or Federal Law May Change Items Subject to Proposition A Sales Tax

With limited exceptions, the Proposition A Sales Tax is imposed on the same transactions and items subject to the general sales tax levied throughout the State of California. In the past, the California State Legislature and the California State electorate have made changes to the transactions and items subject to the State of California’s general sales tax and, therefore, the Proposition A Sales Tax. In 1991, the California State Legislature enacted legislation which expanded the transactions and items subject to the general statewide sales tax to include fuel for aviation and shipping, bottled water, rental equipment and newspapers and magazines. In 1992, the California State electorate approved an initiative which eliminated candy, gum, bottled water and confectionery items as items subject to the California State’s general sales tax. In each case, the same changes were made to transactions or items subject to the Proposition A Sales Tax. In the future, the California State Legislature or the California State electorate could further change the transactions and items upon which the statewide general sales tax and the Proposition A Sales Tax are imposed. Such a change could either increase or decrease Proposition A Sales Tax revenues depending on the nature of the change. See “PROPOSITION A SALES TAX AND COLLECTIONS.”

Federal law may also cause transactions and items to be excluded from the State of California’s general sales tax, and, therefore, the Proposition A Sales Tax. For example, under federal law, local taxes on aviation fuel (except taxes in effect on December 30, 1987) must be used for airport-related purposes, as a condition for receiving federal funding for airports. On November 7, 2014, the Federal Aviation Administration (the “FAA”) adopted an amendment to its “Policy and Procedures Concerning the Use of Airport Revenue,” (the “FAA Policy”) which clarifies that local sales taxes derived from aviation fuel are subject to the airport use restriction, and the FAA definition of local sales tax includes the Proposition C Sales Tax, Measure R Sales Tax and Measure M Sales Tax (see “PROPOSITION A SALES TAX AND COLLECTIONS—The Proposition A Sale Tax” for descriptions of these sales taxes). Although the FAA Policy does not affect the Proposition A Sales Tax, which was approved in November 1980, the FAA Policy is illustrative of federal laws that may affect which transactions and items are subject to the State of California’s general sales tax.

Increases in Sales Tax Rate May Cause Declines in Proposition A Sales Tax Revenues

Increases in sales tax rates, whether by the electorate of a municipality within the County, the County or the State or by the State Legislature, may affect consumer spending decisions and as a result

adversely impact sales transactions in the County and, thereby, reduce Proposition A Sales Tax revenues. Several increases in sales tax rates have occurred in recent years. In November 2008, County voters approved Measure R, which increased the sales tax rate within the County by ½ of 1% for a period of 30 years to fund LACMTA transportation projects and operations. Collection of the additional sales tax rate (known as the Measure R Sales Tax) commenced July 1, 2009. In June 2012, the Board of Directors of LACMTA approved a proposal to extend the Measure R Sales Tax for 30 years beyond its current expiration date (June 30, 2039), but the proposed extension failed to receive the required voter approval. In November 2012, the voters of the State approved an additional ¼ of 1% State general sales tax, which became effective on January 1, 2013 and expired on December 31, 2016.

At the election held on November 8, 2016, more than two-thirds of the electors of the County voting on the issue approved an additional transportation and use tax (known as the Measure M Sales Tax). The Measure M Sales Tax is a new one-half cent sales tax starting July 1, 2017 that increases to one cent in 2039 when the Measure R Sales Tax expires. The Measure M Sales Tax does not have a scheduled expiration date. Additional increases in sales tax rates that will impact the County, while not currently pending, can be expected to be proposed and imposed, from time to time. Proposition C Sales Tax revenues, Measure R Sales Tax revenues and Measure M Sales Tax revenues are separate from Proposition A Sales Tax revenues and do not secure the First Tier Senior Lien Bonds, including the Series 2017 Bonds.

Increased Internet Use May Reduce Proposition A Sales Tax Revenues

The increasing use of the Internet to conduct electronic commerce may affect the levels of Proposition A Sales Tax revenues. Internet sales of physical products by businesses located in the State of California, and Internet sales of physical products delivered to the State of California by businesses located outside of the State of California are generally subject to the retail transactions and use tax imposed by Proposition A. Legislation passed as part of the California Budget Act of 2011 imposes a use tax collection responsibility for certain out-of-state, and particularly Internet, retailers that meet certain criteria. The new responsibility took effect in September 2012. However, LACMTA believes that some Internet transactions still may avoid taxation either through error or deliberate non-reporting, and this potentially reduces the amount of Proposition A Sales Tax revenues.

Additional First Tier Senior Bonds

The LACMTA expects to issue additional debt secured by Proposition A Sales Tax revenues, including additional First Tier Senior Lien Bonds. The LACMTA's March 2016 Financial Forecast assumes the issuance of approximately \$755.6 of First Tier Senior Lien Bonds (including the Series 2017-A Bonds) between Fiscal Years 2018 and 2022. The LACMTA has several major transit projects under construction and has future plans for additional major capital projects. The LACMTA may ultimately issue more First Tier Senior Lien Bonds than its current plans include to finance these projects than are presently anticipated, particularly if costs of completing projects are higher than expected or other funding sources are not available as planned. In addition, the LACMTA is likely to undertake additional capital projects in the future, and additional First Tier Senior Lien Bonds may be issued to finance these projects. The LACMTA may issue additional First Tier Senior Lien Bonds only if the additional bonds tests described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS—Additional First Tier Senior Lien Bonds" are satisfied.

After Amendment Effective Date Series 2017 Bonds May Not be Secured by Reserve Fund

At the time of issuance of the Series 2017 Bonds, the Series 2017 Bonds will be secured by the Reserve Fund. However, LACMTA currently expects that upon the Amendment Effective Date it will

elect that the Series 2017 Bonds will no longer participate in or be secured by the Reserve Fund or any other debt service reserve fund. See “INTRODUCTION—Proposed Amendments to Trust Agreement,” “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS—Reserve Fund” and APPENDIX I—PROPOSED AMENDMENTS TO TRUST AGREEMENT.”

Impact of Bankruptcy of LACMTA

As a municipal entity, LACMTA may be authorized to file a petition for relief under Chapter 9 of the United States Bankruptcy Code (“Chapter 9”) under certain circumstances. Should LACMTA file for bankruptcy relief, there could be adverse effects on the holders of the Series 2017 Bonds.

If the Pledged Tax constitutes “special revenues” under the Bankruptcy Code, then Pledged Tax collected before and after the date of the bankruptcy filing should be subject to the lien of the Agreement. “Special revenues” are defined to include taxes specifically levied to finance one or more projects or systems, and also to include receipts from the ownership, operation, or disposition of projects or systems that are primarily used or intended to be used primarily to provide transportation, utility or other services, as well as other revenues or receipts derived from particular functions of the debtor, but the Bankruptcy Code excludes receipts from general property, sales, or income taxes levied to finance the general purposes of the governmental entity.

The results of Chapter 9 bankruptcy proceedings are difficult to predict. If a court determined that the Proposition A Sales Tax was levied to finance the general purposes of LACMTA rather than specific projects, then the Pledged Tax would not be special revenues. No assurance can be given that a court would hold that the Pledged Tax constitutes special revenues or that the Series 2017 Bonds are of a type protected by the “special revenues” provisions of the Bankruptcy Code. If a bankruptcy court were to determine that the Pledged Tax were not “special revenues,” then Pledged Tax collected after the commencement of the bankruptcy case would likely not be subject to the lien of the Agreement. If a bankruptcy court were to so hold, the owners of the First Tier Senior Lien Bonds (including the Series 2017 Bonds) would no longer be entitled to any special priority to the Pledged Tax and could be treated as general unsecured creditors of LACMTA without a lien as to the Pledged Tax.

If the revenues pledged under the Agreement are determined to be special revenues, the Bankruptcy Code provides (in order to maintain the revenue-generating capacity of the municipal entity) that a special revenues lien is subject to the necessary operating expenses of the project or system from which the special revenues are derived, which expenses are to be paid before other obligations (including to bondholders). This rule applies regardless of the provisions of the transaction documents. The law is not clear, however, (i) as to whether, or to what extent, the Pledged Tax would be considered to be “derived” from a project or system, or (ii) precisely which expenses would constitute necessary operating expenses. To the extent that the Pledged Tax is determined to be derived from a project or system, LACMTA may be able to use Pledged Tax to pay necessary operating expenses, before the remaining Pledged Tax is turned over to the Trustee to pay amounts owed to the holders of the Series 2017 Bonds.

If LACMTA files for relief under Chapter 9, the parties (including the Trustee and the holders of the Series 2017 Bonds) may be prohibited from taking any action to collect any amount from LACMTA or to enforce any obligation of LACMTA, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Series 2017 Bonds from funds in the Trustee’s possession. In addition, the procedure pursuant to which the Pledged Tax is paid directly to the Trustee by the California State Board of Equalization may no longer be enforceable, and LACMTA may be able to require that the Pledged Tax be paid directly to it by the Board of Equalization.

If LACMTA has possession of Pledged Tax (whether collected before or after commencement of the bankruptcy case) and if LACMTA does not voluntarily pay such moneys to the Trustee, it is not entirely clear what procedures the Trustee or the holders of the Series 2017 Bonds would have to follow to attempt to obtain possession of such Pledged Tax, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

The obligations of LACMTA under the Agreement, including its obligations to pay principal of and interest on the Series 2017 Bonds, are limited obligations and are payable solely from the Pledged Revenues and certain other amounts held by the Trustee under the Agreement. Accordingly, if LACMTA filed for relief under Chapter 9, the owners of the Series 2017 Bonds may not have any recourse to any assets or revenues of LACMTA other than the Pledged Revenues and other amounts.

In the event of an LACMTA bankruptcy filing, LACMTA may be able to borrow additional money that is secured by a lien on any of its property (including the Pledged Revenues), which lien could have priority over the lien of the Agreement, as long as the bankruptcy court determines that the rights of the owners of the Series 2017 Bonds will be adequately protected. LACMTA may also be able to cause some of the Pledged Revenues to be released to it, free and clear of lien of the Agreement, as long as the bankruptcy court determines that the rights of the Trustee and the owners of the Series 2017 Bonds will be adequately protected.

Through a Chapter 9 proceeding LACMTA may also be able, without the consent and over the objection of the Trustee and the owners of the Series 2017 Bonds, to alter the priority, principal amount, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Agreement and the Series 2017 Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

As noted in its financial statements (see “Note III—DETAILED NOTES ON ALL FUNDS—I. Employees’ Retirement Plans” in the Notes to the Financial Statements and the related Required Supplementary Schedules in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016”), LACMTA has been informed that it has unfunded pension plan actuarial accrued liabilities. In a bankruptcy of LACMTA, the amounts of current and, if any, accrued (unpaid) contributions owed to the California Public Employees’ Retirement System (“CalPERS”), the LACMTA-administered plans, or to any other pension system (collectively the “Pension Systems”), as well as future material increases in required contributions, could create additional uncertainty as to LACMTA’s ability to pay debt service on the Series 2017 Bonds. Given that municipal pension systems in California are usually administered pursuant to state constitutional provisions and, as applicable, other state and/or municipal law, the Pension Systems may take the position, among other possible arguments, that their claims enjoy a higher priority than all other claims, that Pension Systems are instrumentalities of the State and have the right to enforce payment by injunction or other proceedings outside of an LACMTA bankruptcy case, and that Pension System claims cannot be the subject of adjustment or other impairment under the Bankruptcy Code because that would purportedly constitute a violation of state statutory, constitutional and/or municipal law. It is uncertain how a bankruptcy judge in a bankruptcy of LACMTA would rule on these matters. In addition, this area of law is presently very unsettled. This is because, though the issues of pension underfunding claim priority, pension contribution enforcement, and related bankruptcy plan treatment of such claims (among other pension-related matters) have been the subject of litigation in the Chapter 9 cases of several California municipalities, including Stockton and San Bernardino, the relevant disputes have not been litigated to decision in the Federal circuit appellate courts, and thus there are no rulings from which definitive guidance can be taken on pension matters in Chapter 9.

There may be delays in payments on the Series 2017 Bonds while the court considers any of these issues, and any of these issues could result in delays or reductions in payments on the Series 2017 Bonds. There may be other possible effects of a bankruptcy of LACMTA that could result in delays or reductions in payments on the Series 2017 Bonds, or result in losses to the holders of the Series 2017 Bonds. Regardless of any specific adverse determinations in an LACMTA bankruptcy proceeding, the fact of an LACMTA bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Series 2017 Bonds.

Voter Initiatives and California State Legislative Action May Impair Proposition A Sales Tax

Voters have the right to place measures before the electorate in the County or the State of California and the California State Legislature may take actions to limit the collection and use of the Proposition A Sales Tax. Such initiatives or actions may impact various aspects of the security, source of payment and other credit aspects of the Series 2017 Bonds. See “PROPOSITION A SALES TAX AND COLLECTIONS—Initiatives and Changes to Proposition A Sales Tax.”

DESCRIPTION OF THE SERIES 2017 BONDS

General

The Series 2017 Bonds are limited obligations of LACMTA to be issued pursuant to and secured under the Agreement. In connection with the issuance of the Series 2017 Bonds, LACMTA will enter into the Thirty-Eighth Supplemental Agreement to provide for the issuance of the Series 2017 Bonds and related matters.

The Series 2017 Bonds will bear interest at the rates and mature in the amounts and on the dates shown on the inside cover of this Official Statement. LACMTA will pay interest on each January 1 and July 1, beginning July 1, 2018. Interest on the Series 2017 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2017 Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. Upon initial issuance, the Series 2017 Bonds will be registered in the name of Cede & Co. as registered owner and nominee of DTC. As long as the Series 2017 Bonds are registered in such name or in the name of a successor nominee, the ownership of the Series 2017 Bonds will be evidenced by book-entry as described in “APPENDIX H—BOOK-ENTRY-ONLY SYSTEM.” Purchasers will not receive certificated Series 2017 Bonds. So long as Cede & Co. is the registered owner of the Series 2017 Bonds, reference herein to the Bondholders or registered owners will mean Cede & Co. as aforesaid and will not mean the Beneficial Owners (as defined herein) of the Series 2017 Bonds.

So long as Cede & Co. is the registered owner of the Series 2017 Bonds, principal and redemption price of and interest on the Series 2017 Bonds are payable by wire transfer of funds by the Trustee to Cede & Co., as nominee of DTC. DTC is obligated, in turn, to remit such amounts to its participants as described herein for subsequent disbursement to the Beneficial Owners. If the Series 2017 Bonds cease to be held by DTC or by a successor securities depository, the principal and redemption price of the Series 2017 Bonds will be payable at maturity or earlier redemption upon presentation and surrender of the Series 2017 Bonds at the principal office or agency of the Trustee, and interest on the Series 2017 Bonds will be payable by check mailed by first class mail on each Interest Payment Date to the Owners of the Series 2017 Bonds as of the Regular Record Date; provided, that Owners of \$1,000,000 or more in aggregate principal amount of Series 2017 Bonds may arrange for payment by wire transfer of immediately available funds upon written request given to the Trustee at least 15 days prior to an Interest Payment Date.

Redemption

Optional Redemption. The Series 2017-A Bonds maturing on or before July 1, 2026 are not subject to redemption prior to their stated maturities. The Series 2017-A Bonds maturing on or after July 1, 2027 are subject to redemption at the option of LACMTA on or after July 1, 2026, in whole or in part in Authorized Denominations at any time, from any moneys that may be provided for such purpose and at a redemption price of 100% of the principal amount of such Series 2017-A Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

The Series 2017-B Bonds are not subject to optional redemption.

Mandatory Sinking Fund Redemption. The Series 2017-A Bonds maturing on July 1, 20[___] (the “Series 2017-A Term Bonds”) are subject to mandatory sinking fund redemption in the amount of the principal thereof, without premium, plus accrued interest thereon to the redemption date, from amounts in the Bond Principal Account of the Debt Service Fund to be paid in the years and amounts set forth below:

<u>Redemption Date</u> <u>(July 1)</u>	<u>Principal Amount</u>
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*Final Maturity

If some but not all of the Series 2017-A Term Bonds have been redeemed, the total amount of all sinking account payments shall be reduced by the aggregate principal amount of the Series 2017-A Term Bonds so redeemed to be allocated among such sinking account payments as determined by LACMTA (notice of which determination shall be given by LACMTA to the Trustee).

At the option of the LACMTA, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60th) day next preceding any mandatory sinking fund redemption date, it may (i) deliver to the Trustee for cancellation any Series 2017-A Term Bonds or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the LACMTA or (b) specify a principal amount of such Series 2017-A Term Bonds or portions thereof (in Authorized Denominations) which prior to said date have been purchased and previously cancelled by the Trustee at the request of the LACMTA and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2017-A Term Bond or portion thereof so delivered or previously redeemed shall be credited by the Trustee at 100% of the principal amount of such Series 2017-A Term Bond against the obligation of the LACMTA on such mandatory sinking fund redemption date.

Selection of Series 2017-A Bonds to be Redeemed. The Series 2017-A Bonds are subject to redemption in such order of maturity and interest rate as LACMTA may direct and by lot within such maturity and interest rate selected in such manner as the Trustee (or DTC, as long as DTC is the securities depository for the Series 2017-A Bonds), deems appropriate.

Notice of Redemption. The Trustee is required to give notice of redemption to the registered owners affected by such redemption at least 20 days but not more than 60 days before each redemption date, and to send such notice of redemption by first class mail (or, with respect to Series 2017-A Bonds held by DTC, by an express delivery service for delivery on the next following Business Day). Each

notice of redemption will specify the Series 2017-A Bonds to be redeemed; the maturity date and interest rate of the Series 2017-A Bonds to be redeemed; the redemption date; the CUSIP numbers of the Series 2017-A Bonds to be redeemed, the redemption price and the place or places where amounts due upon such redemption will be payable and if less than all of the Series 2017-A Bonds of a maturity date and interest rate are to be redeemed, the numbers of the Series 2017-A Bonds and the portions of Series 2017-A Bonds to be redeemed; any condition to the redemption; and that on the redemption date, and upon the satisfaction of any such condition, the Series 2017-A Bonds to be redeemed shall cease to bear interest.

If at the time of mailing of notice of an optional redemption moneys sufficient to redeem all the Series 2017-A Bonds called for redemption have not been deposited with the Trustee, at the election of LACMTA such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Trustee not later than the opening of business one Business Day prior to the scheduled redemption date, and such notice will be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption will be canceled and on such cancellation date notice will be mailed to the holders of such Series 2017-A Bonds to be redeemed in the same manner as the notice of redemption.

Failure to give any required notice of redemption or any defect therein will not affect the validity of the call for redemption of any Series 2017-A Bonds in respect of which no failure or defect occurs. Any notice sent as provided above will be conclusively presumed to have been given whether or not actually received by the addressee.

Effect of Redemption. If notice is given as described above under “Notice of Redemption” and the moneys for payment of the redemption price are on deposit with the Trustee, the Series 2017-A Bonds called for redemption will be due and payable on the redemption date, interest on such Series 2017-A Bonds will cease to accrue after such date, such Series 2017-A Bonds will cease to be entitled to any lien, benefit or security under the Agreement, and the registered owners of the redeemed Series 2017-A Bonds will have no rights under the Agreement after the redemption date other than the right to receive the redemption price for such Series 2017-A Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS

Security for the Series 2017 Bonds

The Series 2017 Bonds are limited obligations of LACMTA payable from and secured by a first lien on and a pledge of the Pledged Revenues, which are moneys collected as a result of the imposition of the Proposition A Sales Tax, less 25% thereof which constitutes the Local Allocation and less an administrative fee paid to the State Board of Equalization in connection with the collection and disbursement of the Proposition A Sales Tax. In addition, the Series 2017 Bonds are secured by all other amounts held by the Trustee under the Agreement except for amounts held in any rebate fund and any escrow fund. Additionally, the Agreement provides that Pledged Revenues also include any Local Allocation that a local jurisdiction authorizes to be pledged to secure the Series 2017 Bonds, plus such additional sources of revenue, if any, which are hereafter pledged to pay the Series 2017 Bonds under a subsequent supplemental trust agreement. As of the date of this Official Statement, no local jurisdiction has pledged any of its Local Allocation to secure any bonds issued under the Agreement, including the Series 2017 Bonds. Pledged Revenues do not include any Proposition A Sales Tax revenues that are released by the Trustee to (a) the payment of the Second Tier Obligations (as defined herein) (there are no Second Tier Obligations outstanding), (b) the payment of the Proposition A Commercial Paper Notes, or (c) LACMTA for the payment, if necessary, of the General Revenue Bonds (as defined herein) and certain other amounts described herein and any other lawful purposes of LACMTA.

Neither the faith and credit nor the taxing power of the County, the State of California or any political subdivision or public agency thereof, other than LACMTA to the extent of the Pledged Revenues and certain other amounts held by the Trustee under the Agreement, is pledged to the payment of the principal of or interest on the Series 2017 Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2017 Bonds.

The Series 2017 Bonds are limited obligations of LACMTA and are payable, as to both principal and interest, solely from a first lien on and pledge of the Pledged Revenues and certain other amounts held by the Trustee under the Agreement. Other than Pledged Revenues and such other amounts held by the Trustee under the Agreement, the general fund of LACMTA is not liable, and neither the credit nor the taxing power of LACMTA is pledged, to the payment of the principal of or interest on the Series 2017 Bonds.

Proposition A Sales Tax Obligations

LACMTA has outstanding a variety of obligations that are payable from the Proposition A Sales Tax, including sales tax revenue bonds, commercial paper notes and certain amounts owed under letter of credit reimbursement agreements, pledge agreements and covenant agreements. At this time, LACMTA has three priority levels of obligations secured by the Proposition A Sales Tax: its First Tier Senior Obligations (which include all First Tier Senior Lien Bonds (including the Series 2017 Bonds)), its Second Tier Obligations (there are no Second Tier Obligations outstanding) and its Third Tier Obligations (which include the Proposition A Commercial Paper Notes and related obligations). Additionally, LACMTA has incurred other obligations which are secured by certain “remaining” Proposition A Sales Tax cash receipts. LACMTA has the ability to issue additional obligations that are payable from the Proposition A Sales Tax if it satisfies certain tests. See “PROPOSITION A SALES TAX OBLIGATIONS.”

Flow of Funds

Pursuant to an agreement between LACMTA and the State Board of Equalization, the State Board of Equalization is required to remit monthly directly to the Trustee the Proposition A Sales Tax revenues after deducting the State Board of Equalization’s costs of administering the Proposition A Sales Tax and after paying directly to LACMTA the Local Allocation (25% of net Proposition A Sales Tax cash receipts) (which for purposes of administrative ease is actually transferred first to the Trustee who then disburses the Local Allocation to LACMTA). Under the Agreement, the Trustee is required to deposit and apply the moneys received from the State Board of Equalization, as needed (75% of net Proposition A Sales Tax cash receipts), taking into consideration any other funds previously deposited or applied in such month for such purposes, as follows:

FIRST, to the credit of the Bond Interest Account for the First Tier Senior Lien Bonds, an amount equal to the Aggregate Accrued Interest for the current calendar month less any Excess Deposit made with respect to the last preceding calendar month plus any Deficiency existing on the first day of the calendar month plus any amount of interest which has become due and has not been paid and for which there are insufficient funds in the Bond Interest Account or another special account to be used to make such payment;

SECOND, to the credit of the Bond Principal Account for the First Tier Senior Lien Bonds, the Aggregate Accrued Principal for the current calendar month plus any Accrued Premium and any Deficiency existing on the first day of the calendar month plus any amount of principal which has become due and has not been paid and for which there are insufficient funds in the Bond Principal Account or another special account to be used to make such payment;

THIRD, to the credit of the Reserve Fund, such portion of the balance, if any, remaining after making the deposits to the Bond Interest Account and the Bond Principal Account described above, as is necessary to increase the amount on deposit in the Reserve Fund to an amount equal to the Reserve Fund Requirement, or if the entire balance is less than the amount necessary, then the entire balance will be deposited into the Reserve Fund; provided, however, that so long as any Reserve Fund Insurance Policy is in effect and the Reserve Insurer is not in default of its obligations thereunder, the Trustee will pay the Reserve Insurer the greater of (i) the minimum amount required to be paid in accordance with the provisions of such Reserve Fund Insurance Policy and any related agreements between LACMTA and the Reserve Insurer, or (ii) the amount necessary to reinstate the amount available to be drawn under such Reserve Fund Insurance Policy in order to meet the Reserve Fund Requirement (see “—Reserve Fund” below);

FOURTH, to make deposits for the payment of any Second Tier Obligations (there are no Second Tier Obligations outstanding); and

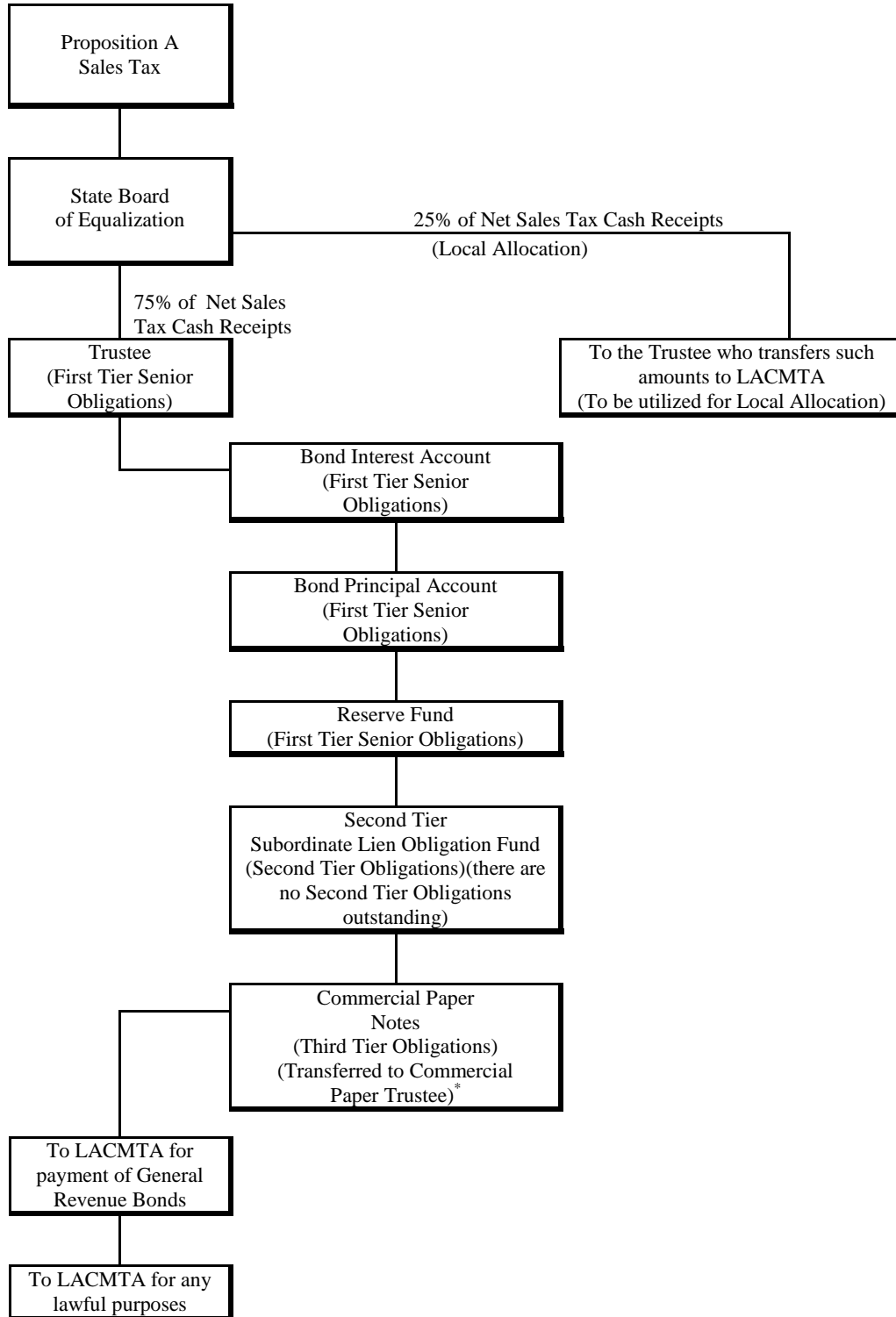
FIFTH, to pay any remaining amount to the trustee under a subordinate trust agreement in such amounts and at such times as will be needed to provide for payment of such obligations in accordance with a Supplemental Trust Agreement or Supplemental Trust Agreements relating to such subordinate debt, including but not limited to the obligation of LACMTA with respect to the Proposition A Commercial Paper Notes described herein (including the reimbursement obligations of LACMTA related to letters of credit for such Proposition A Commercial Paper Notes).

Any remaining funds will then be transferred to LACMTA and will be available to be used for any lawful purpose. Any Pledged Revenues after making deposits First through Fourth above will no longer be available to pay debt service on the First Tier Senior Lien Bonds. As of the date of this Official Statement, LACMTA has granted pledges on the remaining Proposition A Sales Tax revenues to the payment of and reserve requirements for the General Revenue Bonds. See “PROPOSITION A SALES TAX OBLIGATIONS—Outstanding Proposition A Sales Tax Obligations—Other Obligations” for definitions of the capitalized terms used in the preceding sentence. After the payment of the General Revenue Bonds, LACMTA may use any remaining Proposition A Sales Tax revenues in accordance with the provisions of Ordinance No. 16 (as defined herein).

Table 1 on the following page provides a graphic presentation of the flow of funds for Proposition A Sales Tax cash receipts as of the date of issuance of the Series 2017 Bonds.

[Remainder of page intentionally left blank.]

**TABLE 1
Proposition A Sales Tax
Flow of Funds**



* Also includes reimbursement obligations of LACMTA related to letters of credit for such Commercial Paper Notes.

Reserve Fund

General. The Agreement currently requires the Trustee to establish and hold the Reserve Fund to secure the payment of the principal of and interest on all of the First Tier Senior Lien Revenue Bonds, including the Series 2017 Bonds. Amounts on deposit in the Reserve Fund will be used to make payments of principal of and interest on all First Tier Senior Lien Revenue Bonds, including the Series 2017 Bonds, to the extent amounts in the Bond Interest Account or the Bond Principal Account are not sufficient to pay in full the principal of or interest on the First Tier Senior Lien Bonds when due. The Reserve Fund is required to be funded in an amount equal to the Reserve Fund Requirement, which is generally Maximum Annual Debt Service on outstanding First Tier Senior Lien Bonds. See “APPENDIX E—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS—Reserve Fund Requirement” for the complete definition of Reserve Fund Requirement.

Under the terms of the Agreement, LACMTA may substitute an insurance policy provided by a bond insurer or a letter of credit in lieu of or in partial substitution for cash or securities deposited in the Reserve Fund in order to meet the Reserve Fund Requirement. The entity providing a Reserve Fund Insurance Policy must be rated, at the time such policy is issued, in one of the two highest classifications by Moody’s Investors Service Inc. (“Moody’s”) and Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”). The Agreement provides that any Reserve Fund Insurance Policy is to be valued at its face value less any unreimbursed drawings (of which there currently are none). See “APPENDIX E—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS—Reserve Fund Insurance Policy.”

On the date of delivery of the Series 2017 Bonds, the Reserve Fund Requirement is expected to equal approximately \$_____, which will be satisfied in part by the AGM Reserve Policy with a policy limit of \$85,500,000, with the balance satisfied by cash and investments held in the Reserve Fund totaling approximately \$_____. The Reserve Fund Requirement is satisfied without taking into account the FGIC Reserve Policy described below.

See “INTRODUCTION—Proposed Amendments to Trust Agreement” and “APPENDIX I—PROPOSED AMENDMENTS TO TRUST AGREEMENT” with respect to certain amendments being made to the Trust Agreement that would allow the Series 2016 Bonds and First Tier Senior Lien Bonds issued after the date of issuance of the Series 2016 Bonds, including the Series 2017 Bonds, to not be secured by the Reserve Fund or any other debt service reserve fund. LACMTA currently expects that upon the Amendment Effective Date it will elect that the Series 2017 Bonds will no longer participate in or be secured by the Reserve Fund or any other debt service reserve fund. At the time the Series 2017 Bonds are no longer secured by the Reserve Fund, LACMTA expects that the Reserve Requirement will be reduced and a portion of the moneys on deposit in the Reserve Fund will be released, at which time such moneys may be applied by LACMTA for any lawful purpose.

AGM Reserve Policy. Generally, the AGM Reserve Policy unconditionally and irrevocably guarantees the payment of that portion of the principal of and interest on the First Tier Senior Lien Bonds that becomes due for payment but is unpaid by reason of “nonpayment” by LACMTA. “Nonpayment” means, in respect of a First Tier Senior Lien Bond, the failure of LACMTA to have provided sufficient funds for the payment in full of all principal and interest that is due for payment on such First Tier Senior Lien Bond. Nonpayment also includes any payment of principal or interest that is due for payment made to an Owner by or on behalf of LACMTA that has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. The AGM Reserve Policy does not cover payments due as a result of optional redemption or acceleration of a First Tier Senior Lien Bond or payments of purchase price on tendered First Tier Senior Lien Bonds.

The AGM Reserve Policy will terminate on July 1, 2021. The AGM Reserve Policy is noncancellable and the premium therefor has been paid in full. The cash and investments that are expected to be in the Reserve Fund as of the date of delivery of the Series 2017 Bonds are in an amount at least sufficient to satisfy the Reserve Fund Requirement until July 1, 2021 with respect to the First Tier Senior Lien Bonds that will be outstanding as of the date of delivery of the Series 2017 Bonds (excluding any future issuances of First Tier Senior Lien Bonds and assuming debt service is paid on the outstanding First Tier Senior Lien Bonds as scheduled). If the Proposed Amendments are not effective prior to July 1, 2021 (see “INTRODUCTION—Proposed Amendments” and “APPENDIX I—PROPOSED AMENDMENTS TO TRUST AGREEMENT”), an additional deposit to the Reserve Fund is expected to be required to be made on (or before) such date. A deposit may also be required in the event that LACMTA issues additional First Tier Senior Lien Bonds in the future or does not pay debt service on First Tier Senior Lien Bonds as scheduled.

The AGM Reserve Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law or by the California Insurance Guaranty Association established pursuant to Article 14.2 (commencing with Section 1063) of Chapter 1 of Part 2 of Division 1 of the California Insurance Code.

If LACMTA fails to reimburse AGM for draws on the AGM Reserve Policy or to pay expenses and accrued interest thereon, AGM is entitled to exercise any remedies available to it, including those provided under the Agreement, other than (i) acceleration of the First Tier Senior Lien Bonds, or (ii) remedies which would adversely affect holders of the First Tier Senior Lien Bonds.

In addition, LACMTA and the Trustee have agreed with AGM that all cash and investments on deposit in the Reserve Fund will be used to pay debt service on the First Tier Senior Lien Bonds prior to any drawing on the AGM Reserve Policy or any other Reserve Policy and that draws on Reserve Policies will be made on a pro rata basis. Further, draws on the AGM Reserve Policy and any other Reserve Policy are required to be reimbursed on a pro rata basis prior to the replenishment of any cash withdrawn from the Reserve Fund.

Assured Guaranty Municipal Corp.

The following information has been furnished by AGM for use in this Official Statement. LACMTA makes no representation as to the accuracy or the completeness of such information or as to the absence of material adverse changes in such information. Additionally, LACMTA undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of any material contained on the SEC’s website or AGL’s (as defined herein) website as described in this section including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A2” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above

ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On June 26, 2017, S&P issued a research update report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 14, 2016, KBRA issued a financial guaranty surveillance report in which it affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On August 8, 2016, Moody's published a credit opinion affirming its existing insurance financial strength rating of "A2" (stable outlook) on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Capitalization of AGM

At June 30, 2017, the policyholders' surplus of AGM was approximately \$2,222 million. The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$1,289 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve. The net unearned premium reserves of AGM and its subsidiaries (as described below) were approximately \$1,699 million. Such amount includes (i) 100% of the net unearned premium reserves of AGM and AGM's wholly owned subsidiary Assured Guaranty (Europe) plc, Assured Guaranty (UK) plc, CIFG Europe S.A. and Assured Guaranty (London) plc (together, the "AGM European Subsidiaries") and (ii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves and net unearned premium reserves of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves of the AGM European Subsidiaries were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the “SEC”) that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (filed by AGL with the SEC on February 24, 2016);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 (filed by AGL with the SEC on May 5, 2017); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017 (filed by AGL with the SEC on August 3, 2017).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof “furnished” under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2017 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC’s website at <http://www.sec.gov>, at AGL’s website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL’s website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS—Reserve Fund—Assured Guaranty Municipal Corp.” or included in a document incorporated by reference herein (collectively, the “AGM Information”) shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Series 2017 Bonds or the advisability of investing in the Series 2017 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS—Reserve Fund—Assured Guaranty Municipal Corp.”

FGIC Reserve Policy. Concurrently with the issuance of the Proposition A Sales Tax Revenue Refunding Bonds, Series 1991B on December 4, 1991, Financial Guaranty Insurance Company (“Financial Guaranty”), issued the FGIC Reserve Policy in an amount not to exceed the lesser of \$111,463,547.50 or the Reserve Fund Requirement. The FGIC Reserve Policy terminates on July 1, 2021. The amount of cash and other investments in the Reserve Fund together with the AGM Reserve

Policy satisfy the Reserve Fund Requirement without taking into account the FGIC Reserve Policy. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS—Reserve Fund—Assured Guaranty Municipal Corp.”

FGIC is a New York stock insurance corporation and a wholly owned subsidiary of FGIC Corporation. FGIC emerged from rehabilitation on August 19, 2013, and is responsible for administering its outstanding insurance policies in accordance with the terms of the First Amended Plan of Rehabilitation for FGIC, dated June 4, 2013. As part of the Rehabilitation Plan, FGIC entered into a Novation Agreement dated as of September 14, 2012 (the “Novation Agreement”) with National Public Finance Guarantee Corporation (“National Public”), pursuant to which the parties agreed to novate from FGIC to National Public certain FGIC policies covering U.S. public finance credits with total net par in force of approximately \$92.6 billion as of the effective date of the Novation Agreement (the “Novation Effective Date”), including the FGIC Reserve Policy, which previously had been reinsured by National Public (collectively, the “National Public Reinsured Policies”). The novation of the National Public Reinsured Policies and the other transactions contemplated by the Novation Agreement became effective on the Novation Effective Date, whereupon (i) National Public rather than FGIC became the issuer of the National Public Reinsured Policies and became directly responsible for all obligations under the National Public Reinsured Policies and (ii) FGIC was released from all obligations under the National Public Reinsured Policies.

No review of the business or affairs of Financial Guaranty or National Public has been conducted in connection with the issuance of the Series 2017 Bonds. This Official Statement does not contain any financial information about Financial Guaranty, National Public or the FGIC Reserve Policy and does not refer to any such information that may be available elsewhere, and neither Financial Guaranty nor National Public has reviewed or approved this Official Statement.

Both before and after the occurrence of a payment or other default by LACMTA in respect of the Series 2017 Bonds, National Public may be entitled to exercise certain rights and remedies pursuant to the Agreement and a debt service reserve policy agreement with LACMTA; such remedies will not include acceleration or remedies which would adversely affect the holders of First Tier Senior Lien Bonds. While the FGIC Reserve Policy remains in effect, and so long as National Public is not in default with respect to its obligations thereunder, National Public will be entitled to consent to certain changes in documents, and if past due amounts are owing to National Public under the FGIC Reserve Policy, National Public will have the right to consent to the issuance of additional First Tier Senior Lien Bonds. The interests of National Public and the interests of the Bondholders may not be aligned with respect to these matters.

Additional First Tier Senior Lien Bonds

Upon compliance with the terms of the Agreement, LACMTA is permitted to issue Additional First Tier Senior Lien Bonds under the Agreement secured by Pledged Revenues on a parity basis with the Outstanding First Tier Senior Lien Bonds. First Tier Senior Lien Bonds may be issued for any purpose for which LACMTA at the time of issuance may incur debt, including, if LACMTA may then otherwise do so, for the purpose of loaning the proceeds to other entities.

Pursuant to the Agreement, prior to issuance of any First Tier Senior Lien Bonds, including the issuance of the Series 2017 Bonds, there will be delivered to the Trustee, in addition to other items, a certificate prepared by a Consultant showing that 35% (or such greater percentage permitted by the immediately following paragraph) of the Proposition A Sales Tax collected for any 12 consecutive months out of the 15 consecutive months immediately preceding the issuance of the proposed First Tier Senior Lien Bonds was at least equal to 115% of Maximum Annual Debt Service for all First Tier Senior

Lien Bonds which will be outstanding immediately after the issuance of the proposed First Tier Senior Lien Bonds.

This covenant, combined with the fact that 75% of the Proposition A Sales Tax collected is available to LACMTA and pledged to debt service, creates an additional bonds test effectively requiring that Pledged Revenues be at least 246% Maximum Annual Debt Service.

If any city entitled to receive a Local Allocation has authorized the pledging of all or a portion of its share of the Local Allocation to secure the First Tier Senior Lien Bonds, the duration of such pledge is not less than the term of any First Tier Senior Lien Bonds then issued and Outstanding or currently proposed to be issued, and a certified copy of the city's ordinance, resolution or other official action authorizing the pledge and setting forth the terms of such pledge and a written opinion of bond counsel that the pledge of such portion of the Local Allocation is a valid pledge of LACMTA have been filed with the Trustee, then the reference to 35% in the immediately preceding paragraph will be replaced with the percentage which is equal to 35% plus the percentage determined by dividing the amount of the Local Allocation then included in Pledged Tax by the total Proposition A Sales Tax.

For purposes of the comparisons set forth in the Consultant's certificate, the actual historical Proposition A Sales Tax revenues may be adjusted by the Consultant if there has been or upon the issuance of the proposed First Tier Senior Lien Bonds there will be a change in the base upon which the Proposition A Sales Tax is imposed, the Proposition A Sales Tax revenues for the 12 months used in the comparisons will be adjusted to reflect the amount of Proposition A Sales Tax revenues which would have resulted had the change in the base occurred on the first day of such 12 month period.

Under the Agreement, "Maximum Annual Debt Service" generally means the greatest amount of principal and interest becoming due and payable on all First Tier Senior Lien Bonds in the Fiscal Year in which the calculation is made or in any subsequent Fiscal Year. However, if LACMTA issues variable rate bonds and enters into an interest rate swap agreement related to any First Tier Senior Lien Bonds, the Agreement permits LACMTA to use the fixed rate it pays under the interest rate swap agreement for purposes of determining the maximum amount of interest becoming due and payable on such First Tier Senior Lien Bonds, For the definition of Maximum Annual Debt Service, see "APPENDIX E—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS."

The certificate described above will not be required, however, if the Additional First Tier Senior Lien Bonds to be issued are being issued for the purpose of refunding then Outstanding First Tier Senior Lien Bonds and there is delivered to the Trustee, instead, a certificate of the Authorized Authority Representative showing that Maximum Annual Debt Service on all First Tier Senior Lien Bonds Outstanding after the issuance of the refunding First Tier Senior Lien Bonds will not exceed Maximum Annual Debt Service on all First Tier Senior Lien Bonds Outstanding prior to the issuance of such First Tier Senior Lien Bonds.

PROPOSITION A SALES TAX AND COLLECTIONS

The Proposition A Sales Tax

Under the California Public Utilities Code, LACMTA is authorized to adopt retail transactions and use tax ordinances applicable in the incorporated and unincorporated territory of the County in accordance with California's Transaction and Use Tax Law (California Revenue and Taxation Code Section 7251 et seq.), upon authorization by a specified percentage of the electors voting on the issue. In accordance with the County Transportation Commissions Act (Section 130000 et seq. of the California Public Utilities Code (the "Transportation Commissions Act")), the Commission (as predecessor to

LACMTA), on August 20, 1980, adopted Ordinance No. 16 (“Ordinance No. 16”) which imposed a retail transactions and use tax. Ordinance No. 16 was submitted to the electors of the County in the form of “Proposition A” and approved at an election held on November 4, 1980. Ordinance No. 16 imposes a tax of ½ of 1% of the gross receipts of retailers from the sale of tangible personal property sold at retail in the County and a use tax at the same rate upon the storage, use or other consumption in the County, subject to certain limited exceptions. The retail transactions and use tax imposed by Ordinance No. 16 and approved by the voters with the passage of Proposition A is referred to in this Official Statement as the “Proposition A Sales Tax.” As approved by the voters, the Proposition A Sales Tax is not limited in duration. The validity of the Proposition A Sales Tax was upheld in 1982 by the California Supreme Court in *Los Angeles County Transportation Commission v. Richmond*. See “LITIGATION.”

Collection of the Proposition A Sales Tax is administered by the State Board of Equalization, which imposes a charge for administration. Such charge is based on the actual costs incurred by the State Board of Equalization in connection with the administration of the collection of the Proposition A Sales Tax. In accordance with Ordinance No. 16, LACMTA is required to allocate the proceeds of the Proposition A Sales Tax as follows:

TABLE 2
Proposition A Sales Tax Apportionment

Use	Percentage
Local Allocation	25%
Rail Development Program ¹	35
Discretionary	40
TOTAL	100% ²

¹ Pursuant to the Act of 1998 (as defined herein) LACMTA is prohibited from spending Proposition A Sales Tax revenues on the costs of planning, design, construction or operation of any New Subway (as defined herein), including debt service on bonds, notes or other evidences of indebtedness issued for such purposes after March 30, 1998. See “—Initiatives and Changes to Proposition A Sales Tax—The Act of 1998” below.

² Up to 5% of the Proposition A Sales Tax revenues received by LACMTA may be used by LACMTA to pay administrative costs. Administrative costs are payable only from Proposition A Sales Tax revenues that have been released to LACMTA and are no longer Pledged Revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS—Flow of Funds” above.

Source: LACMTA

As described below, the State Board of Equalization has agreed to remit directly on a monthly basis the remaining Proposition A Sales Tax revenues to the Trustee after deducting the costs of administering the Proposition A Sales Tax and disbursing the Local Allocation to LACMTA (which for purposes of administrative ease, is first transferred to the Trustee who then disburses the Local Allocation to LACMTA). After application of Proposition A Sales Tax revenues to the funds and accounts related to the First Tier Senior Lien Bonds in accordance with the Agreement, the Trustee is required to transfer the remaining unapplied Proposition A Sales Tax revenues for deposit to the funds and accounts established and maintained for the Second Tier Obligations and the Proposition A Commercial Paper Notes and related obligations. Any Proposition A Sales Tax revenues remaining after the deposits described above are required to be released to LACMTA to be used by LACMTA first, if necessary, to pay debt service on the General Revenue Bonds, and second, for any lawful purposes of LACMTA. The First Tier Senior Lien Bonds do not have a lien on and are not secured by any Proposition A Sales Tax revenues that are

released by the Trustee and deposited to the funds and accounts established and maintained for the Second Tier Obligations or the Proposition A Commercial Paper Notes or that are transferred to LACMTA to be used to pay debt service on the General Revenue Bonds or for any lawful purposes of LACMTA.

The amount retained by the State Board of Equalization from collections of Proposition A Sales Tax is based on the total local entity cost reflected in the annual budget of the State of California, and includes direct, shared and central agency costs incurred by the State Board of Equalization. The amount retained by the State Board of Equalization is adjusted to account for the difference between the State Board of Equalization’s recovered costs and its actual costs during the prior two Fiscal Years. For Fiscal Years 2013 through 2017, the State Board of Equalization’s fee for administering the Proposition A Sales Tax was as follows:

TABLE 3
Fee For Administering the Proposition A Sales Tax

Fiscal Year Ended (June 30)	Fee (\$’s in millions)	Percentage of Proposition A Sales Tax Revenues
2013	\$6.4	0.9%
2014	8.3	1.2
2015	8.6	1.2
2016	9.2	1.2
2017	9.2	1.2

LACMTA assumes that such State Board of Equalization fee may increase incrementally each year. The State Board of Equalization can change the fee at its discretion in the future.

Under the Agreement, LACMTA has covenanted that (a) it will not take any action which will impair or adversely affect in any manner the pledge of the Pledged Revenues or the rights of the holders of the First Tier Senior Lien Bonds, including the Series 2017 Bonds; and (b) it will be unconditionally and irrevocably obligated, so long as any of the First Tier Senior Lien Bonds, including the Series 2017 Bonds, are outstanding and unpaid, to take all lawful action necessary or required to continue to entitle LACMTA to receive the Pledged Revenues at the same rates as provided by law (as of the date of the Agreement), to pay from the Pledged Revenues the principal of and interest on the First Tier Senior Lien Bonds in the manner and pursuant to the priority set forth in the Agreement, and to make the other payments provided for in the Agreement.

Under the LACMTA Act, the State of California pledges to, and agrees with, the holders of any bonds issued under the LACMTA Act and with those parties who may enter into contracts with LACMTA pursuant to the LACMTA Act that the State of California will not limit or alter the rights vested by the LACMTA Act in LACMTA until such bonds, together with the interest thereon, are fully met and discharged and the contracts are fully performed on the part of LACMTA. However, such pledge and agreement does not preclude the State of California from changing the transactions and items subject to the statewide general sales tax and thereby altering the amount of Proposition A Sales Tax collected. See “RISK FACTORS—California State Legislature or Electorate May Change Items Subject to Proposition A Sales Tax.”

The ½ of 1% Proposition A Sales Tax imposed by LACMTA in the County is in addition to the general sales tax levied statewide by the State of California (currently 7.25%), the ½ of 1% sales tax imposed by LACMTA pursuant to Ordinance No. 49 of the Commission known as “Proposition C” (such sales tax is referred to herein as the “Proposition C Sales Tax”), the 30-year ½ of 1% sales tax approved by County voters in November 2008 to fund LACMTA transportation projects and operations known as the “Measure R Sales Tax,” the ½ of 1% sales tax approved by County voters in November 2016 to fund LACMTA transportation projects and operations known as the “Measure M Sales Tax” and the taxes that apply only within certain cities in the County. The cities of Avalon, Commerce, Culver City, Downey, El Monte, Inglewood, San Fernando, and South El Monte in the County have each enacted a sales tax of ½ of 1% applicable to transactions within their respective city limits, and the cities of Compton, La Mirada, Long Beach, Lynwood, Pico Rivera, Santa Monica, and South Gate in the County have each enacted a sales tax of 1% applicable to transactions within their respective city limits. The combined various sales taxes described above results in (a) transactions within the County, and outside the cities of Avalon, Commerce, Compton, Culver City, Downey, El Monte, Inglewood, La Mirada, Long Beach, Lynwood, Pico Rivera, San Fernando, Santa Monica, South El Monte, and South Gate, currently being taxed at an effective rate of 9.25%, (b) transactions within the cities of Avalon, Commerce, Culver City, Downey, El Monte, Inglewood, San Fernando, and South El Monte currently being taxed at an effective rate of 9.75%, and (c) transactions within the cities of Compton, La Mirada, Long Beach, Lynwood, Pico Rivera, Santa Monica, and South Gate currently being taxed at an effective rate of 10.25%. These tax rates and the items subject to the Proposition A Sales Tax are subject to change. See “RISK FACTORS—California State Legislature or Electorate May Change Items Subject to Proposition A Sales Tax” and “—Increases in Sales Tax Rate May Cause Declines in Proposition A Sales Tax Revenues.” See also “APPENDIX A—THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—OUTSTANDING DEBT.”

Initiatives and Changes to Proposition A Sales Tax

Proposition 218. In 1996, the voters of the State of California approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 added Articles XIIIIC and XIID to the California State Constitution. Among other things, Article XIIIIC removes limitations, if any, that exist on the initiative power in matters of local taxes, assessments, fees and charges. Even though LACMTA’s enabling legislation did not limit the initiative power of the electorate prior to Proposition 218, Proposition 218 has affirmed the right of the voters to propose initiatives that could impact the Proposition A Sales Tax.

The Act of 1998. One such initiative was approved by the voters of the County in 1998 in the form of the “Metropolitan Transportation Authority Reform and Accountability Act of 1998” (the “Act of 1998”). The Act of 1998 prohibits the use of Proposition A Sales Tax and Proposition C Sales Tax (but not the use of Measure R Sales Tax or Measure M Sales Tax) to pay any costs of planning, design, construction or operation of any “New Subway,” including debt service on bonds, notes or other evidences of indebtedness issued for such purposes after March 30, 1998. “New Subway” is defined in the Act of 1998 to mean any rail line which is in a tunnel below the grade level of the earth’s surface (including any extension or operating segment thereof), except for Segment 1, Segment 2 and Segment 3 (North Hollywood) of the Red Line. The Act of 1998 does not limit the use of Proposition A Sales Tax or Proposition C Sales Tax revenues to provide public mass transit improvements to railroad right-of-ways. The Act of 1998 does not limit in any way the collection of the Proposition A Sales Tax or the Proposition C Sales Tax; it only limits the uses of such taxes. LACMTA believes that the proceeds of all obligations previously issued by LACMTA which are secured by the Proposition A Sales Tax and/or the Proposition C Sales Tax have been used for permitted purposes under the Act of 1998. **Therefore, the Act of 1998 has no effect on LACMTA’s ability to continue to use the Proposition A Sales Tax or the Proposition C Sales Tax to secure payment of its outstanding obligations secured by the**

Proposition A Sales Tax or the Proposition C Sales Tax. Additionally, LACMTA will covenant not to use the proceeds of the Series 2017 Bonds in a manner inconsistent with the provisions of the Act of 1998, and the Act of 1998 will not limit the ability of LACMTA to secure payment of the Series 2017 Bonds with a pledge of the Proposition A Sales Tax.

As required by the Act of 1998, LACMTA contracted with an independent auditor to complete an audit with respect to the receipt and expenditure of Proposition A Sales Tax and Proposition C Sales Tax between the effective dates of Proposition A and Proposition C and June 30, 1998. The independent auditor completed the audit in November 1999. The Act of 1998 further requires LACMTA to contract for an independent audit each subsequent Fiscal Year to determine LACMTA's compliance with the provisions of Proposition A, Proposition C and the Act of 1998 relating to the receipt and expenditure of Proposition A Sales Tax revenues and Proposition C Sales Tax revenues. For Fiscal Years 1999 through 2016, the independent auditors determined that LACMTA was in compliance with Proposition A, Proposition C and the Act of 1998 for each such respective Fiscal Year (the "Annual Act of 1998 Audit").

In connection with each Annual Act of 1998 Audit, the independent auditor annually audits how LACMTA spends Proposition A Sales Tax revenues during the related Fiscal Year to ensure that it spends those revenues for the categories of use set forth in Proposition A. See "—The Proposition A Sales Tax" above. Each Fiscal Year, a substantial portion of the Proposition A Sales Tax revenues are spent on the payment of principal of and interest on the First Tier Senior Lien Bonds. See "COMBINED DEBT SERVICE SCHEDULE." For purposes of determining LACMTA's compliance with the categories of use set forth in Proposition A, LACMTA allocates the annual payments of principal and interest with respect to each series of First Tier Senior Lien Bonds to the categories of use for which such series of First Tier Senior Lien Bonds financed or refinanced.

The Act of 1998 also established the "Independent Citizens' Advisory and Oversight Committee" (the "Committee") whose responsibilities include reviewing LACMTA's annual audit of its receipt and expenditure of Proposition A Sales Tax and Proposition C Sales Tax, the holding of public hearings regarding the annual audit and issuing reports based upon those audits and public hearings. The Committee is made up of five members, of which one member is appointed by the chair of the Los Angeles County Board of Supervisors, one member is appointed by the chair of the Board, one member is appointed by the Mayor of the City of Los Angeles, one member is appointed by the Mayor of the City of Long Beach, and one member is appointed by the Mayor of the City of Pasadena.

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Historical Proposition A Sales Tax Collections

The following table presents, among other things, collections of net Proposition A Sales Tax revenues and corresponding Pledged Revenues for the Fiscal Years ended June 30, 2007 through June 30, 2016.

TABLE 4
Historical Net Proposition A Sales Tax Revenues,
Local Allocations and Pledged Revenues
(dollars in millions¹)

Fiscal Year	Net Proposition A Sales Tax Revenue²	Annual Percentage Change	Allocations to Local Governments	Pledged Revenues³
2007	\$686.2	2.57%	\$171.6	\$514.7
2008	683.3	(0.42)	170.8	512.5
2009	620.8	(9.15)	155.2	465.6
2010	565.7	(8.88)	141.4	424.3
2011	601.9	6.40	150.5	451.4
2012	648.7	7.78	162.2	486.5
2013	687.2	5.93	171.8	515.4
2014 ⁴	717.1	4.35	179.3	537.8
2015	745.7	3.99	186.4	559.2
2016	763.6	2.40	190.9	572.7

¹ Rounded to closest \$100,000.

² Reflects Proposition A Sales Tax revenues, reported according to accrual basis accounting, presented in LACMTA's audited financial statements, less administrative fees paid to the State Board of Equalization.

³ Net Proposition A Sales Tax revenues less Allocations to Local Governments.

⁴ Net Proposition A Sales Tax Revenues and Pledged Revenues are reported excluding the \$61.4 million accounting accrual adjustment.

Source: LACMTA

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The following table sets forth the amount of Proposition A Sales Tax revenues for the most recent nine quarters and the changes in such amounts from the corresponding period in the prior year.

TABLE 5
Selected Actual Proposition A Sales Tax Revenue Information
(values are cash basis)

<u>Quarter Ended</u>	<u>Quarterly Receipts (\$ millions)</u>	<u>Change from Same Period of Prior Year</u>	<u>Rolling 12 Months Receipts (\$ millions)</u>	<u>Change from Same Period of Prior Year</u>
September 30, 2017	\$[___]	[___]%	\$[___]	[___]%
June 30, 2017	188.7	1.56	778.84	2.04
March 31, 2017	201.9	4.86	775.94	2.59
December 31, 2016	196.3	1.53	766.58	1.89
September 30, 2016	191.9	0.17	763.63	2.01
June 30, 2016	185.8	3.87	763.30	2.93
March 31, 2016	192.5	2.11	756.37	2.73
December 31, 2015	193.3	1.90	752.39	3.00
September 30, 2015	191.6	3.80	748.61	4.38

¹ Reported according to cash basis accounting.
Source: LACMTA

The Proposition A Sales Tax revenues on a cash basis for a quarterly period are determined by sales tax revenues generated by sales activity generally occurring in the last two months of the previous quarter and the first month of the current quarter. For example, for the fiscal quarter ended September 30, 2017, reported according to cash basis accounting, Proposition A Sales Tax revenues were approximately \$[___] million, which receipts generally represented sales activity occurring in May, June and July, 2017.

Total Proposition A Sales Tax revenues on a cash basis for Fiscal Year 2017 were approximately \$778.8 million compared to \$763.3 million for Fiscal Year 2016. LACMTA’s Fiscal Year 2018 budget assumes total Proposition A Sales Tax revenues of \$802.0 million, and Proposition A Sales Tax revenues net of Local Allocation of \$611.5 million.

Proposition A Sales Tax revenues fluctuate based on general economic conditions within the County. To project future Proposition A Sales Tax revenues for budgetary purposes, LACMTA relies on reports from local economists and other publicly available sources of data. LACMTA does not itself develop forecasts of current or future economic conditions. Furthermore, the State Board of Equalization does not provide LACMTA with any forecasts of Proposition A Sales Tax revenues for future periods. Therefore, LACMTA is unable to predict with certainty future levels of Proposition A Sales Tax revenues. See “RISK FACTORS—Economic Factors May Cause Declines in Proposition A Sales Tax Revenues” above.

PROPOSITION A SALES TAX OBLIGATIONS

General

As of the date of this Official Statement, LACMTA has three priority levels of obligations for Proposition A Sales Tax revenues: its First Tier Senior Lien Bonds (which includes the Series 2017 Bonds), its Second Tier Obligations and its Third Tier Obligations (which include the Proposition A Commercial Paper Notes and related obligations). LACMTA may issue additional subordinate obligations, including additional Second Tier Obligations and Third Tier Obligations in the future.

LACMTA has incurred other obligations which are secured by certain “remaining” Proposition A Sales Tax cash receipts. See “—Outstanding Proposition A Sales Tax Obligations—Other Obligations.”

LACMTA had outstanding the following Proposition A Sales Tax obligations as of September 1, 2017: First Tier Senior Lien Bonds in the aggregate principal amount of \$820,130,000 (including the Refunded Bonds) and Proposition A Commercial Paper Notes in the aggregate principal amount of \$183,693,000. See “—Outstanding Proposition A Sales Tax Obligations.” A portion of the proceeds of the Series 2017-A Bonds will be used to repay \$123,693,000 of outstanding Proposition A Commercial Paper Notes. LACMTA is currently authorized to issue up to \$350,000,000 aggregate principal amount of Proposition A Commercial Paper Notes. See “—Outstanding Proposition A Sales Tax Obligations—Third Tier Obligations.”

LACMTA may issue additional First Tier Senior Lien Bonds upon the satisfaction of certain conditions contained in the Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS—Additional First Tier Senior Lien Bonds.”

Debt Service Coverage

The following table presents historical Pledged Revenues and First Tier Senior Lien Bond debt service coverage ratios for the Fiscal Years ended June 30, 2007 through June 30, 2016.

TABLE 6
Proposition A Pledged Revenues and
Debt Service Coverage
(dollars in millions)¹

Fiscal Year	Pledged Revenues²	First Tier Senior Lien Bonds Total Debt Service³	First Tier Senior Lien Bonds Debt Service Coverage Ratio	Proposition A Sales Tax Revenues Remaining After Payment of First Tier Senior Lien Bonds
2007	\$514.7	\$147.9	3.48x	\$366.6
2008	512.5	148.1	3.46	364.4
2009	465.6	148.7	3.13	316.9
2010	424.3	156.5	2.71	267.8
2011	451.4	150.7	3.00	300.7
2012	486.5	144.6	3.36	341.9
2013	515.4	152.0	3.39	363.4
2014 ⁴	537.8	145.1	3.71	392.7
2015	559.2	144.5	3.87	414.7
2016	572.7	142.9	4.01	429.8

¹ Rounded to the closest \$100,000.

² 75% of Net Proposition A Sales Tax revenue (less administrative fee, special adjustments and Local Allocations). See Table 3 above.

³ Calculated on a bond year ending July 1 as opposed to a Fiscal Year ending June 30.

⁴ Excludes \$61.4 million of additional Proposition A Sales Tax revenue due to a one-time accounting accrual adjustment. Pledged Revenues and debt service coverage are reported and calculated excluding the \$61.4 million accounting accrual adjustment.

Source: LACMTA

Outstanding Proposition A Sales Tax Obligations

Outstanding obligations of LACMTA payable from the Proposition A Sales Tax consist of sales tax revenue bonds, commercial paper notes, and certain amounts owed under letter of credit reimbursement agreements.

First Tier Senior Lien Bonds. LACMTA had the following First Tier Senior Lien Bonds outstanding as of September 1, 2017.

TABLE 7
Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Bonds
(Outstanding as of September 1, 2017)

<u>Proposition A First Tier Senior Sales Tax Revenue Bonds¹</u>	<u>Outstanding Principal Amount</u>
Senior Sales Tax Revenue Refunding Bonds, Series 2016-A	\$163,350,000
Senior Sales Tax Revenue Refunding Bonds, Series 2015-A	24,310,000
Senior Sales Tax Revenue Refunding Bonds, Series 2014-A	124,120,000
Senior Sales Tax Revenue Refunding Bonds, Series 2013-A	219,355,000
Senior Sales Tax Revenue Refunding Bonds, Series 2012-A	46,810,000
Senior Sales Tax Revenue Refunding Bonds, Series 2011-A	5,010,000
Senior Sales Tax Revenue Refunding Bonds, Series 2011-B ²	91,110,000
Senior Sales Tax Revenue Refunding Bonds, Series 2009-A	127,355,000
Senior Sales Tax Revenue Refunding Bonds, Series 2008-B	18,710,000
	<u>\$820,130,000</u>
Total	

¹ The First Tier Senior Lien Bonds are payable from and constitute prior first liens on Proposition A Sales Tax revenue.

² Upon the issuance of the Series 2017 Bonds, all or a portion of the Series 2011-B Bonds will be refunded and defeased. See "PLAN OF FINANCE AND APPLICATION OF BOND PROCEEDS."

Source: LACMTA

Second Tier Obligations. Prior to December 2016, the LACMTA had obligations to make payments on certain bonds issued by the Community Redevelopment Agency of the City of Los Angeles (collectively, the "CRA Bonds") from a portion of the Proposition A Sales Tax Revenues on a basis subordinate to the Proposition A First Tier Senior Lien Bonds. The CRA Bonds constituted "Proposition A Second Tier Obligations." In December 2016, all of the approximately \$16,865,000 of the CRA Bonds then outstanding were defeased with cash. There are no Proposition A Second Tier Obligations outstanding.

Third Tier Obligations. Pursuant to the Subordinate Trust Agreement, dated as of January 1, 1991, as amended and supplemented, by and between LACMTA (as successor to the Commission) and U.S. Bank National Association, the successor to the BankAmerica Trust Company, as the successor to Security Pacific National Trust Company (New York), as trustee, LACMTA is authorized to issue up to \$350,000,000 aggregate principal amount of its Proposition A commercial paper notes (the "Proposition A Commercial Paper Notes"). The Proposition A Commercial Paper Notes can only be issued and

outstanding if they are supported by a letter of credit. The Proposition A Commercial Paper Notes are payable from Proposition A Sales Tax revenues on a subordinate basis to the First Tier Senior Lien Bonds (including the Series 2017 Bonds) and the Second Tier Obligations.

Proposition A Commercial Paper Notes totaling \$321,463,000 are supported by three letters of credit (the “Proposition A CP Letters of Credit”) issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch, MUFG Union Bank, N.A., and Citibank, N.A. LACMTA’s reimbursement obligations with respect to the Proposition A CP Letters of Credit are payable from Proposition A Sales Tax revenues on parity with the Proposition A Commercial Paper Notes and on a subordinate basis to the First Tier Senior Lien Bonds (including the Series 2017 Bonds) and any Second Tier Obligations. The following table sets forth certain terms of the Proposition A CP Letters of Credit.

TABLE 8
Proposition A CP Letters of Credit

<u>Letter of Credit Provider</u>	<u>Amount of Letter of Credit</u>	<u>Issuance Date</u>	<u>Expiration Date</u>
Sumitomo Mitsui Banking Corporation, acting through its New York Branch	\$124,999,176 ¹	March 8, 2016	March 7, 2019
MUFG Union Bank, N.A.	74,999,724 ²	March 8, 2016	March 7, 2019
Citibank, N.A.	\$149,999,448 ³	August 17, 2017	August 14, 2020

¹ Supports \$114,808,000 of principal and \$10,191,176 of interest.

² Supports \$68,885,000 of principal and \$6,114,724 of interest.

³ Supports \$137,770,000 of principal and \$12,229,448 of interest.

Source: LACMTA

The Proposition A Commercial Paper Notes and LACMTA’s reimbursement obligations under the reimbursement agreement entered into with respect to the Proposition A CP Letters of Credit constitute “Third Tier Obligations.” As of September 1, 2017, \$232,860,000 aggregate principal amount of Proposition A Commercial Paper Notes were outstanding. A portion of the proceeds of the Series 2017-A Bonds will be used to repay approximately \$123,693,000 of outstanding Proposition A Commercial Paper Notes.

Other Obligations.

General Revenue Bonds. As of September 1, 2017, there was \$64,770,000 aggregate principal amount of LACMTA’s General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015 (the “Series 2015 General Revenue Bonds”) outstanding, and \$30,290,000 aggregate principal amount of LACMTA’s General Revenue Refunding Bonds (Union Station Gateway Project), Series 2010-A (the “Series 2010-A General Revenue Bonds,” and together with the Series 2015 General Revenue Bonds, the “General Revenue Bonds”) outstanding. The General Revenue Bonds are secured by a pledge of farebox revenues, fee and advertising revenues (collectively, “General Revenues”) and Proposition A Sales Tax and Proposition C Sales Tax revenues that remain after the application of those revenues to the payment of principal and interest on the First Tier Senior Lien Bonds (including the Series 2017 Bonds), Second Tier Obligations and Third Tier Obligations, in the case of the Proposition A Sales Tax, and certain Proposition C Sales Tax secured obligations, in the case of the Proposition C Sales Tax (the “Proposition A Remaining Sales Tax” and the “Proposition C Remaining Sales Tax,” respectively). LACMTA’s

obligation to pay principal of and interest on the General Revenue Bonds is secured by a lien on Proposition A Sales Tax that is junior and subordinate to the First Tier Senior Lien Bonds (including the Series 2017 Bonds), the Second Tier Obligations and the Third Tier Obligations as to the lien on and source and security for payment from Pledged Revenues.

COMBINED DEBT SERVICE SCHEDULE

The following table shows the combined parity debt service requirements on LACMTA's First Tier Senior Lien Bonds after giving effect to the issuance of the Series 2017 Bonds and the refunding and defeasance of the Refunded Bonds.

TABLE 9
Los Angeles County Metropolitan Transportation Authority
Combined Debt Service Schedule
First Tier Senior Lien Bonds¹

Bond Years Ending July 1	Other Outstanding First Tier Senior Lien Bonds Debt Service ²	Series 2017-A Bonds Debt Service			Series 2017-B Bonds Debt Service			Combined Total Debt Service First Tier Senior Lien Bonds
		Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	
2017	\$133,857,569	\$	\$	\$	\$	\$	\$	
2018	134,261,719							
2019	137,426,969							
2020	137,759,519							
2021	135,263,969							
2022	96,639,269							
2023	97,042,943							
2024	48,498,194							
2025	48,931,831							
2026	49,310,881							
2027	35,560,631							
2028	22,882,656							
2029	13,770,931							
2030	13,826,831							
2031	13,847,531							
2032	11,303,881							
2033	11,301,031							
2034	11,306,806							
2035	11,302,263							
2036	—							
2037	—							
2038	—							
2039	—							
2040	—							
2041	—							
2042	—							
2043	—							
2044	—							
2045	—							
2046	—							
2047	—							
2048	—							
Total	\$	\$	\$	\$	\$	\$	\$	

¹ Numbers may not total due to rounding to nearest dollar.

² Includes debt service on the Refunded Bonds, which will be defeased on the date of issuance of the Series 2017-B Bonds.

Source: LACMTA and KNN Public Finance, LLC

LITIGATION

There is no litigation pending or, to the knowledge of LACMTA, threatened, in any way questioning or affecting the validity of the Series 2017 Bonds, the imposition and collection of the Proposition A Sales Tax or the pledge of the Pledged Revenues. On April 30, 1982, the California Supreme Court, in *Los Angeles County Transportation Commission v. Richmond*, upheld the validity of the Proposition A Sales Tax. Various claims of other types have been asserted against LACMTA. See “APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—LITIGATION AND OTHER REGULATORY ACTIONS.”

LEGAL MATTERS

The validity of the Series 2017 Bonds and certain other legal matters are subject to the approving opinion of Kutak Rock LLP, Bond Counsel to LACMTA. The proposed form of the opinion to be delivered by Bond Counsel is attached hereto as Appendix F. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for LACMTA by the Los Angeles County Counsel, General Counsel to LACMTA. Certain legal matters will be passed upon for LACMTA by Nixon Peabody LLP, as Disclosure Counsel.

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel to LACMTA, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinions described in the preceding sentence assume the accuracy of certain representations and compliance by LACMTA with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be met subsequent to the issuance of the Series 2017 Bonds. Failure to comply with such requirements could cause interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2017 Bonds. LACMTA will covenant to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2017 Bonds.

Notwithstanding Bond Counsel’s opinion that interest on the Series 2017 Bonds is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of federal alternative minimum taxable income 75% of the excess of such corporations’ adjusted current earnings over their federal alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

Bond Counsel is further of the opinion that interest on the Series 2017 Bonds is exempt from present State personal income taxes.

Special Considerations With Respect to the Series 2017 Bonds

The accrual or receipt of interest on the Series 2017 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2017 Bonds. The extent of these other tax consequences will depend upon such owner’s particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2017

Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2017 Bonds.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2017 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2017 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the various state legislatures that, if enacted, could alter or amend federal and state tax matters referred to above or adversely affect the market value of the Series 2017 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2017 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2017 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2017 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2017 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Tax Treatment of Original Issue Premium

The Series 2017-A Bonds maturing on July 1, 20__ through, and including, July 1, 20__, and Series 2017-B Bonds maturing on July 1, 20__ through, and including, July 1, 20__ (collectively, the “Series 2017 Premium Bonds”) are being sold at a premium. An amount equal to the excess of the issue price of a Series 2017 Premium Bond over its stated redemption price at maturity constitutes premium on such Series 2017 Premium Bond. An initial purchaser of a Series 2017 Premium Bond must amortize any premium over such Series 2017 Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Series 2017 Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser’s basis in such Series 2017 Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Series 2017 Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax

deduction is allowed. Purchasers of the Series 2017 Premium Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Series 2017 Premium Bond.

Tax Treatment of Original Issue Discount

The Series 2017-A Bonds maturing on July 1, 20__ through, and including, July 1, 20__, and Series 2017-B Bonds maturing on July 1, 20__ through, and including, July 1, 20__ (collectively, the “Series 2017 Discount Bonds”) are being sold at an original issue discount. The difference between the initial public offering prices of such Series 2017 Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described under “—General” above.

The amount of original issue discount which is treated as having accrued with respect to such Series 2017 Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Series 2017 Discount Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Series 2017 Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Series 2017 Discount Bond, on days which are determined by reference to the maturity date of such Series 2017 Discount Bond. The amount treated as original issue discount on such Series 2017 Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Series 2017 Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Series 2017 Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Series 2017 Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Series 2017 Discount Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Series 2017 Discount Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Series 2017 Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Series 2017 Discount Bond.

MUNICIPAL ADVISOR

LACMTA has retained KNN Public Finance, LLC as Municipal Advisor (the “Municipal Advisor”) for the sale of the Series 2017 Bonds. 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 this Official Statement.

FINANCIAL STATEMENTS

The financial statements of LACMTA for the Fiscal Year ended June 30, 2016 and the Management’s Discussion and Analysis and certain supplementary information, and the Independent Auditors’ Report of Crowe Horwath LLP, independent accountants, dated December 16, 2016

(collectively, the “2016 Financial Statements”) are included as “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016.” LACMTA’s financial statements as of June 30, 2016 and for the year then ended, included in this Official Statement, have been audited by Crowe Horwath LLP, independent accountants, as stated in their Report appearing in Appendix B. LACMTA has not requested, nor has Crowe Horwath LLP given, Crowe Horwath LLP’s consent to the inclusion in Appendix B of its Report on such financial statements. In addition, Crowe Horwath LLP has not performed any post-audit review of the financial condition of LACMTA and has not reviewed this Official Statement.

An unaudited Balance Sheet and Statement of Revenues, Expenditures and Fund Balances for the Proposition A Special Revenue Fund for the Fiscal Year ended June 30, 2017 are included in APPENDIX C. These amounts are preliminary and are subject to change. Audited amounts may be different.

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION

Certain economic and demographic information about the County is included in “APPENDIX D—LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION.” The economic and demographic information provided has been collected from sources that LACMTA considers to be reliable. Because it is difficult to obtain timely economic and demographic information, the economic condition of the County may not be fully apparent in all of the publicly available local and regional economic statistics provided herein. In particular, the economic statistics provided herein may not fully capture the impact of current economic conditions.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen & Moore P.C., certified public accountants, will verify, from the information provided to them, the mathematical accuracy of the computations contained in the provided schedules to determine that the amounts to be held in the Escrow Fund will be sufficient to pay: (i) interest on the Refunded Bonds, when due; and (ii) the redemption price of the Refunded Bonds on July 1, 2021. Causey Demgen & Moore P.C. will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest on the Series 2017 Bonds.

CONTINUING DISCLOSURE

At the time of issuance of the Series 2017 Bonds, LACMTA will execute a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), which will provide for disclosure obligations on the part of LACMTA. Under the Continuing Disclosure Certificate, LACMTA will covenant for the benefit of Bondholders and Beneficial Owners of the Series 2017 Bonds to provide certain financial information and operating data relating to LACMTA by not later than 195 days after the end of the prior Fiscal Year (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Listed Events”). The Annual Reports and the notices of Listed Events will be filed with the MSRB through its EMMA System. See “APPENDIX G—FORM OF CONTINUING DISCLOSURE CERTIFICATE.” LACMTA has become aware that some information that was made available in a timely manner on the EMMA System pursuant to LACMTA’s continuing disclosure obligations was not linked to the CUSIP numbers for all affected series of bonds. LACMTA has corrected this issue. In addition, LACMTA has become aware that in a few instances, notices of changes in ratings on some of LACMTA’s bonds were not filed in a timely manner. LACMTA has made corrective filings regarding these ratings changes.

SALE OF SERIES 2017 BONDS

The Series 2017-A Bonds were sold at competitive sale on October __, 2017 and awarded to _____ (the “Series 2017-A Winning Bidder”) at a purchase price of \$ _____ (consisting of the par amount of the Series 2017-A Bonds, [plus/less an] original issue premium/discount of \$ _____, and less an amount retained by the Series 2017-A Winning Bidder as compensation (i.e., underwriter’s discount) of \$ _____). The Series 2017-A Winning Bidder will purchase all of the Series 2017-A Bonds, subject to certain terms and conditions set forth in the Notice Inviting Bids, dated [September __], 2017, the approval of certain legal matters by counsel, and certain other conditions.

The Series 2017-B Bonds were sold at competitive sale on October __, 2017 and awarded to _____ (the “Series 2017-B Winning Bidder” and together with the Series A Winning Bidder, the “Winning Bidders”) at a purchase price of \$ _____ (consisting of the par amount of the Series 2017-B Bonds, [plus/less an] original issue premium/discount of \$ _____, and less an amount retained by the Series 2017-B Winning Bidder as compensation (i.e., underwriter’s discount) of \$ _____). The Series 2017-B Winning Bidder will purchase all of the Series 2017-B Bonds, subject to certain terms and conditions set forth in the Notice Inviting Bids, dated [September __], 2017, the approval of certain legal matters by counsel, and certain other conditions.

RATINGS

Moody’s and S&P have assigned the Series 2017 Bonds ratings of “__” (stable outlook) and “__” (stable outlook), respectively. Such credit ratings reflect only the views of such organizations and any desired explanation of the meaning and significance of such credit ratings, including the methodology used and any outlook thereon, should be obtained from the rating agency furnishing the same, at the following addresses, which are current as of the date of this Official Statement: Moody’s Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; and Standard & Poor’s, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its credit rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the ratings will remain in effect for any given period of time or that any such rating will not be revised, either downward or upward, or withdrawn entirely, or a positive, negative or stable outlook announced, by the applicable rating agency, if, in its judgment, circumstances so warrant. LACMTA undertakes no responsibility to bring to the attention of the Owners of the Series 2017 Bonds any announcement regarding the outlook of any rating agency with respect to the Series 2017 Bonds. Any downward revision or withdrawal or announcement of negative outlook could have an adverse effect on the market price of the Series 2017 Bonds. Maintenance of ratings will require periodic review of current financial data and other updating information by assigning agencies.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Treasurer of the Los Angeles County Metropolitan Transportation Authority, One Gateway Plaza, Los Angeles, California 90012, Attention: Treasury Department, Email: TreasuryDept@metro.net, Telephone: (213) 922-2554, or from LACMTA's Financial Advisor, KNN Public Finance, LLC Telephone: 510-208-8205. LACMTA maintains a website at <http://www.metro.net>. Information on such website is not part of this Official Statement and such information has not been incorporated by reference in this Official Statement and should not be relied upon in deciding whether to invest in the Series 2017 Bonds.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By _____
Treasurer

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APPENDIX A

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

GENERAL

Prospective purchasers of the Series 2017 Bonds should be aware that the following discussion of the Los Angeles County Metropolitan Transportation Authority (the “LACMTA”) is intended as general information only. The Series 2017A Bonds are limited obligations of the LACMTA payable from Pledged Revenues, which consist primarily of proceeds of the Proposition A Sales Tax.

Establishment; Jurisdiction

The Los Angeles County Metropolitan Transportation Authority (“LACMTA”) is the largest public transit operator west of Chicago. As the principal transit provider in the southern California region, LACMTA serves about 75% of all transit trips within its 1,433 square mile service area, carrying an estimated 1.0 million passengers per day on buses and nearly 345,000 passengers on rail. LACMTA operates four light rail lines, serving 80 stations along 80 miles of track and two heavy rail lines that serve 16 stations along 17.4 miles of track. In addition to the transit services provided by LACMTA, it also provides funding to 40 other municipal operators that offer fixed route service and more than 100 other local return and non-profit agencies that provide community-based transportation. LACMTA also provides highway construction funding and traffic flow management.

LACMTA was established in 1993 pursuant to the provisions of Section 130050.2 et seq. of the California Public Utilities Code (the “LACMTA Act”). LACMTA is the consolidated successor entity to both the Southern California Rapid Transit District (the “District”) and the Los Angeles County Transportation Commission (the “Commission”). As the consolidated successor entity, LACMTA succeeded to all powers, duties, rights, obligations, liabilities, indebtedness, bonded or otherwise, immunities and exemptions of the Commission and the District, including the Commission’s responsibility for planning, engineering and constructing a county-wide rail transit system. The Commission was authorized, subject to approval by the electorate of the County of Los Angeles (the “County”), to adopt a retail transactions and use tax ordinance, with the revenues of such tax to be used for public transit purposes. On November 4, 1980, the voters of the County approved the Proposition A Sales Tax pursuant to Ordinance No. 16. The Proposition A Sales Tax is in addition to a ½ of 1 percent sales tax imposed by LACMTA beginning in 1990 known as “Proposition C Sales Tax,” a 30-year ½ of 1 percent sales tax imposed by LACMTA beginning in 2009 known as the “Measure R Sales Tax,” and a ½ of 1 percent sales tax imposed by LACMTA beginning on July 1, 2017 known as “Measure M Sales Tax.”

Board of Directors

LACMTA is governed by a 14-member Board of Directors (the “Board”). The Board is composed of the five members of the County Board of Supervisors, the Mayor of the City of Los Angeles, two public members and one member of the City Council of the City of Los Angeles appointed by the Mayor of the City of Los Angeles, four members who are either a mayor or a member of a city council of a city in the County (other than the City of Los Angeles) and who have been appointed by the Los Angeles County City Selection Committee (comprised of individuals appointed by the Mayors of each city in the County), and a non-voting member appointed by the Governor.

The Board of LACMTA exclusively exercises and discharges the following powers and responsibilities: (a) establishment of overall goals and objectives, (b) adoption of the aggregate budget for

all of its organizational units, (c) designation of additional municipal bus operators under criteria enumerated in the LACMTA Act, (d) approval of all final rail corridor selections, (e) final approval of labor contracts covering employees of LACMTA and its organizational units, (f) establishment of LACMTA's organizational structure, (g) conducting hearings and setting fares for the operating organizational units, (h) approval of transportation zones, (i) approval of any debt instrument with a maturity date exceeding the end of the Fiscal Year in which it is issued, (j) approval of benefit assessment districts and assessment rates and (k) approval of contracts for construction and transit equipment acquisition which exceed \$5,000,000 and making findings in connection with certain procurement decisions.

The current members of the Board and a brief biography of each member are provided below.

Eric Garcetti, Chair. Mr. Garcetti was elected Mayor of Los Angeles in 2013. From 2001 until taking office as Mayor, Mr. Garcetti served on the Los Angeles City Council representing the Thirteenth District and was elected to serve as President of the Los Angeles City Council four times from 2006 to 2012. Mr. Garcetti earned his B.A. and M.A. from Columbia University. He has also studied as a Rhodes Scholar at Oxford and the London School of Economics and taught at Occidental College and University of Southern California.

Sheila Kuehl, First Vice-Chair. Ms. Kuehl was elected to the Board representing the Third Supervisorial District in 2014. Ms. Kuehl served eight years in the State Senate and six years in the State Assembly, and, in 2008, left the legislature under California's term limits statute. She served as Founding Director of the Public Policy Institute at Santa Monica College. In 2012, she was appointed Regents' Professor of Public Policy at UCLA. Prior to her election to the Legislature, Ms. Kuehl was a law professor at Loyola, UCLA and USC Law Schools and co-founded and served as managing attorney of the California Women's Law Center. She graduated from Harvard Law School in 1978. She served on the Harvard University Board of Overseers from 1998 to 2005.

James T. Butts, Jr., Second Vice Chair. Mr. Butts was elected as Mayor of the City of Inglewood on January 11, 2011 and reelected on November 4, 2014. Mr. Butts has more than 39 years of public safety and municipal government experience. He has held the rank of general manager or assistant general manager of large and complex municipal organizations for the past 27 years. He served 19 years in the Inglewood Police Department rising to the rank of Deputy Chief, 15 years as the Chief of Police for the City of Santa Monica, and 5 years as an Assistant General Manager for the Los Angeles World Airport system in charge of Public Safety and Counter-Terrorism. Mr. Butts received a Bachelor of Science degree in Business Administration from California State University, Los Angeles and a master's degree in Business Administration from California Polytechnic University in Pomona.

Kathryn Barger. Ms. Barger was elected to the Los Angeles County Board of Supervisors representing the Fifth Supervisorial District in November 2016. Ms. Barger began her career in public service as a student intern in the office of Supervisor Michael D. Antonovich while earning her B.A. in Communications from Ohio Wesleyan University. She became his Chief Deputy Supervisor in 2001, and served in this role until her election in November 2016. During the course of her county career as chief policy advisor on Health, Mental Health, Social Service and Children's issues, Ms. Barger provided leadership to deliver efficient and effective services and programs that have significantly improved the quality of life for foster children, seniors, veterans, the disabled and the mentally ill. She has worked with state and federal leaders along with our County District Attorney's office, Sheriff, and other law enforcement agencies to implement tough laws and vital public safety initiatives.

Mike Bonin. Mr. Bonin was elected to Los Angeles City Council in July 2013 to represent the Eleventh District. He was appointed to the Board by Mayor Garcetti in July 2013 and acts as Chair of the

City Council's Transportation Committee and as Vice Chair of the Metro Exposition Line Construction Authority. Previously, Mr. Bonin served as chief deputy to former Councilmember Bill Rosendahl. In that role, he was an alternate member on the Board of the Metro Exposition Line Construction Authority and a Co-Chair of the North Runway Safety Advisory Committee. He has also served as district director for U.S. Congresswoman Jane Harman and deputy chief of staff for Councilmember Ruth Galanter and is co-founder and program director of Camp Courage, a training program for LGBT community organizers. Mr. Bonin received his B.A. in U.S. History from Harvard University.

Jacquelyn Dupont-Walker. Ms. Dupont-Walker is the founding President of Ward Economic Development Corporation, a faith-based community development organization, and is chair of the USC Master Plan Advisory Committee where she represents the residents of the West Adams district. She was appointed to the Board by Mayor Garcetti in July 2013 and is involved in numerous other civic organizations. She serves as the AME Church International Social Action Officer and as the Social Action Chair of Delta Sigma Theta–Century City.

John Fasana. Mr. Fasana has served on the Duarte City Council since 1987, and served as Mayor of the City of Duarte in 1990, 1997, 2004, and 2009. Mr. Fasana was selected by the Los Angeles County City Selection Committee and has represented the San Gabriel Valley Sector on the Board since its inception in 1993. Mr. Fasana serves as Chair of the San Gabriel Valley Council of Governments Transportation Committee and is a member of the board of the Metro Gold Line Foothill Extension Construction Authority. Mr. Fasana has worked 30 years with Southern California Edison and is a graduate of Whittier College with a Bachelor of Arts in Business Administration.

Robert Garcia. Dr. Robert Garcia is the Mayor of Long Beach and represents the Southeast Long Beach Sector. He holds a master's degree in Communication Management from the University of Southern California and a baccalaureate degree in Communication Studies from California State University, Long Beach. As Vice Mayor and First District Councilmember, a position he held from 2009-2014, Dr. Garcia served as the Chair of the Long Beach Public Safety Committee and the Long Beach Housing Authority, and on both the Federal Legislative and State Legislative Council Committees. He also served on the California Coastal Commission from January 2013 until taking office as Mayor of Long Beach.

Janice Hahn. Ms. Hahn serves on the Los Angeles County Board of Supervisors representing the Fourth Supervisorial District, having been elected in November 2016. She previously served in Congress as the representative for California's 44th congressional district (2013-2016) and 36th congressional district (2011-2012). Before she was elected to Congress in 2011, Ms. Hahn served eight years on the Los Angeles City Council representing the Harbor Area, District 15. Prior to her career in public service, Hahn worked in the private sector. She attended Abilene Christian University in Texas, earning a Bachelor of Science in education in 1974. She taught at the Good News Academy, a private school in Westchester from 1974 to 1978. Her other work in the private sector has included Public Affairs Region Manager at Southern California Edison from 1995 to 2000, Vice President for Prudential Securities in Public Finance, Director of Community Outreach for Western Waste Industries, and Director of Marketing for the Alexander Haagen Company.

Paul Krekorian. Mr. Krekorian was elected to the Los Angeles City Council to represent the Second District in 2009 and was re-elected in 2013 and 2015. He was appointed to the Board by Mayor Garcetti in July 2013. Prior to his election to the Los Angeles City Council, he represented California's 43rd Assembly District in the California State Assembly for three years. Prior to being elected to public office, Mr. Krekorian served as President of the Burbank Board of Education and practiced law. He attended the University of Southern California and received his Juris Doctor from the University of California, Berkeley, School of Law.

Ara Najarian. Mr. Najarian was elected to the Glendale City Council in April of 2005 and re-elected in 2009 and 2013; he served as Mayor from 2007 to 2008 and 2010 to 2011. He was selected to the Board in 2006 by the Los Angeles County City Selection Committee to represent the North County/San Fernando Valley Sector. He served as LACMTA Chairman from 2009-2010. He is past Chair of the Glendale Housing Authority and previously served as Chair of the Glendale Redevelopment Agency. He was elected to serve on the Glendale Community College Board of Trustees from 2003 to 2005. Mr. Najarian was Chair of the Glendale Transportation and Parking Commission. Mr. Najarian also serves on Metrolink's Board of Directors. Mr. Najarian has been an attorney in private practice in Glendale for over 25 years. He attended Occidental College where he received a Bachelor of Arts in Economics and later earned his Juris Doctor from University of Southern California School of Law.

Mark Ridley-Thomas. Mr. Ridley-Thomas was elected to the Board representing the Second Supervisorial District in November 2008 and was reelected in June 2012 and June 2016. Previously, he served as a California State Senator, 26th District, 2006 to 2008, and chaired the Senate Committee on Business, Professions and Economic Development. Mr. Ridley-Thomas was first elected to public office in 1991, serving on the Los Angeles City Council for nearly a dozen years during which time he sat on the Board. He later served two terms in the California State Assembly, where he chaired the Committee on Jobs, Economic Development and the Economy and the Assembly Democratic Caucus. He earned a baccalaureate degree in Social Relations, minor in Government, and a master's degree in Religious Studies (concentration in Christian Ethics) from Immaculate Heart College. Mr. Ridley-Thomas received his Ph.D. in Social Ethics and Policy Analysis from the University of Southern California.

Hilda L. Solis. Ms. Solis was elected to the Board representing the First Supervisorial District in 2014. Prior to her election to the Board, Ms. Solis was confirmed as U.S. Secretary of Labor on February 24, 2009, becoming the first Latina to serve in the United States Cabinet. Prior to confirmation as Secretary of Labor, Secretary Solis represented the 32nd Congressional District in California, a position she held from 2001 to 2009. Solis graduated from California State Polytechnic University, Pomona, and earned a Master of Public Administration from the University of Southern California. A former federal employee, she worked in the Carter White House Office of Hispanic Affairs and was later appointed as a management analyst with the Office of Management and Budget in the Civil Rights Division.

Carrie Bowen, Ex Officio Member. Ms. Bowen became the Acting Director of the California Department of Transportation District 7 in August 2013. She was appointed to the Board by Governor Brown in August 2013 and provides oversight to all divisions including administration, construction, design, environmental, external affairs, maintenance, operations, planning, project management and right-of-way. Previously, Ms. Bowen served as District 10 Director, following her appointment in January 2011. She has worked for Caltrans for approximately 30 years, rising to the position of Deputy District Director for the Central Region, Environmental Division. In addition to her work with Caltrans, Ms. Bowen also served on Assemblyman Jim Costa's staff from 1985 to 1991.

Management

General. The management of LACMTA is carried out under the direction of its Chief Executive Officer, who performs any duties delegated to him or her by the Board. The Board also appoints a General Counsel, Inspector General, Chief Ethics Officer and Board Secretary. The Chief Executive Officer serves at the pleasure of the Board, as do the General Counsel, Inspector General, Chief Ethics Officer and Board Secretary. Certain of LACMTA's executives and a brief biography of each executive are provided below.

Chief Executive Officer. Phillip A. Washington became Chief Executive Officer in May 2015. Prior to his appointment as Chief Executive Officer, Mr. Washington served as General Manager of the

Denver Regional Transportation District (“RTD”). Mr. Washington served in that position since December 2009, with previous service as Interim General Manager since June 2009 and Assistant General Manager, Administration since 2000. Mr. Washington is credited with completing the Eagle P3 project, a \$2.2 billion public-private partnership that built RTD’s East Rail Line, a commuter rail from Denver International Airport to downtown Denver. Mr. Washington was a highly decorated 24-year military professional, having attained the highest military noncommissioned officer rank, that of Command Sergeant Major, E-9, before retiring from service in June 2000. He began his military career in Air Defense Artillery units and served in virtually every noncommissioned officer leadership role. He has also been a distinguished project manager, strategic planner, contract representative, human resource director, trainer and budget technician. Mr. Washington received a Bachelor of Arts degree in Business Administration from Columbia College and a master’s degree in Management from Webster University.

Chief Financial Officer. Nalini Ahuja was appointed as Executive Director, Finance and Budget in February 2014 (renamed Chief Financial Officer in July 2016). Prior to her appointment as Executive Director, Finance and Budget, Ms. Ahuja served as LACMTA’s Executive Director, Office of Management, Budget & Local Programming from 2010 to 2012, at which point her duties were expanded to include oversight of LACMTA’s Transit Access Pass (“TAP”) operations. As Chief Financial Officer, she is responsible for oversight of LACMTA’s Office of Management, Budget, Local Programming & TAP operations and the agency’s Financial Services including accounting and treasury functions. She has also served LACMTA as Director, Countywide Planning; Transportation Manager V, Local Programming; Acting Budget Director, Office of Management & Budget; and Project Manager, South Bay Area Team. Ms. Ahuja began her career with LACMTA’s predecessor, the Los Angeles County Transportation Commission, in 1986, as a technical and administrative analyst, which led to her position as Project Manager with the South Bay Area Team in 1990. Ms. Ahuja earned a bachelor’s degree in Economics from Miranda House, University of Delhi as well as a master’s degree in Economics from Delhi School of Economics and a master’s degree in Urban Planning from UCLA.

Treasurer. Donna R. Mills was appointed Treasurer in July 2013, following her appointment to Interim Treasurer in January 2013. Ms. Mills previously served LACMTA as Assistant Treasurer beginning in April 2001, and as Senior Investment Manager beginning in December 1995. As Treasurer, she is responsible for directing LACMTA’s investment management and debt management programs, and for overseeing pension and benefits administration. Prior to joining LACMTA, Ms. Mills served as a Financial Planning Administrator and as Cash Manager for Pacific Enterprises. She also worked as a Banking Analyst and as a Research Assistant for the Federal Reserve Bank of Philadelphia. Ms. Mills received a Bachelor of Arts in Economics and Sociology from the University of Pennsylvania and an MBA from the University of California, Berkeley.

Public Transportation Services Corporation

In December 1996, LACMTA created the Public Transportation Services Corporation (“PTSC”), a nonprofit public benefit corporation organized under the laws of the State. PTSC was created in order to transfer certain functions, then performed by LACMTA, and the employees related to those functions, to this new corporation. The purpose of PTSC is to conduct essential public transportation activities including but not limited to the following: (a) to coordinate multimodal multi-jurisdictional transportation planning; (b) to program federal, State and local funds for transportation projects County-wide within the County; (c) to oversee construction; (d) to provide certain administrative services to the Los Angeles County Service Authority for Freeway Emergencies and the Southern California Regional Rail Authority; (e) to provide administrative support and security services for the foregoing and to the operation of LACMTA’s bus and rail system; and (f) such other activities and services as it deems necessary. One advantage of PTSC is that it allows its employees, including those transferred from LACMTA, to participate in the California Public Employees Retirement System.

TRANSPORTATION SERVICES

LACMTA is a multi-faceted transportation agency responsible for the coordination of transportation policy, funding and planning within the County as well as the development and operation of bus, light rail and heavy rail within the greater Los Angeles region. This breadth of services distinguishes LACMTA from other transportation agencies across the country. Most other transportation agencies specialize in three or fewer of the referenced transportation services.

Bus System

LACMTA operates the second largest bus system in the United States. LACMTA provides bus service within its service area in the County and to portions of Orange and Ventura Counties, operating a vehicle fleet of over 2,450 buses. LACMTA's bus system covers over 170 routes and serves approximately 16,000 bus stops, including two premium bus rapid transit dedicated busways. Systemwide, LACMTA buses provide approximately 7.0 million revenue service hours annually with an average of approximately 912,000 weekday boardings on a system-wide basis for the fiscal quarter ended June 30, 2017 and total boardings of 58.4 million for the fiscal quarter ended June 30, 2017, including Orange Line busway ridership. In addition, LACMTA contracts with outside service providers, with approximately 42,500 average weekday boardings for the fiscal quarter ended June 30, 2017. Virtually all of LACMTA's bus fleet is composed of compressed-natural gas ("CNG") powered buses. As of August 1, 2017, the average age of LACMTA's bus fleet was approximately 7.90 years. At the October 27, 2016 Board meeting, the Board approved a motion calling for staff to draw up plans to fully electrify LACMTA's Orange Line by 2020. LACMTA received a \$4.3 million grant from the US Department of Transportation to partially fund the acquisition of five new 60-foot electric buses and eight new charging stations to be utilized on the Orange Line. In July, 2017, the LACMTA Board approved the purchase of approximately 95 electric buses to be added to its fleet and committed to converting the entire fleet to zero emission vehicles by 2030.

Metro Rapid Bus. In June 2000, LACMTA launched the Metro Rapid Demonstration Program ("Metro Rapid"). Initially, Metro Rapid consisted of two lines—one along Ventura Boulevard in the San Fernando Valley and the other along the Wilshire/Whittier transit corridor. In September 2002, based on the success of Metro Rapid, the Board adopted the Metro Rapid Five-Year Implementation Plan that identified additional Metro Rapid corridors to be implemented through Fiscal Year 2007-08. All of the 25 Metro Rapid corridors are now operating, covering approximately 400 miles in the City of Los Angeles, the County and 34 other cities. In addition to LACMTA, Santa Monica's Big Blue Bus, Culver CityBus and Torrance Transit operate Metro Rapid. The Metro Rapid Program provides fast, frequent regional bus service throughout the County. Key features of the Metro Rapid Program include simple route layouts, frequent service, fewer stops, low-floor buses to facilitate boarding and alighting, color-coded buses and stations, and traffic signal priority.

Metro Orange Line. The Metro Orange Line is a 14-mile Bus Rapid Transit service that operates along an exclusive right-of way and transports thousands of commuters between Warner Center in the west San Fernando Valley to the Metro Red Line subway station in North Hollywood. The Metro Orange Line buses operate in exclusive lanes along a 13-mile stretch of LACMTA-owned right-of-way and one mile in mixed flow traffic on public streets. The Metro Orange Line has 14 stations, each located roughly one mile apart, with park and ride facilities at seven stations providing approximately 4,700 parking spaces. The Metro Orange Line Extension Project, which opened in June 2012, extended the Orange Line four-miles north from the Canoga park-and-ride lot to the Chatsworth Amtrak/Metrolink Station.

Highway System

The High Occupancy Vehicle (“HOV”) lane program is a cooperative effort between Caltrans and LACMTA, and is funded through a combination of federal, State and local resources. As part of a congestion reduction demonstration program, LACMTA converted I-10 and I-110 High Occupancy Vehicle (“HOV”) Lanes to High Occupancy Toll (“HOT”) Lanes and provide the choice for drivers of single occupant vehicles to pay to travel in a high occupancy lane, based on congestion pricing. The general purpose lanes on these highways are not tolled. This program also includes improvements to the transit service along the freeways, transit facility improvements and increased funding for vanpools. In March 2017, the LACMTA Board approved a plan to convert additional existing HOV lanes to HOT Lanes (also known Express Lanes) in phases over the next 30 years. LACMTA also provides highway construction funding and traffic flow management.

Rail System

General. In 1992, the Commission developed a comprehensive rail rapid transit system development plan (the “Rail System”) which has been revised from time to time. The Rail System currently consists of four light rail lines: the Metro Blue Line, the Metro Green Line, the Metro Gold Line (including the Gold Line Eastside Extension) and the Exposition Line; and two heavy rail lines: Metro Red Line and the Metro Purple Line.

Metro Blue Line. The Metro Blue Line is an approximately 22 mile light rail line that extends from downtown Los Angeles, where it links to the Metro Red Line, to the City of Long Beach. The Metro Blue Line passes through portions of the cities of Los Angeles, Long Beach, Compton, Carson and other cities, and certain unincorporated areas of the County. The Metro Blue Line consists of a dual-track line with 22 stations, with a fleet of 54 articulated rail cars and a primary maintenance facility (which also supports vehicles from the Metro Green Line) and yard located in Long Beach adjacent to the Long Beach Freeway with a storage and maintenance capacity of 89 vehicles. Passenger service began in July 1990. The Metro Blue Line had estimated ridership of approximately 5.4 million for the fiscal quarter ended June 30, 2017.

Metro Green Line. The Metro Green Line is a 19.5-mile light rail line linking the El Segundo employment area near the Los Angeles International Airport to the City of Norwalk near the San Gabriel River Freeway. The Metro Green Line has 14 stations including a station that intersects the Metro Blue Line and one that provides passenger connections to the Harbor Freeway Transitway, an elevated busway developed by Caltrans. The Metro Green Line began operations in August 1995, and had estimated ridership of approximately 2.4 million for the fiscal quarter ended June 30, 2017.

Metro Gold Line. The Metro Gold Line is a 13.7-mile light rail line which extends from downtown Los Angeles (where it links to the Metro Red Line) to the City of Pasadena. The Metro Gold Line consists of a dual-track line with 13 stations. The Metro Gold Line began operations in July 2003. The Gold Line Eastside Extension, which opened in November 2009, is a six-mile, dual track light rail system with eight new stations and one station modification. The system originates at Union Station in downtown Los Angeles, where it connects with the Metro Gold Line, traveling generally east to Pomona and Atlantic Boulevards through one of the most densely populated areas of the County. In March 2016, service began on an 11-mile extension of the Gold Line from Pasadena to Azuza. Estimated ridership for the entire Metro Gold Line was approximately 4.1 million for the fiscal quarter ended June 30, 2017.

The Metro Gold Line is being further extended as discussed below under “FUTURE TRANSPORTATION PROJECTS – *Gold Line Foothill Extension.*”

Exposition Line. The Exposition Line is an approximately 15 mile long light rail line that runs from downtown Los Angeles to Santa Monica along the Exposition Boulevard corridor. The first portion of the Exposition Line opened in June 2012 and extended approximately 8.6 miles from downtown Los Angeles to Culver City. The second portion, which began revenue operations in May 2016, extends 6.6 miles westward from Culver City to downtown Santa Monica and adds seven stations to the Exposition Line. Estimated ridership for the Exposition Line was approximately 4.8 million for the fiscal quarter ended June 30, 2017.

Metro Red Line and Metro Purple Line. The Metro Red Line and Metro Purple Line were designed as state-of-the-art, modern heavy rail subway lines comparable to transit systems in San Francisco, Atlanta and Washington, DC. The Metro Red Line and Metro Purple Line are dual-rail steel-wheeled, high speed rapid subway systems that originally were to consist of a 19.7 mile 18-station line that was to connect the Los Angeles central business district to the San Fernando Valley, through the Wilshire Corridor and Hollywood, and to East Los Angeles through Union Station. However, due to the “Metropolitan Transportation Authority Reform and Accountability Act of 1998” (the “Act of 1998”) and federal and State funding shortfalls, the development of the Metro Red Line and the Metro Purple Line were significantly reduced, including the indefinite suspension of certain of the extensions. The Act of 1998 prohibits LACMTA from utilizing any of the Proposition A Sales Tax or the Proposition C Sales Tax revenues for the costs of planning, design, construction or operation of any new subway, including debt service on any obligations issued for such purposes after March 30, 1998. However, the Act of 1998 did not prohibit LACMTA from continuing the construction of the Metro Red Line and the Metro Purple Line as long as such design, construction and operation are paid from other funds.

The Metro Red Line was constructed in segments, which opened in 1993, 1999 and 2000. The Red Line extends from Union Station in the downtown section of the City of Los Angeles to Vermont Avenue, where it travels north to Hollywood Boulevard and Vine Street, continuing up to the North Hollywood terminus. The Red Line is 14.9 miles long with 14 stations.

The Purple Line extends west from Wilshire/Vermont to the current terminus at Wilshire/Western and is 6.8 miles long with eight stations from Union Station to the Wilshire/Western station. The west branch became operational in July 1996 and was renamed the Purple Line in August 2006. LACMTA is in the process of extending the Metro Purple Line from its current terminus at Wilshire/Western to the westside of Los Angeles. This project is described under “FUTURE TRANSPORTATION IMPROVEMENTS—Transit Projects” below.

Commuter Rail. The Southern California Regional Rail Authority (“SCRRA”) oversees commuter rail services in the region that includes Los Angeles, Riverside, Ventura, Orange, San Bernardino and San Diego Counties. SCRRA operates the Metrolink system, which consists of seven lines totaling 512 miles and 55 stations and is primarily geared toward providing commuter rail service from outlying communities to downtown Los Angeles. Average weekday boardings were approximately 39,400 for the third quarter of Fiscal Year 2017. LACMTA is the Los Angeles County participant in SCRRA and contributes funds to SCRRA. Other participants include the Orange County Transportation Authority, the Riverside County Transportation Commission, the San Bernardino Association of Governments and the Ventura County Transportation Authority.

Transit System Enterprise Fund

LACMTA accounts for the revenues and expenses of its transit system as an enterprise fund, separate from accounting of its governmental funds, such as the Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues. See “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016.” As indicated in Appendix B and as is generally true with large transit systems, the operating expenses for LACMTA’s transit system greatly exceed operating revenues. The Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues are a primary source of funding for the transit system. Additionally, LACMTA relies heavily on other local, State and federal sources to pay for operating expenses and capital improvements. LACMTA is currently undertaking future transit improvements to the transit system, which require substantial investment and increase operating costs. As the system expands, the LACMTA is committed to looking for additional revenue sources, to re-prioritize existing and new programs, and to regularly reassessing the service provided to minimize duplication and improve efficiency. Proposition A Sales tax revenues are available to pay operating expenses only after debt service on the First Tier Senior Obligations and certain other amounts are paid. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS – Flow of Funds.”

FUTURE TRANSPORTATION IMPROVEMENTS

LACMTA, as the State-designated planning and programming agency for the County, identifies future transportation needs and transportation funding and construction priorities in the County. LACMTA prepares a Long Range Transportation Plan that identifies the costs of major transportation projects and the anticipated funding sources. See “RISK FACTORS—Project Costs; Capital Needs” in the front part of this Official Statement.

Long Range Transportation Plan

In October 2009, the Board approved a 2009 Long Range Transportation Plan (“2009 LRTP”), which updated the prior Long Range Transportation Plan. The 2009 LRTP identifies projected costs of planning, constructing and running the transportation system based on a financial forecast of future revenue assumptions through 2040. During the planning process, data was reviewed that predict where and what the current challenges are on the existing transportation system, where mobility issues could arise in 2040, and how the transportation system could be improved with new investments.

The 2009 LRTP reflects LACMTA’s assessment of growth patterns, regional congestion, strategies to improve local air quality, transit-oriented development, the latest technical assumptions and climate change issues, and incorporates Measure R projects. The 2009 LRTP identified a \$297.6 billion countywide investment in the County’s transportation system through 2040, funded with more than 45 sources of federal, State and local funds. The 2009 LRTP is now the guiding policy behind funding decisions on subsequent transportation projects and programs in the County. Major capital projects and programs that are identified in the 2009 LRTP have priority for future programming of funds. While these projects and programs require further Board approval at various stages of their development, they are priorities for further planning, design, construction and the pursuit of additional funding.

The Board-approved 2009 LRTP, and subsequent updated financial forecasts include projections of debt financing by LACMTA composed of a combination of Proposition A, Proposition C and Measure R-secured debt. The March 2016 Financial Forecast of the 2009 LRTP updates the assumptions about debt issuance and assumes approximately \$2.7 billion (excluding commercial paper notes) in new debt financing from Fiscal Year 2018 through Fiscal Year 2022, not including the TIFIA loans described under “—Transit Projects” below. The March 2016 update of the 2009 LRTP assumes the funding of approximately \$755.6 million, \$795.7 million, and \$1.1 billion through the issuance of additional Proposition A First Tier Senior Lien Bonds, Proposition C Senior Bonds, and Measure R Senior Bonds, respectively, from Fiscal Year 2018 through Fiscal Year 2022. LACMTA’s March 2016 Financial Forecast assumes the issuance of approximately \$755.6 million in additional Proposition A First Tier Senior Lien Bonds from Fiscal Year 2018 through Fiscal Year 2022. The March 2016 financial update

also forecasts bond issuance from Fiscal Year 2018 through Fiscal Year 2057 of approximately \$14.2 billion, of which approximately \$5.8 billion is projected to be First Tier Senior Lien Bonds.

The 2009 LRTP and financial updates are planning tools and not projections, and therefore the timing and amount of any debt issuance is likely to change. The actual amount and timing of any debt issuance depends on a number of factors including the actual scope, timing and cost of transportation projects, the ability to obtain funding from other sources and the amount of Proposition A, Proposition C and Measure R Sales Tax revenues available to fund the projects in the LRTP. With the passage of Measure M on November 8, 2016, the 2009 LRTP has been amended to include Measure M Sales Tax revenues and Expenditure Plan. The financial forecast is expected to be updated by the end of fiscal year 2018 and a new LRTP is expected to be adopted by 2020.

Transit Projects

LACMTA has several major transit projects in planning and under construction: the Crenshaw/LAX Transit Project, the Regional Connector and the Westside Purple Line Extension.

Crenshaw/LAX Transit Project. The Crenshaw/LAX Transit Project is a north/south corridor that serves the cities of Los Angeles, Inglewood, Hawthorne and El Segundo as well as portions of unincorporated Los Angeles County. The line extends 8.5 miles, from the intersection of Crenshaw and Exposition Boulevards to a connection with the Metro Green Line at the Aviation/LAX Station. The total project budget is currently \$2.058 billion. The costs of the project are expected to be paid from Measure R Sales Tax revenues, Proposition A Sales Tax revenues, Proposition C Sales Tax revenues, other local sources, and federal and State sources. The project has received a \$545.9 million TIFIA loan, which is to be repaid from available Measure R Sales Tax. LACMTA has drawn the full amount of the TIFIA loan.

Regional Connector. The Regional Connector is a 1.9-mile light rail line with three underground stations in downtown Los Angeles. The Project will provide a direct connection from the 7th/Metro Center Station to the existing Metro Gold Line tracks to the north and east of 1st and Alameda. This connection will provide through service between the Metro Blue Line, Metro Gold Line and Metro Exposition Line corridors. The total project budget is currently \$1.77 billion. LACMTA has been awarded a \$669.9 million federal grant for the Regional Connector project. Additionally, the project has received a \$160 million TIFIA loan, which is to be repaid from Measure R Sales Tax revenues. As of September 1, 2017, LACMTA has drawn down \$61.9 million of the TIFIA loan proceeds. The remaining project costs are expected to be paid from other Federal, State and local sources (other than Proposition A Sales tax Revenues).

Westside Purple Line Extension. The Westside Purple Line Extension (the “Purple Line Extension”) is an extension of the Metro Purple Line from its current terminus at Wilshire/Western to the westside of Los Angeles. The Board has certified the Final Environmental Impact Report and has adopted the project definition for the nine-mile Purple Line Extension. The Purple Line Extension currently is planned to be constructed in three sections. Section 1 is currently under construction and extends the existing Metro Purple Line by 3.92 miles beginning at the Wilshire/Western Station and adds three stations to the Phase 1 terminus at Wilshire/La Cienega. The total budget for Section 1 of the Purple Line Extension is \$2.53 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a \$1.25 billion federal grant and has entered into an agreement for an \$856 million TIFIA loan, to be repaid from Measure R Sales Tax revenues, with respect to Section 1 of the Purple Line Extension. As of September 1, 2017, LACMTA had drawn down \$123.0 million of the TIFIA loan proceeds. The remaining project costs for Section 1 are expected to be paid from Measure R Sales Tax revenues, State sources and other local sources (other than Proposition A Sales Tax Revenues).

Section 2 of the Purple Line Extension is located entirely underground, primarily following Wilshire Boulevard, and includes the design and construction of approximately 2.59 miles of double-track heavy rail and two new stations. The estimated total project cost is \$2.16 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a \$1.187 billion federal grant and has entered into an agreement for a TIFIA loan for \$307 million to be repaid from Measure R Sales Tax revenues. The remaining costs for Section 2 are expected to be paid from Measure R Sales Tax revenues, other Federal sources, and State sources.

Section 3 of the Purple Line Extension is planned to extend 2.59 miles from Section 2 terminus at Century City to Westwood and add two stations. Currently, estimated project cost is \$2.9 billion, excluding finance costs.

Gold Line Foothill Extension. LACMTA is extending the Metro Gold Line 12.3 miles from Azusa to Claremont. LACMTA is currently working with the Gold Line Foothill Extension Construction Authority (“GLFECA”), an independent transportation planning and construction agency created in 1999. The GLFECA is tasked with designing and construction the line. Once built, LACMTA will operate it in conjunction with existing LACMTA rail services. The total project budget for the extension is \$1.4 billion. Project costs are expected to be paid primarily from Measure M Sales Tax Revenues. In addition, the San Bernardino Associated Governments has requested that an additional station in Montclair be added to the plans for this second phase if this occurs, the extension to Montclair and the Montclair station would be funded by San Bernardino County, not by the LACMTA.

State Transportation Improvement Program

The California State Transportation Improvement Program (“STIP”) is a biennial five-year plan adopted by the California Transportation Commission (“CTC”) for future allocation of certain state transportation funds for state highway and other transit improvements. The CTC updates the STIP in even numbered years with each new STIP adding two years to prior programming commitments. The draft of the 2018 STIP covers the period from Fiscal Year 2018 through Fiscal Year 2023. LACMTA is statutorily entitled to program the County regional share of STIP. With the passage of the Senate Bill No. 1 (“SB1”), there is a new balance of revenues and reforms to ensure each dollar is invested to improve California’s transportation system. The STIP program is guaranteed at \$825 million for the regional share and \$275 million for the interregional portion. These funds are set to be fully available over the next ten years. STIP funding volatility is expected to decrease and the total amount of funding available is expected to increase. Any shortfall of future STIP funding could result in the use of additional Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues or issuance of additional bonds or commercial paper secured by Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues to pay for LACMTA’s projects.

LABOR RELATIONS

General

As of September 1, 2017, LACMTA had approximately 9,700 employees, of which approximately 86% are covered by labor agreements. Full and part-time LACMTA bus and train operators are represented by the Sheet Metal, Air, Rail, Transportation, Transportation Division (formerly UTU) (“SMART-TD”); LACMTA mechanics and service attendants are members of the Amalgamated Transit Union (“ATU”); LACMTA clerks are members of the Transportation Communications Union (“TCU”); bus and rail transportation and maintenance supervisors are members of the American Federation of State County and Municipal Employees (“AFSCME”); and LACMTA security guards are members of the Teamsters Union. The following table summarizes the number of employees covered by the labor agreements of LACMTA with each of its employee bargaining units as of September 1, 2017 and the current expiration dates of the labor agreements. In July 2017, LACMTA signed five new contracts with our labor unions, the longest contracts in LACMTA’s history.

<u>Employee Bargaining Unit</u>	<u>Number of Employees</u>	<u>Contract Expiration Date</u>
United Transportation Union (Sheet Metal, Air, Rail and Transportation Division)	4,234	06/30/22
Amalgamated Transit Union	2,340	06/30/22
Transportation Communications Union	846	06/30/22
Am. Fed. of State, County and Municipal Employees	759	06/30/22
Teamsters Union	152	06/30/22

Defined Benefit Pension Plan

LACMTA has a single-employer public employee retirement system that includes five defined benefit plans (the “Plans”) that cover substantially all employees (except PTSC employees) and provides retirement, disability, and death benefits. The benefit provisions and all other requirements are established by State statute, ordinance, collective bargaining agreements or Board actions. Four of the Plans are restricted to specific union members, while the fifth provides benefits to non-represented employees and to members of the Teamsters Union. In addition, LACMTA provides pension benefits to most PTSC employees through a defined benefit plan administered by the California Public Employees’ Retirement System (“PERS”), a multiple-employer pension system. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. For a description of these defined benefit plans and LACMTA’s obligations to make contributions to these plans, see “Note III—DETAILED NOTES ON ALL FUNDS—I. Employees’ Retirement Plans” in the Notes to the Financial Statements and related Required Supplementary Schedules in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016.”

Other Post-Employment Benefits

LACMTA provides post-employment health care and life insurance benefits for retired employees and their families. Pursuant to Governmental Accounting Standards Board Pronouncement

No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB),” LACMTA is required to account for its expenses and a portion of the present value of future expenses related to these benefits. For a description of these benefits, LACMTA’s obligations to account for certain projected future costs of these benefits and other matters regarding these benefits, see “Note III—DETAILED NOTES ON ALL FUNDS—J. Other Postemployment Benefits (OPEB)” in the Notes to the Financial Statements and the related Required Supplementary Schedules in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016.”

OUTSTANDING DEBT

General

In addition to obligations issued by LACMTA that are secured by Proposition A Sales Tax, LACMTA has issued debt secured by the Proposition C Sales Tax, the Measure R Sales Tax, and other revenues of LACMTA, and may issue additional obligations so secured upon satisfaction of certain additional bonds tests in the applicable trust agreements governing such debt. See “FUTURE TRANSPORTATION IMPROVEMENTS—Long Range Transportation Plan” above. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS” in the front part of this Official Statement for a discussion of obligations secured by the Proposition A Sales Tax.

Debt and Interest Rate Swap Policies

In April 2015, the Board approved an updated Debt Policy for LACMTA (the “Debt Policy”). The Debt Policy sets forth guidelines for the issuance and management of LACMTA’s debt. Among other things, the Debt Policy sets forth allowable uses of debt and debt policy maximums. It requires LACMTA to develop a capital improvement plan which includes the capital projects LACMTA plans to undertake in future years. The Debt Policy also sets forth guidance on the type of debt that may be incurred by LACMTA (e.g., long-term versus short-term), the source of payment for such debt, and other factors to be considered when incurring debt.

In April 2015, the Board approved an updated Interest Rate Swap Policy for LACMTA (the “Swap Policy”). The Swap Policy includes guidelines to be used by LACMTA when entering into interest rate swaps and management practices that address the special risks associated with interest rate swaps. The Swap Policy requires that LACMTA evaluate the risks, on an ongoing basis, of existing interest rate swaps. As of the date of this Official Statement, LACMTA has no interest rate swaps.

Proposition C Sales Tax Obligations

General. LACMTA has two priority levels of obligations secured by the Proposition C Sales Tax: its Proposition C Senior Sales Tax Revenue Bonds and Proposition C Senior Parity Debt, and its Proposition C Subordinate Lien Obligations. In addition, LACMTA has incurred other obligations, which are secured by certain “remaining” Proposition C Sales Tax cash receipts. See “PROPOSITION A SALES TAX OBLIGATIONS—Outstanding Proposition A Sales Tax Obligations—Other Obligations—General Revenue Bonds” in the front part of this Official Statement.

Proposition C Senior Sales Tax Revenue Bonds. LACMTA had the following Proposition C Senior Sales Tax Revenue Bonds outstanding as of September 1, 2017:

**Los Angeles County Metropolitan Transportation Authority
Proposition C Senior Sales Tax Revenue Bonds
(Outstanding as of September 1, 2017)**

Proposition C Senior Sales Tax Revenue Bonds	Outstanding Principal Amount
Sales Tax Revenue, Senior Bonds, Series 2017-A	\$454,845,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2016-A	82,310,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A	61,180,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-A	90,960,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B	287,745,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C	51,125,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2012 A	14,635,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2012 B	74,885,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2010 A	37,150,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2009 B	102,770,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2009 D	28,445,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2009 E	78,960,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2008 A	<u>69,245,000</u>
	<u>\$1,434,255,000</u>
Total	

Source: LACMTA

Proposition C Senior Parity Debt. LACMTA may designate as Proposition C Senior Parity Debt certain indebtedness, installment sale obligations, lease obligations or other obligations for borrowed money, or payment obligations under interest swaps or other arrangements payable on parity with the Proposition C Senior Sales Tax Revenue Bonds. LACMTA currently has no Proposition C Senior Parity Debt outstanding. LACMTA may incur Proposition C Senior Parity Debt upon the satisfaction of certain additional bonds tests.

Proposition C Subordinate Lien Obligations. On June 9, 1993, LACMTA received authorization to issue and have outstanding, at any one time, up to \$150,000,000 (principal of and interest thereon) of commercial paper notes (the “Proposition C Commercial Paper Notes”) payable from and secured by Proposition C Sales Tax revenues. The Proposition C Commercial Paper Notes are payable from Proposition C Sales Tax revenue on a basis subordinate to the lien on Proposition C Sales Tax revenues granted to the Proposition C Senior Sales Tax Revenue Bonds and the Proposition C Senior Parity Debt. As of September 1, 2017, the Proposition C Commercial Paper Notes were outstanding with a maturity value of \$10,309,000. The Proposition C Commercial Paper Notes are supported by a letter of credit (the “Proposition C CP Letter of Credit”) issued by Bank of America, N.A. LACMTA’s reimbursement obligations with respect to the Proposition C CP Letter of Credit are payable from Proposition C Sales Tax Revenues on a parity with the Proposition C Commercial Paper Notes.

In addition, LACMTA is authorized to issue and have outstanding, from time to time, up to \$75,000,000 in aggregate principal amount of its Subordinate Proposition C Sales Tax Revenue Revolving Obligations (the “Proposition C Revolving Obligations”), which are payable from Proposition C Sales Tax Revenues on a parity with the Proposition C Commercial Paper Notes and which are considered part of the \$150,000,000 authorization for Proposition C Commercial Paper. As of September 1, 2017, LACMTA had \$45,000,000 Proposition C Revolving Obligations outstanding. All Proposition C Revolving Obligations issued by LACMTA are purchased by the Wells Fargo Bank, National

Association, in accordance with the terms of a revolving credit agreement (the “Proposition C Revolving Credit Agreement”). The Proposition C Revolving Obligations bear interest at variable rates determined pursuant to the terms of the Proposition C Revolving Credit Agreement.

The following tables set forth certain terms of Proposition C Commercial Paper Notes, including the Proposition C CP Letter of Credit and the Proposition C Revolving Obligations.

Proposition C CP Letter of Credit		Proposition C Revolving Obligations	
Letter of Credit Provider	Bank of America, N.A.	Revolving Obligations Bank	Wells Fargo Bank, National Association
Principal Amount	\$68,885,000 ¹	Principal Amount	\$75,000,000
Expiration Date	April 5, 2019	Expiration/Maturity Date	March 28, 2019 ¹

¹ Plus \$6,114,724 of interest. Draws on the letter of credit must be paid within 270 days, though the drawings may be converted to a term loan payable in 10 quarterly installments if conditions are satisfied.

Source: LACMTA

¹ Can be converted to a term loan payable in twelve equal quarterly installments following the Expiration/Maturity Date if conditions are satisfied.

Measure R

General. LACMTA has three priority levels of obligations secured by the Measure R Sales Tax: the senior lien (which currently secures its Measure R Senior Sales Tax Revenue Bonds), the subordinate lien (which currently secures its Measure R Subordinate Obligations), and the junior subordinate lien (which currently secures three TIFIA loans).

Measure R Senior Sales Tax Revenue Bonds. On November 16, 2010, LACMTA issued \$732,410,000 aggregate principal amount of its Measure R Senior Sales Tax Revenue Bonds, Series 2010-A and Series 2010-B (the “Series 2010 Measure R Senior Bonds”) to finance certain transportation projects. These bonds are payable from the Measure R Sales Tax. On November 30, 2016, LACMTA issued \$522,120,000 aggregate principal amount of its Measure R Senior Sales Tax Revenue Bonds, Series 2016-A (the “Series 2016 Measure R Senior Sales Tax Revenue Bonds,” and together with the Series 2010 Measure R Senior Bonds, the “Measure R Senior Bonds”) to finance certain transportation projects and to refund certain outstanding Measure R Subordinate Revolving Obligations (defined below). As of September 1, 2017, there was \$1,145,995,000 aggregate principal amount of Measure R Senior Sales Tax Revenue Bonds outstanding. LACMTA may incur additional senior debt secured by and payable from the Measure R Sales Tax.

Measure R Subordinate Obligations. LACMTA is authorized to issue and have outstanding, from time to time, up to \$150,000,000 in aggregate principal amount of its Subordinate Measure R Sales Tax Revenue Revolving Obligations (the “Measure R Subordinate Revolving Obligations”), which are payable from Measure R Sales Tax revenues on a subordinate basis to the Measure R Senior Bonds, on a parity basis with the Measure R Subordinate Series C Bonds (defined below), and on a senior basis to the TIFIA Loans. As of September 1, 2017, LACMTA had approximately \$65 million in Measure R Subordinate Revolving Obligations outstanding. The Measure R Subordinate Revolving Obligations issued by LACMTA are purchased by (i) State Street Public Lending Corporation, in a principal amount not to exceed \$100 million, in accordance with the terms of a revolving credit agreement (the “State Street Revolving Credit Agreement”), and (ii) Bank of the West, in a principal amount not to exceed \$50 million, in accordance with the terms of a revolving credit agreement (the “Bank of the West Revolving Credit Agreement,” and together with the State Street Revolving Credit Agreement, the “Measure R

Subordinate Revolving Credit Agreements”). The Measure R Subordinate Revolving Obligations bear interest at variable rates determined pursuant to the terms of the Measure R Subordinate Revolving Credit Agreements. Except as otherwise provided in the Measure R Subordinate Revolving Credit Agreements, the principal of all Measure R Subordinate Revolving Obligations outstanding are due and payable on November 20, 2020. However, subject to the terms of the Measure R Subordinate Revolving Credit Agreements, on November 20, 2020, LACMTA can convert any outstanding Measure R Subordinate Revolving Obligations to a term loan that will be payable in twelve equal quarterly installments following November 20, 2020.

The following table sets forth certain terms of the Measure R Subordinate Revolving Obligations.

Measure R Subordinate Revolving Obligations

Revolving Obligations Bank	State Street Public Lending Corporation	Bank of the West
Principal Amount	\$100,000,000 ¹	\$50,000,000 ²
Expiration Date	November 20, 2020 ³	November 20, 2020 ³

¹ As of September 1, 2017, \$15,212,743.45 aggregate principal amount of State Street Measure R Revolving Obligations were outstanding.

² As of September 1, 2017, \$50,000,000 aggregate principal amount of Bank of the West Measure R Revolving Obligations were outstanding.

³ Can be converted to term loan payable in twelve equal quarterly installments
Source: LACMTA

In addition to the Measure R Subordinate Revolving Obligations, LACMTA entered into a bond purchase agreement dated November 23, 2015 with RBC Capital Markets LLC (the “Measure R Series C Underwriter”) to sell, from time to time, up to \$150 million aggregate principal amount of its Subordinate Measure R Sales Tax Revenue Drawdown Bonds, Subseries C-1 (Tax-Exempt) and Subseries C-2 (Taxable) (the “Measure R Subordinate Series C Bonds,” and together with the Measure R Subordinate Revolving Obligations, the “Measure R Subordinate Obligations”) to the Measure R Series C Underwriter. The Measure R Series C Underwriter in turn sells the Measure R Subordinate Series C Bonds to RBC Municipal Products, LLC. The Measure R Subordinate Series C Bonds are payable from Measure R Sales Tax revenues on a subordinate basis to the Measure R Senior Bonds, on a parity basis with the Measure R Subordinate Revolving Obligations, and on a senior basis to the TIFIA Loans. As of September 1, 2017, LACMTA had \$210,000 aggregate principal amount of Measure R Subordinate Series C Bonds outstanding. The Measure R Subordinate Series C Bonds bear interest at variable rates. Except as otherwise provided in the Third Supplemental Subordinate Trust Agreement, dated as of November 1, 2015, by and between LACMTA and U.S. Bank National Association, as trustee, and the Bondholder’s Agreement, dated as of November 1, 2015, by and between LACMTA and RBC Municipal Products, LLC, the principal of all Measure R Subordinate Series C Bonds outstanding are due and payable on November 20, 2020.

Measure R Junior Subordinate Obligations (TIFIA Loans). LACMTA has entered into agreements for four TIFIA loans in the aggregate principal amount of \$1.869 billion, which will be repaid from Measure R Sales Tax revenues. As of September 1, 2017, LACMTA had drawn \$730.8 million in proceeds under three of the TIFIA loans. All four TIFIA loans are payable from Measure R Sales Tax revenues on a subordinate basis to the Measure R Senior Bonds and the Measure R Subordinate Obligations. See “FUTURE TRANSPORTATION IMPROVEMENTS—Transit Projects” above for additional information on the TIFIA loans.

Measure M

LACMTA has not issued any debt secured by the Measure M Sales Tax. However, it anticipates issuing such debt in the future.

INVESTMENT POLICY

General

Certain features of LACMTA's Investment Policy are summarized in "Note III—DETAILED NOTES ON ALL FUNDS—A. Cash and Investments" in the Notes to the Financial Statements in "APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016."

Investment Balances

As of June 30, 2017 (based on unaudited financial information), LACMTA had approximately \$634.4 million in market value deposited in non-discretionary bond proceeds and debt service trust accounts, primarily invested in U.S. Treasury securities, Federal Agencies, money market funds, forward purchase agreements and the County of Los Angeles Pooled Surplus Investments maintained by the County of Los Angeles Treasurer and Tax Collector. LACMTA had approximately \$2.0 billion in additional non-discretionary trust accounts, primarily for pension and OPEB.

Additionally, as of June 30, 2017, LACMTA had approximately \$1.089 billion (book value) deposited in discretionary/operating accounts. Such discretionary/operating accounts were invested in the investments summarized in the following table:

Discretionary/Operating Accounts Investments	Percentage of Total Book Value as of June 30, 2017
Local Agency Investment Fund	7.44%
Bank Deposits	6.12
FICA Account	<u>0.09</u>
Subtotal	13.66%
Managed Investments	
U.S. Treasuries	19.42%
Federal Agencies	30.08
Corporate Notes	19.15
Commercial Paper	1.93
Municipal securities	4.43
Money Market Funds	4.66
Asset Backed Securities	4.01
Certificates of Deposit	0.93
Medium Term Notes	<u>1.73</u>
Sub Total Managed Investments	86.34%
 Total Cash and Investments *	 100.0%

* Numbers may not add due to rounding.
Source: LACMTA

As of June 30, 2017, the liquid reserve of the discretionary accounts, which totaled approximately \$218.83 million in both book value and market value, was managed internally by LACMTA and had an average maturity of 27 days. LACMTA’s Investment Policy prohibits investing in reverse repurchase agreements.

Moneys released to LACMTA pursuant to the Agreement, including moneys in the discretionary/operating accounts, do not secure the Senior Bonds and LACMTA is not obligated to use such amounts to pay debt service on the Senior Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS—Flow of Funds.”

Additional information regarding LACMTA’s investments are included in “Note III—DETAILED NOTES ON ALL FUNDS—A. Cash and Investments” in the Notes to the Financial Statements in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016.”

LITIGATION AND OTHER REGULATORY ACTIONS

Sales Tax Litigation

On April 30, 1982, the California Supreme Court, in *Los Angeles County Transportation Commission v. Richmond*, upheld the constitutionality of the Proposition A Sales Tax. On March 3, 1992, the California Court of Appeal, in *Vernon v. State Board of Equalization*, upheld the validity of the Proposition C Sales Tax. On September 28, 1995, the California Supreme Court affirmed the California Court of Appeal’s ruling in *Santa Clara County Local Transportation Authority v. Guardino*, which

invalidated a half cent sales tax by the Santa Clara County Local Transportation Authority. LACMTA does not believe such decision has any effect on the validity of LACMTA's Proposition C Sales Tax.

Other Litigation

In addition to the matters described herein, various other claims have been asserted against LACMTA. In the opinion of LACMTA, none of the pending claims will materially and adversely affect LACMTA's ability to pay the principal of and interest on any of its obligations.

APPENDIX B

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE
30, 2016**

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APPENDIX C

**UNAUDITED PROPOSITION A SPECIAL REVENUE FUND BALANCE SHEET, STATEMENT
OF REVENUES, EXPENDITURES AND FUND BALANCES FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

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APPENDIX D

LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

The Proposition A Sales Tax derives from a retail transaction and use tax applicable to all taxable sales throughout Los Angeles County. As such, sales tax revenues reflect a number of economic factors that influence taxable transactions, including population, employment and income. Some of those factors are described below.

The economic and demographic information provided below has been collected from sources that LACMTA considers to be reliable. Because it is difficult to obtain timely economic and demographic information, the economic condition of Los Angeles County may not be fully apparent in all of the publicly available local and regional economic statistics provided herein. In particular, the economic statistics provided herein may not fully capture the impact of current economic conditions.

Los Angeles County

As of January 1, 2017, the County had an estimated population of over 10 million. Los Angeles County is the largest County in the country by population, and includes over a quarter of the State of California's population. The County covers 4,084 square miles, and includes 88 incorporated cities as well as unincorporated communities with over one million residents.

Population

The table below summarizes the populations of the County and State of California (the "State"), estimated as of January 1 of each year. The population estimates for 2010 and later incorporate 2010 Census counts as the benchmark.

Table D-1
COUNTY AND STATE POPULATION STATISTICS

	<u>County of Los Angeles</u>	<u>Annual Growth Rate¹</u>	<u>State of California</u>	<u>Annual Growth Rate¹</u>
2000	9,519,330	-	33,873,086	-
2005	9,816,153	0.61%	35,869,173	1.15%
2010	9,818,605	0.01	37,253,956	0.74
2011	9,874,887	0.57	37,536,835	0.76
2012	9,956,722	0.83	37,881,357	0.92
2013	10,021,318	0.65	38,238,492	0.94
2014	10,089,847	0.68	38,572,211	0.87
2015	10,150,617	0.60	38,915,880	0.89
2016	10,182,961	0.32	39,189,035	0.70
2017	10,241,278	0.57	39,523,613	0.85

¹ For five-year time series, figures represent average annual growth rate for each of the five years.

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2010, with 2000 and 2010 Census Counts, Sacramento, California, November 2012. State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2017, with 2010 Census Benchmark. Sacramento, California, May 2017.

Industry and Employment

The following table summarizes the average number of employed and unemployed residents of the County, based on the annual “benchmark,” an annual revision process in which monthly labor force and payroll employment data, which are based on estimates, are updated based on detailed tax records.

The California Employment Development Department has reported preliminary unemployment figures for July 2017 of 5.4% statewide and 5.2% for Los Angeles County (not seasonally adjusted).

Table D-2
ESTIMATED AVERAGE ANNUAL EMPLOYMENT AND
UNEMPLOYMENT OF RESIDENT LABOR FORCE¹

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Civilian Labor Force					
<u>County of Los Angeles</u>					
Employed	4,378,800	4,495,700	4,610,800	4,674,800	4,778,800
Unemployed	535,800	486,600	415,100	336,900	264,500
Total	<u>4,914,600</u>	<u>4,982,300</u>	<u>5,025,900</u>	<u>5,011,700</u>	<u>5,043,300</u>
Unemployment Rates					
County	10.9%	9.8%	8.3%	6.7%	5.2%
State	10.5	8.5	7.5	6.2	5.4
United States	8.1	7.4	6.2	5.3	4.9

¹ March 2016 Benchmark report; not seasonally adjusted.

Source: California Employment Development Department, Labor Market Information Division for the State and County; U.S. Bureau of Labor, Department of Labor Statistics for the U.S. Items may not add to totals due to rounding.

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The table below summarizes the California Employment Development Department’s estimated average annual employment for the County, which includes full-time and part-time workers who receive wages, salaries, commissions, tips, payment in kind, or piece rates. Percentages indicate the percentage of the total employment for each type of employment for the given year. For purposes of comparison, the most recent employment data for the State is also summarized.

**Table D-3
LOS ANGELES COUNTY
ESTIMATED INDUSTRY EMPLOYMENT AND LABOR FORCE¹**

	County		State of California	
	2016	% of Total	2016	% of Total
Total Farm	5,300	0.1%	426,700	2.5%
Mining and Logging	3,600	0.1	24,500	0.1
Construction	133,100	3.0	774,100	4.6
Manufacturing	360,400	8.2	1,305,600	7.7
Trade, Transportation and Utilities	829,900	18.9	2,990,200	17.7
Information	230,900	5.3	523,100	3.1
Financial Activities	219,800	5.0	822,900	4.9
Professional and Business Services	605,200	13.8	2,530,800	15.0
Educational and Health Services	767,400	17.5	2,537,400	15.0
Leisure and Hospitality	510,500	11.6	1,897,300	11.2
Other Services	153,400	3.5	556,900	3.3
Government	<u>576,300</u>	<u>13.1</u>	<u>2,514,600</u>	<u>14.9</u>
Total ²	4,395,700	100.0%	16,904,100	100.0%

¹ The California Economic Development Department has converted employer records from the Standard Industrial Classification coding system to the North American Industry Classification System.

² Total may not equal sum of parts due to independent rounding.

Note: Based on surveys distributed to employers; not directly comparable to Civilian Labor Force data reported in Table D-2.

Source: California Employment Development Department, Labor Market Information Division. Based on March 2016 Benchmark report.

Personal Income

The U.S. Census Bureau defines personal income as the income received by all persons from all sources, and is the sum of “net earnings,” rental income, dividend income, interest income, and transfer receipts. “Net earnings” is defined as wages and salaries, supplements to wages and salaries, and proprietors’ income, less contributions for government social insurance, before deduction of personal income and other taxes.

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The following table sets forth the estimate of personal income for the County, State and United States from 2012 to 2016.

**Table D-4
COUNTY, STATE AND U.S.
PERSONAL INCOME**

Year and Area	Personal Income¹ (thousands of dollars)	Per Capita Personal Income¹ (dollars)
2012		
County ²	\$ 486,733,508	\$48,818
State ³	1,838,567,162	48,369
United States ³	13,904,485,000	44,282
2013		
County ²	\$ 483,578,594	\$48,140
State ³	1,861,956,514	48,570
United States ³	14,068,960,000	44,493
2014		
County ²	\$ 512,846,779	\$50,730
State ³	1,977,923,740	51,134
United States ³	14,801,624,000	46,464
2015		
County ²	\$ 544,324,900	\$53,521
State ³	2,103,669,473	53,949
United States ³	15,463,981,000	48,190
2016		
County	N/A	N/A
State ³	2,197,492,012	55,987
United States ³	16,017,781,445	49,571

¹ Per capita personal income was computed using Census Bureau midyear population estimates. Per capita personal income is total personal income divided by total midyear population.

² Last updated: November 17, 2016—new estimates for 2015; revised estimates for 2012-2014 for the County. Estimates for 2012-2015 reflect county population estimates available as of March 2016. Source: U.S. Bureau of Economic Analysis, “Table CA1 - Personal Income Summary,” (accessed September 11, 2017).

³ Last updated: March 28, 2017—new estimates for 2016; revised estimates for 2012-2015 for the State and United States. Estimates for 2012-2016 reflect Census Bureau midyear state population estimates available as of December 2016. Source: U.S. Bureau of Economic Analysis, “Table SA1 - Personal Income Summary,” (accessed September 11, 2017).

Retail Sales

The following tables set forth taxable sales for the County for calendar years 2011 through 2015, with 2015 being the last full year for which data are currently available.

Table D-5
COUNTY OF LOS ANGELES
TAXABLE SALES
(in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Motor Vehicle and Parts Dealers	\$ 12,686,384	\$ 14,479,392	\$ 15,543,657	\$ 16,564,553
Furniture and Home Furnishings Stores	2,321,830	2,441,922	2,568,630	2,734,737
Electronics and Appliance Stores	3,416,744	3,570,668	3,576,308	4,040,534
Building Materials & Garden Equipment & Supplies	6,306,814	6,510,966	6,558,312	6,971,149
Food and Beverage Stores	5,591,250	5,824,815	6,051,754	6,279,795
Health and Personal Care Stores	2,998,946	3,163,312	3,306,274	3,414,941
Gasoline Stations	13,394,467	14,037,507	13,817,056	13,265,979
Clothing and Clothing Accessories Stores	8,356,612	9,166,549	9,926,558	10,560,952
Sporting Goods, Hobby, Book, and Music Stores	2,478,020	2,454,806	2,487,061	2,460,392
General Merchandise Stores	10,866,531	11,157,997	11,463,750	11,557,051
Miscellaneous Store Retailers	4,649,598	4,798,211	4,953,245	5,204,656
Nonstore Retailers	897,596	1,200,322	1,906,573	2,170,084
Food Services and Drinking Places	15,286,655	16,512,136	17,481,996	18,964,996
Total Retail and Food Services	89,251,447	95,318,603	99,641,174	104,189,819
All other outlets ¹	37,189,291	39,976,979	40,438,534	43,257,109
TOTAL ALL OUTLETS ²	\$126,440,737	\$135,295,582	\$140,079,708	\$147,446,927

¹ Primarily manufacturing and wholesale businesses.

² Items may not add to totals due to rounding.

Source: California State Board of Equalization, Research and Statistics Division.

Table D-6
COUNTY OF LOS ANGELES
TAXABLE SALES
(in thousands)

	<u>2015</u>
Motor Vehicle and Parts Dealers	\$ 18,058,173
Home Furnishings and Appliance Stores	7,832,717
Building Materials & Garden Equipment & Supplies Dealers	7,402,869
Food and Beverage Stores	6,689,582
Gasoline Stations	11,468,929
Clothing and Clothing Accessories Stores	10,974,322
General Merchandise Stores	10,912,560
Food Services and Drinking Places	20,605,855
Other Retail Group	14,202,014
Total Retail and Food Services	108,147,021
All other outlets ¹	42,886,760
TOTAL ALL OUTLETS ²	\$151,033,781

¹ Primarily manufacturing and wholesale businesses.

² Items may not add to totals due to rounding.

Source: California State Board of Equalization, Research and Statistics Division.

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APPENDIX E

SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS

The following is a brief summary of certain provisions of the Trust Agreement and the Thirty-Eighth Supplemental Agreement and is supplemental to the summary of other provisions of such documents elsewhere in this Supplemental Official Statement. This summary is not intended to be definitive and is qualified in its entirety by reference to the full text of the Trust Agreement and the Thirty-Eighth Supplemental Agreement. Copies of said documents are available from the LACMTA.

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APPENDIX F
PROPOSED FORM OF BOND COUNSEL'S OPINION

[Closing Date]

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APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by the Los Angeles County Metropolitan Transportation Authority (the “Authority”) in connection with the issuance of its \$_____ Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds) (the “Series 2017-A Bonds”) and its \$_____ Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2017-B (the “Series 2017-B Bonds”, and collectively the “Series 2017 Bonds”) pursuant to the terms of the Agreement (as defined herein). The Authority covenants and agrees as follows:

Section 1. Definitions.

“*Agreement*” means, collectively, the Trust Agreement, dated as of July 1, 1986, as amended and supplemented, by and between the Authority (as successor to the Los Angeles County Transportation Commission) and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A., as successor to BNY Western Trust Company, as successor in interest to Wells Fargo Bank, N.A., successor by merger to First Interstate Bank of California), as trustee (the “*Trustee*”), and the Thirty-Eighth Supplemental Trust Agreement, dated as of [October] 1, 2017, by and between the Authority and the Trustee.

“*Annual Information*” means the information specified in Section 4 hereof.

“*EMMA System*” means the MSRB’s Electronic Municipal Market Access system or any successor nationally recognized municipal securities information repositories recognized by the Securities and Exchange Commission for the purposes referred to in Rule 15c2-12.

“*Holder*” means any registered owner of Series 2017 Bonds and any beneficial owner of Series 2017 Bonds within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

“*Listed Events*” means any of the events listed in Section 5 hereof.

“*MSRB*” means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“*Official Statement*” means the Official Statement, dated [____], 2017, prepared and distributed in connection with the issuance of the Series 2017 Bonds.

“*Rule 15c2-12*” means Rule 15c2-12, as amended through the date of this Certificate, as promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

Section 2. Purpose of the Certificate. This Certificate is being executed and delivered by the Authority pursuant to Rule 15c2-12 for the benefit of the Holders of the Series 2017 Bonds in order to assist the participating underwriters in complying with Rule 15c2-12.

Section 3. Provision of Annual Information.

(a) The Authority shall, not later than 195 days following the end of each Fiscal Year of the Authority (which Fiscal Year currently ends on June 30), commencing with the report for Fiscal Year

2017, provide to the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, the Annual Information relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 hereof, which Annual Information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 hereof; provided that any audited financial statements may be submitted separately from the balance of the Annual Information and later than the date required above for the filing of the Annual Information if they are not available by that date. If the Fiscal Year for the Authority changes, the Authority shall give notice of such change in the same manner as for a Listed Event under Section 5(e) hereof.

(b) If in any year, the Authority does not provide the Annual Information to the MSRB by the time specified above, the Authority shall instead file a notice to the MSRB through the EMMA System stating that the Annual Information has not been timely completed and, if known, stating the date by which the Authority expects to file the Annual Information.

Section 4. Content of Annual Information. The Annual Information shall contain or incorporate by reference the following:

(a) The audited financial statements of the Authority for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as in effect from time to time and as applied to governmental units. If the Authority's audited financial statements are not available by the time the Annual Information is required to be filed pursuant to Section 3(a) hereof, the Annual Information shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Information when they become available.

(b) Updated historical information of the type set forth in "TABLE 4—Historic Net Proposition A Sales Tax Revenues, Local Allocations and Pledged Revenues" of the Official Statement; and

(c) Updated information of the type set forth in "TABLE 9—Los Angeles County Metropolitan Transportation Authority, Combined Debt Service Schedule First Tier Senior Lien Series 2017 Bonds" of the Official Statement, but only the information in the columns entitled "Principal," "Interest" and "Total Debt Service" under the headings "Series 2017-A Bonds Debt Service" and "Series 2017-B Bonds Debt Service" and in the column entitled "Combined Total Debt Service First Tier Senior Lien Bonds" and only to the extent the information in these columns has changed.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, that have been submitted to the MSRB through the EMMA System.

Section 5. Reporting of Listed Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2017 Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions with respect to the tax status of the Series 2017 Bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Series 2017 Bonds;
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the Authority.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2017 Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2017 Bonds or other material events affecting the tax status of the Series 2017 Bonds;
2. Modifications to rights of the Owners of the Series 2017 Bonds;
3. Optional, unscheduled or contingent bond calls;
4. Release, substitution or sale of property securing repayment of the Series 2017 Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The Authority shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a) hereof, as provided in Section 3 hereof.

(d) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the Authority shall determine if such event would be material under applicable federal securities laws.

(e) If the Authority learns of an occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the Authority shall within ten business days of occurrence file a notice of such occurrence with the MSRB through the EMMA System in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2017 Bonds pursuant to the Agreement.

Section 6. Remedies. If the Authority shall fail to comply with any provision of this Certificate, then any Holder may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding in law or in equity, this Certificate against the Authority and any of the officers, agents and employees of the Authority, and may compel the Authority or any such officers, agents or employees to perform and carry out their duties under this Certificate; provided that the sole and exclusive remedy for breach of this Certificate shall be an action to compel specific performance of the obligations of the Authority hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and, provided further, that any challenge to the adequacy of any information provided pursuant to Section 4 or 5 hereof may be brought only by the Holders of 25% in aggregate principal amount of the Series 2017 Bonds at the time outstanding. A failure by the Authority to comply with the provisions of this Certificate shall not constitute an Event of Default under the Agreement.

Section 7. Parties in Interest. This Certificate is executed and delivered solely for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 8. Amendment. Without the consent of any Holders of Series 2017 Bonds, the Authority at any time and from time to time may enter into any amendments or changes to this Certificate for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 or any authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Authority and the assumption by any such successor of the covenants of the Authority hereunder;

(d) to add to the covenants of the Authority for the benefit of the Holders, or to surrender any right or power herein conferred upon the Authority; or

(e) to modify the contents, presentation and format of the Annual Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Authority, or type of business conducted; provided that (i) the certificate, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the offering of the Series 2017 Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances; and (ii) the amendment or change does not materially impair the interests of Holders, as determined either by a party unaffiliated with the Authority (such as bond counsel), or by the vote or consent of Holders of a majority in outstanding principal amount of the Series 2017 Bonds on or prior to the time of such amendment or change.

Section 9. Termination of Obligation. This Certificate shall remain in full force and effect until such time as all principal of and interest on the Series 2017 Bonds shall have been paid in full or legally defeased pursuant to the Agreement. Upon any such legal defeasance, the Authority shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Series 2017 Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 10. Governing Law. THIS CERTIFICATE SHALL BE GOVERNED BY THE LAWS OF CALIFORNIA DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW.

IN WITNESS WHEREOF, the undersigned has executed this Continuing Disclosure Certificate this ___th day of October, 2017.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By _____
Donna R. Mills, Treasurer

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APPENDIX H

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the subcaption “—General” below has been provided by DTC. Further, LACMTA undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on DTC’s websites as described under “—General,” including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites. The beneficial owners of the Series 2017 Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER LACMTA NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2017 BONDS UNDER THE AGREEMENT, (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2017 BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT OF ANY AMOUNT WITH RESPECT TO THE OWNER OF THE SERIES 2017 BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF SERIES 2017 BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

DTC will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Series 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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, as amended. 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 Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2017 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2017 Bonds may wish to ascertain that the nominee holding the Series 2017 Bonds 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 the notices be provided directly to them.

While the Series 2017 Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Series 2017 Bonds of a maturity 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 the Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to LACMTA 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 the Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit

Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from LACMTA or the Trustee, on the 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, the Trustee or LACMTA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of LACMTA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to LACMTA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Series 2017 Bonds are required to be printed and delivered.

LACMTA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Series 2017 Bonds will be printed and delivered to DTC.

The information in this Appendix H concerning DTC and DTC's book-entry system has been obtained from sources that LACMTA believes to be reliable, but neither LACMTA nor the Underwriters take any responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2017 BONDS 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 DTC PARTICIPANTS.

In the event that the book-entry-only system is discontinued, payments of principal of and interest on the Series 2017 Bonds and payment of the maturity amount of the Series 2017 Bonds will be payable as described herein under the caption "DESCRIPTION OF THE SERIES 2017 BONDS—General."

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APPENDIX I
PROPOSED AMENDMENTS TO TRUST AGREEMENT

THIRTY-EIGHTH SUPPLEMENTAL TRUST AGREEMENT

by and between

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

relating to:

§[PARA]
 Los Angeles County
Metropolitan Transportation Authority
Proposition A First Tier Senior
Sales Tax Revenue Bonds
Series 2017-A (Green Bonds)

§[PARB]
 Los Angeles County
Metropolitan Transportation Authority
Proposition A First Tier Senior
Sales Tax Revenue Refunding Bonds
Series 2017-B

Dated as of October 1, 2017

(Supplemental to the Trust Agreement dated as of July 1, 1986, as amended and supplemented)

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THIRTY-EIGHTH SUPPLEMENTAL TRUST AGREEMENT

providing for

§[PARA]
Los Angeles County
Metropolitan Transportation Authority
Proposition A First Tier Senior
Sales Tax Revenue Bonds
Series 2017-A (Green Bonds)

§[PARB]
Los Angeles County
Metropolitan Transportation Authority
Proposition A First Tier Senior
Sales Tax Revenue Refunding Bonds
Series 2017-B

THIS THIRTY-EIGHTH SUPPLEMENTAL TRUST AGREEMENT (this “*Thirty-Eighth Supplemental Agreement*”) dated as of October 1, 2017 is made by and between the **LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY** (the “*Authority*”), the successor agency to the Southern California Rapid Transit District (the “*District*”) and **THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION** (the “*Commission*”), duly organized and existing pursuant to Chapter 2, Division 12 of the California Public Utilities Code (commencing with Section 130050.2) (the “*Authority Act*”), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association organized and existing under the laws of the United States of America, as trustee (the “*Trustee*”), and supplements that Trust Agreement dated as of July 1, 1986, as heretofore amended and supplemented, which is by and between the Commission and First Interstate Bank of California, predecessor in interest to the Trustee (the “*Agreement*”);

WITNESSETH:

WHEREAS, Section 130051.13 of the Authority Act provides that the Authority shall succeed to any or all of the powers, duties, rights, obligations, liabilities, indebtedness, bonded and otherwise, immunities and exemptions of the District and the Commission; and

WHEREAS, Sections 2.09 and 2.10 of the Agreement provide for the issuance of Bonds, including Refunding Bonds, and Section 10.02 of the Agreement provides for the execution and delivery of a Supplemental Agreement; and

WHEREAS, the Authority previously issued its Second Subordinate Sales Tax Revenue Commercial Paper Notes, Series A pursuant to the Subordinate Agreement (as hereinafter defined), which are outstanding in the aggregate principal amount of \$[_____] (the “*Commercial Paper Notes*”);

WHEREAS, the Authority previously issued its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2011-B (the “*Series 2011-B Bonds*”), which are currently outstanding in the aggregate principal amount of \$91,110,000, and which were issued in accordance with the Agreement and the Thirty-First Supplemental Trust Agreement (as hereinafter defined); and

WHEREAS, the Authority now for the purposes of financing the Series 2017-A Project (as hereinafter defined), refunding \$[123,693,000] aggregate principal amount of outstanding Commercial Paper Notes (the “*Refunded Commercial Paper Notes*”), and refunding [all/a portion] of the outstanding Series 2011-B Bonds (the “*Refunded Bonds*”), by execution and delivery of this Thirty-Eighth Supplemental Agreement and in compliance with the provisions of the Agreement, sets forth the terms of its \$[PARA] Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds) (the “*Series 2017-A Bonds*”), and \$[PARB] Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2017-B (the “*Series 2017-B Bonds*,” and together with the Series 2017-A Bonds, the “*Series 2017 Bonds*”), provides for the deposit and use of the proceeds of the Series 2017 Bonds and makes other provisions relating to the Series 2017 Bonds; and

NOW, THEREFORE, the Authority and the Trustee, each in consideration of the representations, warranties, covenants and agreements of the other as set forth herein, mutually represent, warrant, covenant and agree as follows:

ARTICLE I

DEFINITIONS; AMENDMENTS

Section 1.01. Definitions. The following definitions shall apply to terms used in this Thirty-Eighth Supplemental Agreement unless the context clearly requires otherwise. Capitalized terms not otherwise defined in this Section 1.01 or elsewhere in this Thirty-Eighth Supplemental Agreement shall have the same meanings as set forth in the Agreement.

“*Act of 1998*” means the Metropolitan Transportation Authority (MTA) Reform and Accountability Act of 1998, as approved by the voters of the County of Los Angeles on November 3, 1998.

“*Agreement*” means the Trust Agreement dated as of July 1, 1986, between the Authority and the Trustee under which the Series 2017 Bonds are authorized and secured, together with all amendments and supplements thereto.

“*Authorized Denominations*” means, with respect to the Series 2017 Bonds, \$5,000 or any integral multiple thereof.

“*Beneficial Owner*” means, whenever used with respect to a Series 2017 Bond, the person in whose name such Series 2017 Bond is recorded as the beneficial owner of such Series 2017 Bond by a Participant on the records of such Participant or such person’s subrogee.

“*Book-Entry Bonds*” means the Series 2017 Bonds held by DTC (or its nominee) as the registered owner thereof pursuant to the terms and provisions of Section 3.02 hereof.

“*Business Day*” means any day other than (a) a Saturday or Sunday; or (b) a day on which commercial banks in New York, New York or Los Angeles, California are authorized or required by law to close.

“*Commercial Paper Notes*” means the Authority’s Second Subordinate Sales Tax Revenue Commercial Paper Notes, Series A, which are issued from time to time pursuant to the Subordinate Agreement.

“*Construction Fund*” has the meaning provided for such term in the Agreement.

“*Costs of Issuance*” means all costs and expenses incurred by the Authority in connection with the issuance of the Series 2017 Bonds, including, but not limited to, costs and expenses of printing and copying documents and the Series 2017 Bonds and the fees, costs and expenses of rating agencies, the Trustee, bond counsel, disclosure counsel, verification agents, accountants, financial advisors and other consultants and the premium for the reserve fund surety bond insurance, if any.

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

“*Escrow Agent*” means The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Escrow Agreement, and its successors.

“*Escrow Agreement*” means the Escrow Agreement, dated October [___], 2017, by and among the Authority, the Trustee and the Escrow Agent.

“*Escrow Fund*” means the fund held by the Escrow Agent under the terms of the Escrow Agreement, which fund is established and held for the purpose of providing for the redemption of the Refunded Bonds.

“*General Account of the Bank Payment Fund*” means the fund of such name created pursuant to the Subordinate Agreement.

“*Holder*” or “*Bondholder*” or “*Owner*” means the registered owner of any Series 2017 Bond, including DTC or its nominee as the sole registered owner of Book-Entry Bonds.

“*Interest Payment Date*” means each January 1 and July 1, commencing July 1, 2018, the dates upon which interest on the Series 2017 Bonds is due and payable.

“*Moody’s*” means Moody’s Investors Service Inc., its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a nationally recognized statistical rating organization, “*Moody’s*” shall be deemed to refer to any other nationally recognized statistical rating organization designated by the Authority, other than S&P.

“*Opinion of Bond Counsel*” means a written opinion of a law firm of recognized national standing in the field of public finance selected by the Authority.

“*Outstanding*” means, when used with reference to Series 2017 Bonds, all Series 2017 Bonds which have been authenticated and delivered by the Trustee under the Agreement and this Thirty-Eighth Supplemental Agreement, except:

(a) Series 2017 Bonds cancelled or purchased by the Trustee for cancellation or delivered to or acquired by the Trustee for cancellation and, in all cases, with the intent to extinguish the debt represented thereby;

(b) Series 2017 Bonds deemed to be paid in accordance with Article VII of the Agreement;

(c) Series 2017 Bonds in lieu of which other Series 2017 Bonds have been authenticated under Sections 2.05 and 2.06 of the Agreement;

(d) Series 2017 Bonds that have become due (at maturity or on redemption, acceleration or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held by the Trustee or a Paying Agent; and

(e) for purposes of any consent or other action to be taken by the holders of a specified percentage of Series 2017 Bonds under the Agreement, any Series 2017 Bonds held by or for the account of the Authority or by any person controlling, controlled by or under common control with the Authority, unless such Series 2017 Bonds are pledged to secure a debt to an unrelated party, in which case such Series 2017 Bonds shall, for purposes of consents and other Bondholder action, be deemed to be outstanding and owned by the party to which such Series 2017 Bonds are pledged.

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

“*Prior Outstanding Senior Lien Bonds*” has the meaning given such term in Exhibit G attached hereto.

“*Prior Supplemental Agreements*” has the meaning given such term in Exhibit H attached hereto.

“*Rebate Requirements*” means the Rebate Requirements, as defined in the Tax Certificate.

“*Record Date*” means a Regular Record Date or a Special Record Date.

“*Refunded Bonds*” means the Series 2011-B Bonds being advance refunded and defeased with a portion of the proceeds of the Series 2017-B Bonds, as set forth in Exhibit E attached hereto.

“*Refunded Commercial Paper Notes*” means \$[123,693,000] aggregate principal amount of the Commercial Paper Notes being current refunded with a portion of the proceeds of the Series 2017-A Bonds, as set forth in Exhibit D attached hereto.

“*Registrar*” means, for purposes of this Thirty-Eighth Supplemental Agreement, the Trustee.

“*Regular Record Date*” means for a January 1 Interest Payment Date the immediately preceding December 15, and for a July 1 Interest Payment Date the immediately preceding June 15, whether or not a Business Day

“*Representation Letter*” means the Blanket Letter of Representations from the Authority to DTC.

“*Reserve Fund*” has the meaning provided for such term in the Agreement.

“*S&P*” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, its successors and assigns, and, if such company shall for any reason no longer perform the functions of a nationally recognized statistical rating organization, “*S&P*” shall be deemed to refer to any other nationally recognized statistical rating organization designated by the Authority, other than Moody’s.

“*Securities Depositories*” means The Depository Trust Company, 55 Water Street, New York, New York 10041, Telephone: (212) 855-1000, Facsimile: (212) 855-7320, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a certificate of the Authority delivered to the Trustee.

“*Series 2011-B Bonds*” means the \$91,110,000 original principal amount of Bonds issued under the Agreement and the Thirty-First Supplemental Agreement and designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2011-B.”

[“*Series 2011 Bond Interest Subaccount*” has the meaning provided for such term in the Thirty-First Supplemental Agreement.]

[“*Series 2011 Reserve Account*” has the meaning provided for such term in the Thirty-First Supplemental Agreement.]

“*Series 2017 Bond Interest Subaccount*” means the subaccount of that name established within the Bond Interest Account of the Debt Service Fund pursuant to Section 5.04 hereof.

“*Series 2017 Bond Principal Subaccount*” means the subaccount of that name established within the Bond Principal Account of the Debt Service Fund pursuant to Section 5.05 hereof.

“*Series 2017 Bonds*” means, collectively, the Series 2017-A Bonds and the Series 2017-B Bonds.

“*Series 2017 Costs of Issuance Fund*” means the fund of that name established under and pursuant to Section 5.02 hereof.

“*Series 2017 Rebate Fund*” means the fund of that name established under and pursuant to Section 6.01 hereof.

“*Series 2017 Reserve Account*” means the account of that name established in the Reserve Fund under and pursuant to Section 5.06 hereof.

“*Series 2017-A Bonds*” means the \$[PARA] original principal amount of Bonds issued under the Agreement and this Thirty-Eighth Supplemental Agreement and designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds).”

“*Series 2017-A Commercial Paper Notes Retirement Fund*” means the fund of that name established pursuant to Section 5.03 hereof, which fund is established and held for the purpose of providing for the payment of the principal of the Refunded Commercial Paper Notes.

“*Series 2017-A Construction Account*” means the account of that name established in the Construction Fund under and pursuant to Section 5.01 hereof.

“*Series 2017-A Projects*” means the capital projects described in the Tax Certificate and Exhibit F attached hereto to be financed with a portion of the proceeds of the Series 2017-A Bonds, or such other capital projects as the Authority determines to finance with a portion of the proceeds of the Series 2017-A Bonds consistent with the Agreement and the Tax Certificate.

“*Series 2017-A Term Bonds*” means the Series 2017-A Bonds maturing on July 1, 20[___].

“*Series 2017-B Bonds*” means the \$[PARB] original principal amount of Bonds issued under the Agreement and this Thirty-Eighth Supplemental Agreement and designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2017-B.”

“*Special Record Date*” means the date and time established by the Trustee for determination of which Owner shall be entitled to receive overdue interest on the Series 2017 Bonds pursuant to Section 2.03(b)(iii) hereof.

“*Subordinate Agreement*” means the Subordinate Trust Agreement, dated as of January 1, 1991, by and between the Authority and the Subordinate Trustee, as amended and supplemented from time to time.

“*Subordinate Trustee*” means U.S. Bank National Association, as successor to BankAmerica Trust Company, as successor to Security Pacific National Trust Company (New York).

“*Tax Certificate*” means the Tax Compliance Certificate, dated October [___], 2017, executed and delivered by the Authority with respect to the issuance and delivery of the Series 2017 Bonds, as the same may be amended or supplemented in accordance with its terms.

“*Thirty-Eighth Supplemental Agreement*” means this Thirty-Eighth Supplemental Trust Agreement, dated as of October 1, 2017, by and between the Authority and the Trustee, which includes the terms of the Series 2017 Bonds.

“*Thirty-First Supplemental Agreement*” means the Thirty-First Supplemental Trust Agreement, dated as of October 1, 2011, by and between the Authority and the Trustee, which includes the terms of the Series 2011-B Bonds.

“*Thirty-Seventh Supplemental Agreement*” means the Thirty-Seventh Supplemental Trust Agreement, dated as of March 1, 2016, by and between the Authority and the Trustee, which includes certain amendments to the Agreement.

“*Trustee*” means The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as successor to BNY Western Trust Company, as successor in interest to Wells Fargo Bank, N.A. as successor by merger to First Interstate Bank of California, as trustee under the Agreement, and its successors.

Section 1.02. Article and Section References. Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this Thirty-Eighth Supplemental Agreement.

Section 1.03. Interpretation of “Commission.” From and after April 1, 1993, all references to “Commission” in the Agreement, excepting any such reference in the Eleventh Supplemental Agreement and the Twelfth Supplemental Agreement, shall be deemed to refer to the Authority and all references to the Los Angeles County Transportation Commission, excepting any such reference in the Eleventh Supplemental Agreement and the Twelfth Supplemental Agreement, shall be deemed to refer to the Los Angeles County Metropolitan Transportation Authority, unless the context indicates otherwise.

ARTICLE II

THE SERIES 2017 BONDS

Section 2.01. Designation of Series 2017 Bonds; Principal Amount; Purpose of Issue. The Series 2017 Bonds authorized to be issued under the Agreement and this Thirty-Eighth Supplemental Agreement shall be (a) designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds),” and issued in the original principal amount of \$[PARA], and (b) designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2017-B,” and issued in the original principal amount of \$[PARB].

The Series 2017-A Bonds are being issued for the purposes of providing funds to pay the costs of the Series 2017-A Projects, to refund the Refunded Commercial Paper Notes, [to make a deposit to the Series 2017 Reserve Account] and to pay the Costs of Issuance allocable to the Series 2017-A Bonds. The Series 2017-B Bonds are being issued for the purposes of providing funds to advance refund and defease the Refunded Bonds, [to make a deposit to the Series 2017 Reserve Account] and to pay the Costs of Issuance allocable to the Series 2017-B Bonds.

Section 2.02. Series 2017 Bonds Under the Agreement; Security; Parity; Form of Bonds.

(a) The Series 2017 Bonds are issued under and subject to the terms of the Agreement and are secured by and payable from the Pledged Revenues in accordance with the terms of the Agreement. The Series 2017 Bonds are payable under the Agreement from the Pledged Revenues on a parity with the Prior Outstanding Senior Lien Bonds.

(b) The Series 2017 Bonds shall be issued in registered form only in Authorized Denominations and shall be numbered in such manner as the Trustee determines. The Series 2017 Bonds shall be in substantially the form set forth in Exhibit A hereto, which form is incorporated herein by reference.

(c) Interest on the Series 2017 Bonds shall be paid on each Interest Payment Date and shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(d) The Series 2017-A Bonds shall, upon initial issuance, be dated October [__], 2017 and shall mature on the dates and in the amounts and bear interest at the annual rates set forth in the following schedule.

<u>July 1 of the Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
	\$	%

(e) The Series 2017-B Bonds shall, upon initial issuance, be dated October [__], 2017 and shall mature on the dates and in the amounts and bear interest at the annual rates set forth in the following schedule.

<u>July 1 of the Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
	\$	%

Section 2.03. Payments of Principal and Interest; Persons Entitled Thereto.

(a) The principal of each Series 2017 Bond shall be payable when due, upon surrender of such Series 2017 Bond to the Trustee at its principal office, or such other place as designated by the Trustee, by check, provided that any Owner of \$1,000,000 or more in aggregate principal amount of the Series 2017 Bonds may, upon written request given to the Trustee at least 15 days prior to the maturity date designating an account in a domestic bank, be paid by wire transfer of immediately available funds; provided further, however, that while the Series 2017 Bonds are Book-Entry Bonds, payment of principal of the Book-Entry Bonds shall be made as provided in Section 3.02 hereof. Such payments shall be made to the Owner of the Series 2017 Bond so surrendered, as shown on the registration books maintained by the Registrar on the date of payment.

(b) (i) Each Series 2017 Bond shall bear interest (A) from the date of authentication, if authenticated on an Interest Payment Date to which interest has been paid or duly provided for in full, or (B) from the last preceding Interest Payment Date to which interest has been paid or duly provided for in full (or from October [__], 2017, if no interest thereon has been paid or duly provided for), or (C) from the next succeeding Interest Payment Date if the date of authentication is after the Record Date and before the next succeeding Interest Payment Date.

(ii) Subject to the provisions of subparagraph (iii) below, the interest due on any Series 2017 Bond on any Interest Payment Date shall be paid to the Owner of such Series 2017 Bond as shown on the registration books kept by the Registrar as of the Regular Record Date.

(iii) If the available funds under this Thirty-Eighth Supplemental Agreement are insufficient on any Interest Payment Date to pay the interest then due, the Regular Record Date shall no longer be applicable with respect to the Series 2017 Bonds. If funds for the payment of such overdue interest thereafter become available, the Trustee shall immediately establish a special interest payment date for the payment of the overdue interest and a “*Special Record Date*” (which shall be a Business Day) for determining the Owners entitled to such payments. Notice of such date so established shall be sent by Mail by the

Trustee to each Owner at least ten days prior to the Special Record Date, but not more than 30 days prior to the special interest payment date. The overdue interest shall be paid on the special interest payment date to the Owners, as shown on the registration books kept by the Registrar as of the close of business on the Special Record Date.

(iv) All payments of interest on the Series 2017 Bonds shall be paid to the persons entitled thereto pursuant to subsection (b)(ii) above by check and sent by mail on the Interest Payment Date, provided that any Owner of \$1,000,000 or more in aggregate principal amount of the Series 2017 Bonds may, upon written request given to the Trustee at least 15 days prior to an Interest Payment Date designating an account in a domestic bank, be paid by wire transfer of immediately available funds; provided, however, that while the Series 2017 Bonds are Book-Entry Bonds, payment of interest on Book-Entry Bonds shall be made as provided in Section 3.02 hereof.

(c) The debt service schedules for each Series of the Series 2017 Bonds are attached hereto as Exhibit B.

Section 2.04. Optional Redemption of Series 2017-A Bonds. The Series 2017-A Bonds maturing on or before July 1, 20[] are not subject to optional redemption. The Series 2017-A Bonds maturing on and after July 1, 20[] are subject to redemption at the option of the Authority, in whole or in part, in Authorized Denominations, on any date on or after July 1, 20[] from any moneys that may be provided for such purpose, at a redemption price of 100% of the principal amount of such Series 2017-A Bonds so redeemed, together with accrued interest, if any, to the redemption date, without premium.

Section 2.05. No Optional Redemption of Series 2017-B Bonds. The Series 2017-B Bonds are not subject to optional redemption prior to maturity.

Section 2.06. Mandatory Sinking Fund Redemption of Series 2017-[A/B] Bonds.

(a) The Series 2017-[A/B] Bonds maturing on July 1, 20[] are subject to mandatory sinking fund redemption in the amount of the principal thereof, without premium, plus accrued interest thereon to the redemption date, from amounts in the Bond Principal Account of the Debt Service Fund to be paid in the years and amounts set forth below:

Redemption Date	Principal Amount
(July 1)	

*Final Maturity

(b) If some but not all of the Series 2017-A Term Bonds have been redeemed pursuant to Section 2.04 hereof, the total amount of all sinking account payments shall be reduced by the aggregate principal amount of the Series 2017-A Term Bonds so redeemed to be allocated among such sinking account payments as determined by the Authority (notice of which determination shall be given by the Authority to the Trustee).

(c) At the option of the Authority, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60th) day next preceding any mandatory sinking fund redemption date, it may (i) deliver to the Trustee for cancellation any Series 2017-[A/B] Term Bonds or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the Authority or (b) specify a principal amount of such Series 2017-[A/B] Term Bonds or portions thereof (in Authorized Denominations) which prior to said date have been purchased and previously cancelled by the Trustee at the request of the Authority and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2017-[A/B] Term Bond or portion thereof so delivered or previously redeemed shall be credited by the Trustee at 100% of the principal amount of such Series 2017-[A/B] Term Bond against the obligation of the Authority on such mandatory sinking fund redemption date.

Section 2.07. Selection of Series 2017-A Bonds to be Redeemed. The Series 2017-A Bonds are subject to redemption in such order of maturity date and interest rate [(except Series 2017-[A/B] Term Bonds redeemed pursuant to Section 2.06 hereof)] as the Authority may direct and by lot, selected in such manner as the Trustee shall deem appropriate within a maturity and interest rate, provided that for so long as the book-entry system described in Section 3.02 hereof is being used, the interests of the Participants in the particular Series 2017-A Bonds or portions thereof to be redeemed within a maturity and interest rate shall be selected by lot by DTC in such manner as DTC and the Participants may determine.

Upon surrender of a Series 2017-A Bond to be redeemed, in part only, the Trustee will authenticate for the holder a new Series 2017-A Bond or Series 2017-A Bonds of the same maturity and interest rate equal in principal amount to the unredeemed portion of the 2017 Bond surrendered.

Section 2.08. Notice of Redemption. If the Authority wishes that any Series 2017-A Bonds be redeemed pursuant to the optional redemption provisions set forth in this Thirty-Eighth Supplemental Agreement, the Authority will notify the Trustee of the applicable provision, the redemption date, the principal amount of Series 2017-A Bonds to be redeemed and other necessary particulars. The Authority will give notice to the Trustee at least thirty (30) days before the redemption date, provided that the Trustee may, at its option, waive such notice or accept notice at a later date. The Trustee shall give notice of redemption [(whether pursuant to the optional or mandatory redemption provisions herein)] to Bondholders affected by such redemption as provided in Section 3.03 of the Agreement and the Trustee shall, at least twenty (20) days but not more than sixty (60) days before each redemption, send such notice of redemption by first-class mail (or, with respect to Series 2017 Bonds held by DTC, either via electronic means or by an express delivery service for delivery on the next following Business

Day) to each Owner of a Series 2017 Bond to be redeemed; each such notice shall be sent to the Owner's registered address.

In addition to the notice described in the foregoing paragraph, on the same day as the date of the mailing required by the preceding paragraph, such redemption notice shall be given to each of the Securities Depositories by (a) registered or certified mail, postage prepaid, (b) telephonically confirmed facsimile transmission, (c) overnight delivery service, or (d) such other means acceptable to the Securities Depositories (including, but not limited to, electronically).

Each notice of redemption shall include the information required by Section 3.03 of the Agreement and shall specify the Series 2017 Bonds to be redeemed, the date of issue, the maturity date and the interest rate applicable to the Series 2017 Bonds to be redeemed, if less than all Series 2017 Bonds of a maturity and interest rate are called for redemption the numbers of the Series 2017 Bonds and the CUSIP number assigned to the Series 2017 Bonds to be redeemed, the principal amount to be redeemed, the Trustee's name, that payment will be made upon presentation and surrender of the Series 2017 Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption and not paid will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

The Authority may provide that, if at the time of mailing of notice of an optional redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Series 2017-A Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Trustee not later than the opening of business one (1) Business Day prior to the scheduled redemption date, and such notice shall be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption shall be canceled and on such cancellation date notice shall be mailed to the holders of such Series 2017-A Bonds, to be redeemed in the manner provided in this Section.

Failure to give any required notice of redemption or any defect therein as to any particular Series 2017 Bonds will not affect the validity of the call for redemption of any Series 2017 Bonds in respect of which no failure occurs. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee.

If any Series 2017 Bonds are at the time of redemption not Book-Entry Bonds, then the following additional requirements shall apply to any notice of redemption:

- (i) at least two (2) days before the date of the mailing required by the first paragraph of this subsection, such redemption notice shall be given by (A) registered or certified mail, postage prepaid; (B) telephonically confirmed facsimile transmission; (C) overnight delivery service, or (D) through electronic means, to the following securities depository:

The Depository Trust Company
55 Water Street
New York, NY 10041-0099
Attention: Call Notification Department
Facsimile: (212) 855-7232

(ii) such redemption notice shall be given by (A) registered or certified mail, postage prepaid, (B) overnight delivery service, or (C) through electronic means, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system and to any other Information Services.

Failure to give the notice described in the immediately preceding paragraph or any defect therein shall not in any manner affect the redemption of any Series 2017 Bond.

ARTICLE III

EXCHANGE OF SERIES 2017 BONDS; BOOK-ENTRY BONDS

Section 3.01. Exchange of Series 2017 Bonds. Subject to Section 3.02 hereof, Series 2017 Bonds which are delivered to the Registrar for exchange may be exchanged for an equal total principal amount of Series 2017 Bonds of the same maturity and tenor. The Trustee shall require the payment by the Holder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The cost of printing the Series 2017 Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Authority.

The Registrar will not, however, be required to exchange any such Series 2017 Bond during the period beginning at the close of business on a Record Date and ending on an Interest Payment Date.

Section 3.02. Book-Entry Bonds.

(a) Except as provided in Section 3.02(c), the registered owner of all of the Series 2017 Bonds shall be DTC and the Series 2017 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of principal and redemption price of and interest on any Series 2017 Bonds 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 regular Record Date or special record date for Cede & Co. in the resignation books of the Registrar.

(b) The Series 2017 Bonds shall be initially issued in the form of separate single authenticated fully registered certificates for each separate Series and stated maturity and interest rate of the Series 2017 Bonds. Upon initial issuance, the ownership of such Series 2017 Bonds shall be registered in the registration books of the Registrar in the name of Cede & Co., as nominee of DTC. The Trustee, the Registrar and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2017 Bonds registered in its name for the purposes of payment of the principal and

redemption price of or interest on the Series 2017 Bonds, giving any notice permitted or required to be given to Bondholders under the Agreement or this Thirty-Eighth Supplemental Agreement, registering the transfer of Series 2017 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the Trustee, the Registrar nor the Authority shall be affected by any notice to the contrary. Neither the Trustee, the Registrar nor the Authority shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2017 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books as being a Bondholder, 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 and redemption price of or interest on the Series 2017 Bonds; any notice which is permitted or required to be given to Bondholders under the Agreement; any consent given or other action taken by DTC as Bondholder; or any other purpose. The Trustee shall pay all principal and redemption price of and interest on the Series 2017 Bonds 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 Authority’s obligations with respect to the principal and redemption price of and interest on the Series 2017 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2017 Bond evidencing the obligation of the Authority to make payments of principal and redemption price and interest pursuant to the Agreement. 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 Thirty-Eighth Supplemental Agreement shall refer to such new nominee of DTC.

(c) In the event the Authority determines that it is in the best interest of the Beneficial Owners that they be able to obtain bond certificates, and notifies DTC, the Trustee and the Registrar of such determination, then DTC will notify the Participants of the availability through DTC of bond certificates. In such event, the Trustee shall authenticate and the Registrar shall transfer and exchange bond certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2017 Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Authority and the Trustee shall be obligated to deliver bond certificates as described in this Thirty-Eighth Supplemental Agreement. In the event Bond certificates are issued, the provisions of the Agreement and this Thirty-Eighth Supplemental Agreement shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal and redemption price of and interest on such certificates. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2017 Bonds to any Participant having Series 2017 Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2017 Bonds.

(d) Notwithstanding any other provision of the Agreement and this Thirty-Eighth Supplemental Agreement to the contrary, so long as any Series 2017 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and redemption price of and interest on such Series 2017 Bond and all notices with respect to such Series 2017 Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to the Agreement and this Thirty-Eighth Supplemental Agreement by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, the Authority 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 Bondholder.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO: THE PAYMENT BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF THE PRINCIPAL AND REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2017 BONDS; THE PROVIDING OF NOTICE TO PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS; THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE SERIES 2017 BONDS.

Section 3.03. Transfers Outside Book-Entry System. In the event (a) the Securities Depository determines not to continue to act as securities depository for the Series 2017 Bonds, or (b) the Authority determines that the Securities Depository shall no longer so act, and delivers a written certificate to the Trustee and the Securities Depository to that effect, then the Authority will discontinue the book entry system with the Securities Depository. If the Authority determines to replace the Securities Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new, single, separate, fully registered certificate for each of the maturities and interest rates of the Series 2017 Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee or make such other arrangement acceptable to the Authority and the Securities Depository as are not inconsistent with the terms of the Agreement or this Thirty-Eighth Supplemental Agreement. If the Authority fails to identify another qualified securities depository to replace the Securities Depository, then the Series 2017 Bonds shall no longer be restricted to being registered in the Register in the name of the nominee, but shall be registered in such authorized denominations and names as the Securities Depository shall designate in accordance with the provisions of this Article III.

Section 3.04. Bond Register. The Trustee shall keep or cause to be kept at its corporate trust office in Los Angeles, California, or such other place as designated by the Trustee, sufficient books for the registration of, and registration of transfer of, the Series 2017 Bonds, which Bond Register shall at all times during regular business hours be open to inspection by the Authority. Upon presentation for registration of transfer, the Trustee shall, as provided herein

and under such reasonable regulations as it may prescribe subject to the provisions hereof, register or register the transfer of the Series 2017 Bonds, or cause the same to be registered or cause the registration of the same to be transferred, on such Bond Register.

ARTICLE IV

APPLICATION OF PROCEEDS AND PAYMENT OF SERIES 2017 BONDS

Section 4.01. Series 2017 Bonds; Application of Proceeds.

(a) The proceeds of the sale of the Series 2017-A Bonds received by the Trustee on the date of delivery of the Series 2017-A Bonds in the amount of \$[_____] (such amount representing the par amount of the Series 2017-A Bonds of \$[PARA], [plus/minus] [a/an] [net] original issue [premium/discount] in the amount of \$[_____] , less an underwriters' discount in the amount of \$[_____]) shall be deposited or used by the Trustee as follows:

(i) \$[_____] shall be deposited to the Series 2017-A Construction Account;

(ii) \$[_____] shall be deposited to the Series 2017-A Commercial Paper Notes Retirement Fund;

(iii) \$[_____] shall be deposited to the Series 2017 Reserve Account; and

(iv) \$[_____] shall be deposited into the Series 2017 Costs of Issuance Fund (which amount is net of the underwriters' discount in the amount of \$[_____]).

(b) The proceeds of the sale of the Series 2017-B Bonds received by the Trustee on the date of delivery of the Series 2017-B Bonds in the amount of \$[_____] (such amount representing the par amount of the Series 2017-B Bonds of \$[PARB], [plus/minus] [a/an] [net] original issue [premium/discount] in the amount of \$[_____] , less an underwriters' discount in the amount of \$[_____]) shall be deposited or used by the Trustee as follows:

(i) \$[_____] shall be deposited to the Escrow Fund; and

(ii) \$[_____] shall be deposited into the Series 2017 Costs of Issuance Fund (which amount is net of the underwriters' discount in the amount of \$[_____]).

[Additionally, on the date of delivery of the Series 2017-B Bonds, the Authority hereby instructs the Trustee to, and the Trustee shall, transfer (i) \$[_____] from the Series 2011 Bond Interest Subaccount to the Escrow Fund, and (ii) \$[_____] from the Series 2011 Reserve Account to the Escrow Fund.]

(c) The Trustee may, in its discretion, establish a temporary fund or account on its books and records to facilitate such transfers.

(d) Because the amendments to the Agreement set forth in Article III of the Thirtieth Supplemental Agreement were effective prior to the date of execution and delivery of this Thirty-Eighth Supplemental Agreement, in calculating the Reserve Fund Requirement, the Authority and the Trustee are taking into consideration the Reserve Fund Insurance Policy issued by Assured Guaranty Municipal Corp. (as successor to Financial Security Assurance Inc.) currently on deposit in the Reserve Fund.

(e) In calculating the Reserve Fund Requirement, the Authority and the Trustee are not taking into consideration the Reserve Fund Insurance Policy originally issued by Financial Guaranty Insurance Company (which was novated by National Public Finance Guarantee Corporation) currently on deposit in the Reserve Fund.

Section 4.02. Sources of Payment of Series 2017 Bonds. The Series 2017 Bonds shall be secured by a parity lien on, and are payable from, the Pledged Revenues as provided in the Agreement. The Authority may, but is not obligated to, provide for payment of principal of and interest on the Series 2017 Bonds from any other source or from any other funds of the Authority.

ARTICLE V

CREATION OF FUNDS, ACCOUNTS AND SUBACCOUNTS; USE OF DEBT SERVICE FUND

Section 5.01. Establishment and Application of the Series 2017-A Construction Account. There is hereby created within the Construction Fund a separate account designated as the “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A Construction Account” (the “*Series 2017-A Construction Account*”). As provided in Section 4.01(a)(i) hereof, at the time of issuance of the Series 2017-A Bonds, a portion of the proceeds of the Series 2017-A Bonds shall be deposited into the Series 2017-A Construction Account. The moneys in the Series 2017-A Construction Account shall be used and withdrawn to pay Costs of the Series 2017-A Projects.

Before any payment from the Series 2017-A Construction Account shall be made by the Trustee, the Authority shall file or cause to be filed with the Trustee a Requisition of the Authority, such Requisition to be in substantially such form as is set forth in Exhibit F hereto. Each such Requisition shall be numbered sequentially and shall include: (a) the item number of such payment; (b) the name and address of the person to whom each such payment is due, which may be the Authority in the case of reimbursement for costs theretofore paid by the Authority; (c) the respective amounts to be paid; (d) the purpose by general classification for which each obligation to be paid was incurred; (e) a certification from the Authority that the obligations in the stated amounts have been incurred by the Authority and are presently due and payable and that each item thereof is a proper charge against the Series 2017-A Construction Account and has not been previously paid from said account; and (f) a certification from the Authority, that, to the

best of the Authority's knowledge, no Event of Default has occurred and is continuing under the Agreement.

Each such written requisition of the Authority 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.

When the Authority determines that the Series 2017-A Projects have been completed, a Certificate of the Authority shall be delivered to the Trustee by the Authority stating: (i) the fact and date of such completion; (ii) that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims that are subject to dispute and for which a retention in the Series 2017-A Construction Account is to be maintained in the full amount of such claims until such dispute is resolved); and (iii) that the Trustee is to transfer the remaining balance in the Series 2017-A Construction Account, less the amount of any such retention, to the Series 2017 Bond Principal Subaccount and used to pay principal of the Series 2017-A Bonds.

Section 5.02. Creation of Series 2017 Costs of Issuance Fund, Payment of Costs of Issuance. There is hereby created the "Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017 Costs of Issuance Fund" (the "*Series 2017 Costs of Issuance Fund*"), which shall be held by the Trustee as provided in the Agreement and this Thirty-Eighth Supplemental Agreement, and all moneys and securities in such fund shall be pledged to secure the Series 2017 Bonds. As provided in Sections 4.01(a)(iv) and 4.01(b)(ii) hereof, at the time of issuance of the Series 2017 Bonds, a portion of the proceeds of each Series of the Series 2017 Bonds shall be deposited into the Series 2017 Costs of Issuance Fund. Funds on deposit in the Series 2017 Costs of Issuance Fund shall be used to pay or to reimburse the Authority for the payment of Costs of Issuance. Amounts in the Series 2017 Costs of Issuance Fund shall be disbursed by the Trustee upon written requisition executed by an Authorized Authority Representative. Each such requisition shall state:

- (a) the requisition number;
- (b) the amount to be paid to the Authority or to its designee and the method of payment;
- (c) that each item to be paid with the requisitioned funds represents either incurred or due and payable Costs of Issuance which constitute costs of the Project as permitted by the Act;
- (d) that such Costs of Issuance have not been paid from other funds withdrawn from the Series 2017 Costs of Issuance Fund; and
- (e) to the best of the signatory's knowledge, no Event of Default has occurred and is continuing under the Agreement or any Supplemental Agreement thereto.

Each such written requisition of the Authority 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.

Upon the earlier of (i) 180 days from the delivery date of the Series 2017 Bonds; or (ii) at such time as the Authority delivers to the Trustee written notice that all Costs of Issuance have been paid or otherwise notifies the Trustee in writing that no additional amounts from the Series 2017 Costs of Issuance Fund will be needed to pay Costs of Issuance, the Trustee shall transfer all amounts then remaining in the Series 2017 Costs of Issuance Fund as follows; (a) amounts allocable to the Series 2017-A Bonds shall be transferred to the Series 2017-A Construction Account; and (b) amounts allocable to the Series 2017-B Bonds shall be transferred to the Series 2017 Bond Interest Subaccount and used to pay interest due on the Series 2017-B Bonds. At such time as no amounts remain in the Series 2017 Costs of Issuance Fund, such fund shall be closed.

Section 5.03. Creation of Series 2017-A Commercial Paper Notes Retirement Account. There is hereby created within the Construction Fund a separate account to be designated as the “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A Commercial Paper Notes Retirement Account (the “*Series 2017-A Commercial Paper Notes Retirement Account*”). As provided in Section 4.01(a)(ii) hereof, at the time of the sale and issuance of the Series 2017-A Bonds, a portion of the proceeds of the Series 2017-A Bonds shall be deposited in the Series 2017-A Commercial Paper Notes Retirement Account. The Trustee shall transfer to the Subordinate Trustee funds in the Series 2017-A Commercial Paper Notes Retirement Account in sufficient time to repay the principal of the Refunded Commercial Paper Notes on the dates and in the amounts set forth in Exhibit D attached hereto. The Trustee shall instruct the Subordinate Trustee to deposit such funds into the General Account of the Bank Payment Fund established under the Subordinate Agreement.

The Trustee shall make all transfers from the Series 2017-A Commercial Paper Notes Retirement Account to the Subordinate Trustee in accordance with the following wire instructions:

US BANK TRUST NA
ABA # [_____]]
A/C # [_____]]
A/C NAME: U.S. BANK TRUST
ATTN: [_____]]
REF: LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
AUTHORITY SECOND SUBORDINATE SALES TAX REVENUE
COMMERCIAL PAPER NOTES

Section 5.04. Creation of Series 2017 Bond Interest Subaccount in Bond Interest Account of the Debt Service Fund. There is hereby created within the Bond Interest Account of the Debt Service Fund a separate subaccount to be designated as the Series 2017 Bond Interest Subaccount of the Bond Interest Account (the “*Series 2017 Bond Interest Subaccount*”). Amounts in the Series 2017 Bond Interest Subaccount will be disbursed to pay interest on the Series 2017 Bonds pursuant to the Agreement and this Thirty-Eighth Supplemental Agreement.

Section 5.05. Creation of Series 2017 Bond Principal Subaccount in Bond Principal Account of the Debt Service Fund. There is hereby created within the Bond Principal Account

of the Debt Service Fund a separate subaccount to be designated as the Series 2017 Bond Principal Subaccount of the Bond Principal Account (the “*Series 2017 Bond Principal Subaccount*”). Amounts in the Series 2017 Bond Principal Subaccount will be disbursed to pay the respective principal of the Series 2017 Bonds pursuant to the Agreement and this Thirty-Eighth Supplemental Agreement.

Section 5.06. Creation of Series 2017 Reserve Account in the Reserve Fund. There is hereby created within the Reserve Fund a separate account to be designated as the Series 2017 Account of the Reserve Fund (the “*Series 2017 Reserve Account*”). The Series 2017 Reserve Account shall be established for purposes of calculating and accounting for the amount of earnings upon the portion of the Reserve Fund related to the Series 2017 Bonds for rebate purposes as set forth in the Tax Certificate, but for all other purposes shall be held, invested and used as an integral part of the Reserve Fund as provided in Sections 4.04 and 4.06 of the Agreement and shall be available to make payments on the Bonds as if no separate Account had been created. In the event a Surety Bond is on deposit in the Reserve Fund, the Trustee is hereby directed to credit the Series 2017 Reserve Account with the portion of any Surety Bond allocable thereto. Notwithstanding anything in the Agreement to the contrary, (a) all interest earnings on amounts in, or allocable to, the Series 2017 Reserve Account of the Reserve Fund shall be transferred on or before each Interest Payment Date to the Series 2017 Bond Interest Subaccount; provided, that such transfer shall be made only to the extent that amounts remaining in the Reserve Fund will not be less than the Reserve Fund Requirement for all Bonds Outstanding; and (b) in the event amounts, other than interest earnings, in the Reserve Fund exceed the Reserve Fund Requirement for all Bonds Outstanding, the portion of such excess relating to the Series 2017 Bonds shall be released to the Authority to be used for any lawful purpose of the Authority, subject to receipt of a written opinion of Bond Counsel to the effect that such release and disposition of funds will not cause the interest on the Series 2017 Bonds to become includable in gross income for federal income tax purposes.

ARTICLE VI

TAX COVENANTS

Section 6.01. Rebate Fund.

(a) The Authority hereby agrees that it will instruct the Trustee to establish and maintain a fund, if necessary, separate from any other fund established and maintained hereunder designated as the “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017 Rebate Fund” (the “*Series 2017 Rebate Fund*”), which will be funded if so required under the Tax Certificate and Section 6.02 hereof, and amounts in the Series 2017 Rebate Fund will be held and disbursed in accordance with the terms and requirements of the Tax Certificate and Section 6.02 hereof. The Trustee shall not be required to create and establish the Series 2017 Rebate Fund until the Authority gives written instruction to the Trustee to do so. Subject to the transfer provisions provided in paragraph (d) below, all money at any time deposited in the Series 2017 Rebate Fund, if created, shall be held by the Trustee for the account of the Authority in trust, to the extent required to pay the Rebate Requirement, for payment to the federal government of the

United States of America, and neither the Trustee nor any Owner of Series 2017 Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Series 2017 Rebate Fund shall be governed by this Thirty-Eighth Supplemental Agreement and by the Tax Certificate (which is incorporated herein by reference). The Authority hereby covenants to comply with the directions contained in the Tax Certificate and the Trustee hereby covenants to comply with all written instructions of the Authority delivered to the Trustee pursuant to the Tax Certificate (which instructions shall state the actual amounts to be deposited in or withdrawn from the Series 2017 Rebate Fund and shall not require the Trustee to make any calculations with respect thereto). The Trustee shall be deemed conclusively to have complied with the provisions of this Section 6.01(a) if it follows such instructions of the Authority, and the Trustee shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate nor to make computations in connection therewith.

(b) Amounts shall be deposited in the Series 2017 Rebate Fund as provided in this Article VI and the Tax Certificate so that the balance of the amount on deposit thereto shall be equal to the Rebate Requirement. Computations of the Rebate Requirements shall be furnished by or on behalf of the Authority to the Trustee in accordance with the Tax Certificate and Section 6.02 hereof.

(c) The Trustee shall invest all amounts held in the Series 2017 Rebate Fund pursuant to written instructions of the Authority in accordance with Article VI of the Agreement, and subject to the restrictions set forth in the Tax Certificate and Section 6.02 hereof.

(d) Upon receipt of the instructions required to be delivered to the Trustee by the Tax Certificate, the Trustee shall remit part or all of the balances in the Series 2017 Rebate Fund to the federal government of the United States of America, as so directed. In addition, if such instructions so direct, the Trustee will deposit moneys into or transfer moneys out of the Series 2017 Rebate Fund from or into such accounts or funds. Any funds remaining in the Series 2017 Rebate Fund after payment of all of the Series 2017 Bonds and payment and satisfaction of the Rebate Requirements shall be withdrawn and remitted to the Authority in accordance with a request of the Authority.

(e) Notwithstanding any other provision of the Agreement and this Thirty-Eighth Supplemental Agreement, the obligation to pay the Rebate Requirements to the federal government of the United States of America and to comply with all other requirements of this Article VI and the Tax Certificate shall survive the defeasance or payment in full of the Series 2017 Bonds. The Authority shall retain all records with respect to the calculations and instructions required by this Section 6.01 for at least four years after the date on which the last of the principal of and interest on the Series 2017 Bonds has been paid.

Section 6.02. Tax Covenants. In order to maintain the exclusion from gross income of the interest on the Series 2017 Bonds for federal income tax purposes, the Authority shall make all calculations relating to any rebate of excess investment earnings on the proceeds of the Series 2017 Bonds due to the federal government of the United States in a reasonable and prudent

fashion and shall segregate and set aside the lawfully available amounts such calculations indicate may be required to be paid to the federal government of the United States, and otherwise shall at all times do and perform all acts and things within its power and authority necessary to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended (the “*Code*”). In furtherance of this covenant, the Authority agrees to comply with the Tax Certificate. The Trustee, by acceptance of its duties hereunder, agrees to comply with any instructions received from the Authority which the Authority indicates must be followed in order to comply with the Tax Certificate. The failure of the Authority to comply with the Tax Certificate, Section 6.01 hereof or this Section 6.02 shall be an Event of Default.

In the event that at any time the Authority is of the opinion that for purposes of this Section 6.02 it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee, the Authority shall so instruct the Trustee in writing, and the Trustee shall take such action as may be directed in accordance with such instructions.

Notwithstanding any provision of this Section 6.02 and Section 6.01 hereof, if the Authority shall receive an Opinion of Bond Counsel to the effect that any action required under this Section 6.02 and Section 6.01 hereof is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Series 2017 Bonds pursuant to Section 103 of the Code, the Authority and the Trustee may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Trustee’s Agents. The Trustee or the Authority (with written notice to the Trustee) may from time to time appoint other banks, trust companies or other financial institutions to perform functions described in this Thirty-Eighth Supplemental Agreement. Such agents may include, but shall not be limited to, authenticating agents and paying agents. Any reference in this Thirty-Eighth Supplemental Agreement to the Trustee shall also refer to any agent appointed by the Trustee or the Authority to such duty in addition to the Trustee or shall, instead, refer only to any agent appointed by the Trustee or the Authority to perform such duty in place of the Trustee.

Section 7.02. Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Thirty-Eighth Supplemental Agreement or the Series 2017 Bonds must be in writing except as expressly provided otherwise in this Thirty-Eighth Supplemental Agreement or the Series 2017 Bonds.

(b) Any notice or other communication, unless otherwise specified, shall be sufficiently given and deemed given when delivered by hand or mailed by first-class

mail, postage prepaid, addressed to the Authority or the Trustee at the addresses set forth below. Any addressee may designate additional or different addresses for purposes of this Section.

to the Authority: Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012
Attention: Treasurer

to the Trustee: The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attention: Corporate Trust Department

(c) The Trustee or Authority, as appropriate, shall give written notice to Moody's and S&P if at any time (i) payment of principal and interest on the Series 2017 Bonds is accelerated pursuant to the provisions of Section 8.02 of the Agreement, (ii) a successor Trustee is appointed under the Agreement, or (iii) there is any amendment to the Agreement or this Thirty-Eighth Supplemental Agreement. Notice in the case of an event referred to in clause (iii) hereof shall include a copy of any such amendment. Notices sent to Moody's shall be addressed to Moody's Investors Service Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Attention: Public Finance Department, and notices sent to S&P shall be addressed to S&P Global Ratings, 55 Water Street, New York, New York 10041, or to such other address as Moody's or S&P, respectively, shall supply to the Trustee.

Section 7.03. Investments. Notwithstanding anything to the contrary in the Agreement, any moneys held by the Trustee in the funds and accounts created under this Thirty-Eighth Supplemental Agreement may be invested (a) in any investments permitted by the California Government Code; and (b) in any investment agreement, deposit agreement or any such other similar agreement as approved by any Authorized Authority Representative.

Section 7.04. Compliance with Act of 1998. The Authority hereby covenants to comply with and to carry out the provisions of the Act of 1998.

Section 7.05. Continuing Disclosure. The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, dated the date of issuance and delivery of the Series 2017 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of this Thirty-Eighth Supplemental Agreement, failure of the Authority to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Bondholder may take such actions, as provided in the Continuing Disclosure Certificate, as may be necessary and appropriate to cause the Authority to comply with its obligations under the Continuing Disclosure Certificate.

Section 7.06. Limitation of Rights. Nothing expressed or implied in this Thirty-Eighth Supplemental Agreement or the Series 2017 Bonds shall give any person other than the Trustee,

the Authority and the Bondholders any right, remedy or claim under or with respect to this Thirty-Eighth Supplemental Agreement.

Section 7.07. Severability. If any provision of this Thirty-Eighth Supplemental Agreement shall be determined to be unenforceable, such determination shall not affect any other provision of this Thirty-Eighth Supplemental Agreement.

Section 7.08. Payments or Actions Occurring on Nonbusiness Days. If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made on the action taken on the stated date, and no interest shall accrue for the intervening period.

Section 7.09. Governing Law. This Thirty-Eighth Supplemental Agreement shall be governed by and construed in accordance with the laws of the State.

Section 7.10. Captions. The captions in this Thirty-Eighth Supplemental Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Thirty-Eighth Supplemental Agreement.

Section 7.11. Counterparts. This Thirty-Eighth Supplemental Agreement may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

Section 7.12. Effectiveness of Remainder of Agreement. Except as otherwise amended herein, or in the Prior Supplemental Agreements, the Agreement shall remain in full force and effect.

Section 7.13. Owners of Series 2017 Bonds Deemed to Consent to Amendments to Agreement. All Owners and Beneficial Owners, by their purchase and acceptance of the Series 2017 Bonds, shall be deemed to have consented to the amendments to the Trust Agreement as set forth in Article VII of the Thirty-Seventh Supplemental Trust Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Thirty-Eighth Supplemental Trust Agreement by their officers thereunto duly authorized as of the day and year first written above.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By _____
Donna R. Mills, Treasurer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By _____
Authorized Officer

[Signature page to Thirty-Eighth Supplemental Trust Agreement]

EXHIBIT A

FORM OF SERIES 2017 BOND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Los Angeles County Metropolitan Transportation Authority or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
PROPOSITION A FIRST TIER SENIOR
SALES TAX REVENUE [REFUNDING] BOND
SERIES 2017-[A/B]**

Neither the faith and credit nor the taxing power of the County of Los Angeles, the State of California or any public agency, other than the Los Angeles County Metropolitan Transportation Authority, to the extent of the Pledged Revenues, is pledged to the payment of the principal of or interest on this Bond.

No. R-____ \$_____

Interest Rate Per Annum	Maturity Date	Dated Date	CUSIP
____%	July 1, 20__	October [____], 2017	54466H____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ Dollars

The LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a public entity, duly organized and existing under and pursuant to the laws of the State of California (the “Authority”), for value received, hereby promises to pay to the registered owner named above, or registered assigns, but solely from the sources hereinafter mentioned, on the Maturity Date specified above the Principal Amount shown above and to pay interest hereon, but solely from the sources hereinafter referred to, at the rate determined as herein provided (a) from the date of authentication, if authenticated on an Interest Payment Date to which interest has been paid or duly provided for in full, or (b) from the last preceding Interest Payment Date to which interest has been paid or duly provided for in full (or from the Dated Date specified above if no interest hereon has been paid or duly provided for), or (c) from the next succeeding Interest Payment Date if the date of authentication is after the Record Date and before the next succeeding Interest Payment Date, in each case, until the principal hereof has been paid or duly provided for. Each January 1 and July 1, commencing July 1, 2018 constitutes an Interest

Payment Date. The interest due on any Series 2017 Bond on any Interest Payment Date shall be paid to the Owner of such Series 2017 Bond as shown on the registration books kept by the Registrar as of the applicable Record Date. The principal of and interest on this Series 2017 Bond may be paid in lawful money of the United States of America. The principal of this Series 2017 Bond is payable to the registered owner hereof upon presentation and surrender hereof at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., as trustee (together with any successor as trustee under the Trust Agreement (as defined below), the “Trustee”), in Los Angeles, California, or such other place as designated by the Trustee.

This Bond is one of a duly authorized issue of Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue [Refunding] Bonds, Series 2017-[A/B] (the “Series 2017-[A/B] Bonds”). This Bond is issued pursuant to a Trust Agreement, dated as of July 1, 1986, by and between the Los Angeles County Transportation Commission, predecessor to the Authority, and the Trustee, formerly known as The Bank of New York Trust Company, N.A., successor to BNY Western Trust Company, as successor in interest to Wells Fargo Bank, N.A., as successor by merger to First Interstate Bank of California, providing for the issuance of the Bonds (as defined in the Trust Agreement), and a Thirty-Eighth Supplemental Trust Agreement, dated as of October 1, 2017 (the “Thirty-Eighth Supplemental Trust Agreement”), by and between the Authority and the Trustee, setting forth the terms and authorizing the issuance of the Series 2017-[A/B] Bonds (said Trust Agreement as amended and supplemented, including as amended and supplemented by the Thirty-Eighth Supplemental Trust Agreement, being the “Trust Agreement”). Said authorized issue of Bonds is limited in aggregate principal amount as provided in the Trust Agreement, and consists of one series of varying denominations, dates, maturities, interest rates and other provisions, as in said Trust Agreement provided, all issued and to be issued pursuant to the provisions of Section 130500 *et seq.* of the California Public Utilities Code (the “Act”). Reference is hereby made to the Trust Agreement and to the Act for a description of the terms on which the Series 2017-[A/B] Bonds are issued, the provisions with regard to the nature and extent of the Pledged Revenues (as that term is defined in the Trust Agreement), and the rights of the registered owners of the Series 2017-[A/B] Bonds. All the terms of the Trust Agreement and the Act are hereby incorporated herein and constitute a contract between the Authority and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by its acceptance hereof, consents and agrees.

The Bonds authorized and issued under the provisions of the Trust Agreement, including the Series 2017-[A/B] Bonds, are secured by a first lien on and pledge of Pledged Revenues and the Authority has granted such pledge and first lien on the Pledged Revenues to secure the Bonds, including the Series 2017-[A/B] Bonds. The Authority may issue additional Bonds on a parity with the Series 2017-[A/B] Bonds as provided in the Trust Agreement. The Authority may, as provided in the Trust Agreement, create or permit to be created a charge or lien on the Pledged Revenues ranking junior and subordinate to the charge or lien of the Bonds, including the Series 2017-[A/B] Bonds, issued pursuant to the Trust Agreement.

The Series 2017-[A/B] Bonds are limited obligations of the Authority and are payable, both as to principal and interest, solely from a first lien on and pledged of the Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement. Other than Pledged Revenues and such other amounts, the general fund of the Authority is not liable, and neither the

credit nor taxing power of the Authority is not pledged, for the payment of the Series 2017-[A/B] Bonds or their interest.

This Bond shall be issued pursuant to a book-entry system administered by The Depository Trust Company (together with any successor thereto, "Securities Depository"). The book-entry system will evidence beneficial ownership of the Series 2017-[A/B] Bonds with transfers of ownership effected on the register held by the Securities Depository pursuant to rules and procedures established by the Securities Depository. So long as the book-entry system is in effect, transfer of principal, interest and premium payments, and provisions of notices or other communications, to Beneficial Owners of the Series 2017-[A/B] Bonds will be the responsibility of the Securities Depository as set forth in the Trust Agreement.

[The Series 2017-A Bonds maturing on or before July 1, 20[___] are not subject to optional redemption. The Series 2017-A Bonds maturing on and after July 1, 20[___] are subject to redemption at the option of the Authority, in whole or in part, in Authorized Denominations, on any date on or after July 1, 20[___] from any moneys that may be provided for such purpose, at a redemption price of 100% of the principal amount of such Series 2017-A Bonds so redeemed, together with accrued interest, if any, to the redemption date, without premium.]

[The Series 2017-B Bonds are not subject to optional redemption prior to maturity.]

[The Series 2017-[A/B] Bonds maturing on July 1, 20[___] will be subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon, on July 1 20[___] and each July 1 thereafter, to and including July 1, 20[___] in accordance with the terms of a mandatory sinking fund redemption schedule set forth in the Thirty-Eighth Supplemental Trust Agreement.]

The Trust Agreement requires that the Trustee, at least 20 days but not more than 60 days before each redemption, mail a notice of redemption by first-class mail (or, with respect to any Series 2017-[A/B] Bond held by DTC, by express delivery service for delivery on the next following Business Day) to each Owner of a Series 2017-[A/B] Bond to be redeemed and that each such notice be sent to the Owner's registered address. Any notice sent as provided in the Trust Agreement will be conclusively presumed to have been given whether or not actually received by the addressee. Notice having been given in the manner and under the conditions provided in the Trust Agreement and moneys for payment of the redemption price being held in trust to pay the redemption price, the Series 2017-[A/B] Bonds so called for redemption shall become and be due and payable on the redemption date, interest on such Series 2017-[A/B] Bonds shall cease to accrue, such Series 2017-[A/B] Bonds shall cease to be entitled to any lien, benefit or security under the Trust Agreement and the Owners of such Series 2017-[A/B] Bonds shall have no rights in respect thereof except to receive payment of the redemption price.

This Bond is transferable or exchangeable for other Authorized Denominations upon surrender of this Bond at the corporate trust office of the Trustee in Los Angeles, California, or such other place as designated by the Trustee, accompanied by written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Authority and the Registrar, duly executed by the registered owner hereof or by his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of the

charges provided in the Trust Agreement, and upon surrender and cancellation of this Bond. Upon such transfer or exchange a new fully registered Series 2017-[A/B] Bond or Series 2017-[A/B] Bonds without coupons, of Authorized Denomination or Authorized Denominations, of the same series, tenor, maturity and interest rate for the same aggregate principal amount will be issued to the registered owner or transferee in exchange herefor.

The Authority, the Trustee and any paying agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Authority, the Trustee and any paying agent shall not be affected by any notice to the contrary.

The rights and obligations of the Authority and of the holders and registered owners of the Bonds, including the Series 2017-[A/B] Bonds, may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Trust Agreement, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of the Series 2017-[A/B] Bonds.

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

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

All Owners and Beneficial Owners, by their purchase and acceptance of the Series 2017-[A/B] Bonds, shall be deemed to have consented to the amendments to the Trust Agreement as set forth in Article VII of the Thirty-Seventh Supplemental Trust Agreement.

Capitalized terms used in this Bond and not otherwise defined herein shall have the meanings given such terms in the Trust Agreement.

IN WITNESS WHEREOF, THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY has caused this Bond to be executed in its name and on its behalf by its _____ as of the _____ day of _____, 20__.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By _____
Title: _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Proposition A First Tier Senior Sales Tax Revenue [Refunding] Bonds, Series 2017-[A/B] Bonds of the Los Angeles County Metropolitan Transportation Authority described in the within mentioned Trust Agreement.

Dated: _____, 20__

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By _____
Authorized Officer

FORM OF ASSIGNMENT

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

(Please insert Social Security or Identification Number of Transferee)

(Please print or typewrite name and address, including zip code of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Bond on the books kept for registration thereof, all power of substitution in the premises.

Dated:

Signature Guaranteed:

NOTICE: 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 above must correspond with the name of the Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

DEBT SERVICE SCHEDULES

**Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Bonds
Series 2017-A (Green Bonds)**

Date	Principal	Interest	Total Principal and Interest
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**Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds
Series 2017-B**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
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EXHIBIT C
SERIES 2017-A PROJECTS

The Series 2017-A Projects consist of:

EXHIBIT D

REFUNDED BONDS

**Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds
Series 2011-B**

Maturity Date (July 1)	Principal to be Redeemed	Redemption Price	Redemption Date
2022	\$175,000	100%	July 1, 2021
2022	610,000	100	July 1, 2021
2022	43,665,000	100	July 1, 2021
2023	1,250,000	100	July 1, 2021
2023	500,000	100	July 1, 2021
2023	44,910,000	100	July 1, 2021

EXHIBIT E

REFUNDED COMMERCIAL PAPER NOTES RETIREMENT SCHEDULE

EXHIBIT F

FORM OF SERIES 2017-A CONSTRUCTION ACCOUNT REQUISITION

Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Bonds
Series 2017-A (Green Bonds)

Requisition Number: _____

The undersigned Authorized Authority Representative of the Los Angeles County Metropolitan Transportation Authority (the "Authority"), hereby requests and certifies that:

(a) The Authority hereby requests The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), pursuant to that certain Trust Agreement, dated as of July 1, 1986, as amended and supplemented, including as supplemented by the Thirty-Eighth Supplemental Trust Agreement, dated as of October 1, 2017 (collectively, the "Trust Agreement"), between the Authority and the Trustee, to pay from the moneys in the Series 2017-A Construction Account established pursuant to the Trust Agreement, the amount shown on Schedule I attached hereto to the parties indicated thereon.

(b) The item numbers, names and addresses of the payees, the purpose by general classification for which the cost has been incurred, and the amount of the disbursement requested are itemized on Schedule I hereto.

(c) Each obligation listed in Schedule I hereto has been properly incurred by the Authority, is presently due and payable and is a proper charge against the Series 2017-A Construction Account. None of the items for which payment is requested has been reimbursed previously from the Series 2017-A Construction Account.

(d) To the best of the Authority's knowledge, no Event of Default has occurred and is continuing under the Trust Agreement.

Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Trust Agreement.

Date: _____

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By _____
Authorized Authority Representative

SCHEDULE I

Item No.	Name and Address of Payee	Purpose	Amount
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EXHIBIT G

PRIOR OUTSTANDING SENIOR LIEN BONDS

“Prior Outstanding Senior Lien Bonds” means and includes all of the following:

“*Series 2008-B Bonds*” means the \$26,075,000 original principal amount of Bonds issued under the Agreement and the Twenty-Eighth Supplemental Agreement (Series 2008-A/B) and designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2008-B.”

“*Series 2009-A Bonds*” means the \$320,945,000 original principal amount of Bonds issued under the Agreement and the Twenty-Ninth Supplemental Agreement and designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2009-A.”

“*Series 2011-A Bonds*” means the \$144,000,000 original principal amount of Bonds issued under the Agreement and the Thirty-First Supplemental Agreement and designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2011-A.”

“*Series 2011-B Bonds*” means the \$91,110,000 original principal amount of Bonds issued under the Agreement and this Thirty-First Supplemental Agreement and designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2011-B.”

“*Series 2012-A Bonds*” means the \$68,205,000 original principal amount of Bonds issued under the Agreement and the Thirty-Second Supplemental Agreement and designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2012-A.”

“*Series 2013-A Bonds*” means the \$248,395,000 original principal amount of Bonds issued under the Agreement and the Thirty-Third Supplemental Agreement and designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2013-A.”

“*Series 2014-A Bonds*” means the \$135,715,000 original principal amount of Bonds issued under the Agreement and the Thirty-Fifth Supplemental Agreement and designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2014-A.”

“*Series 2015-A Bonds*” means the \$26,480,000 original principal amount of Bonds issued under the Agreement and the Thirty-Sixth Supplemental Agreement and designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2015-A.”

“*Series 2016-A Bonds*” means the \$185,605,000 original principal amount of Bonds issued under the Agreement and the Thirty-Seventh Supplemental Agreement and designated as “Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2016-A.”

EXHIBIT H

PRIOR SUPPLEMENTAL AGREEMENTS

“Prior Supplemental Agreements” means and includes all of the following:

“*First Supplemental Agreement*” means the First Supplemental Trust Agreement dated as of July 1, 1986, by and between the Authority and the Trustee.

“*Second Supplemental Agreement*” means the Second Supplemental Trust Agreement dated as of May 1, 1987, by and between the Authority and the Trustee.

“*Third Supplemental Agreement*” means the Third Supplemental Trust Agreement dated as of May 1, 1988, by and between the Authority and the Trustee.

“*Fourth Supplemental Agreement*” means the Fourth Supplemental Trust Agreement dated as of January 1, 1989, by and between the Authority and the Trustee.

“*Fifth Supplemental Agreement*” means the Fifth Supplemental Trust Agreement dated as of December 1, 1990, by and between the Authority and the Trustee.

“*Sixth Supplemental Agreement*” means the Sixth Supplemental Trust Agreement dated as of January 1, 1991, by and between the Authority and the Trustee.

“*Seventh Supplemental Agreement*” means the Seventh Supplemental Trust Agreement dated as of June 1, 1991, by and between the Authority and the Trustee.

“*Eighth Supplemental Agreement*” means the Eighth Supplemental Trust Agreement dated as of December 1, 1991, by and between the Authority and the Trustee.

“*Ninth Supplemental Agreement*” means the Ninth Supplemental Trust Agreement dated as of December 20, 1991, by and between the Authority and the Trustee.

“*Tenth Supplemental Agreement*” means the Tenth Supplemental Trust Agreement dated as of June 1, 1992, by and between the Authority and the Trustee.

“*Eleventh Supplemental Agreement*” means the Eleventh Supplemental Trust Agreement dated as of April 15, 1993, by and between the Authority and the Trustee.

“*Twelfth Supplemental Agreement*” means the Twelfth Supplemental Trust Agreement dated as of September 1, 1993, by and between the Authority and the Trustee.

“*Thirteenth Supplemental Agreement*” means the Thirteenth Supplemental Trust Agreement dated as of January 1, 1994, by and between the Authority and the Trustee.

“*Fourteenth Supplemental Agreement*” means the Fourteenth Supplemental Trust Agreement dated as of June 1, 1996, by and between the Authority and the Trustee.

“*Fifteenth Supplemental Agreement*” means the Fifteenth Supplemental Trust Agreement dated as of June 1, 1996, by and between the Authority and the Trustee.

“*Sixteenth Supplemental Agreement*” means the Sixteenth Supplemental Trust Agreement dated as of June 1, 1997, by and between the Authority and the Trustee.

“*Seventeenth Supplemental Agreement*” means the Seventeenth Supplemental Trust Agreement dated as of February 1, 1998, by and between the Authority and the Trustee, which includes certain amendments to the Fourteenth Supplemental Agreement, the Fifteenth Supplemental Agreement and the Sixteenth Supplemental Agreement.

“*Eighteenth Supplemental Agreement*” means the Eighteenth Supplemental Trust Agreement dated as of April 1, 1999, by and between the Authority and the Trustee.

“*Nineteenth Supplemental Agreement*” means the Nineteenth Supplemental Trust Agreement dated as of April 1, 1999, by and between the Authority and the Trustee.

“*Twentieth Supplemental Agreement*” means the Twentieth Supplemental Trust Agreement dated as of May 1, 1999, by and between the Authority and the Trustee.

“*Twenty-First Supplemental Agreement*” means the Twenty-First Supplemental Trust Agreement dated as of March 15, 2001, by and between the Authority and the Trustee.

“*Twenty-Second Supplemental Agreement*” means the Twenty-Second Supplemental Trust Agreement dated as of April 1, 2002, by and between the Authority and the Trustee.

“*Twenty-Third Supplemental Agreement*” means the Twenty-Third Supplemental Trust Agreement dated as of April 1, 2003, by and between the Authority and the Trustee, which includes the terms of the Series 2003-A Bonds.

“*Twenty-Fourth Supplemental Agreement*” means the Twenty-Fourth Supplemental Trust Agreement dated as of June 1, 2003, by and between the Authority and the Trustee, which includes the terms of the Series 2003-B Bonds.

“*Twenty-Fifth Supplemental Agreement*” means the Twenty-Fifth Supplemental Trust Agreement dated as of July 1, 2005, by and between the Authority and the Trustee, which includes the terms of the Series 2005-A Bonds and the Series 2005-B Bonds.

“*Twenty-Sixth Supplemental Agreement*” means the Twenty-Sixth Supplemental Trust Agreement dated as of August 1, 2005, by and between the Authority and the Trustee.

“*Twenty-Seventh Supplemental Agreement*” means the Twenty-Seventh Supplemental Trust Agreement dated as of April 1, 2007, by and between the Authority and the Trustee, which includes the terms of the Series 2007-A Bonds.

“*Twenty-Eighth Supplemental Agreement (Pledge Agreement)*” means the Twenty-Eighth Supplemental Trust Agreement dated as of June 1, 2007, by and between the Authority and the Trustee.

“*Twenty-Eighth Supplemental Agreement (Series 2008-A/B)*” means the Amended and Restated Twenty-Eighth Supplemental Trust Agreement dated as of August 1, 2011, by and between the Authority and the Trustee, which includes the terms of the Series 2008-A Bonds and the Series 2008-B Bonds.

“*Twenty-Ninth Supplemental Agreement*” means the Twenty-Ninth Supplemental Trust Agreement dated as of October 1, 2009, by and between the Authority and the Trustee, which includes the terms of the Series 2009-A Bonds.

“*Thirtieth Supplemental Agreement*” means the Thirtieth Supplemental Trust Agreement dated as of August 1, 2011, by and between the Authority and the Trustee.

“*Thirty-First Supplemental Agreement*” means the Thirty-First Supplemental Trust Agreement dated as of October 1, 2011, by and between the Authority and the Trustee, which includes the terms of the Series 2011-A Bonds and the Series 2011-B Bonds.

“*Thirty-Second Supplemental Agreement*” means the Thirty-Second Supplemental Trust Agreement dated as of August 1, 2012, by and between the Authority and the Trustee, which includes the terms of the Series 2012-A Bonds.

“*Thirty-Third Supplemental Agreement*” means the Thirty-Third Supplemental Trust Agreement dated as of April 1, 2013, by and between the Authority and the Trustee, which includes the terms of the Series 2013-A Bonds.

“*Thirty-Fourth Supplemental Agreement*” means the Thirty-Fourth Supplemental Trust Agreement dated as of July 28, 2014, by and between the Authority and the Trustee, which amends certain terms of the Twenty-Eighth Supplemental Agreement (Series 2008-A/B).

“*Thirty-Fifth Supplemental Agreement*” means the Thirty-Fifth Supplemental Trust Agreement dated as of December 1, 2014, by and between the Authority and the Trustee, which includes the terms of the Series 2014-A Bonds.

“*Thirty-Sixth Supplemental Agreement*” means the Thirty-Sixth Supplemental Trust Agreement dated as of April 1, 2015, by and between the Authority and the Trustee, which includes the terms of the Series 2015-A Bonds.

“*Thirty-Seventh Supplemental Agreement*” means the Thirty-Seventh Supplemental Trust Agreement dated as of March 1, 2016, by and between the Authority and the Trustee, which includes the terms of the Series 2016-A Bonds.