Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
3rd Floor Board Room

Agenda - Final

Wednesday, March 15, 2023

1:30 PM

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Finance, Budget and Audit Committee

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Holly J. Mitchell, Vice Chair
Paul Krekorian
Tim Sandoval
Gloria Roberts (Interim), non-voting member

Stephanie Wiggins, Chief Executive Officer

METROPOLITAN TRANSPORTATION AUTHORITY BOARD AGENDA RULES
(ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for one (1) minute during this Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM - The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
d. Any other unlawful interference with the due and orderly course of said meeting.

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The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than $250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars ($10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

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NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

Live Public Comment Instructions:

Live public comment can be given by telephone or in-person.

The Committee Meeting begins at 1:30 PM Pacific Time on March 15, 2023; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-251-2949 and enter
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Spanish Access Code: 4544724#

Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.

Instrucciones para comentarios publicos en vivo:

Los comentarios publicos en vivo se pueden dar por telefono o en persona.

La Reunion de la Junta comienza a las 1:30 PM, hora del Pacifico, el 15 de Marzo de 2023. Puedes unirte a la llamada 5 minutos antes del comienso de la junta.

Marque: 888-251-2949 y ingrese el codigo
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Los comentarios del público se tomaran cuando se toma cada tema. Para dar un comentario público sobre una tema ingrese # 2 (Tecla de numero y dos) cuando se le solicite. Tenga en cuenta que la transmisión de video en vivo se retrasa unos 30 segundos con respecto a la reunión real. No hay retraso en la línea de acceso telefónico para comentarios públicos.

Written Public Comment Instruction:

Written public comments must be received by 5PM the day before the meeting.
Please include the Item # in your comment and your position of “FOR,” “AGAINST,” "GENERAL
COMMENT," or "ITEM NEEDS MORE CONSIDERATION."
Email: BoardClerk@metro.net
Post Office Mail:
Board Administration
One Gateway Plaza
MS: 99-3-1
Los Angeles, CA 90012

CALL TO ORDER

ROLL CALL

APPROVE Consent Calendar Items: 9, 10, 11, and 12.

Consent Calendar items are approved by one vote unless held by a Director for discussion and/or separate action.

CONSENT CALENDAR

9. SUBJECT: MANAGEMENT AUDIT SERVICES FY 2023 SECOND QUARTER REPORT [2023-0030]

RECOMMENDATION

RECEIVE AND FILE the Management Audit Services FY 2023 second-quarter report.

Attachments: Attachment A - FY 2023 Second Quarter Report
Presentation

10. SUBJECT: INVESTMENT POLICY [2023-0048]

RECOMMENDATION

CONSIDER:

A. ADOPTING the Investment Policy in Attachment A;

B. APPROVING the Financial Institutions Resolution authorizing financial institutions to honor signatures of LACMTA Officials, Attachment B; and

C. DELEGATING to the Treasurer or his/her designees, the authority to invest funds for a one-year period, pursuant to California Government Code (“Code”) Section 53607.

Attachments: Attachment A - Investment Policy Redlined March 2023
Attachment B - Financial Institutions Resolution 2023

11. SUBJECT: ACCESS SERVICES - QUARTERLY UPDATE [2023-0098]

RECOMMENDATION

RECEIVE AND FILE status report on Access Services - ADA Paratransit.

Attachments: Attachment A - Access Services Key Performance Indicators
Presentation

12. SUBJECT: INVESTMENT MANAGEMENT SERVICES BENCH [2023-0054]

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award ten- (10) year bench Contract Nos. PS45150000 through PS45150007, for investment management services, to the firms listed below, for a total not-to-exceed amount of $12,393,750 for the initial five-year base term, plus $12,393,750 for the five-year option term, for a combined not-to-exceed amount of $24,787,500, effective April 1, 2023, subject to resolution of protest(s), if any:

A. Discipline 1: Intermediate duration fixed income managers

1.1 LM Capital Group, LLC
1.2 RBC Global Asset Management (U.S.), Inc.
1.3 Chandler Asset Management, Inc.
1.4 US Bancorp Asset Management, Inc.
1.5 Payden & Rygel

B. Discipline 2: Short-term duration fixed income managers

2.1 CSM Advisors, LLC dba CS McKee
2.2 Longfellow Investment Management Co., LLC
2.3 US Bancorp Asset Management, Inc.
2.4 Loop Capital Asset Management
2.5 Payden & Rygel
2.6 RBC Global Asset Management (U.S.), Inc.

Attachments: Attachment A - Procurement Summary
Attachment B - List of Recommended Contractors
Attachment C - DEOD Summary

NON-CONSENT

13. SUBJECT: PROPOSITION C BONDS 2023-0004

RECOMMENDATION

ADOPT a Resolution (Attachment A) that authorizes the issuance and sale of up to $330 million in aggregate principal amount of the Proposition C Sales Tax Revenue Refunding Bonds in one or more series, and the taking of all other actions necessary in connection with the issuance of the refunding bonds.

(REQUIRES SEPARATE, SIMPLE MAJORITY BOARD VOTE)

Attachments: Attachment A - Authorizing Resolution

14. SUBJECT: FISCAL YEAR 2024 BUDGET DEVELOPMENT STATUS UPDATE 2023-0101

RECOMMENDATION

RECEIVE AND FILE the Fiscal Year 2024 (FY24) Budget Development Status Update.

Attachments: Attachment A - Transit Infrastructure Development Project Details
Attachment B - Highway Multimodal Development Project Details
Attachment C - Public Engagement Update

SUBJECT: GENERAL PUBLIC COMMENT 2023-0154

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION

Adjournment

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2023-0030, **File Type:** Informational Report **Agenda Number:** 9.

FINANCE, BUDGET AND AUDIT COMMITTEE
MARCH 15, 2023

SUBJECT: MANAGEMENT AUDIT SERVICES FY 2023 SECOND QUARTER REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the Management Audit Services FY 2023 second-quarter report.

ISSUE

Management Audit Services (MAS) is required to provide a quarterly activity report to Metro's Board of Directors (Board) that presents information on audits that have been completed or are in progress, including information related to audit follow-up activities.

BACKGROUND

It is customary practice for MAS to deliver the quarterly audit report. The FY 2023 second-quarter report covers the period of October 1, 2022, through December 31, 2022.

DISCUSSION

MAS provides audit services in support of Metro's ability to provide responsive, accountable, and trustworthy governance. The department performs internal and external audits. Internal audits evaluate the processes and controls within the agency, while external audits analyze contractors, cities, and/or non-profit organizations that are recipients of Metro funds. The department delivers management audit services through functional groups: Performance Audit; Contract, Financial, and Compliance Audit; and Administration and Policy, which includes audit support functions. Performance Audit is mainly responsible for internal audits related to Operations, Finance and Administration, Planning and Development, Program Management, Information Technology, Communications, Risk, Safety, and Asset Management, including the Chief Executive Office; and other internal areas. Contract, Financial and Compliance Audit is primarily responsible for external audits in Planning, Program Management, and Vendor/Contract Management. MAS' functional units provide assurance to the public that internal processes and programs are being managed efficiently, effectively, economically, ethically, and equitably; and that desired outcomes are being achieved. This assurance is provided by MAS' functional units conducting audits of program effectiveness, economy and efficiency, internal controls, and compliance. Administration and Policy are responsible for administration, financial management, including audit support, audit follow-up, and resolution tracking.

The following summarizes MAS activity for FY 2023 second quarter:

Performance Audits: Two (2) audit projects were completed; six (6) were in progress.

Contract, Financial and Compliance Audits: Six (6) audits with a total value of $35 million were completed; 58 were in progress.

Financial and Compliance Audits of Metro: Eight (8) audits were issued by external Certified Public Accounting (CPA) firms.

Audit Follow-up and Resolution: Six (6) recommendations were closed during the quarter; one (1) recommendation for the Office of the Inspector General (OIG) was closed. Note: MAS performs audit follow-up for the OIG.

The FY 2023 Second Quarter Report is included as Attachment A.

EQUITY PLATFORM

There are no anticipated equity impacts or concerns from audit services conducted during this period.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Management Audit Services FY 2023 Second Quarter Report supports Metro's Vision 2028 Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

NEXT STEPS

Management Audit Services will continue reporting audit activity throughout the fiscal year.

ATTACHMENT

Attachment A - FY 2023 Second Quarter Report

Prepared by: Lauren Choi, Deputy Executive Officer, Administration (Interim), (213) 922-3926
Alfred Rodas, Sr. Director, Audit, (213) 922-4553
Monica Del Toro, Audit Support Manager, (213) 922-7494

Reviewed by: Sharon Gookin, Deputy Chief Executive Officer, (213) 418-3101

Stephanie N. Wiggins
Chief Executive Officer

Quarterly Report to Metro Board of Directors

FY 2023 Second Quarter

Metro

MANAGEMENT AUDIT SERVICES

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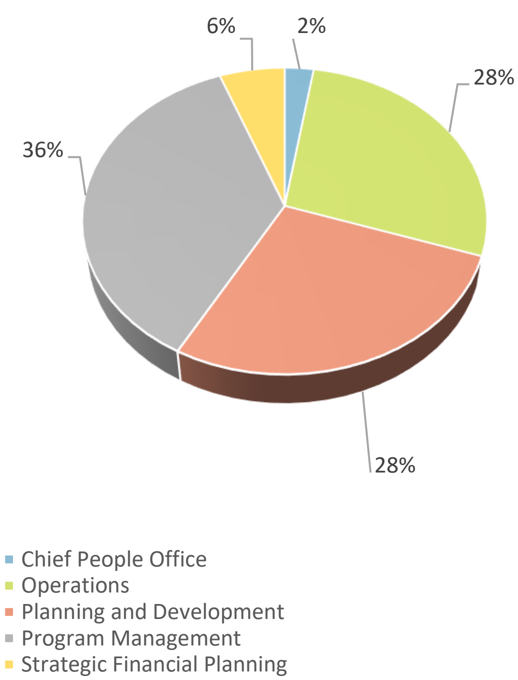
Executive Summary

In Progress Audits
as of December 31, 2022

Summary of Audit Activity by Department
Reporting Period
October 1, 2022 – December 31, 2022



Summary of In Progress Audit Activity

Management Audit Services (MAS) has 64 in progress projects as of December 31, 2022, which include 6 performance audits and 58 contract, financial and compliance audits. The in-progress performance audits are listed in Appendix A.

As of the reporting period, there are 44 open MAS audit recommendations; and 10 open Office of Inspector General (OIG) audit recommendations.

Summary of Third Quarter Completed Audit Activity

MAS completed 16 audit projects and closed 7 open audit recommendations. The projects are comprised of 2 performance audits, 6 contract, financial and compliance audits and 8 financial and compliance audits of Metro.

The completed performance audits are highlighted on page 4. The completed contract, financial and compliance audits are highlighted on page 5. The financial and compliance audits of Metro issued by the external Certified Public Accounting (CPA) firms are highlighted on page 6.

A summary of closed and open audit recommendations is included on page 7.

Performance Audits

This section includes performance audits completed according to Generally Accepted Government Auditing Standards in addition to other types of projects performed by the Performance Audit team to support Metro. The other types of projects may include independent reviews, analysis, or assessments of select areas. The goal of non-audit projects is to provide Metro with other services that help support decision making and promote organizational effectiveness.

Special Review of Central Maintenance Shops (CMS) Manufacturing Process

The objectives of the audit were to determine whether the CMS manufacturing request process is reasonable, efficient (time and cost), complete and whether safety considerations are considered.

MAS found that the CMS manufacturing / Work Request process was substantially documented, with all steps in the manufacturing process performed in a logical order, focused on customer needs and in compliance with applicable laws, regulations and policies. The longest phase in the process was related to determining customer needs, design and any required reviews. The use of modern design tools and manufacturing equipment has generally enabled efficiency in the production process. However, two opportunities to improve design cycle times were noted:

1. Provide complete, detailed instructions to customers for Work Requests.
2. Request budget to create a permanent full-time drafting technician position.

MAS identified two (2) observations and two (2) recommendations. Management concurred with the recommendations.

Cybersecurity follow-up engagement

The objective Ascertain the actions taken by ITS to implement the recommendations from a previously completed cybersecurity assessment.

MAS found that Metro ITS began implementing corrective actions in response to the assessment and continues to refine their corrective approach to improve the agency's cybersecurity posture.

Special Review of Metro Center Project (MCP)

The main objectives of this special review were to determine the factors that contributed to Metro needing to repay back the California State Office of Emergency Services (CalOES) grant funds related to the MCP and confirm that the planned scope for MCP aligns with the scope described in the October 2020 Board Report. In addition, MAS reviewed project management practices, Metro's plan to back fill the funding gap, and internal communication related to timeliness of the MCP grant.

MAS noted the following observations in relation to the factors that contributed to repayment of the CalOES grant funds:

- Formal project management started three years late and did not appear to follow the critical path until the 4½ year mark. Over two years was lost.
- Preliminary engineering could have started three or more years earlier than in 2016. The project could then have approached substantial completion before the onset of COVID.
- Design/build (D/B) procurement could have saved a year with consultation and improved planning to avoid the first-round procurement failure and numerous amendments.
- After the 3½ year iterative D/B procurement phase, completing the project before Proposition 1B California Transit Security Grant Program funds expired was nearly impossible.
- Quarterly Project Status Reports prior to June 2022 were unreliable.

MAS also noted that distribution of Project Status Reports and oral communications to relevant stakeholders were not consistent. However, favorable conditions noted included written communications were adequately documented by Grants Management, local funding was correctly determined to be the only feasible source to fill the funding gap. and no substantial issues were noted with the planned project scope, change orders or appropriate use of grant program funds.

There were 14 recommendations included in the review that address the observations noted above. Management concurred with most of the recommendations. MAS will follow up to ensure implementation of the recommendations.

Contract, Financial & Compliance Audits

MAS staff completed 6 independent auditor's report on agreed-upon procedures for the following projects:

Project	Reviewed Amount	Questioned and/or Reprogrammed Amount
City of Glendale – Sonora Avenue At-Grade Rail Crossing Safety Upgrade Project	$2,665,759	$270,891
Global ASR Consulting - Sustainability Engineering for Water Resources Conservation and Compliance Project	N/A	$0
City of Arcadia – Baldwin Ave and Duarte Rd. Intersection Capacity Improvement Project	$505,374	$486,018
Cogstone Resource Management Inc. – Westside Subway Extension Project Construction Management Support Services	N/A	$0
City of Los Angeles - I-110 / SR-47 and John S. Gibson / NB I-110 Ramp Access Project	$31,838,750	$0
City of Baldwin Park – Metrolink Parking Resource Management Demonstration Project	$436,119	$0
Total Amount	$35,446,002	$756,909

Details on contract, financial and compliance audits completed during FY 2023 second quarter are included in Appendix B.

Financial and Compliance Audits of Metro

The following highlights the financial and compliance audits of Metro completed by the external CPA firms:

Financial and Compliance Audits – Issued Various Dates

MAS contracted with BCA to conduct an audit of the financial statements and Independent Auditor's Report on Schedule of Revenues and Expenditures for the year ended June 30, 2022 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The resulting reports include:

- Gateway Center Financial Statements;
- Los Angeles Union Station Property Financial Statements;
- PTSC-MTA Risk Management Authority (PRMA) Financial Statements;
- ExpressLanes Fund Financial Statements;
- Regional Transit Access Pass (TAP) Service Center TAP Settlement and Clearing Accounts;
- Propositions A & C Schedules of Revenues and Expenditures;
- Measure R Schedule of Revenues and Expenditures; and
- Measure M Schedule of Revenues and Expenditures.

BCA found that above financial statements present fairly, in all material respect, for the fiscal year ended June 30, 2022, in accordance with accounting principles generally accepted in the United States of America. In addition, BCA found that Regional TAP Services Center complied, in all material respects, with the compliance requirements described in the TAP Financial Position Rules that could have a direct and material effect on the Tap Settlement and Clearing Accounts and Metro complied, in all material respects, with the requirements described in the Ordinances that could have a direct and material effect on the Proposition A Proposition C, Measure R and Measure M Revenues and Expenditures for the fiscal year ended June 30, 2022.

The results of the fund audits will be presented to the respective Independent Taxpayer Oversight Committee.

Audit Follow-Up and Resolution

The tables below summarize the open and closed audit recommendations as of December 31, 2022.

MAS and External Audit Recommendations				
Executive Area	**Closed**	**New**	**Currently Open**	**Past Due**
Operations	1		7	10
Program Management	5		1	2
Chief People Office			17	
Planning & Development			1	
Chief Safety Office			6	
Total	6		32	12

OIG Audit Recommendations				
Executive Area	**Closed**	**New**	**Currently Open**	**Past Due**
Operations	1		1	
Chief Safety Office			7	2
Total	1		8	2

Details of open audit recommendations for MAS and OIG are included in Appendix C and D.

Appendix A

Performance Audit - In Progress Audits as of December 31, 2022				
No.	**Area**	**Audit Number & Title**	**Description**	**Estimated Date of Completion**
1	Operations	22-OPS-P01 - Micro Transit Program	Assess Shared Mobility's efforts in managing the Micro Transit Program.	1/2023
2	Program Management	23-CON-P01 Metro Center Project Special Review	Examine the factors that contributed to Metro needing to repay back CalOES grant funds related to the Metro Center Project. In addition, review usage of project grant funds, project communication, program management practices, and confirm the planned scope for the Metro Center Project aligns with the scope described in the October 2020 Board Report.	1/2023
3	Planning & Development	21-PLN-P02 - Real Estate Management System	Determine if prior audit findings and recommendations have been considered as part of the upcoming implementation of the new Real Estate Management System.	4/2023
4	Operations	22-OPS-P03 - OCI Training	Assess the compliance of training records of new Bus Operators and of Operations employees working in Maintenance and Transportation with applicable Federal, State, and technical requirements. In addition, the training records will be assessed for accuracy and completeness.	5/2023
5	Operations	21-SEC-P01 - Business Continuity Plan	Evaluate the adequacy of Rail Operations' Continuity of Operations Plan and Standard Operating Procedures to support Rail Operations' mission essential functions during emergencies.	5/2023
6	Strategic Financial Management	23-VCM-P01 Performance Audit of Contract Price Structures for Professional Services	Assess the process performed by contract administrators and project managers for firm fixed price professional service contracts, payment structures and performance milestones. The audit will include an assessment of the process used to determine the use of firm fixed price professional services contracts.	6/2023

Appendix B

Contract, Financial and Compliance Audit - Audits Completed as of December 31, 2022				
No.	**Area**	**Audit Number & Type**	**Auditee**	**Date Completed**
1	Planning & Development	19-HWY-A10 - Agreed-upon Procedures	City of Glendale	11/2022
2	Program Management	22-CON-A01 - Agreed-upon Procedures	Global ASR Consulting, Inc.	11/2022
3	Planning & Development	22-PLN-A03 - Agreed-upon Procedures	City of Arcadia	12/2022
4	Program Management	20-CON-A04 - Agreed-upon Procedures	Cogstone Resource Mangement, Inc.	12/2022
5	Planning & Development	20-PLN-A52 - Agreed-upon Procedures	City of Los Angeles	12/2022
6	Planning & Development	22-PLN-A05 - Agreed-upon Procedures	City of Baldwin Park	12/2022

Appendix C

Open Audit Recommendations as of December 31, 2022							
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
1	Program Management	18-RSK-P01 - Performance Audit of Vendor / Contract Management's (V/CM's) Continuity of Operations Plan (COOP)	4	We recommend that the Chief Program Management Officer take the lead role in collaborating with all responsible parties, such as V/CM, Project Delivery Third Party Coordination, County Counsel, etc., to establish agreements with utility companies to guarantee service continuity and restoration in emergency situations. **Update: Metro continues to negotiate Essential Use designation with SCE, DWP & CPUC as a basis for utility emergency service agreements.**	3/31/2020	7/31/2023
2	Operations	19-OPS-P02 - Performance Audit of the Rail Communications Systems	3 Total	The recommendations included in this report address findings in Metro's Operational System. **Update: MAS will validate that the 3 remaining corrective actions were addressed during the audit of Rail COOP, slated for completion in May 2023.**	On-going	
3	Operations	19-OPS-P03 - Performance Audit of the SCADA Security Controls	7 Total	The recommendations included in this report address findings in Metro's Operational System. **Update: MAS will validate that the 7 remaining corrective actions were addressed during the audit of Rail COOP, slated for completion in May 2023.**	On-going	
4	Operations	18-AGW-P01-B - Performance Audit of Internal Controls Over Overtime Payments – AFSCME (Transportation Operations)	1	Bus and Rail Transportation management should implement periodic training or retraining for all Transit Operations Supervisors (TOS), Rail Transit Operations Supervisors (RTOS) and first line transportation management concerning the calculation of overtime eligible hours and the proper use of payroll codes. **Update: Training content is nearing completion; work on delivery media is in progress.**	12/31/2021	4/30/2023
5	Operations	18-AGW-P01-B - Performance Audit of Internal Controls Over Overtime Payments – AFSCME (Transportation Operations)	3	Bus Transportation management should provide training to Bus Transportation managers, scheduling staff and TOS on these exceptions to enable proper scheduling and approvals of actual time incurred. **Update: Training will be provided in the month following issuance of the new policy.**	12/31/2021	4/30/2023
6	Operations	18-AGW-P01-B - Performance Audit of Internal Controls Over Overtime Payments – AFSCME (Transportation Operations)	4	Bus and Rail Transportation management should enforce retention of required overtime (OT) related documents for all instances of OT worked, including partial and split shifts. **Update: An on-line overtime request tool to replace paper request forms is now under development, which will permit storage, retention, retrieval and reporting of all overtime requests across the system at any time.**	9/30/2021	4/30/2023
7	Operations	18-AGW-P01-B - Performance Audit of Internal Controls Over Overtime Payments – AFSCME (Transportation Operations)	5	Bus and Rail Transportation management should train and periodically remind all line management, TOS and RTOS of overtime documentation and retention requirements. **Update: The on-line request tool for Recommendation 4 above will resolve this issue.**	9/30/2021	4/30/2023

Any findings that have not been corrected 90 days after the due date are reported as late.

Appendix C

Open Audit Recommendations as of December 31, 2022						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
8	Operations	18-AGW-P01-B - Performance Audit of Internal Controls Over Overtime Payments – AFSCME (Transportation Operations)	6	Bus and Rail Transportation management should require employees to file copies of system overtime request forms for other divisions at their home division. **Update: The on-line request tool for Recommendation 4 above will resolve this issue.**	9/30/2021	4/30/2023
9	Operations	18-AGW-P01-B - Performance Audit of Internal Controls Over Overtime Payments – AFSCME (Transportation Operations)	7	Bus and Rail Transportation management should require employees to bring supporting paperwork back to their home division each time they work at another division. **Update: The on-line request tool for Recommendation 4 above will resolve this issue.**	9/30/2021	4/30/2023
10	Operations	18-AGW-P01-B - Performance Audit of Internal Controls Over Overtime Payments – AFSCME (Transportation Operations)	8	Bus and Rail Transportation management should ensure copies of documentation supporting overtime are retained as required at both divisions when employees transfer permanently from one division to another. **Update: The on-line request tool for Recommendation 4 above will resolve this issue.**	9/30/2021	4/30/2023
11	Program Management	22-CON-P02 - Performance Audit of Program Management Support Services	5b	Metro management should implement the following retroactive corrective action for the leased project vehicles operated by six (6) Metro employees within Program Management: Determine how best to resolve and enforce the commuter mileage (fringe benefit tax) issue retroactively and ensure the required forms are completed and filed, including applicable penalties and interest for Metro and its employees to be in compliance. Any required forms that have not been submitted should be submitted, including 24-Hour Assigned Vehicle & Overnight Use Commuter Mileage Forms, if necessary and amended W-2s. **Update: Completed as of January 2023.**	2/28/2022	
12	Program Management	22-CON-P02 - Performance Audit of Program Management Support Services	5c	Metro management should implement the following retroactive corrective action for the leased project vehicles operated by six (6) Metro employees within Program Management: Determine whether the monthly parking, that should have been paid by the six (6) Metro employees, that was paid through the Contract should be repaid by the employees to Metro. **Update: Completed as of January 2023.**	2/28/2022	

Any findings that have not been corrected 90 days after the due date are reported as late.

Appendix C

Open Audit Recommendations as of December 31, 2022						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
13	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	1	We recommend the Deputy Chief Information Technology Officer require that Information Security management specify the reminder notification requirements (e.g., due date, timing, and frequency of training reminders) via the Metro LMS, when Talent Development management enables the automated notification feature, and establish a formal guideline to escalate reporting for non-compliance with training requirements. **Update: A draft MOU outlining the roles and responsibilities between the various groups within the CPO office is currently being reviewed and will be completed within the extension time frame. The MOU objective is to define ownership of responsibilities for ranking, communicating, tracking, and reporting of the training course**.	8/30/2022	2/28/2023
14	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	2	We recommend the Deputy Chief Information Technology Officer require Information Security management to: a) Determine whether there is a need for information security awareness training to cover necessary policy requirements related to information security; and b) Incorporate any near-term policy updates related to information security in the information security awareness training material.	12/31/2023	
15	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	3	We recommend the Deputy Chief Information Technology Officer require acknowledgement from system users of having received IT policies and standards that are critical to information security and/or evidence of completion of training(s) prior to granting access to Metro's network and system. **Update: ITS has identified the required policies and standards that new hires will be required to read. The plan is to communicate this to all new hires upon their orientation meeting. The communication and details of the orientation are being written and will be completed within the extension time frame.**	12/31/2022	2/28/2023
16	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	4	We recommend that Talent Development Management formally define, document, and communicate the roles and responsibilities related to oversight of mandatory and required trainings, including formalizing the definition of required training.	8/30/2022	3/31/2023
17	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	5	We recommend that Talent Development Management establish a timeframe target with the LMS for resolving the current outstanding technical issues.	8/30/2022	3/31/2023
18	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	6	We recommend that Talent Development Management establish a timeframe target with Human Capital & Development management to enable the automated notification feature.	8/30/2022	3/31/2023

Any findings that have not been corrected 90 days after the due date are reported as late.

Appendix C

Open Audit Recommendations as of December 31, 2022						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
19	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	7	We recommend that the Deputy Chief Information Technology Officer require Information Security management to establish a formal guideline that guides decisions on who should receive information security awareness training and the type of such training method. This guideline should consider the access levels of users, the cost-benefit associated with training different groups of users, and the risks associated with not providing training to particular users. Training and its frequency may be customized and tailored to provide the education and information applicable and necessary to the group of participants.	6/30/2023	
20	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	8	We recommend that the Deputy Chief Information Technology Officer require Information Security management to consult with Metro County Counsel to establish a minimum requirement and/or expectation for consultants related to information security; a) Existing consultants, b) Future consultants.	9/30/2022	3/31/2023
21	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	10	We recommend the Talent Development management formally document the roles and responsibilities of i) Talent Development, and of ii) sponsoring departments when a required training course is developed. This includes, for example, identifying who will be taking the training, who will enroll participants, etc.	9/30/2022	3/31/2023
22	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	11	We recommend the Talent Development management work with the LMS provider to support the training needs for consultants as necessary.	9/30/2022	3/31/2023
23	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	12	We recommend that Talent Acquisition continue working with hiring departments to update the consultant records in the HR database.	7/31/2022	3/31/2023
24	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	13	We recommend that Talent Acquisition clarify and enforce the roles and responsibilities of hiring departments related to notifying Talent Acquisition of changes in consultant’s status (including terminations) in a timely manner.	7/31/2022	3/31/2023
25	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	14	We recommend that Talent Acquisition periodically follow up with hiring departments to confirm the consultants’ status and update, as necessary.	7/31/2022	3/31/2023
26	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	15	We recommend that Talent Acquisition continue working with ITS to implement a system-assisted solution to notify or automate the process.	7/31/2022	3/31/2023
27	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	16	We recommend the Deputy Chief Information Technology Officer require Information Technology Services team to instruct system owners to review, update and/or deactivate the user access lists immediately.	12/31/2024	
28	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	17	We recommend the Deputy Chief Information Technology Officer require Information Technology Services team to clarify and enforce the roles and responsibilities of system owners and data custodians to review and update the access list periodically.	12/31/2024	

Any findings that have not been corrected 90 days after the due date are reported as late.

Appendix C

Open Audit Recommendations as of December 31, 2022						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
29	Chief People Office	20-ITS-P03 - Performance Audit of Information Security Awareness	18	We recommend the Deputy Chief Information Technology Officer require Information Technology Services team to instruct system owners to review, update and/or deactivate the user access lists immediately.	12/31/2024	
30	Planning & Development	21-PLN-P01 - Performance Audit of Micro Mobility Vehicle Pilot Program	1	Parking Management should establish a flat annual license fee that includes access to all rail stations and abolish all other recurring fees.	10/31/2022	1/31/2023
31	Chief Safety Office	21-RSK-P03 - Performance Audit of Transit Asset Inventory Records	1a	We recommend the Deputy RSAM officer periodically review accounting records for acquisitions (at least annually) to update the TAM database and to help ensure completeness. a) Develop a formal process to obtain necessary asset information.	8/31/2023	
32	Chief Safety Office	21-RSK-P03 - Performance Audit of Transit Asset Inventory Records	1ai	We recommend the Deputy RSAM officer periodically review accounting records for acquisitions (at least annually) to update the TAM database and to help ensure completeness. i. Identify responsible departments and define and document their roles and responsibilities to support and/or report asset information to ETAM.	11/30/2022	3/31/2023
33	Chief Safety Office	21-RSK-P03 - Performance Audit of Transit Asset Inventory Records	1aii	We recommend the Deputy RSAM officer periodically review accounting records for acquisitions (at least annually) to update the TAM database and to help ensure completeness. ii. Propose to Accounting a revised Capital Asset Transfer request form to obtain sufficient asset information when assets are acquired and/or placed in service.	8/31/2023	
34	Chief Safety Office	21-RSK-P03 - Performance Audit of Transit Asset Inventory Records	1b	We recommend the Deputy RSAM officer periodically review accounting records for acquisitions (at least annually) to update the TAM database and to help ensure completeness. b) Continue working with the EAMS implementation team to plan, design, develop and implement a system integration/interface to transfer available asset data from the accounting system to the new EAMS.	11/30/2022	12/31/2024
35	Chief Safety Office	21-RSK-P03 - Performance Audit of Transit Asset Inventory Records	2	For existing assets, make use of accounting records to identify all missing assets that should be in the TAM database.	11/30/2022	8/31/2023
36	Chief Safety Office	21-RSK-P03 - Performance Audit of Transit Asset Inventory Records	3	Work with the EAMS implementation team and other functional groups (Accounting, ITS, Operations etc.), who maintain an asset list, to consolidate inventory records in the upcoming EAMS.	11/30/2022	12/31/2024

Any findings that have not been corrected 90 days after the due date are reported as late.

Appendix D

OIG Open Audit Recommendations as of December 31, 2022						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
1	Operations	20-AUD-06 - Review of LA Metro's Freeway Service Patrol (FSP) Program	6	LA Metro FSP should set a target for its Benefit-to-Cost ratio, either in comparison to the statewide average or develop its own annual target. This is especially important as costs are expected to rise over the next several years as insurance and vehicle costs continue to escalate. If such the annual target is not met, it would trigger LA Metro FSP to conduct a deeper evaluation of its program and identify potential strategies to improve the following year's performance.	10/1/2020	7/1/2023
2	Chief Safety Office	22-AUD-02 - Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	2	SSLE should ensure that future contracts include a contract budget that specifies the amount of funds budgeted for each contract year and develop procedures to help ensure that the annual budgets are adhered to.	6/30/2023	
3	Chief Safety Office	22-AUD-02 - Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	3	SSLE should in future contracts, to more effectively control and track the use of contract funds, allocate within the budget a separate reserve amount to be used for special events and enhanced deployments.	6/30/2023	
4	Chief Safety Office	22-AUD-02 - Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	4	SSLE should for future contracts, consider the impact that the use of full-time contracted personnel will have on the use of funds over the life of the contract. In addition, specify within the contract the job classifications, and number of positions within each classification that can be charged to the Metro contract on a full-time basis.	6/30/2023	
5	Chief Safety Office	22-AUD-02 - Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	10	SSLE should for future contracts, work with each contractor to include language in their respective contracts that more thoroughly and clearly define how services will be billed and what costs will be allowed and/or disallowed.	6/30/2023	
6	Chief Safety Office	22-AUD-02 - Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	11	SSLE should continue to work on strengthening controls in the area of monitoring and oversight by addressing the deficiencies cited in areas such as Community Policing and Key Performance Indicators.	Pending	
7	Chief Safety Office	22-AUD-02 - Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	15	SSLE should for required reporting, review with input from the law enforcement agencies, the reports and information currently required to determine if changes are necessary. As part of this review determine if different or additional information would be more beneficial.	Pending	

Appendix D

OIG Open Audit Recommendations as of December 31, 2022						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
8	Chief Safety Office	22-AUD-02 - Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	16	SSLE should with input from the three law enforcement agencies, develop baseline performance levels (targets and goals) for key performance indicators.	10/31/2021	1/31/2022
9	Chief Safety Office	22-AUD-02 - Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	17	SSLE should develop and update annually a written agency-wide Community Policing Plan.	10/31/2021	1/31/2022
10	Chief Safety Office	22-AUD-02 - Audit of Metro Transit Security Services Performance For the Fiscal Year Ended June 30, 2020	20	SSLE should include in future contracts the requirement of wearing body cameras by all contracted law enforcement personnel when policing the Metro System.	6/30/2023	

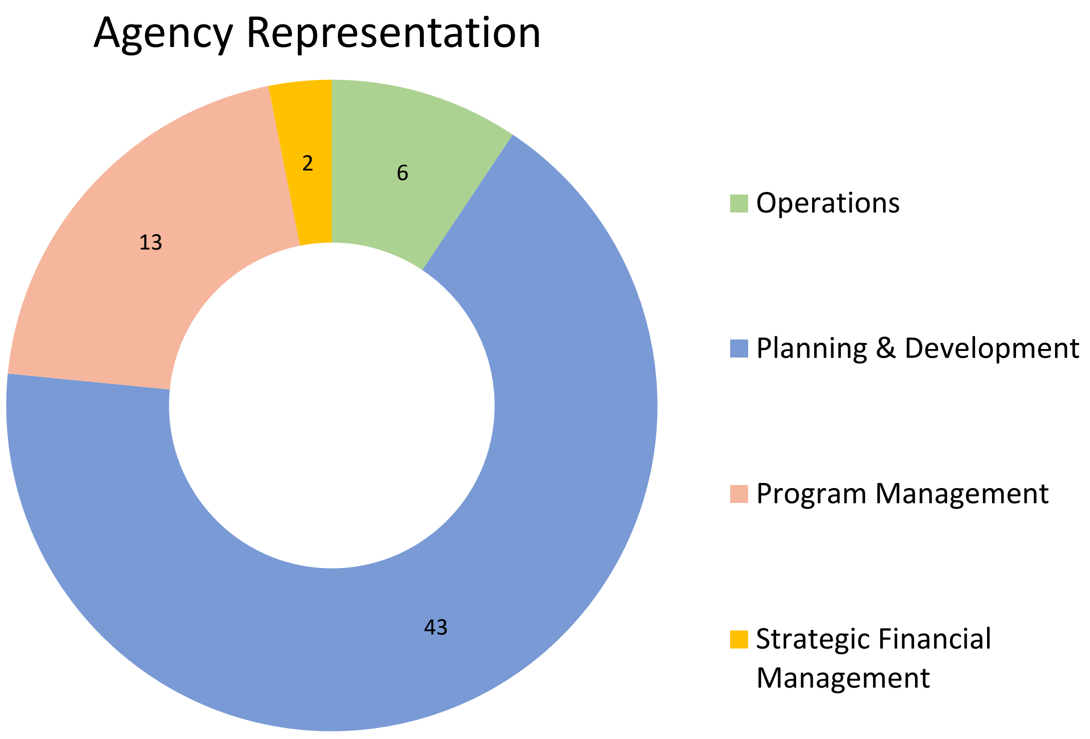
Management Audit Services

FY 2023 Second Quarter Report

Finance, Budget & Audit Committee
March 15, 2023

Metro | MANAGEMENT AUDIT SERVICES

In Progress: MAS Audit Activity



- 6 Performance Audits
- 58 Contract, Financial and Compliance Audits

In Progress: Performance Audits

	Audit Title	Description	Estimated Completion: FY23 Q3 Jan - Mar	Estimated Completion: FY23 Q4 Apr - Jun
1	Micro Transit Program	Assess Shared Mobility's efforts in managing the Micro Transit program	●	
2	Metro Center Project	Examine the factors that contributed to Metro needing to repay back CalOES grant funds related to the Metro Center Project.	●	
3	Real Estate Management System	Determine if prior audit findings and recommendations have been considered as part of the upcoming implementation of the new system.		●
4	OCI Training	Assess the compliance of training records of new Bus Operators and of Operations employees with applicable requirements, completeness and accuracy.		●
5	Business Continuity of Operations Plan (COOP)	Evaluate the adequacy of Rail Operations' COOP and Standard Operating Procedures to support Rail Operations' mission essential functions during emergencies.		●
6	Contract Price Structures	Assess the process performed for firm fixed price professional service contracts.		●

Completed: Special Review of Central Maintenance Shops (CMS) Manufacturing Process

Objective

Determine whether the CMS manufacturing request process is reasonable, efficient (time and cost), complete and whether safety considerations are considered.

Audit Results

MAS found that the CMS manufacturing request process was substantially documented, with all steps in the process performed in a logical order, focused on customer needs and in compliance with applicable laws, regulations and policies.

Findings / Recommendation Themes

Observation 1: Provide complete, detailed instructions to customers for Work Requests.

- Create and attach detailed specific standard instructions to the Work Request form, e.g., blueprint, sample part, etc.

Observation 2: Request budget to create a permanent full-time drafting technician position.

- Request budget for a permanent full-time drafting technician position, so CMS can hire and retain an experienced employee to do the work.

Completed: Special Review of Metro Center Project (MCP)

Objective

The main objectives of this special review were to determine the factors that contributed to Metro needing to repay back the California State Office of Emergency Services (CalOES) grant funds related to the MCP and confirm that the planned scope for MCP aligns with the scope described in the October 2020 Board Report. In addition, MAS reviewed project management practices, Metro's plan to back fill the funding gap, and internal communication related to timeliness of the MCP grant.

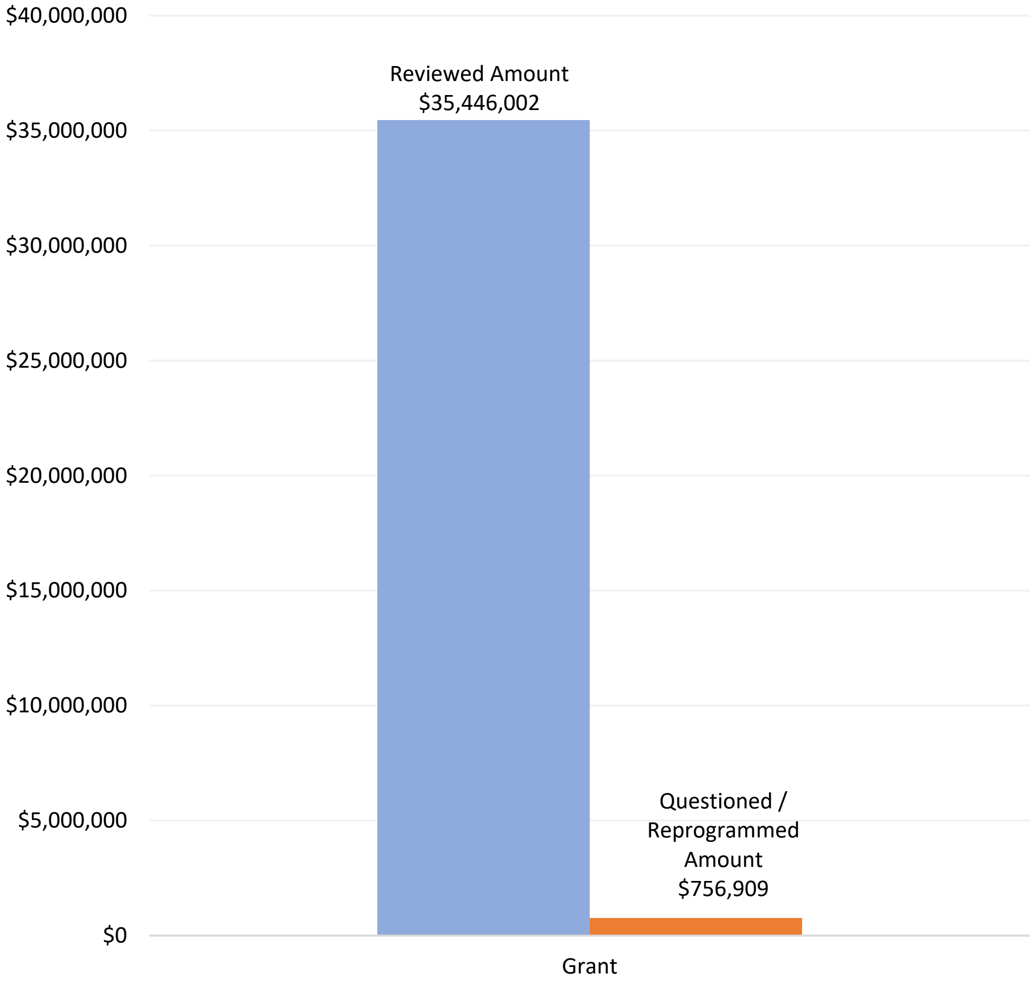
Audit Results

- Formal project management started 3 years late and did not appear to follow the critical path until the 4½ year mark. Over 2 years was lost.
- Preliminary engineering could have started three or more years earlier than in 2016. The project could then have approached substantial completion before COVID hit.
- Design/build (D/B) procurement could have saved a year with consultation and better planning to avoid the first-round procurement failure and many amendments.
- After the 3½ year iterative D/B procurement phase, completing MCP before grants expired was nearly impossible.
- Quarterly Project Status Reports prior to June 2022 were unreliable.

In addition, distribution of Project Status Reports and oral communications to relevant stakeholders were not consistent. However, written communications were adequately documented, local funding was correctly determined to be the only feasible source to fill the funding gap and no substantial issues were noted with the planned project scope, change orders or appropriate use of grant program funds.

There were 14 recommendations included in the review that address the observations noted above. Management concurred with most of the recommendations. MAS will follow up to ensure implementation of the recommendations.

Completed: Contract, Financial & Compliance Audits



- Delivered financial audits that reviewed $35M of funding; and identified $750K (2%) for reprogramming

Thank you

File #: 2023-0048, **File Type:** Policy **Agenda Number:** 10.

FINANCE, BUDGET, AND AUDIT COMMITTEE
MARCH 15, 2023

SUBJECT: INVESTMENT POLICY

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

A. ADOPTING the Investment Policy in Attachment A;

B. APPROVING the Financial Institutions Resolution authorizing financial institutions to honor signatures of LACMTA Officials, Attachment B; and

C. DELEGATING to the Treasurer or his/her designees, the authority to invest funds for a one-year period, pursuant to California Government Code ("Code") Section 53607.

ISSUE

Section 53646 of the Code, requires the Board, on an annual basis and at a public meeting, review and approve the Investment Policy. Section 53607 of the Code, requires the Board to delegate investment authority to the Treasurer on an annual basis.

Section 10.8 of the Investment Policy requires that the Treasurer submit the Financial Institutions Resolutions to the Board annually for approval.

BACKGROUND

Metro's investment policy allows for temporary idle funds to be invested consistent with Board approved investment policy guidelines. The policy is updated on an annual basis and was last updated on February 24, 2022.

DISCUSSION

The Board approves the objectives and guidelines that direct the investment of operating funds. Changes to the Investment Policy have been made to incorporate updates to the California

Government Code. A redlined version of Investment Policy Changes is presented as Attachment A.

Although not required by CA Gov't code, a Staff has also added a restriction against investment in fossil fuel companies, tobacco or tobacco-related companies, and companies in support of the production of weapons, military systems, or nuclear power. Staff incorporated the Socially Responsible restriction to the investment policy for the longer term social and environmental benefits of the local community.

Financial Institutions require Board authorization to establish custody, trustee, and commercial bank accounts. The Financial Institutions resolution is presented as Attachment B. There is no change from last year's resolution.

To streamline this board report, the following reference materials may be found on the Internet:

Current Investment Policy:

<https://cdn.beta.metro.net/wp-content/uploads/2022/05/11132515/2022-Investment-Policy.pdf>

California Government Code: Section 53600 to 53609, Section 53646, Section 53652, Section 16429.1 to 16429.4:

<http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=2.&title=5.&part=1.&chapter=4.&article=1>

DETERMINATION OF SAFETY IMPACT

This Board Action will not have an impact on safety standards for Metro operations.

FINANCIAL IMPACT

The funds required to update the Investment Policy are included in the FY23 budget in cost center 5210 and project number 610340.

Impact to Budget

The sources of funds budgeted to manage assets in accordance with the Investment Policy are Proposition A, Proposition C, Measure R, Measure M and TDA administration funds. These funds are not eligible for bus and rail operating and capital expenses.

EQUITY PLATFORM

This Board Action will not have any equity impacts or concerns. However, the proposed investment policy provides the guidelines for Metro's internally and externally managed investment portfolios and contains socially responsible considerations. Four firms are under contract to invest Metro's external portfolio. Among them, Chandler Asset Management is a small business firm and LM Capital Management is minority owned. The managers must invest in securities that comply with our investment policy and CA Gov't code.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Metro's Investment Policy supports Metro's Vision 2028 Goal#5: Provide responsive, accountable, and trustworthy governance within the Metro Organization.

ALTERNATIVES CONSIDERED

The Investment Policy and California Government Code require an annual review and adoption of the Investment Policy, delegation of investment authority, and approval of the Financial Institutions Resolution. Should the Board elect not to delegate the investment authority annually or approve the policy and resolution, the Board would assume daily responsibility for the investment of working capital funds and for the approval of routine administrative actions.

NEXT STEPS

Upon Board approval, staff shall distribute the Investment Policy to external investment managers and broker-dealers. The Investment Policy and Financial Institutions Resolution will be issued to financial institutions with whom Metro engages.

ATTACHMENTS

Attachment A - Investment Policy-Redline
Attachment B - Financial Institutions Resolution

Prepared by: Jin Yan, Manager, Finance (213) 922-2127
Mary E. Morgan, DEO, Finance, (213) 922-4143

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088

Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A

Los Angeles County Metropolitan Transportation Authority

INVESTMENT POLICY

Approved on ~~February~~ March 2~~4~~3, 202~~2~~3

INVESTMENT POLICY

TABLE OF CONTENTS

1.0 Policy

It is the policy of the Los Angeles County Metropolitan Transportation Authority (LACMTA) to ensure that the temporarily idle funds of the agency are prudently invested to preserve capital and provide necessary liquidity, while maximizing earnings, and conforming to state and local statues governing the investment of public funds.

This investment policy conforms to the California Government Code ("Code") as well as to customary standards of prudent investment management. Investments may only be made as authorized by the Code, Section 53600 et seq., Sections 16429.1 through 16429.4 and this investment policy. Should the provisions of the Code become more restrictive than those contained herein, such provisions will be considered as immediately incorporated in this investment policy. Changes to the Code that are less restrictive than this investment policy may be adopted by the Board of Directors (Board).

2.0 Scope

2.1 This investment policy sets forth the guidelines for the investment of surplus General, Special Revenue, Capital Projects, Enterprise (excluding cash and investments with fiscal agents), Internal Service, and any new fund created by the Board, unless specifically exempted. Excluded from this investment policy are guidelines for the investment of proceeds related to debt financing, defeased lease transactions, Agency (Deferred Compensation, 401K, and Benefit Assessment District), Other Post Employment Benefit (OPEB) Trust funds and Pension Trust Funds.

2.2 Internal and external portfolio managers may be governed by Portfolio Guidelines that may on an individual basis differ from the total fund guidelines outlined herein. The Treasurer is responsible for monitoring and ensuring that the total funds subject to this investment policy remain in compliance with this investment policy, and shall report to the Board regularly on compliance.

3.0 Investment Objectives

3.1 The primary objectives, in priority order, of investment activities shall be:

A. Safety: Safety of principal is the foremost objective of the investment program. The investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The LACMTA shall seek to ensure that capital losses are avoided whether from institutional default, broker-dealer default, or erosion of market value. Diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

B. Liquidity: The investment portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated.

C. Return on Investments: The LACMTA shall manage its funds to maximize the return on investments consistent with the two objectives above, with the goal of exceeding the performance benchmarks (Section 12.0) over a market cycle (typically a three to five year period).

3.2 It is policy to hold investments to maturity. However, a security may be sold prior to its maturity and a capital gain or loss recorded if liquidity needs arise, or in order to improve the quality, or rate of return of the portfolio in response to market conditions and/or LACMTA risk preferences.

Internal and external investment managers shall report such losses to the Treasurer and Chief Financial Officer immediately.

3.3 When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing LACMTA funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent investor acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

3.4 The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with this investment policy, written portfolio guidelines and procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in the quarterly investment report to the Board, and appropriate action is taken to control adverse developments.

4.0 Delegation of Authority

4.1 The Board shall be the trustee of funds received by the LACMTA. In accordance with Code Section 53607, the Board hereby delegates the authority to invest or reinvest the funds, to sell or exchange securities so purchased and to deposit securities for safekeeping to the Treasurer for a one year period, who thereafter assumes full responsibility for such transactions and shall make a monthly report of those transactions to the Board. Subject to review by the Board, the Board may renew the delegation of authority each year.

4.2 The Treasurer shall establish written procedures for the operation of the investment program consistent with this investment policy, including establishment of appropriate written agreements with financial institutions. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. The Treasurer may engage independent investment managers to assist in the investment of its financial assets.

4.3 No person may engage in an investment transaction except as provided under the terms of this investment policy and the procedures established by the Treasurer.

4.4 Officers and employees involved in the investment process shall be governed by the standards regarding ethical behavior and conflicts of interest established in the Los Angeles County Metropolitan Transportation Authority Ethics Policy and annually shall file a Statement of Economic Disclosure with the Ethics Office.

5.0 Permitted Investments

5.1 All funds which are not required for immediate cash expenditures shall be invested in income producing investments or accounts, in conformance with the provisions and restrictions of this investment policy as defined in Section 5.1A and as specifically authorized by the Code, (Sections 53600, et seq.). Securities held by the LACMTA's custodial bank must be in compliance with Section 5.0 Permitted Investments at the time of purchase.

5.2 In order to reduce overall portfolio risk, investments shall be diversified among security type, maturity, issuer and depository institutions. See Section 5.1A for specific concentration limits by type of investment.

A. Percentage limitations where listed are only applicable at the date of purchase.

B. In calculating per issuer concentration limits commercial paper, bankers' acceptances, medium term notes, asset-backed securities, placement service assisted deposits, and negotiable certificates of deposit shall be included; deposits collateralized per Section 7.3 of this investment policy are excluded from this calculation.

C. Credit requirements listed in this investment policy indicate the minimum credit rating (or its equivalent by any nationally recognized statistical rating organization) required at the time of purchase without regard to modifiers (e.g., +/- or 1,2,3), if any.

5.3 Maturities of individual investments shall be diversified to meet the following objectives:

A. Investment maturities will be first and foremost determined by anticipated cash flow requirements.

B. Where this investment policy does not state a maximum maturity in Section 5.1A, no investment instrument shall be purchased which has a stated maturity of more than five years from the date of ~~purchase~~settlement, unless the instrument is specifically approved by the Board or is approved by the Board as part of an investment program and such approval must be granted no less than three months prior to the investment. The Board hereby grants express authority for the purchase of new issue securities with a 5 year stated maturity with extended settlement of up to ~~30~~45 days from date of purchase.

C. The average duration of the externally managed funds subject to this investment policy shall not exceed 150% of the benchmark duration. The weighted average duration of the internal portfolios shall not exceed three (3) years.

5.4 State and local government sponsored Investment Pools and money market mutual funds as authorized by this investment policy are subject to due diligence review prior to investing and on a continual basis as established in Section 5.1A, #11 and #12.

5.5 This investment policy specifically prohibits the investment of any funds subject to this investment policy in the following securities:

A. Derivative securities, defined as any security that derives its value from an underlying instrument, index, or formula, are prohibited. The derivative universe includes, but is not limited to, structured and range notes, securities that could result in zero interest accrual if held to maturity, variable rate, floating rate or inverse floating rate investments, financial futures and options, and mortgage derived interest or principal only strips. Callable or putable securities with no other option features, securities with one interest rate step-up feature, and inflation indexed securities meeting all other requirements of this investment policy are excluded from this prohibition, as are fixed rate mortgage-backed securities and asset-backed securities.

B. Reverse repurchase agreements and securities lending agreements.

Commented [YJ1]: Effective January 1, 2023, California Government Code (Code) Section 53601 will specify that an investment's term or remaining maturity shall be measured from the **settlement** date to final maturity (rather than the commonly interpreted trade date).[1]
It will further specify that the forward settlement date of an investment cannot
exceed 45 days.

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C. Securities of fossil fuel companies, tobacco or tobacco-related companies, and companies in support of the production of weapons, military systems, or nuclear power.

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6.0 Selection of Depository Institutions, Investment Managers and Broker-Dealers

6.1 To minimize the risk to the overall cash and investment portfolio, prudence and due diligence as outlined below shall be exercised with respect to the selection of Financial Institutions in which funds are deposited or invested. The LACMTA's Financial Advisor (FA) will conduct competitive processes to recommend providers of financial services including commercial banking, investment management, investment measurement and custody services.

A. In selecting Depositories pursuant to Code Sections 53630 (et seq.), the credit worthiness, financial stability, and financial history of the institution, as well as the cost and scope of services and interest rates offered shall be considered. No funds will be deposited in an institution unless that institution has an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency. The main depository institutions will be selected on a periodic and timely basis.

B. Deposits which are insured pursuant to federal law by the Federal Deposit Insurance Corporation (FDIC), or the National Credit Union Administration (NCUA) may be excluded from the collateralization requirements of Section 7.3 of this investment policy, at the Treasurer's discretion. A written waiver of securitization shall be executed, provided to the Depository Institution, and kept on file in the Treasury Department.

C. The Treasurer shall seek opportunities to deposit funds with disadvantaged business enterprises, provided that those institutions have met the requirements for safety and reliability and provide terms that are competitive with other institutions.

6.2 In selecting external investment managers and brokers, past performance, stability, financial strength, reputation, area of expertise, and willingness and ability to provide the highest investment return at the lowest cost within the parameters of this investment policy and the Code shall be considered. External investment managers must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor Act of 1940.

6.3 Pursuant to Code Section 53601.5, the LACMTA and its investment managers shall only purchase statutorily authorized investments either from the issuer, from a broker-dealer licensed by the state, as defined in Section 25004 of the Corporations Code, from a member of a federally regulated securities exchange, a national or state-chartered bank, a federal or state association (as defined by Section 5102 of the Financial Code), or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.

A. Internal investment manager will only purchase or sell securities from broker-dealers that are Primary Dealers in U.S. Government Securities or are a direct affiliate of a Primary Dealer. Internal investment manager will only purchase securities from broker-dealers who have returned a signed Receipt of Investment Policy and completed the Broker-Dealer Questionnaire, and have been approved by the Treasurer (see Appendices B and C). A current copy of the Broker-Dealer's financial statements will be kept on file in the Treasury Department. Should market conditions limit access to inventory, the Treasurer may approve executing transactions through non-Primary Dealers who meet all of the criteria listed below:

a. The broker dealer must qualify under Securities Exchange Commission rule 15C3-1 (Uniform Net Capital Rule);

b. Must be licensed by the state as a broker/dealer as defined in Section 25004 of the Corporations Code or a member of a federally registered securities exchange (i.e. FINRA, SEC, MSRB);

c. Have been in operation for more than five years; and

d. Have a minimum annual trading volume of $100 billion in money market instruments or $500 billion in U.S. Treasuries and Agencies.

B. In addition to Primary Dealers in U.S. Government Securities and direct affiliates of a Primary Dealer, external investment managers may purchase or sell securities from non-Primary Dealers qualified under U.S. Securities and Exchange Commission Rule 15C3-1, the Uniform Net Capital Rule, and provided that the dealer is a member of the Financial Industry Regulatory Authority. External investment managers shall submit, at least quarterly, a list of the non-Primary Dealers used during the period.

C. External investment managers must certify in writing that they will purchase securities in compliance with this investment policy, LACMTA Procedures, and applicable State and Federal laws.

6.4 Financial institutions and external investment managers conducting investment transactions with or for LACMTA shall sign a Certification of Understanding. The Certification of Understanding (see Appendix A) states that the entity:

A. Has read and is familiar with the Investment Policy and Guidelines as well as applicable Federal and State Law;

B. Meets the requirements as outlined in this investment policy;

C. Agrees to make every reasonable effort to protect the assets from loss;

D. Agrees to notify the LACMTA in writing of any potential conflicts of interest.

Completed certifications shall be filed in the Treasurer's Office. Failure to submit a Certification of Understanding shall result in the withdrawal of all funds held by that financial institution, or investment manager and/or the rescission of any and all authority to act as an agent to purchase or invest funds.

6.5 All broker-dealers who do business with the LACMTA's internal investment managers shall sign a Receipt of Investment Policy. The Receipt of Investment Policy (see Appendix B) states that the broker dealer:

A. Has received, read, and understands this investment policy;

B. Has communicated the requirements of this investment policy to all personnel who may select investment opportunities for presentation.

Failure to submit a Receipt of Investment Policy shall preclude the LACMTA from purchasing or selling securities from such broker-dealer. Completed receipts shall be filed in the Treasurer's Office.

7.0 Custody and Safekeeping of Securities and LACMTA Funds

7.1 A Master Repurchase Agreement must be signed with the bank or dealer before any securities and collateral for repurchase agreements shall be purchased and maintained for the benefit of the LACMTA in the Trust Department or safekeeping department of a bank as established by a written third party safekeeping agreement between the LACMTA and the bank. Specific collateralization levels are defined in Section 5.1A.

7.2 All investment transactions shall be settled "delivery vs. payment", with the exception of deposits, money market mutual fund investments, and Local Agency Investment Fund or other Local Government Investment Pools. Delivery may be physical, via a nationally recognized securities depository such as the Depository Trust Company, or through the Federal Reserve Book Entry system.

7.3 Funds deposited shall be secured by a Depository in compliance with the requirements of Code Section 53652. Such collateralization shall be designated and agreed to in writing.

8.0 Reports and Communications

8.1 The Treasurer is responsible for ensuring compliance with all applicable Local, State, and Federal laws governing the reporting of investments made with public funds. All investment portfolios will be monitored for compliance. Non-compliance issues will be included in the quarterly Board report as stated in Section 8.3 of this investment policy.

8.2 The Treasurer shall annually submit a statement of investment policy to the Board for approval. The existing approved investment policy will remain in effect until the Board approves the recommended statement of investment policy.

8.3 The Treasurer shall render a quarterly cash, investment, and transaction report to the CEO and Board, and quarterly to the Internal Auditor within ~~30~~45 days following the end of the quarter covered by the report. The report shall include a description of LACMTA's funds, investments, or programs that are under the management of contracted parties, including lending programs. The report shall include as a minimum:

Commented [YJ2]: Section 53646 states that quarterly reports shall be required within 45 days following quarter end (rather than 30 days, as originally stated)

A. Portfolio Holdings by Type of Investment and Issuer

B. Maturity Schedule and Weighted Average Maturity (at market)

C. Weighted Average Yield to Maturity

D. Return on Investments versus Performance Benchmarks on a quarterly basis

E. Par, Book and Market Value of Portfolio for current and prior quarter-end

F. Percentage of the portfolio represented by each investment category

G. Total Interest Earned

H. Total Interest Received

I. A statement of compliance with this investment policy, or notations of non-compliance.

J. At each calendar quarter-end a subsidiary ledger of investments will be submitted with the exception listed in 8.3K.

K. For investments that have been placed in the Local Agency Investment Fund, in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in National Credit Union Administration insured accounts in a credit union, in a county investment pool, or in shares of beneficial interest issued by a diversified management company that invest in the securities and obligations as authorized by this investment policy and the Code, the most recent statement received from these institutions may be used in lieu of the information required in 8.3 J.

L. At each calendar quarter-end the report shall include a statement of the ability to meet expenditure requirements for the next six months.

M. A quarterly gain or loss report on the sale or disposition of securities in the portfolio.

8.4 Internal and external investment managers shall monitor investments and market conditions and report on a regular and timely basis to the Treasurer.

A. Internal and external investment managers shall submit monthly reports to the Treasurer, such reports to include all of the information referenced in Section 8.3, items A-J of this investment policy. Portfolios shall be marked-to-market monthly and the comparison between historical cost (or book value) and market value shall be reported as part of this monthly report.

B. Internal and external investment managers shall monitor the ratings of all investments in their portfolios on a continuous basis and report all credit downgrades of portfolio securities to the Treasurer in writing within 24 hours of the event. If an existing investment's rating drops below the minimum allowed for new investments made pursuant to this investment policy, the investment manager shall also make a written recommendation to the Treasurer as to whether this security should be held or sold.

C. External and internal investment managers shall immediately inform the Treasurer, or the Chief Financial Officer in writing of any major adverse market condition changes and/or major portfolio changes. The Chief Financial Officer or the Treasurer shall immediately inform the Board in writing of any such changes.

D. External investment managers shall notify the LACMTA internal managers daily of all trades promptly, via fax or via email.

E. Internal investment managers will maintain a file of all trades.

9.0 Portfolio Guidelines

Portfolio Guidelines are the operating procedures used to implement this investment policy approved by the Board. The Treasurer may impose additional requirements or constraints within the parameters set by this investment policy.

10.0 Internal Control

10.1 The Treasurer shall establish a system of internal controls designed to prevent losses of public funds arising from fraud, employee or third party error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees or agents. Such internal controls shall be approved by the Chief Financial Officer and shall include authorizations and procedures for investment transactions, custody/safekeeping transactions, opening and dosing accounts, wire transfers, and clearly delineate reporting responsibilities.

10.2 Treasury personnel and LACMTA officials with signature authority shall be bonded to protect against possible embezzlement and malfeasance, or at the option of the governing board self-insured.

10.3 Electronic transfer of funds shall be executed upon the authorization of two official signatories.

10.4 Transaction authority shall be separated from accounting and record keeping responsibilities.

10.5 All investment accounts shall be reconciled monthly with custodian reports and broker confirmations by a party that is independent of the investment management function. Discrepancies shall be brought to the attention of the investment manager, the Treasurer and Deputy Executive Officer, Finance in the Treasury Department, the Controller, and if not resolved promptly, to the Chief Financial Officer.

10.6 The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide independent confirmation of compliance with policies and procedures.

10.7 The Treasurer is responsible for the preparation of the cash flow model. The cash flow model shall be updated monthly based upon the actual and projected cash flow.

Annually, the Treasurer shall notify the external investment managers of the cash flow requirements for the next twelve months. The Treasurer shall monitor actual to maximum maturities within the parameters of this investment policy.

10.8 The Treasurer shall annually submit the Financial Institutions Resolution to the Board for approval. The existing resolution will remain in effect until the Board approves the recommended resolution.

11.0 Purchasing Guidelines

11.1 Investment managers shall purchase and sell securities at the price and execution that is most beneficial to the LACMTA. The liquidity requirements shall be analyzed and an interest rate analysis shall be conducted to determine the optimal investment maturities prior to requesting bids or offers. Investments shall be purchased and sold through a competitive bid/offer process. Bids/offers for securities of comparable maturity, credit and liquidity shall be received from at least three financial institutions, if possible.

11.2 Such competitive bids/offers shall be documented on the investment managers' trade documentation. Supporting documentation from the Wall Street Journal, Bloomberg or other financial information system shall be filed with the trade documentation as evidence of general market prices when the purchase or sale was effected.

12.0 Benchmarks

Internal and external investment managers' performance shall be evaluated against the following agreed upon benchmarks. If the investment manager does not meet its benchmark over a market cycle (3 to 5 years), the Treasurer shall determine and set forth in writing reasons why it is in the best interests of the LACMTA to replace or retain the investment manager.

Portfolio	Investment Benchmarks
Intermediate Duration Portfolios	ICE Bank of America/Merrill Lynch AAA-A 1-5 year Government & Corporate Index (BV10)
Short Duration Portfolios	Three month Treasury

Los Angeles County Metropolitan Transportation Authority Section 5.1A Statement of Investment Policy [a] * The percentage of portfolio authorized is based on market value.			
Investment Type	Maximum Maturity	Maximum Allowable Percentage of Portfolio *	Minimum Quality and Other Requirements
Bonds Issued by the LACMTA	5 years [b]	100%	None
U.S. Treasury notes, bonds, bills or certificates of indebtedness or those for which the full faith and credit of the United States are pledged for payment of principal and interest	5 years [b]	100%	None
Registered state warrants or treasury notes or bonds of the other 49 states in addition to California.	5 years [b]	25%	Such obligations must be rated "A1" or better short term; or "AA" or better long term, by a nationally recognized statistical rating organization
Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California	5 years [b]	25%	Such obligations must be rated "A1" or better short term; or "AA" or better long term, by a nationally recognized statistical rating organization
Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government –sponsored enterprises	5 years [b]	100%	None
Bills of exchanges or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances	180 days	40% [c]	The issuer's short-term debt must have the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization
Commercial paper or "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization	270 days	40% [d]	See Footnote e
Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal savings and loan association, a state or federal credit union, or by a state licensed branch of a foreign bank, or a federally licensed branch of a foreign bank.	5 years [b]	30% [c]	See Footnote f

Placement Service Assisted Deposits	5 years [b]	30% [c]	See Footnote g
Investments in repurchase agreements	90 days	20%	Limited to no more than 90 days. See Footnote h
United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank.	5 years [b]	30% [c]	Maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments shall be rated "AA" or better by a nationally recognized statistical rating organization and shall not exceed 30% of the portfolio.
Medium-term notes issued by corporations organized and operating within the United States, or by depository institutions licensed by the United States or any state and operating within the United States	5 years [b]	30% [d]	Must be rated "A" or better by a nationally recognized statistical rating organization. If rated by more than one rating agency, both ratings must meet the minimum credit standards.
Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission, as authorized by Code Section 53601	Not applicable	20% [c]	See Footnote i
State of California Local Agency Investment fund (LAIF) Code Section 16429.1 through 16429.4 or other Local Government Investment Pool (LGIP) established by public California entities pursuant to Section 53684	Not applicable	Set by LAIF and LGIP	See Footnote j
Asset-backed Securities	5 years [b]	15% combined with mortgage-backed securities	See Footnote k
Mortgage-backed Securities	5 years [b]	15% combined with asset-backed securities	See Footnote l

Footnotes for Section 5.1A Statement of Investment Policy	
a	Sources: California Government Code Sections 16429.1, 53601, 53601.8, 53635 and 53638
b	Maximum maturity of five (5) years unless a longer maturity is approved by Board of Directors, either specifically or as part of an investment program, at least three (3) months prior to the ~~purchase~~settlement. New issue securities with a stated 5 year maturity can be purchased in the primary market with extended settlements of up to ~~30~~45 days from the date of ~~purchase~~settlement.
c	Limited to no more than 10% of the portfolio in any one issuer (i.e. bankers' acceptances, negotiable certificates of deposit, and money market funds)
d	Limited to no more than 10% of the portfolio in the commercial paper and the medium-term notes of any one issuer.
e	Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2): (1) The entity meets the following criteria: Is organized and operating in the United States as a general corporation; Has total assets in excess of five hundred million dollars ($500,000,000); Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization. (2) The entity meets the following criteria: Is organized within the United States as a special purpose corporation, trust, or limited liability company; Has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating organization.
f	The legislative body of the local agency, the treasurer or other official of the local agency having custody of the money are prohibited from investing in negotiable certificates of deposit of a state or federal credit union if a member of the legislative body or any other specified city officer or employee also serves on the board of directors or certain committees of that credit union
g	Investments in placement services assisted deposits is authorized under Sections 53601.8, 53635.8, and 53601 (i) of the California Government Code.
h	Repurchase agreements shall be executed through Primary Broker-Dealers. The repurchase agreement must be covered by a master repurchase agreement. Repurchase agreements shall be collateralized at all times. Collateral shall be limited to obligations of the United States and Federal Agencies with an initial margin of at least 102% of the value of the investment, and shall be in compliance if brought back up to 102% no later than the next business day. Collateral shall be delivered to a third party custodian in all cases. Collateral for term repurchase agreements shall be valued daily by the LACMTA's investment manager (for internal funds) or external investment manager. Investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. The LACMTA shall obtain a first lien and security interest in all collateral
i	

Commented [YJ3]: Effective January 1, 2023, California Government Code (Code) Section 53601 will specify that an investment's term or remaining maturity shall be measured from the **settlement** date to final maturity (rather than the commonly interpreted trade date).[1]
It will further specify that the forward settlement date of an investment cannot
exceed 45 days from the time of investment.

	Companies must have either 1) the highest ranking or the highest letter and numerical rating provided by not less than two of the nationally recognized statistical rating organizations, or (2) retained an investment advisor registered or exempt with the Securities and-Exchange Commission, with no less than five years experience investing in the securities and obligations authorized by California Government Code $53601 a-k inclusive and m-o inclusive and with assets under management in excess of five hundred million dollars ($500,000,000). The purchase price may not include any commissions charged by these companies
j	Maximum investment per individual pool limited to the amount for LAIF as set by the State Treasurer's Office. Limit does not include funds required by law, ordinance, or statute to be invested in pool. Each pool must be evaluated and approved by the Treasurer, as to credit worthiness, security, and conformity to state and local laws. An evaluation should cover, but is not limited to establishing, a description of who may invest in the program, how often, what size deposit and withdrawal; the pool's eligible investment securities, obtaining a written statement of investment policy and objectives, a description of interest calculations and how it is distributed; how gains and losses are treated; a description of how the securities are safeguarded and how often the securities are priced and the program audited. A schedule for receiving statements and portfolio listings. A fee schedule, when and how fees are assessed
k	Limited to senior class securities with stated maturities of no more than 5 years. Further limited to securities rated in a rating category of "AA" or its equivalent or better as provided for by a nationally recognized statistical rating organization. Further limited to fixed rate, publicly offered, generic credit card, automobile receivables, and equipment receivables only. Deal size must be at least $250 million, and tranche size must be at least $25 million
l	Pass-Through securities: Limited to Government Agency or Government Sponsored issuers, fixed rate, stated maturity no more than 5 years. CMOS: Limited to Government Agency or Government Sponsored Issuers and Planned Amortization Classes (PAC) only. Securities eligible for investment under this category shall be rated "AA" or its equivalent or better by a nationally recognized statistical rating organization. The following are prohibited: ARMS, floaters, interest or principal (IOs, POs), Targeted Amortization Classes, companion, subordinated, collateral classes, or zero accrual structures

APPENDIX A

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

CERTIFICATION OF UNDERSTANDING

The Los Angeles County Metropolitan Transportation Authority (LACMTA) Investment Policy as approved by the Board of Directors requires that all Financial Institutions and Investment Managers' conducting investment transactions with or for LACMTA sign a Certification of Understanding acknowledging that:

1. *You have read and are familiar with the LACMTA's Investment Policy as well as applicable Federal and State laws.*
2. *You meet the requirements as outlined in Investment Policy.*
3. *You agree to make every reasonable effort to protect the assets from loss.*
4. *You agree to notify the LACMTA in writing of any potential conflicts of interest.*
5. *You agree to notify the LACMTA in writing of any changes in personnel with decision-making authority over funds within 24 hours of such event.*

Failure to submit a Certification of Understanding shall result in the withdrawal of all funds held by the financial institution or investment manager and the immediate revocation of any rights to act as an agent of the LACMTA for the purchase of securities or investment of funds on behalf of LACMTA.

The Board of Directors is committed to the goals of the Community Reinvestment Act (CRA). As part of the certification process for depository institutions, it is requested that you remit evidence of your most recent CRA rating.

SIGNED: ______________________________________ DATE: __________________
Print Name and Title ____

After reading and signing this Certification of Understanding please return with *any* supporting documentation to:

LACMTA
Treasury Department
Attention: Treasurer
One Gateway Plaza
Los Angeles, CA 90012-2932

LACMTA use only:
Approved: _________ Disapproved: ________ Date: ___________________
Signature: ____
LACMTA Treasurer

APPENDIX B

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

BROKER-DEALER RECEIPT OF INVESTMENT POLICY

We are in receipt of the Los Angeles County Metropolitan Transportation Authority's (LACMTA) Investment Policy.

We have read the policy and understand the provisions and guidelines of the policy. All salespersons covering LACMTA's account will be made aware of this policy and will be directed to give consideration to its provisions and constraints in selecting investment opportunities to present to LACMTA.

Signed________________________ ________________________
Name Name

________________________ ________________________
Title Title

____
Firm Name

________________________ ________________________
Date Date

After reading and signing this Receipt of Investment Policy, please return with supporting documentation to:

LACMTA
Treasury Department
Attention: Treasurer
One Gateway Plaza
Los Angeles, CA 90012-2932

LACMTA use only:
Approved: _________ Disapproved: ________ Date: __________________
Signature: ______________________________________
LACMTA Treasurer

APPENDIX C

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

BROKER/DEALER QUESTIONNAIRE

1. Name of Firm____

2. Address______________________ ________________________
   (Local) (National Headquarters)

   ________________________ ________________________

   ________________________ ________________________

3. Telephone No. (   ) ____________ Telephone No. (   ) ____________
   (Local) (National Headquarters)

4. Primary Representative — Manager/Partner-in-Charge

Primary Representative	Manager/Partner-in-Charge
Name____________________	Name____________________
Title_____________________	Title_____________________
Telephone No.______________	Telephone No.______________
No. of Yrs. in Institutional Sales____	No. of Yrs. in Institutional Sales_____
Number of Years with Firm_______	Number of Years with Firm________

5. Are you a Primary Dealer in U.S. Government Securities? [ ] YES [ ] NO

   If NO, Is the parent company or its subsidiary a Primary Dealer in U.S. Government Securities? Provide proof of certification.
   [ ] YES [ ] NO

   Please explain your firm's relationship to the Primary Dealer below:
   ____

   Please provide proof certification from the National Association of Securities Dealer.

6. Are you a Broker instead of Dealer, i.e., you <u>DO NOT</u> own positions of Securities?
   [ ] YES [ ] NO

7. What is the net capitalization of your Firm? ________________________

8. What is the date of your Firm's fiscal year-end? ______________________

9. Is your Firm owned by a Holding Company? If so, what is its name and net capitalization? ____

10. Please provide your Wiring and Delivery Instructions. ____

11. Which of the following instruments are offered regularly by your local desk?

    [ ] T-Bills [ ] Treasury Notes/Bonds [ ] Discount Notes [ ] NCD's
    [ ] Agencies (specify) ____________ ______________ __________
    [ ] BA's (Domestic) [ ] BA's (Foreign) [ ] Commercial Paper
    [ ] Med-Term Notes [ ] Repurchase Agreements

12. Does your Firm specialize in any of the instruments listed above? ____

13. Please identify your comparable government agency clients in the LACMTA's geographical area.

Entity	Contact Person	Telephone No.	Client Since

14. What reports, confirmations, and other documentation would LACMTA receive? Please include samples of research reports or market information that your firm regularly provides to government agency clients.

15. What precautions are taken by your Firm to protect the interests of the public when dealing with government agencies as investors?
    ____
    ____

16. Have you or your Firm been censored, sanctioned or disciplined by a Regulatory State or Federal Agency for improper or fraudulent activities, related to the sale of securities within the past five years? [ ] YES [ ] NO

17. If yes, please explain ____

18. Please provide your most recent audited financial statements within 120 days of your fiscal year-end.

19. Please indicate the current licenses of the LACMTA representatives:

Agent: _______________ License or registration: _________________

APPENDIX D

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

INVESTMENT POLICY GLOSSARY

ASKED: The price at which securities are offered from a seller.

BANKERS' ACCEPTANCE (BA): Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (or issuer - the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BID: The price offered by a buyer of securities.

BOOK VALUE: The original cost of the investment, plus accrued interest and amortization of any premium or discount.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable (marketable or transferable).

COLLATERAL: Securities, evidence of deposit, or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public moneys.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities at a discount. Commercial paper is negotiable, although it is typically held to maturity. The maximum maturity is 270 days, with most CP issued for terms of less than 30 days.

CUSTODY or SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: Delivery of securities with a simultaneous exchange of money for the securities.

FEDERAL AGENCIES AND U.S. GOVERNMENT SPONSORED ENTERPRISES (AGENCIES): U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). They include:

- Federal Home Loan Banks (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
- Federal National Mortgage Association (FNMA or "Fannie Mae")
- Federal Farm Credit Banks (FFCB)
- Tennessee Valley Authority (TVA)

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase/reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM NOTES (MTN): Interest bearing, continuously offered debt, issued in the 9 month to ten year maturity range. Deposit notes, like Certificates of Deposit, actually represent an interest bearing deposit at a bank or other depository institution.

OFFER: The price asked by a seller of securities.

PAR VALUE: The face value, or principal amount payable at maturity.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York, and are subject to its informal oversight.

QUALIFIED INSTITUTIONAL BUYER (QIB); Defined in SEC 144A as a class of investors that can be conclusively assumed to be sophisticated and in little need of the protection afforded by the Securities Act's Registration Provisions. They must own and invest on a discretionary basis at least 100 million in securities of issuers that are not affiliated with such a qualified institutional buyer. This includes any institutional investors included in the accredited investor definition, provided they satisfy the $100 million threshold.

REPURCHASE AGREEMENT (RP OR REPO): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, whereby the security "buyer" in effect lends the "seller" money for the period of the agreement, and the difference between the purchase price and sale price determining the earnings. Dealers use RP extensively to finance their positions.

SECURITIES & EXCHANGE COMMISSION (SEC): An agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY NOTES AND BONDS: Long-term U.S. Treasury securities having initial maturities of 2 to 30 years.

YIELD: The rate of annual income return on an investment, expressed as a percentage.

YIELD TO MATURITY (YTM): The rate of return earned on an investment considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.

ATTACHEMENT B

FINANCIAL INSTITUTIONS RESOLUTION

RESOLVED, that any financial institutions, including all banks and their correspondent banks doing business with the Los Angeles County Metropolitan Transportation Authority (LACMTA), are hereby authorized, requested and directed to honor all checks, drafts, wires, or other orders for payment of money drawn in the LACMTA's name on its account(s) (including those drawn on the individual order of any person or persons whose names appear thereon as a signer or signers thereof) when bearing the original and/or facsimile signature of the Chair; Chief Executive Officer; Chief Financial Officer; Treasurer; Deputy Executive Officer, Finance in Treasury Department; or Assistant Treasurer (collectively, LACMTA Officials). LACMTA Officials are the only representatives empowered to open, close or authorize changes to accounts on behalf of LACMTA. LACMTA Officials may designate individuals as Official Signatories for financial accounts. The duties of Official Signatories shall be limited to check signing, wire or fund transfers, balance reporting and/or monitoring of bank processes.

And, those financial institutions, including correspondent banks, currently doing business with LACMTA shall be entitled to honor and charge LACMTA for all such checks, drafts, wires, or other orders for the payment of money, regardless of by whom or by what means when the actual or facsimile signature or signatures resemble the specimens filed with those financial institutions by the Secretary or other officer of LACMTA.

CERTIFICATION

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

Dated: _____________ ___________________________

Board Clerk

(SEAL)

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2023-0098, **File Type:** Informational Report **Agenda Number:** 11.

FINANCE, BUDGET AND AUDIT COMMITTEE
MARCH 15, 2023

SUBJECT: ACCESS SERVICES - QUARTERLY UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on Access Services - ADA Paratransit.

ISSUE

This is a quarterly update on Access Services (Access).

BACKGROUND

Access is the Los Angeles County transit agency that provides paratransit services on behalf of Metro and 45 other fixed route operators, as mandated by the Americans with Disabilities Act (ADA). Eligibility for Access is based on a person's ability to utilize accessible fixed-route buses and trains in Los Angeles County; Access currently has 104,000 registered riders. Access' paratransit service is a next-day, shared-ride, curb-to-curb service with additional assistance available to qualified individuals. The service is operated by six contractors in the following regions: Eastern, Southern, West Central, Northern, Santa Clarita, and Antelope Valley. Access provides service to customers traveling between locations within 3/4 of a mile of local bus routes and rail lines. Customers call Access service providers directly to make trip reservations or can book trips online.

DISCUSSION

Service Restoration

- **Qualified drivers/key personnel**: Labor shortages continue to ease due to increased wages and social media marketing efforts, which have brought in 8 new hires in the last few months. In December 2022, Access' contractors added 87 new drivers (56 employee drivers, 23 taxi drivers, and 8 drivers from SilverRide, a new Transportation Network Company (TNC) service specializing in seniors' trips. At the end of December 2022, Access had 1,493 certified drivers, which was 81 drivers short of the target.

- **Continuing shortages of taxi subcontractor capacity:** Access continues to face challenges with taxicab shortages, with only 32 percent of Access' trips currently being serviced by taxicabs compared to 50 percent pre-pandemic. Access staff continues to engage with its contractors and the taxicab industry to determine what additional incentives could be used to attract additional taxi capacity. In addition, Access' Board recently approved a pilot project to allow Access' contractors to use TNCs, like Uber, or non-Access certified taxis, for a small portion of their daily trips. The proposed pilot concept would require riders to opt-in to the program via the Access website and give their consent to receive trips on TNCs or non-certified taxis. This pilot program will run for two years and be monitored every month.

- **Continuing shortages of replacement vehicles:** While supply chain issues continue to delay the procurement of accessible paratransit vehicles, 13 vehicles will be delivered by mid-March, with an additional 72 expected to be received by the end of the year. In addition, Access is currently testing a Ford Transit van prototype as an additional procurement option.

FY23 Operational Performance

Through December 2022, Access provided 1.4 million passenger trips. This is about 81 percent of the trips provided during the same pre-pandemic period in 2019.

Despite the challenges outlined above, particularly the shortage of taxicab operators, Access is meeting or is close to meeting its service standards for the fiscal year. On-time performance, while slightly below standard for the year, has improved over the prior year, and staff will be monitoring its contractors to meet standards.

Attachment A has the Key Performance Indicators (KPIs) established to ensure equitable service levels are provided throughout all regions of Los Angeles County. For more detailed information on Access' overall system statistics by service region, please see Access' monthly Board Box report at <http://accessla.org/about_us/publications.html>.

Other Operational Initiatives - Update

Electric Paratransit Vehicle Pilot Program: Access has identified the large Ram ProMaster as the most suitable platform for conversion to an accessible electric vehicle. A prototype revenue passenger vehicle has been shipped for quality/safety testing, and Access staff anticipates it should be available to procure in June 2023.

Antelope Valley Operations and Maintenance Facility: One of the main goals of Access' recently adopted 2022-2026 Strategic Plan is the development of Access-owned or controlled paratransit operations and maintenance facilities. In November, the Access Board approved the purchase of land in Lancaster, CA for developing and constructing a paratransit operations and maintenance facility.

Other Community Initiatives - Update

Community Meeting: Access held a virtual community meeting on February 25 for its riders countywide to provide an update on operations and information technology. The meeting included a presentation about how to get involved with Access' Community Advisory Committee, and staff was present to answer riders' questions about the service.

Parents with Disabilities (PWD) Program: Access' PWD program hit a milestone in December 2022, recording its 10,000th trip since service began countywide. The PWD program was launched in August 2021 at the start of the school year to assist Access customers - who are also parents - get their children to and from school and related activities safely and on time.

FY23 Customer Survey: The digital survey was sent to all active Access customers in January 2023 and will be followed by telephone calls. The survey aims to gather more information about the different transportation options available to people with disabilities in Los Angeles County and how frequently they are used. The survey results will give Access better insight into customer transportation needs, identify transportation gaps, and assist Access in planning for future ridership demand. Results will be available in the summer of FY23.

Working with Community Partners: Access continues to consult on a variety of issues with its community and public agency partners, including its own Community Advisory Committee (CAC), the Aging and Disability Transportation Network (ADTN), the Los Angeles City and County Commissions on Disabilities (LACCOD), Rancho Los Amigos National Rehabilitation Center, and various Metro departments. The CAC, for example, has formed several subcommittees, assisted by Access staff, that are identifying improvements on how to educate riders about policies and procedures, as well as providing recommendations on changes to Access' policies.

EQUITY PLATFORM

By federal mandate, Access exclusively serves people with disabilities. Most recently, Access analyzed its service area map to determine the percentage of riders served in Equity Focus Communities (EFCs). From January 1, 2022, through December 31, 2022, about 46.7 percent of all trips taken by 30,873 Access riders were picked up in EFCs. The previously mentioned FY23 customer survey will help Access better understand the transportation needs of its riders in EFCs and how it can better serve them by identifying transportation gaps.

Access is also analyzing the equity impacts of the recent fixed-route service changes, mainly from Metro's NextGen plan, on its service area. The ADA mandates that paratransit services must be provided up to ¾ of a mile from a fixed-route bus or rail line. Thus, paratransit service areas can grow or shrink based on the fixed-route footprint. Staff will present the impacts of fixed-route changes to its advisory committees and Board and determine next steps within the next few months.

On a semi-annual basis, Access conducts countywide community meetings to allow all customers and stakeholders to receive information about Access and ask staff direct questions about their service experience. Closed captioning, language translation services, braille, and large print materials are available upon request to ensure that all customers throughout Los Angeles County can participate. The next community meeting is planned for February 25, 2023.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Goal 2: Deliver outstanding trip experiences for all users of the transportation system
Goal 3: Enhance communities and lives through mobility and access to opportunity

NEXT STEPS

Access is working on the following:

- Releasing a Request for Proposals (RFP) for its Eastern (San Gabriel Valley) service region
- Implementing Access' Public Transportation Agency Safety Plan (PTASP), which will integrate the FTA's mandate of implementing Safety Management Systems within all transit operations
- Seeking grant funding for Access-owned operations and maintenance facilities and its electric vehicle pilot project
- Developing the FY24 budget request
- Reporting on Community Meetings and Customer Survey results

Moving forward the quarterly updates will be provided on a semi-annual basis.

ATTACHMENT

Attachment A - Access Services Key Performance Indicators

Prepared by: Fayma Ishaq, Accessibility Program Manager, 213-922-4925

Giovanna Gogreve, Sr. Manager, Transportation Planning, 213-922-2835

Reviewed by: Nalini Ahuja, Chief Financial Officer, 213-922-3088

Stephanie N. Wiggins
Chief Executive Officer

Attachment A

Access Services Key Performance Indicators

A comparison summary of the main KPIs is provided below:

Key Performance Indicators	**Standard**	**FY22**	**FY23 YTD***
On Time Performance	≥ 91%	89.8%	90.8%
Excessively Late Trips	≤ 0.10%	0.14%	**0.06%**
Excessively Long Trips	≤ 5.0%	3.6%	**4%**
Missed Trips	≤ 0.75%	0.59%	**0.48%**
Denials	0	6	2
Access to Work On Time Performance	≥ 94%	95.8%	**95.5%**
Average Hold Time (Reservations)	≤ 120	66	**65**
Calls On Hold > 5 Min (Reservations)	≤ 5%	3.2%	**2.5%**
Calls On Hold > 5 Min (ETA)	≤ 10%	2.8%	**2.1%**
Complaints Per 1,000 Trips	≤ 4.0	3.2	**3.1**
Preventable Incidents per 100,000 miles	≤ 0.25	0.20	**0.22**
Preventable Collisions per 100,000 miles	≤ 0.75	0.74	0.82
Miles Between Road Calls	≥ 25,000	58,746	**54,507**

*Statistical data through December 31, 2022

Access Services Quarterly Update
Finance, Budget & Audit Committee

March 2023

Metro

Recovering from the COVID-19 Pandemic

- Staff shortages improving compared to FY22
  - Nearly 1,500 drivers in system
  - 81 drivers needed

- Taxi subcontractor usage at 32% vs normal 50%
  - Working with taxi industry and TNCs

- Fleet replacement schedule still impacted due to global supply chain issues
  - 85 vehicle deliveries expected
  - Looking at Ford Transit option

Key Performance Goals

Key Performance Indicators	Standard	FY22	FY23 YTD*
On Time Performance	≥ 91%	89.8%	90.8%
Excessively Late Trips	≤ 0.10%	0.14%	**0.06%**
Excessively Long Trips	≤ 5.0%	3.6%	**4.0%**
Missed Trips	≤ 0.75%	0.59%	**0.48%**
Denials	0	6	2
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Average Hold Time (Reservations)	≤ 120	66	**65**
Calls On Hold > 5 Min (Reservations)	≤ 5%	3.2%	**2.5%**
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Complaints Per 1,000 Trips	≤ 4.0	3.2	**3.1**
Preventable Incidents per 100,000 miles	≤ 0.25	0.20	**0.22**
Preventable Collisions per 100,000 miles	≤ 0.75	0.74	0.82
Miles Between Road Calls	≥ 25,000	58,746	**54,507**

* Statistical data through December 2022

Operational Initiatives

- Electric Paratransit Vehicles
  - Large Ram ProMaster has been tentatively selected
- Antelope Valley Operations and Maintenance Facility
  - Strategic Plan goal of developing Access-owned or controlled paratransit operations and maintenance facilities for Access' service regions

Working with the Community

- Community Meeting
  - Virtual meeting on February 25
- Customer Survey
  - In process to review different transportation mode options to identify needs, gaps, and future planning
- Parents with Disabilities Program Update
  - Hit a milestone in December 2022 recording its 10,000th trip since service started countywide in August of 2021

Agency Update/Next Steps

- Releasing Request for Proposals (RFP) for Eastern (San Gabriel Valley) service region
- Implementing Access' Public Transportation Agency Safety Plan (PTASP) which will integrate the FTA's mandate of implementing Safety Management Systems within all transit operations
- Seeking grant funding for Access-owned operations and maintenance facilities and its electric vehicle pilot project
- Developing the FY24 budget request
- Reporting on Community Meeting and Customer Survey results

Q & A

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2023-0054, **File Type:** Contract **Agenda Number:** 12.

FINANCE, BUDGET, AND AUDIT COMMITTEE
MARCH 15, 2023

SUBJECT: INVESTMENT MANAGEMENT SERVICES BENCH

ACTION: AWARD CONTRACTS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award ten- (10) year bench Contract Nos. PS45150000 through PS45150007, for investment management services, to the firms listed below, for a total not-to-exceed amount of $12,393,750 for the initial five-year base term, plus $12,393,750 for the five-year option term, for a combined not-to-exceed amount of $24,787,500, effective April 1, 2023, subject to resolution of protest(s), if any:

A. Discipline 1: Intermediate duration fixed income managers

1.1 LM Capital Group, LLC
1.2 RBC Global Asset Management (U.S.), Inc.
1.3 Chandler Asset Management, Inc.
1.4 US Bancorp Asset Management, Inc.
1.5 Payden & Rygel

B. Discipline 2: Short-term duration fixed income managers

2.1 CSM Advisors, LLC dba CS McKee
2.2 Longfellow Investment Management Co., LLC
2.3 US Bancorp Asset Management, Inc.
2.4 Loop Capital Asset Management
2.5 Payden & Rygel
2.6 RBC Global Asset Management (U.S.), Inc.

ISSUE

The Los Angeles County Metropolitan Transportation Authority's (Metro) Investment Policy requires that temporarily idle funds of the agency be prudently invested to preserve capital and provide necessary liquidity while maximizing earnings. Metro hires external investment managers to obtain full time professional expertise in the field of fixed income at a reasonable cost. The external managers invest part of the operating portfolio in longer term maturities that increase diversification, improve risk management, and enhance performance.

BACKGROUND

Operating funds are the pool of excess working capital used to fund expenses such as salaries, capital project expenditures, fuel and supplies, contract, and professional services.

The current investment management services contracts with LM Capital, a minority owned business, RBC Global Asset Management, US Bancorp, and Chandler Asset Management, a California certified small business, are due to expire on
March 31, 2023. New contracts for investment management services to be in place prior to that expiration date is preferred.

DISCUSSION

Currently, internal staff manages a separate three to six-month short-term cash portfolio to meet daily liquidity requirements. The external intermediate term portfolio managers currently invest a portion of the operating fund balance to take advantage of higher yields typically available on longer maturities. The new external short term portfolio managers will invest a portion of the operating fund balance in short to medium term maturities and provide additional liquidity when needed.

Four investment styles that are used to add value to bond portfolios: duration management, sector weighting, issuer selection and yield curve management, were selected to complement the portfolio and to reduce risk through diversification.

The investment style of duration management is a strategy which balances the trade-offs of the higher income often generated by longer maturities with the volatility/downside risk in a rising interest rate environment. Duration as it pertains to fixed income securities is the weighted average of the time until fixed cash flows are received. Shortening the duration reduces the time to receive cash flows while increasing the duration lengthens the time to receive these cash flows. In general, the shorter the duration, the lesser the portfolio is exposed to interest rate volatility.

The investment style of sector weighting is a strategy of allocating funds to asset categories (i.e., Agencies, Corporate Notes, Treasuries, Commercial Paper, etc.) poised to provide the best risk/reward profile. As market conditions change, the allocations in various sector categories are adjusted to provide the best risk/reward trade-offs.

Issuer selection is an investment style that focuses on the underlying characteristics of the fixed income security (bond issuer). This style takes into consideration the many factors (i.e., credit rating, balance sheet strength, revenue stream, etc.) and price in deciding whether the fixed income investment has potential and should be included in the portfolio.

The investment style of yield curve management strives to maximize portfolio values by utilizing the shape of the yield curve and minimizing adverse impacts to the portfolio when interest rates change.

Firms utilizing this style employ strong macro-economic research and focus on determining interest rate trends.

The initial portfolio size, account contributions, and withdrawals will be determined by Metro's liquidity needs, market conditions and the investment manager's performance relative to their benchmark. Staff reviews and discusses performance and compliance matters with the external managers during quarterly meetings, or as necessary.

Four of the five firms recommended for Discipline 1: intermediate duration fixed income managers are Metro's current external managers, who were selected through a competitive process in late 2017 and currently manage $1.3 billion, or 42% of the total operating fund portfolio as of December 31, 2022. For the contract period, the managers outperformed the benchmark overall and earned $81 million in interest income during the same period. The portfolios are managed in accordance with the guidelines in the Investment Policy approved by the Board on February 24, 2022.
With this procurement, Metro added Discipline 2 with the intention of creating more opportunities for small, minority owned and women-owned businesses. This short term discipline required different minimum qualifications than Discipline 1 including lower thresholds for assets under management and minimum years of experience with CA Gov't code. Six firms are recommended under this new discipline including three minority owned, women owned or employee-owned businesses.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not have an impact on safety standards for Metro operations.

FINANCIAL IMPACT

Total proposed fees of $24,787,500 over the ten-year bench contract period are based on a fixed rate applied to estimated average assets under management of $3.9 billion, assuming growth in the portfolio over time.

Funding of $1.8 million for this service in FY24 is included in the budget under 50316- Service Professional and Tech Services in cost center 5210 Treasury Department. The funds are divided among three projects: 4% to Project 100002, Task 30.02; 43% to Project 300076, Task 30.02; and 53% to Project 610340, Task 30.02. This multi-year will be managed by the Treasury Department Manager, Finance and DEO, Finance; the Treasurer will be accountable for budgeting the cost in future years.

EQUITY PLATFORM

Discipline 2 was added to the operating portfolio with the intention of creating more opportunities for small minority owned, and women owned businesses. This short-term discipline required different minimum qualifications than Discipline 1 including lower thresholds for assets under management and minimum years of experience with CA Gov't code. Six firms are recommended under this new discipline including three minority owned, women owned or employee-owned firms. Five firms are recommended under Discipline 1 including three small, minority owned, and minority/ woman owned business.

Treasury staff conducted extensive outreach and thorough research through the State of California's Small Business firm listings, Los Angeles County Local Community banks, Treasury's financial advisors' database, and Metro's own certified small business enterprises (SBE) and compiled a list of 122 firms. The list includes 52 SBE firms, 32 Disadvantaged Business Enterprises (DBE), seven Minority Business Enterprises/Women-Owned Business Enterprises (MBE&WBE), and 27 Los Angeles County local community banks. RFP notifications were sent to all 122 firms.

A total of 31 proposals were received, including one non-Metro certified SBE firm and five MBE&WBE firms.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Metro's Investment Policy supports Metro's Vision 2028 Goal#5: Provide responsive, accountable, and trustworthy governance within the Metro Organization.

ALTERNATIVES CONSIDERED

The Board could elect not to select any external investment managers and rely solely upon staff to invest the operating funds. This alternative is not recommended because the depth of resources of each investment firm enables them to identify and analyze the opportunities and risks associated with a more diversified investment portfolio. The external firms provide broader issuer coverage across permitted asset categories, professional portfolio diversification, duration, and risk management.

NEXT STEPS

Upon Board approval, staff will execute the bench contracts for investment management services, effective April 1, 2023.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - List of Recommended Contractors
Attachment C - DEOD Summary

Prepared by: Jin Yan, Manager Finance, (213) 922-2127
Mary E. Morgan, DEO Finance, (213) 922-4143
Debra Avila, Chief Vendor/Contract Management Officer (213) 418-3051

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922 3088

Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A

PROCUREMENT SUMMARY

INVESTMENT MANAGEMENT SERVICES BENCH/PS45150000 - PS45150007

1.	**Contract Number**: PS45150000 through PS45150007	
2.	**Recommended Vendors**: See Attachment B	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: October 27, 2022	
	B. Advertised/Publicized: October 26, 2022 and October 27, 2022	
	C. Pre-Proposal Conference: November 9, 2022	
	D. Proposals Due: December 7, 2022	
	E. Pre-Qualification Completed: February 7, 2023	
	F. Conflict of Interest Forms Submitted to Ethics: December 16, 2022	
	G. Protest Period End Date: March 20, 2023	
5.	**Solicitations Picked up/Downloaded**: 69	**Bids/Proposals Received**: 31
6.	**Contract Administrator**: Shannon Thoene	**Telephone Number**: (213) 922-2790
7.	**Project Manager**: Jin Yan	**Telephone Number**: (213) 922-2127

A. Procurement Background

This Board Action is to establish multiple-award investment management services bench contracts for a ten-year term inclusive of a five-year base term and a five-year option term. Investment cycles are generally five (5) years which is needed for the managers to ride the waves of market fluctuations. The contracts shall be effective April 1, 2023, with a cumulative total amount not-to-exceed $24,787,500. The Bench is intended to provide investment management services to ensure that the temporarily idle funds of the agency are prudently invested to preserve capital and provide liquidity, while maximizing earnings. Board approval of contract award is subject to the resolution of any properly submitted protest.

Work under the bench contracts shall be ordered through the issuance of task orders. Contractors will be assigned an investment portfolio according to the discipline types they are authorized to manage. The two disciplines are: Intermediate Duration Fixed Income Managers and Short-term Duration Fixed Income Managers. Metro, at its sole discretion, will determine, on a fair and reasonable basis, the distribution of funds to invest.

On October 27, 2022, Request for Proposals (RFP) No. PS45150 was issued as a competitive procurement in accordance with Metro's Acquisition Policy and the contract type is indefinite-delivery/indefinite-quantity.

A virtual pre-proposal conference was held on November 9, 2022. Seventy-six (76) questions were received, and Metro provided responses prior to the proposal due date.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on November 28, 2022, extended the proposal due date; revised the submittal requirements; updated the Investment Manager Data spreadsheet and schedule of quantities and prices; and clarified the inclusion of the investment manager data spreadsheet into Volume I, Technical Proposal.
- Amendment No. 2, issued on November 30, 2022, revised Article V. Compensation and Payment and updated LOI-01 Notice and Invitation.

A total of 69 firms downloaded the RFP and were included on Metro's planholders' list. A total of 31 proposals were received from 19 firms by the due date of December 7, 2022, and are listed below in alphabetical order:

Discipline 1: Intermediate Duration Fixed Income Managers

1. Allspring Global Investments, LLC
2. Chandler Asset Management, Inc.
3. Earnest Partners, LLC
4. Galliard Capital Management, LLC
5. LM Capital Group LLC
6. Longfellow Investment Management Co., LLC
7. Loop Capital Asset Management
8. Income Research + Management
9. MetLife Investment Management, LLC
10. Nuveen, LLC
11. Payden & Rygel
12. Pacific Investment Management Company, LLC
13. RBC Global Asset Management (U.S.), Inc.
14. TCW Asset Management Company, LLC
15. US Bancorp Asset Management, Inc.
16. Wellington Management, LLP
17. Western Asset Management Company, LLC

Discipline 2: Short-Term Duration Fixed Income Managers

1. Allspring Global Investments, LLC
2. CSM Advisors, LLC dba CS McKee
3. Earnest Partners, LLC
4. Garcia Hamilton and Associates, L.P.
5. Income Research + Management
6. Longfellow Investment Management Co., LLC
7. Loop Capital Asset Management

8. MetLife Investment Management, LLC
9. Payden & Rygel
10. Pacific Investment Management Company, LLC
11. RBC Global Asset Management (U.S.), Inc.
12. US Bancorp Asset Management, Inc.
13. Wellington Management, LLP
14. Western Asset Management Company, LLC

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Treasury and Grants Management and Oversight Departments was convened and conducted a comprehensive technical evaluation of proposals received for both disciplines.

On December 13, 2022, the PET met to review the evaluation criteria package, process confidentiality and conflict of interest forms, and take receipt of the 31 proposals to initiate the evaluation phase. Evaluations were conducted from December 13, 2022, through January 25, 2022.

The proposals were evaluated based on the following evaluation criteria stated in the RFP:

Phase I Evaluation – Minimum Qualification Review: This is a pass/fail criteria. The criteria focused on the proposer's registration with the Securities and Exchange Commission, track record in managing domestic fixed income assets in compliance with Global Investment Performance Standards (GIPS) and experience in managing fixed income securities for clients subject to California Government Code.

On December 19, 2022, the PET reconvened and determined that of the 31 proposals received, the proposals submitted by Earnest Partners LLC (Earnest Partners) for Disciplines 1 and 2 did not meet the minimum qualification requirements. Hence, Earnest Partners was excluded from further consideration. The remaining 29 proposals were further evaluated in accordance with the following evaluation criteria and weights:

- Prime Contractor's Qualifications and Experience 25 Points
- Qualifications and Experience of Key Personnel 25 Points
- Investment Effectiveness and Execution Plan 50 Points

The evaluation criteria are appropriate and consistent with criteria developed for similar investment management services. Several factors were considered in developing these weights, giving the greatest importance to the investment effectiveness and execution plan.

After evaluation of proposals, the PET determined the following:

Discipline 1 – Intermediate Duration Fixed Income Managers

Of the proposals evaluated, 10 firms were outside of the competitive range and were not included for further consideration. The seven firms within the competitive range are listed below in alphabetical order:

1. Chandler Asset Management, Inc.
2. LM Capital Group, LLC
3. MetLife Investment Management, LLC
4. Pacific Investment Management Company, LLC
5. Payden & Rygel
6. RBC Global Asset Management (U.S.) Inc.
7. US Bancorp Asset Management, Inc.

Discipline 2 – Short Duration Fixed Income Managers

Of the proposals received, six firms were outside of the competitive range and were not included for further consideration. The eight firms within the competitive range are listed below in alphabetical order:

1. CSM Advisors, LLC dba CS McKee
2. Longfellow Investment Management Co., LLC
3. Loop Capital Asset Management
4. MetLife Investment Management, LLC
5. Pacific Investment Management Company, LLC
6. Payden & Rygel
7. RBC Global Asset Management (U.S.) Inc.
8. US Bancorp Asset Management, Inc.

C. Cost/Price Analysis

For each discipline, proposers submitted an annual tiered fee structure for investment management services. Fee payments are determined based on a fixed rate applied to the calendar quarter's average portfolio market value. The negotiated fees have been determined to be fair and reasonable based on price analysis, cost analysis, technical evaluation, fact-finding, and negotiations.

MetLife Investment Management, LLC and Pacific Investment Management Company, LLC, withdrew their proposals for both Disciplines 1 and 2 because negotiations failed to reach a mutually acceptable fixed rate.

The recommended proposers for the Investment Management Services Bench are listed below in alphabetical order:

Discipline 1 – Intermediate Duration Fixed Income Managers

1. Chandler Asset Management, Inc.

2. LM Capital Group, LLC
3. Payden & Rygel
4. RBC Global Asset Management (U.S.) Inc.
5. US Bancorp Asset Management, Inc.

Discipline 2 – Short Duration Fixed Income Managers

1. CSM Advisors, LLC dba CS McKee
2. Longfellow Investment Management Co., LLC
3. Loop Capital Asset Management
4. Payden & Rygel
5. RBC Global Asset Management (U.S.), Inc.
6. US Bancorp Asset Management, Inc.

D. Background on Recommended Contractors

Chandler Asset Management, Inc.

Chandler Asset Management, Inc. (Chandler Asset), is an independent and 100% employee-owned corporation. It is headquartered in San Diego, California, and has been in business for over 34 years. Chandler Asset's focus is on the management of fixed-income portfolios for institutional clients, including public agencies, healthcare providers, foundations, endowments, and corporations. Chandler Asset's clients include Transportation Corridor Agencies (Orange County Toll Roads), Orange County Transportation Authority, and San Diego Regional Airport Authority.

As of September 30, 2022, Chandler has 187 public agency clients with $22.9 billion in Assets Under Management (AUM) and 32 private clients with $4.2 billion in AUM.

Chandler Asset has been providing investment management services to Metro since 2013 and performance has been satisfactory.

CSM Advisors, LLC dba CS McKee

CSM Advisors, LLC (CS McKee), located in Pittsburgh, Pennsylvania, was established in 1972. It is an employee-owned institutional investment advisor. CS McKee's focus is on the management of investment portfolios for public funds. State retirement systems, cities, counties, and public funds comprise the majority of the firm's client base. CS McKee's clients include East Bay Municipal Utility District, and Oakland County Employees Retirement System.

As of September 30, 2022, CS McKee has managed funds of 100 public agency clients with $3.69 billion in AUM and 169 private clients with $4 billion in AUM.
CS McKee has been providing investment management services for non-operating funds under the Other Post-Employment Benefits (OPEB) Trust for Metro for the past 14 years and performance has been satisfactory.

LM Capital Group, LLC

LM Capital Group, LLC (LM Capital), headquartered in San Diego, California, was established in 1989. It is an employee-owned minority business. LM Capital's clients include the California State Teachers' Retirement System, Los Angeles Fire and Police Pension Fund, and Illinois Municipal Retirement Fund.

As of September 30, 2022, LM Capital managed 27 public agency clients with $4.3 billion in AUM and 9 private clients with $250 million in AUM.

LM Capital has been providing investment management services to Metro for the last 32 years and performance has been satisfactory.

Longfellow Investment Management Co., LLC

Longfellow Investment Management Co., LLC (Longfellow Investment), headquartered in Boston, Massachusetts, was established in 1986. It is an independent, 100% employee-owned investment management firm and a certified Women's Business Enterprise. It offers domestic fixed-income and alternative investment strategies to diverse institutional clients. Longfellow Investment's clients include the Orange County Employees Retirement System, Illinois Municipal Retirement Fund, and Massachusetts Pension Reserves Investment Management Board.

In 2021, Longfellow had 20 public agency clients with $4.3 billion in AUM and 145 private clients with $13.9 billion in AUM.

Loop Capital Asset Management

Loop Capital Asset Management (Loop Capital), headquartered in Chicago, Illinois, was established in 1985. It is an employee and minority owned (MBE) registered investment advisor. Loop Capital has been managing institutional fixed income accounts for public funds and government entities for over 30 years. Public sector clients comprise the largest segment of its business by client type and has been the key focus of its business historically. Loop Capital's clients include California Earthquake Authority, California Wildfire Fund, and Teachers' Retirement System of the State of Illinois.

As of November 2022, Loop Capital has 31 public agency clients with $4.7 billion in AUM and 61 private clients with $3.7 billion in AUM.

Payden & Rygel

Payden & Rygel (Payden), established in 1983, is headquartered in Los Angeles, California. It is a majority women-owned corporation and its core competency is the active management of short-term/intermediate fixed income assets. It has 24 years of experience working with California public agencies on a variety of mandates, including short and intermediate duration funds. Payden's clients include California Earthquake Authority, Santa Clara Valley Transportation Authority, and CalOptima.

As of September 30, 2022, Payden has 60 public agency clients with $28.8 billion in AUM and 332 private clients with $108.6 billion in AUM.

RBC Global Asset Management (U.S.) Inc.

RBC Global Asset Management (U.S.) Inc. (RBC Global), established in 1983, is headquartered in Minneapolis, Minnesota. It manages operating funds, bond proceeds, investment pools, insurance funds, reserve assets, and retirement funds. RBC Global manages portfolios for public clients in numerous different investment styles across both fixed income and equities. It provides investment management services for colleges, universities, school districts, special districts, utilities, cities, counties, and state agencies. RBC Global's clients include California Earthquake Authority, Ohio Water Development Authority, and South Dakota Housing Development Authority.

As of September 30, 2022, RBC Global has 28 public agency clients with $6.8 billion in AUM and 54 private clients with $25 billion in AUM.

RBC Global has been providing investment management services to Metro since 2008 and performance has been satisfactory.

U.S. Bancorp Asset Management, Inc.

U.S. Bancorp Asset Management, Inc. (U.S. Bancorp), headquartered in Minneapolis, Minnesota, has been providing investment-grade fixed income solutions since 1982. Its core strength and focus are managing multiple types of investment grade fixed income mandates, including debt proceeds and other investment pools for institutional clients, including state, local, and public agency operating funds. U.S. Bancorp's clients include the University of Kansas Hospital Authority, the Office of the Arizona State Treasurer, and the Metropolitan St. Louis Sewer District.

As of September 30, 2022, U.S. Bancorp has 13 public agency clients with $1.8 billion in AUM and 76 private clients with $152.9 billion in AUM.

U.S. Bancorp has been providing investment management services to Metro since 2013 and performance has been satisfactory.

ATTACHMENT B

LIST OF RECOMMENDED CONTRACTORS

INVESTMENT MANAGEMENT SERVICES BENCH/PS45150000 - PS45150007

NO.	CONTRACT NUMBER	FIRM
1	PS45150000	Chandler Asset Management, Inc.
2	PS45150001	CSM Advisors, LLC dba CS McKee
3	PS45150002	LM Capital Group, LLC
4	PS45150003	Longfellow Investment Management Co., LLC
5	PS45150004	Loop Capital Asset Management
6	PS45150005	Payden & Rygel
7	PS45150006	RBC Global Asset Management (U.S.) Inc.
8	PS45150007	U.S. Bancorp Asset Management, Inc.

DEOD SUMMARY

INVESTMENT MANAGEMENT SERVICES BENCH/PS45150000 - PS45150007

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small/Disabled Veteran Business Enterprise (SBE/DVBE) participation goal for this procurement due to lack of subcontracting opportunities. It is expected that each Contractor will be performing the services with their own workforce.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this modification/contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of $2.5 million.

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2023-0004, **File Type:** Resolution **Agenda Number:** 13.

FINANCE, BUDGET & AUDIT COMMITTEE
MARCH 15, 2023

SUBJECT: PROPOSITION C BONDS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

ADOPT a Resolution (Attachment A) that authorizes the issuance and sale of up to $330 million in aggregate principal amount of the Proposition C Sales Tax Revenue Refunding Bonds in one or more series, and the taking of all other actions necessary in connection with the issuance of the refunding bonds.

(REQUIRES SEPARATE, SIMPLE MAJORITY BOARD VOTE)

ISSUE

Metro may lower its debt service costs by refunding, on a current basis, the outstanding Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B, the Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C, and the Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A (the “Refunded Bonds”). Approximately $313.6 million of the outstanding Refunded Bonds are eligible for refunding. Under current market conditions, the issuance of the Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds (the “Refunding Bonds”) could achieve approximately $42.68 million in net present value savings over the fifteen (15) plus year life of the bonds.

BACKGROUND

The Refunded Bonds may be refunded in April 2023 as their call date is July 1, 2023. The Debt Policy establishes criteria to evaluate refunding opportunities. The refunding of the Refunded Bonds is currently estimated to provide net present value savings in excess of the minimum 3% of the refunded par amount set forth in the Debt Policy criteria for evaluating refunding opportunities.

DISCUSSION

The Refunding Bonds will be structured as fixed rate bonds and will be sold using a negotiated sale method. If market conditions change suddenly, a negotiated sale provides Metro the flexibility to alter the sale date and/or bond structure as needed. A negotiated sale method also allows Metro to advance its DBE/SBE/DVBE firm participation goals. The underwriters will pre-market the issue to target as many investors as possible, assist with the credit rating process and advise on market conditions for optimal bond pricing.

Consistent with the Metro Debt Policy, underwriters for this transaction will be selected by a competitive Request for Proposal ("RFP") process conducted by Montague DeRose and Associates ("MDA"), Metro's Transaction Municipal Advisor. Nixon Peabody LLP and Kutak Rock LLP were selected by Treasury staff and County Counsel to serve as Bond Counsel and Disclosure Counsel, respectively.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

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

EQUITY PLATFORM

Approval of this item is intended to reduce financial risk and maintain planned funding and schedules for Metro capital projects funded by Proposition C. At this time, there are no equity concerns anticipated as a result of this action.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the following Metro Strategic Plan Goal:

Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

The Board could defer the issuance of the Refunding Bonds to a later time or indefinitely. This is not recommended because we cannot predict that interest rates will remain low enough to generate comparable benefits. Federal Reserve Bank actions and all other market and economic conditions may push interest rates higher and result in a loss of refunding savings.

NEXT STEPS

- Obtain ratings on the Refunding Bonds
- Complete legal documentation and distribute the preliminary official statement to potential investors, initiate the pre-marketing effort
- Negotiate the sale of the Bonds with the underwriters

ATTACHMENTS

Attachment A - Authorizing Resolution

Prepared by: Rodney Johnson, Deputy Executive Officer, Finance
(213) 922-3417
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Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088

Stephanie N. Wiggins
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 LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY PROPOSITION C SALES TAX REVENUE REFUNDING BONDS, APPROVING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST AGREEMENT, CONTINUING DISCLOSURE CERTIFICATE, BOND PURCHASE AGREEMENT, ESCROW AGREEMENT, AND PRELIMINARY AND FINAL OFFICIAL STATEMENT, AND THE TAKING OF ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH.

(PROPOSITION C SALES TAX)

W I T N E S S E T H :

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 transit 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. 49 adopted August 28, 1990 ("Ordinance No. 49"), imposed a ½ 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 C Tax"), and such tax was approved by the electors of the County on November 6, 1990; and

WHEREAS, the revenues received by the LACMTA from the imposition of the transactions and use 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 payments 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 is planning and engineering a Countywide rail, bus and highway transit system (the "Rail, Bus and Highway Transit System") to serve the County and has commenced construction of portions of the Rail, Bus and Highway Transit System; and

WHEREAS, to facilitate the development and construction of the Rail, Bus and Highway Transit System, the LACMTA, as authorized by the Act, pursuant to the terms of the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended and supplemented (the "Trust Agreement"), by and between the LACMTA and U.S. Bank Trust Company, National

Association, as successor to U.S. Bank National Association, as trustee (the "Trustee"), has issued multiple series of bonds, including its Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-A; Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B (the "Series 2013-B Bonds"); Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C (the "Series 2013-C Bonds"); Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A (the "Series 2014-A Bonds"); Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2016-A; Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2017-A; Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2019-A (Green Bonds); Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2019-B; Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2019-C; Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2020-A, Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2021-A and Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2022-A (collectively, the "Prior Senior Bonds"); and

WHEREAS, the Trust Agreement permits the issuance of additional bonds subject to the limitations, and upon the terms, set forth therein, specifies applicable defaults and remedies, and provides for the procedures by which it may be amended and supplemented; and

WHEREAS, the LACMTA now desires to provide for the issuance of one or more series of its Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, from time to time and in one or more transactions (collectively, the "Refunding Bonds") to: (a) current refund all or a portion of the outstanding Series 2013-B Bonds, the outstanding Series 2013-C Bonds and the outstanding Series 2014-A Bonds (the bonds so refunded shall be referred to herein as the "Refunded Bonds"), provided that the refunding of the Refunded 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; and (b) pay certain costs of issuance related thereto (collectively, the "Financing"); and

WHEREAS, the LACMTA has determined that it is in its best interest to sell the Refunding Bonds to the public through a negotiated sale to one or more underwriters selected by a Designated Officer through a competitive process by the LACMTA (the "Underwriters"); and

WHEREAS, the sale of the Refunding Bonds shall be in accordance with the Debt Policy of the LACMTA; and

WHEREAS, the forms of the following documents are on file with the Board Clerk or Acting Board Clerk (the "Clerk") of the Board of Directors of the LACMTA (the "Board") and have been made available to the members of the Board:

(a) a Supplemental Trust Agreement (the "Refunding Supplemental Trust Agreement"), which will be by and between the LACMTA and the Trustee, which would supplement the Trust Agreement for purposes of providing the terms and conditions of the Refunding Bonds;

(b) a Preliminary Official Statement (the "Preliminary Official Statement"), which will provide information about the Refunding Bonds, the LACMTA, the Proposition

C Tax and certain other related matters, and will be used, from time to time, in connection with the offer and sale of the Refunding Bonds;

(c) a Purchase Agreement (the "Purchase Agreement"), to be entered into by one or more of the Underwriters and the LACMTA, which will set forth the terms of the sale of the Refunding Bonds; and

(d) a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), which will be executed by the LACMTA and used to assist the Underwriters of the Refunding Bonds in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5), and which will provide for the annual and periodic update of certain financial information and operating data with respect to the LACMTA and the collection of the Proposition C Tax, among other things, and certain enumerated events; and

(e) an Escrow Agreement (the "Escrow Agreement"), among the LACMTA, the Trustee and U.S. Bank Trust Company, National Association, as escrow agent, which will be executed and delivered in connection with the refunding and defeasance of the Refunded Bonds;

WHEREAS, the LACMTA hereby acknowledges that said documents will be modified and amended to reflect the various details applicable to the Refunding Bonds, whether 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 Refunding Bonds, whether in a single issuance or multiple issuances; and

WHEREAS, the LACMTA has pledged the Proposition C Tax (less the 20% local allocation and the California Department of Tax and Fee Administration's costs of administering such tax) (the "Pledged Taxes") pursuant to the terms of the Trust Agreement to secure the Prior Senior Bonds and certain other obligations of the LACMTA, and once issued, the Refunding Bonds will be "Bonds" and "Senior 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 Financial Officer of the LACMTA, the Treasurer of the LACMTA, any Deputy Executive Officer, Finance of the LACMTA, any Assistant Treasurer of the LACMTA (or such other titles as the LACMTA may from time to time assign for such respective positions), and any such officer serving in an acting or interim capacity, and any written designee of any of them as an "Authorized Authority Representative" for all purposes under the Trust Agreement, the Refunding Supplemental Trust Agreement, and the Subordinate Trust Agreement, dated as of June 1, 1993, as amended and supplemented (the "Subordinate Trust Agreement"), by and between LACMTA and U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, as trustee, and as an "Authorized Officer" under the Revolving Credit Agreement, dated as of June 1, 2022 (the "Revolving Credit Agreement"), by and between the LACMTA and Bank of the West, relating to the Proposition C Revolving Obligations (as defined in the Revolving Credit Agreement), and any related documents; and

WHEREAS, Section 5852.1 of the California Government Code requires that the governing body of a public body obtain from an underwriter, financial advisor or private lender and disclose, prior to authorizing the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, the LACMTA is duly authorized and empowered, pursuant to each and every requirement of law, to authorize the Financing and to authorize the execution and delivery of the Refunding Bonds, the Refunding Supplemental Trust Agreement, the Continuing Disclosure Certificate, the Purchase Agreement, the Escrow Agreement, the preparation of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement (as hereinafter defined) for the purposes, in the manner and upon the terms provided; 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:

(a) The issuance of one or more series of its Refunding Bonds under the Trust Agreement to current refund all or a portion of the Refunded Bonds (provided that the refunding of the Refunded Bonds is consistent with the Debt Policy as in effect at the time of pricing of the applicable series of Refunding Bonds) and pay certain costs related to the issuance of the Refunding Bonds, is in the public interest.

(b) Under the provisions of Ordinance No. 49, all of the Pledged Taxes are revenues of the LACMTA available for rail, bus and highway transit purposes and are available to be and are, by the terms of the resolutions and the Trust Agreement under which the Prior Senior Bonds were issued, pledged, along with the Pledged Revenues, to secure the Prior Senior Bonds and are pledged to secure the Refunding Bonds, and, by this Resolution, such pledge is reaffirmed.

(c) The provisions contained in the Trust Agreement, as previously amended and supplemented, and as to be supplemented as set forth in the Refunding Supplemental Trust Agreement, are reasonable and proper for the security of the holders of the Refunding Bonds.

Section 2. Issuance of Refunding Bonds. 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) current refunding all or a portion of the Refunded Bonds (provided that the refunding of the Refunded Bonds is consistent with the Debt Policy as in effect at the time of pricing of the Refunding Bonds as determined and calculated at the discretion of the Treasurer or any other Designated Officer of the LACMTA, which shall be conclusive for all purposes of this Resolution), and (b) paying certain costs of issuance related to the issuance of the Refunding Bonds. The aggregate principal amount 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 Refunded 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 $275,000,000. The True Interest Cost of the Refunding 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 Refunding Bonds. The Refunding Bonds shall not mature later than the final maturity date of the Refunded Bonds that are being refunded with proceeds of the Refunding Bonds.

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, the Chief Financial Officer of the LACMTA, the Treasurer of the LACMTA, any Deputy Executive Officer, Finance of the LACMTA, any Assistant Treasurer of the LACMTA (or such other titles as the LACMTA may from time to time assign for such respective positions), and any such 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 the Refunding Bonds to be issued (not in excess of the maximum amount set forth above), and to direct the execution and authentication of the Refunding Bonds in such amount. Such direction shall be conclusive as to the principal amounts hereby authorized. The Refunding Bonds shall be in fully registered form and shall be issued as Book-Entry Bonds as provided in the Refunding Supplemental Trust Agreement. Payment of the principal of, interest on and premium, if any, on the Refunding Bonds shall be made at the place or places and in the manner provided in each Refunding 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 Refunding Bonds and to the principal amount and original issue premium, if any, less underwriters' discount and original issue discount, if any, of the Refunding Bonds. For the purpose of calculating the True Interest Cost, the principal amount of the 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 Refunding Bonds. The Refunding Bonds shall be issued as current interest bonds and shall be available in denominations of $5,000 and integral multiples thereof. The Refunding Bonds, when issued, shall be in the aggregate principal amounts and shall be dated as shall be provided in the Refunding Supplemental Trust Agreement. 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 Refunding Supplemental Trust Agreement. Interest on the Refunding Bonds shall be paid at the rates and on the dates set forth in the Refunding Supplemental Trust Agreement; *provided, however*, that, no Refunding Bond shall bear interest at a rate in excess of 6.00% per annum.

Execution and delivery of the Refunding Supplemental Trust Agreement, which document will contain the maturities, principal amounts, interest rates and the 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 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. The Refunding Bonds shall also be secured by and be paid from such other sources as the LACMTA may hereafter provide.

Section 5. Form of Refunding Bonds. 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 Refunding Supplemental Trust Agreement on file with the Clerk 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 Refunding Supplemental Trust Agreement or as appropriate to adequately reflect the terms of such Refunding Bonds and the obligation represented thereby.

Section 6. Execution of Refunding Bonds. Each of 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(s) shall have the same force and effect as if such officer(s) had manually signed each of such Refunding Bonds.

Section 7. Approval of Documents; Authorization for Execution. The forms, terms and provisions of the Refunding Supplemental Trust Agreement, the Purchase Agreement, the Continuing Disclosure Certificate and the Escrow Agreement on file with the Clerk 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 Refunding Supplemental Trust Agreements, one or more Purchase Agreements, one or more Continuing Disclosure Certificates and one or more Escrow Agreements, including counterparts thereof. The Refunding Supplemental Trust Agreement(s), the Purchase Agreement(s), 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 Clerk 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 Refunding Supplemental Trust Agreement, the Purchase Agreement, the Continuing Disclosure Certificate and Escrow Agreement now on file with the Clerk of the Board and made available to the Board; and from and after the execution and delivery of each Refunding Supplemental Trust Agreement, each Purchase Agreement, 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 Refunding Supplemental Trust

Agreement, each Purchase Agreement, each Continuing Disclosure Certificate and each Escrow Agreement.

Section 8. Sale of Refunding Bonds.

(a) The LACMTA hereby authorizes the sale of the Refunding Bonds from time to time in one or more series through one or more private, negotiated sales to one or more Underwriters, as determined by a Designated Officer.

(b) The Designated Officers are each authorized and directed to engage the Underwriters.

(c) The Designated Officers are each authorized and directed to engage other third parties that such Designated Officer deems necessary or advisable in order to: consummate the Financing, assist with the issuance and sale of the Refunding Bonds, to manage and administer the Financing after the issuance and sale of the Refunding Bonds or otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

(d) The Refunding Bonds shall be sold subject to an Underwriters' discount (excluding original issue discount and premium) not to exceed $2.00 per $1,000 of principal amount of the Refunding Bonds and subject to the terms and conditions set forth in the form of the Purchase Agreement.

(e) The Designated Officers are each authorized and directed to take any other action such Designated Officer determines is necessary or desirable to cause any such 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 Refunding Bonds. The form of the Preliminary Official Statement on file with the Clerk of the Board and made available to the Board is hereby approved. The Preliminary Official Statement shall be substantially in the form of the Preliminary Official Statement on file with the Clerk 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). The Preliminary Official Statement shall be circulated (via printed format and/or through electronic means) for use in selling the Refunding Bonds at such time or times as a Designated Officer shall deem such Preliminary Official Statement 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. The Preliminary Official Statement shall contain a description of the finances and operations of the LACMTA, a description of the Proposition C Tax and a description of historical receipts of sales tax revenues substantially in the form of the Preliminary Official Statement on file with the Clerk of the Board and made available to the Board with such changes as any Designated Officer determines are appropriate or necessary. The Preliminary Official Statement shall also contain a description of the Refunding Bonds and the terms and conditions of the Trust Agreement and the Refunding Supplemental Trust

Agreement together with such information and description as a Designated Officer determines is appropriate or necessary. The Underwriters are hereby authorized to circulate (via printed format and/or through electronic means) the Preliminary Official Statement for use in selling the Refunding Bonds from time to time.

Upon the sale of the Refunding Bonds, one or more of the Designated Officers shall provide for the preparation, publication, execution and delivery of one or more final Official Statements in substantially the form of the Preliminary Official Statement deemed final by a Designated Officer with such changes as any Designated Officer approves, such approval to be conclusively evidenced by the execution of such final Official Statement. Any Designated Officer is hereby authorized and directed to execute and deliver one or more final Official Statements in the name and on behalf of the LACMTA. One or more supplements to the final Official Statement(s) or revised final Official Statement(s) may be prepared and delivered reflecting updated and revised information as any Designated Officer deems appropriate or necessary. Each final Official Statement shall be circulated (via printed format and/or through electronic means) for use in selling the Refunding Bonds at such time or times as a Designated Officer deems appropriate after consultation with LACMTA's municipal advisor, LACMTA's Disclosure Counsel, LACMTA's Bond Counsel, and such other advisors as a Designated Officer believes to be useful.

Section 10. Trustee, Paying Agent and Registrar. U.S. Bank Trust Company, National Association is hereby appointed as Trustee, Paying Agent and Registrar for the Refunding Bonds. Such appointments 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 11. Escrow Agent. U.S. Bank Trust Company, National Association is hereby appointed as Escrow Agent under the 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. Authorized Authority Representative and Authorized Officer. The Board hereby designates each of the Chief Financial Officer of the LACMTA, the Treasurer of the LACMTA, any Deputy Executive Officer, Finance of the LACMTA, any Assistant Treasurer of the LACMTA (or such other titles as the LACMTA may from time to time assign for such respective positions), and any such officer serving in an acting or interim capacity, and any written designee of any of them, as an "<u>Authorized Authority Representative</u>" for all purposes under the Trust Agreement, the Refunding Supplemental Trust Agreement and the Subordinate Trust Agreement and any amendments or supplements to the Trust Agreement, the Refunding Supplemental Trust Agreement or the Subordinate Trust Agreement, and any related documents and as an Authorized Officer under the Revolving Credit Agreement and any related documents. Such appointment shall remain in effect until modified by resolution. The prior designation of officers, including the Chairperson of the Board and the Chief Executive Officer of the LACMTA, as Authorized Authority Representatives under the Trust Agreement and any amendments or supplements thereto shall continue.

Section 13. Additional Authorization. The Designated Officers, for and on behalf of the LACMTA, are authorized and directed to do any and all things necessary to effect the issuance of the Refunding Bonds, and the execution and delivery of each Refunding Supplemental Trust Agreement, each Purchase Agreement, each Continuing Disclosure Certificate, each Escrow Agreement and any of the other documents authorized by this Resolution, and to carry out the terms of such documents and this Resolution. 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 Refunding Supplemental Trust Agreement, each Purchase Agreement, 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 Refunding Bonds and of the Pledged Revenues and other amounts held under the Trust Agreement, if any, 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 Refunding Supplemental Trust Agreement for the purpose of complying with the rebate requirements and arbitrage restrictions of the Internal Revenue Code of 1986, as amended; 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 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 Refunding Bonds, and any such notices are hereby ratified, confirmed and approved.

Section 14. 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 Chief Executive Officer, the Chief Financial Officer, the Treasurer, any Deputy Executive Officer, Finance, or any Assistant Treasurer (or such other titles as the LACMTA may from time to time assign for such respective positions), 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 15. Investments. From and after the delivery of the Refunding Bonds, each Designated Officer is hereby authorized to invest the proceeds of the Refunding Bonds in accordance with the Trust Agreement, the Refunding Supplemental Trust Agreement, the Escrow Agreement and the LACMTA's Investment Policy and is further authorized to enter into or to instruct the Trustee to enter into one or more investment agreements, float contracts, swaps or other hedging products (hereinafter collectively referred to as the "Investment Agreement") providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, the Refunding Supplemental Trust Agreement and the Escrow Agreement, on such terms as the Designated Officer shall deem appropriate. In accordance with Section 5922 of the

California Government Code, the LACMTA hereby finds and determines that the Investment Agreement is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Refunding Bonds or enhance the relationship between risk and return with respect to investments.

Section 16. Good Faith Estimates. In accordance with Section 5852.1 of the California Government Code, good faith estimates of the following are set forth in Exhibit A attached hereto: (a) the true interest cost of the Refunding Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Refunding Bonds, (c) the amount of proceeds of the Refunding Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, and (d) the sum total of all debt service payments on the Refunding Bonds calculated to the final maturity of the Refunding Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Refunding Bonds.

Section 17. Further Actions. The Designated Officers and each of them are hereby authorized and directed to amend, supplement or otherwise modify each document authorized or authorized to be amended by this Resolution 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 LACMTA's Bond Counsel, the execution of such amendment, supplement or other modification being conclusive evidence of the LACMTA's approval thereof. The Designated Officers and each of them are further authorized and directed to amend, supplement or otherwise modify any Investment Agreement associated with the Refunded Bonds 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 LACMTA's Bond Counsel, the execution of such amendment, supplement or other modification being conclusive evidence of the LACMTA's approval thereof.

Section 18. Costs of Issuance. The LACMTA authorizes funds of the LACMTA, together with the proceeds of the Refunding Bonds, to be used to pay costs of issuance of the Refunding Bonds, including, but not limited to, costs of attorneys, accountants, municipal advisors, trustees, escrow agents, verification agents, the costs associated with rating agencies, printing, publication and mailing expenses and any related filing fees.

Section 19. Investment Agreements. In connection with the issuance of the Refunding Bonds, each of the Designated Officers is hereby authorized and directed to amend, terminate, assign or otherwise dispose of any investment agreement relating to the Refunded Bonds, including, but not limited to the Forward Purchase and Sale Agreement for the Reserve Fund, dated December 12, 2006, as amended, by and among Truist Bank as successor to Suntrust Bank, the LACMTA, The Bank of New York Mellon Trust Company, N.A. and the Trustee, in such manner and on such terms and provisions as any such Designated Officer shall determine is appropriate or necessary.

Section 20. 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 21. Effective Date. This Resolution shall be effective upon adoption and shall be effective with respect to the Refunding Bonds issued on or before December 31, 2023.

CERTIFICATION

The undersigned, duly qualified and acting as Board Clerk 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 March 23, 2023.

[SEAL]

By ___________________________________
Board Clerk, Los Angeles County
Metropolitan Transportation Authority

Dated: __________, 2023

EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from Montague DeRose and Associates (the "Municipal Advisor") with respect to the bonds (the "Refunding Bonds") approved in the attached Resolution, and is provided in compliance with Section 5852.1 of the California Government Code with respect to the Refunding Bonds:

Section 1. True Interest Cost of the Refunding Bonds. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Refunding Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Refunding Bonds, is 2.97%.

Section 2. Finance Charge of the Refunding Bonds. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Refunding Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds), is $953,110.00 as follows:

(a)	Underwriters' Discount	$478,110.00
(b)	Bond Counsel and Disbursements	75,000.00
(c)	Disclosure Counsel and Disbursements	48,500.00
(d)	Municipal Advisor and Disbursements	55,000.00
(e)	Rating Agencies	241,600.00
(f)	Other	54,900.00
	Total	$953,110.00

Section 3. Amount of Proceeds to be Received. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the LACMTA for sale of the Refunding Bonds less the finance charge of the Refunding Bonds described in Section 2 above and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, is $273,250,106.90.

Section 4. Total Payment Amount. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the LACMTA will make to pay debt service on the Refunding Bonds plus the finance charge of the Refunding Bonds described in Section 2 above not paid with the proceeds of the Refunding Bonds, calculated to the final maturity of the Refunding Bonds, is $338,609,502.08.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Refunding Bonds sales, the amount of Refunding Bonds sold, the amortization of the Refunding Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Refunding Bonds sold will be determined by the LACMTA based on need to provide funds for the

Financing and other factors. The actual interest rates at which the Refunding Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Refunding Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the LACMTA's control. The LACMTA has approved the issuance of the Refunding Bonds with a maximum true interest cost of 5.00%.

THIRTY-FOURTH SUPPLEMENTAL TRUST AGREEMENT

by and between

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

relating to:

$[________]
Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds,
Senior Bonds, Series 2023-A

Dated as of [______]1, 2023

(Supplemental to the Amended and Restated Trust Agreement dated as of January 1, 2010)

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THIRTY-FOURTH SUPPLEMENTAL TRUST AGREEMENT

$[________]
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
PROPOSITION C SALES TAX REVENUE REFUNDING BONDS,
SENIOR BONDS, SERIES 2023-A

THIS THIRTY-FOURTH SUPPLEMENTAL TRUST AGREEMENT (this "*Thirty-Fourth Supplemental Agreement*"), dated as of [_______] 1, 2023, 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 thereof) (the "*Act*"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "*Trustee*"), and supplements that certain Amended and Restated Trust Agreement, dated as of January 1, 2010 (the "*Agreement*"), by and between the Authority and the Trustee;

W I T N E S S E T H :

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

WHEREAS, Section 2.09 of the Agreement provides for the issuance of Bonds, and Section 10.02 of the Agreement provides for the execution and delivery of a Supplemental Agreement setting forth the terms of the Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A (the "*Series 2023-A Bonds*");

WHEREAS, for the purposes of (a) refunding the Refunded Bonds (as hereinafter defined), and (b) paying the Costs of Issuance (as hereinafter defined), by execution and delivery of this Thirty-Fourth Supplemental Agreement and in compliance with the provisions of the Agreement, the Authority hereby sets forth the terms of the Series 2023-A Bonds, provides for the deposit and use of the proceeds of the Series 2023-A Bonds and makes other provisions relating to the Series 2023-A Bonds;

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

Section 1.01 Definitions. The following definitions shall apply to the terms used in this Thirty-Fourth Supplemental Agreement unless the context clearly requires otherwise.

"*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 Amended and Restated Trust Agreement, dated as of January 1, 2010, by and between the Authority and the Trustee, under which the Series 2023-A Bonds are authorized and secured, together with all amendments and supplements thereto.

"*Authorized Denomination*" means, with respect to the Series 2023-A Bonds, $5,000 or any integral multiple thereof.

"*Beneficial Owner*" means, whenever used with respect to a Series 2023-A Bond, the person in whose name such Series 2023-A Bond is recorded as the beneficial owner of such Series 2023-A Bond by a Participant on the records of such Participant or such person's subrogee.

"*Bond Register*" means the book or books of registration kept by the Trustee in which are maintained the names and addresses and principal amounts registered to each registered Owner.

"*Book-Entry Bonds*" means the Series 2023-A 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.

"*Continuing Disclosure Certificate*" means the Continuing Disclosure Certificate, dated [________], 2023, entered into by the Authority in order to assist the underwriter of the Series 2023-A Bonds in complying with Securities and Exchange Commission Rule 15c2-12.

"*Corporate Trust Office*" means the corporate trust office of the Trustee in Los Angeles, California; provided, however, for transfer, registration, exchange, payment and surrender of the Series 2023-A Bonds, it shall mean the corporate trust office of the Trustee in St. Paul, Minnesota. The Trustee may hereafter designate alternate Corporate Trust Offices and any successor Trustee shall designate its Corporate Trust Office by written notice delivered to the Authority.

"*Costs of Issuance*" means all costs and expenses incurred by the Authority in connection with the issuance of the Series 2023-A Bonds, including, but not limited to, costs and expenses of printing and copying documents and the Series 2023-A Bonds, and the fees, costs and expenses of rating agencies, the Trustee, bond counsel, disclosure counsel, escrow agent, verification agent, accountants, municipal advisors and other consultants.

"*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.

"*EMMA System*" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system or any successor nationally recognized municipal securities information repositories recognized by the Securities and Exchange Commission.

"*Escrow Agent*" means U.S. Bank Trust Company, National Association, as escrow agent under the Escrow Agreement, and its successors.

"*Escrow Agreement*" means the Escrow Agreement, dated as of [______] 1, 2023, by and between 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 payment and redemption of the Refunded Bonds.

"*Holder*" or "*Bondholder*" or "*Owner*" means the registered owner of any Series 2023-A 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 January 1, 2024, the dates upon which interest on the Series 2023-A Bonds becomes due and payable.

"*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.

"*Participant*" means the participants of DTC which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

"*Prior Outstanding Senior Bonds*" has the meaning given such term in Exhibit D attached hereto.

"*Prior Supplemental Agreements*" has the meaning given such term in Exhibit E attached hereto.

"*Rebate Requirement*" shall have the meaning as set forth in the Tax Certificate.

"*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. Such dates shall be Record Dates notwithstanding if such dates are not a Business Day.

"*Refunded Bonds*" means the Series 2013-B Bonds, the Series 2013-C Bonds and the Series 2014-A Bonds set forth in Exhibit C hereto.

"*Registrar*" means, for purposes of this Thirty-Fourth Supplemental Agreement, the Trustee.

"*Representation Letter*" means the Blanket Issuer Letter of Representations from the Authority to DTC as supplemented and amended from time to time.

"*Securities Depositories*" means The Depository Trust Company, 55 Water Street, New York, New York 10041, Telephone: (212) 855-1000, Facsimile: (212) 855-7232, 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 2013-B Account of the Reserve Fund*" has the meaning set forth in the Twenty-Fourth Supplemental Agreement.

"*Series 2013-B Bonds*" means the $313,490,000 original principal amount of Senior Bonds issued under the Agreement and the Twenty-Fourth Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B."

"*Series 2013-B Bonds Escrow Account*" means, the escrow account established within the Escrow Fund for the purpose of providing the payment and redemption of the Series 2013-B Bonds.

"*Series 2013-B Subaccount of the Senior Bond Interest Account*" has the meaning set forth in the Twenty-Fourth Supplemental Agreement.

"*Series 2013-B Subaccount of the Senior Bond Principal Account*" has the meaning set forth in the Twenty-Fourth Supplemental Agreement.

"*Series 2013-C Account of the Reserve Fund*" has the meaning set forth in the Twenty-Fourth Supplemental Agreement.

"*Series 2013-C Bonds*" means the $63,785,000 original principal amount of Senior Bonds issued under the Agreement and the Twenty-Fourth Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C."

"*Series 2013-C Bonds Escrow Account*" means, the escrow account established within the Escrow Fund for the purpose of providing the payment and redemption of the Series 2013-C Bonds.

"*Series 2013-C Subaccount of the Senior Bond Interest Account*" has the meaning set forth in the Twenty-Fourth Supplemental Agreement.

"*Series 2013-C Subaccount of the Senior Bond Principal Account*" has the meaning set forth in the Twenty-Fourth Supplemental Agreement.

"*Series 2014-A Account of the Reserve Fund*" has the meaning set forth in the Twenty-Fifth Supplemental Agreement.

"*Series 2014-A Bonds*" means the $61,180,000 original principal amount of Senior Bonds issued under the Agreement and the Twenty-Fifth Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A."

"*Series 2014-A Bonds Escrow Account*" means, the escrow account established within the Escrow Fund for the purpose of providing the payment and redemption of the Series 2014-A Bonds.

"*Series 2014-A Subaccount of the Senior Bond Interest Account*" has the meaning set forth in the Twenty-Fifth Supplemental Agreement.

"*Series 2014-A Subaccount of the Senior Bond Principal Account*" has the meaning set forth in the Twenty-Fifth Supplemental Agreement.

"*Series 2023-A Bonds*" means the $[_________] original principal amount of Senior Bonds issued under the Agreement and this Thirty-Fourth Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A" and described in Article II hereof.

"*Series 2023-A Costs of Issuance Fund*" means the Series 2023-A Costs of Issuance Fund established and maintained pursuant to Section 6.01 hereof.

"*Series 2023-A Rebate Fund*" means the Series 2023-A Rebate Fund established and maintained pursuant to Section 7.01 hereof.

"*Series 2023-A Subaccount of the Senior Bond Interest Account*" means the Series 2023-A Subaccount established and maintained within the Senior Bond Interest Account of the Senior Debt Service Fund pursuant to Section 6.02 hereof.

"*Series 2023-A Subaccount of the Senior Bond Principal Account*" means the Series 2023-A Subaccount established and maintained within the Senior Bond Principal Account of the Senior Debt Service Fund pursuant to Section 6.03 hereof.

"*Tax Certificate*" means the Tax Compliance Certificate executed and delivered by the Authority at the time of issuance and delivery of the Series 2023-A Bonds, as the same may be amended or supplemented in accordance with its terms.

"*Thirty-Fourth Supplemental Agreement*" means this Thirty-Fourth Supplemental Trust Agreement, dated as of [_______] 1, 2023, by and between the Authority and the Trustee.

"*Twenty-Fourth Supplemental Agreement*" means the Twenty-Fourth Supplemental Trust Agreement, dated as of December 1, 2013, by and between the Authority and the Trustee.

"*Twenty-Fifth Supplemental Agreement*" means the Twenty-Fifth Supplemental Trust Agreement, dated as of June 1, 2014, by and between the Authority and the Trustee.

"*Trustee*" means U.S. Bank Trust Company, National Association, and its successors.

Section 1.02 Incorporation of Definitions Contained in the Agreement. Capitalized terms not otherwise defined in Section 1.01 hereof or elsewhere in this Thirty-Fourth Supplemental Agreement shall have the same meanings as set forth in the Agreement.

Section 1.03 Article and Section References. Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this Thirty-Fourth Supplemental Agreement.

ARTICLE II

THE SERIES 2023-A BONDS

Section 2.01 Designation of Series 2023-A Bonds; Principal Amount; Purpose of Issue. The Series 2023-A Bonds authorized to be issued under the Agreement and this Thirty-Fourth Supplemental Agreement shall be designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A" and shall be issued in the original principal amount of $[__________].

The Series 2023-A Bonds are being issued to current refund and defease the Refunded Bonds and pay the Costs of Issuance of the Series 2023-A Bonds.

Section 2.02 Series 2023-A Bonds Under the Agreement; Security; Lien Priority. The Series 2023-A Bonds are issued under and subject to the terms of the Agreement and are secured by and payable solely from Pledged Revenues and such other amounts as described in Section 4.01 of the Agreement as Senior Bonds on a parity with the Prior Outstanding Senior Bonds and the Parity Debt in accordance with the terms of the Agreement.

Section 2.03 Terms of the Series 2023-A Bonds. The Series 2023-A Bonds shall, upon initial issuance, be dated the date of delivery thereof. Each Series 2023-A Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, unless such Interest Payment Date is a date of authentication, in which event such Series 2023-A Bond shall bear interest from the date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Series 2023-A Bond shall bear interest from such succeeding Interest Payment Date, or unless no interest thereon has been paid or duly provided for such Series 2023-A Bond, in which event such Series 2023-A Bond shall bear interest from the dated date thereof. If interest on the Series 2023-A Bonds shall be in default, Series 2023-A Bonds issued in exchange for Series 2023-A Bonds surrendered for transfer or exchange shall bear interest from the last Interest Payment Date on which interest has been paid in full on such Series 2023-A Bonds surrendered. The Series 2023-A Bonds shall be issued in registered form in Authorized Denominations.

Interest on the Series 2023-A Bonds shall be paid on January 1, 2024 and semiannually thereafter on each July 1 and January 1. Interest on the Series 2023-A Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2023-A Bonds shall mature in the years and in the amounts and bear interest at the rates set forth in the following schedule:

Maturity Date (July 1)	Principal Amount	Interest Rate

Payment of the principal of the Series 2023-A Bonds shall be made upon surrender of the Series 2023-A Bonds to the Trustee or its agent at its Corporate Trust Office; provided that with respect to Series 2023-A Bonds which are Book-Entry Bonds, the Trustee may make other arrangements for payment of principal as provided in the Representation Letter. Payment of interest on Series 2023-A Bonds which are not Book-Entry Bonds shall be paid by check of the Trustee mailed by first-class mail to the person who is the registered Owner thereof on the Record Date, and such payment shall be mailed to such Owner at its address as it appears on the registration books of the Registrar, provided, that Owners of $1,000,000 or more in aggregate principal amount of Series 2023-A Bonds may arrange for payment by wire transfer of immediately available funds upon written request given to the Trustee at least fifteen (15) days prior to the applicable Interest Payment Date. The payment of interest on Book-Entry Bonds shall be made as provided in Section 3.02 hereof with respect to all Series 2023-A Bonds, and interest due and payable on any Interest Payment Date shall be paid to the person who is the registered Owner as of the Record Date. The Series 2023-A Bonds shall be substantially in the form of Exhibit A attached hereto.

If the principal of a Series 2023-A Bond becomes due and payable, but shall not have been paid, or provision shall not have been made for its payment, then such Series 2023-A Bond shall bear interest at the same rate after such default as on the day before such default occurred.

The debt service schedule for the Series 2023-A Bonds is attached hereto as Exhibit B.

ARTICLE III

EXCHANGE OF SERIES 2023-A BONDS; BOOK-ENTRY BONDS

Section 3.01 Exchange of Series 2023-A Bonds. Subject to Section 3.02 hereof, Series 2023-A Bonds which are delivered to the Registrar for exchange may be exchanged for an equal total principal amount of Series 2023-A Bonds of the same Series and maturity but of different Authorized Denominations.

The Registrar will not, however, be required to transfer or exchange any such Series 2023-A Bond during the period beginning on a Record Date and ending on the next Interest Payment Date.

Section 3.02 Book-Entry Bonds.

(a) Except as provided in paragraph (c) of this Section, the registered Owner of all of the Series 2023-A Bonds shall be DTC and the Series 2023-A 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 2023-A Bond 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 registration books of the Registrar.

(b) The Series 2023-A Bonds shall be initially issued in the form of separate single authenticated fully registered bond certificates for each separate stated maturity of the Series 2023-A Bonds. Upon initial issuance, the ownership of such Series 2023-A 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 2023-A Bonds registered in its name for the purposes of payment of the principal and redemption price of or interest on the Series 2023-A Bonds, giving any notice permitted or required to be given to Bondholders under the Agreement or this Thirty-Fourth Supplemental Agreement, registering the transfer of Series 2023-A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and none of the Trustee, the Registrar or the Authority shall be affected by any notice to the contrary. None of the Trustee, the Registrar or the Authority shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2023-A 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 2023-A Bonds; any notice which is permitted or required to be given to Bondholders under the Agreement or this Thirty-Fourth Supplemental 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 2023-A 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 2023-A Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2023-A 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 name "Cede & Co." in this Thirty-Fourth 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 2023-A 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-Fourth Supplemental Agreement. In the event bond certificates are issued, the provisions of the Agreement and this Thirty-Fourth 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 2023-A Bonds to any Participant having Series 2023-A Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2023-A Bonds.

(d) Notwithstanding any other provision of the Agreement and this Thirty-Fourth Supplemental Agreement to the contrary, so long as any Series 2023-A 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 2023-A Bond and all notices with respect to such Series 2023-A 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-Fourth 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 fifteen (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 2023-A 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 2023-A 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 2023-A 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 Series 2023-A Bond for each of the maturities and interest rates of the Series 2023-A 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-Fourth Supplemental Agreement. If the Authority fails to identify another qualified securities depository to replace the Securities Depository, then the Series 2023-A 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 sufficient books for the registration of, and registration of transfer of, the Series 2023-A 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 2023-A Bonds, or cause the same to be registered or cause the registration of the same to be transferred, on such Bond Register.

ARTICLE IV

REDEMPTION

Section 4.01 Notices to Bondholders. If the Authority wishes that any Series 2023-A Bonds be redeemed pursuant to any optional redemption provision in this Thirty-Fourth Supplemental Agreement, the Authority will notify the Trustee of the applicable provision, the redemption date, and principal amount of Series 2023-A Bonds to be redeemed and other necessary particulars. The Authority will give notice to the Trustee at least thirty-five (35) 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 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 date, and send such notice of redemption by first class mail (or, with respect to Series 2023-A Bonds held by DTC, via electronic means or by an express delivery service for delivery on the next following Business Day) to each Owner of a Series 2023-A 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 by (a) registered or certified mail, postage prepaid, (b) telephonically confirmed facsimile transmission or (c) overnight delivery service, to each of the Securities Depositories.

On the date of the mailing of the redemption notice required by the first paragraph of this Section 4.01, if any Series 2023-A Bonds are at such time not Book-Entry Bonds, such redemption notice shall be provided to the EMMA System and by registered or certified mail, postage prepaid, or overnight delivery service, to the Information Services.

Each notice of redemption shall include the information required by Section 3.03 of the Agreement and shall specify the Series 2023-A Bonds to be redeemed; the redemption date; the CUSIP numbers of the Series 2023-A Bonds to be redeemed; the redemption price and the place or places where amounts due upon such redemption will be payable; if less than all of the Series 2023-A Bonds of a maturity are to be redeemed, the numbers and portions of such maturity to be redeemed; any condition to the redemption; and that on the redemption date, and upon the satisfaction of any such condition, the Series 2023-A Bonds to be redeemed shall cease to bear interest.

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 2023-A Bonds called for redemption, such notice may, at the election of the Authority, 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 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 2023-A Bonds that were to be redeemed in the manner provided in this Section 4.01.

Failure to give the redemption notice described in this Section 4.01 to any Bondholder or any defect therein shall not in any matter affect the validity of the call for redemption of any Series 2023-A Bond in respect of which no such failure or defect occurs. In addition, failure to give notice pursuant to this Section 4.01 to the EMMA System, the Information Services or the Securities Depositories or any defect therein shall not in any manner affect the redemption of any Series 2023-A Bond. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received as sent by the addressee.

Section 4.02 Optional Redemption of Series 2023-A Bonds. The Series 2023-A Bonds maturing on or before July 1, 20[32] are not subject to optional redemption prior to their stated maturities. The Series 2023-A Bonds maturing on or after July 1, 20[33] are subject to redemption at the option of the Authority on or after July 1, 20[33], in whole or in part in Authorized Denominations at any time, from any moneys that may be provided for such purpose and at the redemption price of 100% of the principal amount of such Series 2023-A Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

Section 4.03 Payment of Series 2023-A Bonds Called for Redemption. On or after the redemption date, upon surrender to the Trustee or the Trustee's agent, Series 2023-A Bonds called for redemption shall be paid at the redemption price stated in the notice, plus interest accrued to the redemption date.

Section 4.04 Selection of Series 2023-A Bonds for Redemption; Series 2023-A Bonds Redeemed in Part. Series 2023-A Bonds are subject to redemption in such order of maturity as the Authority may direct and by lot, selected in such manner as the Trustee shall deem appropriate, within a maturity, provided that for so long as the book-entry only system described in Section 3.02 is being used, the interests of the Participants in the particular Series 2023-A Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by DTC in such manner as DTC and the Participants may determine.

Upon surrender of a Series 2023-A Bond to be redeemed, the Trustee will authenticate for the Holder a new Series 2023-A Bond of the same maturity and interest rate equal in principal amount to the unredeemed portion, if any, of the Series 2023-A Bond surrendered.

ARTICLE V

APPLICATION OF PROCEEDS AND PAYMENT OF SERIES 2023-A BONDS

Section 5.01 Application of Proceeds and Other Funds.

(a) The Trustee shall deposit or transfer the proceeds of the sale of the Series 2023-A Bonds received by the Trustee equal to $[________] (which is equal to the principal amount of the Series 2023-A Bonds of $[________], plus an original issue premium of $[________] and less an underwriters' discount of $[________]), to the following fund and subaccounts:

(i) $[________] shall be deposited into the Series 2023-A Costs of Issuance Fund;

(ii) $[________] shall be transferred to the Escrow Agent for deposit into the Series 2013-B Bonds Escrow Account established within the Escrow Fund for the payment and redemption of the Series 2013-B Bonds;

(iii) $[________] shall be transferred to the Escrow Agent for deposit into the Series 2013-C Bonds Escrow Account established within the Escrow Fund for the payment and redemption of the Series 2013-C Bonds; and

(iv) $[________] shall be transferred to the Escrow Agent for deposit into the Series 2014-A Bonds Escrow Account established within the Escrow Fund for the payment and redemption of the Series 2014-A Bonds.

(b) Additionally, on the date of delivery of the Series 2023-A Bonds, the Authority hereby instructs the Trustee to, and the Trustee shall, transfer to the Series 2013-B Bonds Escrow Account within the Escrow Fund (i) $[________] in cash from the Series 2013-B Account of the Reserve Fund, (ii) $[________] from the Series 2013-B Subaccount of the Senior Bond Interest Account of the Senior Debt Service Fund and (iii) $[________] from the Series 2013-B Subaccount of the Senior Bond Principal Account of the Senior Debt Service Fund. Further, on the date of delivery of the Series 2023-A Bonds, the Authority hereby instructs the Trustee to, and the Trustee shall, transfer to the Series 2013-C Bonds Escrow Account within the Escrow Fund (i) $[________] in cash from the Series 2013-C Account of the Reserve Fund, (ii) $[________] from the Series 2013-C Subaccount of the Senior Bond Interest Account of the Senior Debt Service Fund and (iii) $[________] from the Series 2013-C Subaccount of the Senior Bond Principal Account of the Senior Debt Service Fund. Further, on the date of delivery of the Series 2023-A Bonds, the Authority hereby instructs the Trustee to, and the Trustee shall, transfer to the Series 2014-A Bonds Escrow Account within the Escrow Fund (i) $[________] in cash from the Series 2014-A Account of the Reserve Fund, (ii) $[________] from the Series 2014-A Subaccount of the Senior Bond Interest Account of the Senior Debt Service Fund and (iii) $[________] from the Series 2014-A Subaccount of the Senior Bond Principal Account of the Senior Debt Service Fund.

(c) The Trustee may, in its discretion, establish temporary funds or accounts on its books and records to facilitate the deposits and transfers described under (a) and (b) above.

Section 5.02 Sources of Payment of Series 2023-A Bonds. The Series 2023-A Bonds shall be secured by a prior lien on, and are payable from, Pledged Revenues and such other amounts as provided in the Agreement. The Authority may, but is not obligated to, provide for payment of principal of and interest on the Series 2023-A Bonds from any other source or from any other funds of the Authority.

ARTICLE VI

CREATION AND USE OF SERIES 2023-A FUNDS, ACCOUNTS AND SUBACCOUNTS; SERIES 2023-A BONDS NOT SECURED BY RESERVE FUND OR A DEBT SERVICE RESERVE FUND

Section 6.01 Creation of Series 2023-A Costs of Issuance Fund; Payment of Costs of Issuance. The "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A Costs of Issuance Fund" (the "*Series 2023-A Costs of Issuance Fund*") is hereby established, which shall be held by the Trustee as provided in the Agreement and this Thirty-Fourth Supplemental Agreement, and all moneys and securities in such fund shall be pledged to secure the Series 2023-A Bonds, until expended in accordance with the provisions of this Section. As provided in Section 5.01(a)(i) hereof, at the time of issuance of the Series 2023-A Bonds, a portion of the proceeds of the Series 2023-A Bonds shall be deposited into the Series 2023-A Costs of Issuance Fund. Other amounts may be deposited into the Series 2023-A Costs of Issuance Fund as directed by the Authority. Amounts on deposit in the Series 2023-A 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 2023-A 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 2023-A 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 (a) 180 days from the delivery date of the Series 2023-A Bonds; or (b) 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 2023-A Costs of Issuance Fund will be needed to pay Costs of Issuance, the Trustee shall transfer all amounts then remaining in the Series 2023-A Costs of Issuance Fund to the Series

2023-A Subaccount of the Senior Bond Interest Account established and held pursuant to this Thirty-Fourth Supplemental Agreement. At such time as no amounts remain in the Series 2023-A Costs of Issuance Fund, such fund shall be closed.

Section 6.02 Creation of Series 2023-A Subaccount in the Senior Bond Interest Account of the Senior Debt Service Fund. A separate Subaccount to be held by the Trustee is hereby created within the Senior Bond Interest Account of the Senior Debt Service Fund to be designated as the "*Series 2023-A Subaccount of the Senior Bond Interest Account*." Amounts in the Series 2023-A Subaccount of the Senior Bond Interest Account shall be disbursed to pay interest on the Series 2023-A Bonds pursuant to the Agreement and this Thirty-Fourth Supplemental Agreement.

The Trustee shall deposit into the Series 2023-A Subaccount of the Senior Bond Interest Account (a) amounts with respect to interest on the Series 2023-A Bonds received from the Authority, as provided in the Agreement, and (b) any other amounts deposited with the Trustee for deposit in the Series 2023-A Subaccount of the Senior Bond Interest Account or transferred from other funds and accounts for deposit therein. Earnings on all amounts in the Series 2023-A Subaccount of the Senior Bond Interest Account shall be retained in such Subaccount. The Trustee shall establish separate sub-accounts in the Series 2023-A Subaccount of the Senior Bond Interest Account for each source of deposit (including any investment income thereon) made into the Series 2023-A Subaccount of the Senior Bond Interest Account so that the Trustee may at all times ascertain the date of deposit, the amounts, and the source of the funds in each sub-account.

Section 6.03 Creation of Series 2023-A Subaccount in the Senior Bond Principal Account of the Senior Debt Service Fund. A separate Subaccount to be held by the Trustee is hereby created within the Senior Bond Principal Account of the Senior Debt Service Fund to be designated as the "*Series 2023-A Subaccount of the Senior Bond Principal Account*." Amounts in the Series 2023-A Subaccount of the Senior Bond Principal Account will be disbursed to pay principal of the Series 2023-A Bonds at maturity pursuant to the Agreement and this Thirty-Fourth Supplemental Agreement.

The Trustee shall deposit into the Series 2023-A Subaccount of the Senior Bond Principal Account (a) amounts with respect to principal of the Series 2023-A Bonds received from the Authority, as provided in the Agreement, and (b) any other amounts deposited with the Trustee for deposit in the Series 2023-A Subaccount of the Senior Bond Principal Account or transferred from other funds and accounts for deposit therein. Earnings on all amounts in the Series 2023-A Subaccount of the Senior Bond Principal Account shall be retained in such Subaccount. The Trustee shall establish separate sub-accounts in the Series 2023-A Subaccount of the Senior Bond Principal Account for each source of deposit (including any investment income thereon) made into the Series 2023-A Subaccount of the Senior Bond Principal Account so that the Trustee may at all times ascertain the date of deposit, the amounts, and the source of the funds in each sub-account.

Section 6.04 Series 2023-A Bonds Not Secured by Reserve Fund or Debt Service Reserve Fund. In accordance with <u>Section 4.11</u> of the Agreement, neither a deposit to the Reserve Fund nor to a Debt Service Reserve Fund shall be required with respect to the Series 2023-A Bonds, and the Series 2023-A Bonds shall not be secured by the Reserve Fund or a Debt Service Reserve Fund.

ARTICLE VII

TAX COVENANTS

Section 7.01 Series 2023-A 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 C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A Rebate Fund" (the "*Series 2023-A Rebate Fund*"), which will be funded if so required under the Tax Certificate, and amounts in the Series 2023-A Rebate Fund will be held and disbursed in accordance with the terms and requirements of the Tax Certificate. The Trustee shall not be required to create and establish the Series 2023-A 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 2023-A 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 2023-A Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Series 2023-A Rebate Fund shall be governed by this Thirty-Fourth 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 2023-A 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 7.01(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 2023-A Rebate Fund as provided in this Article VII 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 Requirement shall be furnished by or on behalf of the Authority to the Trustee in accordance with the Tax Certificate.

(c) The Trustee shall invest all amounts held in the Series 2023-A 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.

(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 2023-A 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 2023-A Rebate Fund from or into such accounts or funds. Any funds remaining in the Series 2023-A Rebate Fund after payment of all of the Series 2023-A Bonds and payment and satisfaction of the Rebate Requirement 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-Fourth Supplemental Agreement, the obligation to pay the Rebate Requirement to the federal government of the United States of America and to comply with all other requirements of this Article VII and the Tax Certificate shall survive the defeasance or payment in full of the Series 2023-A Bonds. The Authority shall retain all records with respect to the calculations and instructions required by this Section 7.01 for at least four years after the date on which the last of the principal of and interest on the Series 2023-A Bonds has been paid.

Section 7.02 Tax Covenants. To maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2023-A Bonds, the Authority hereby covenants 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 these covenants, the Authority agrees to comply with the covenants contained in the Tax Certificate with respect to the Series 2023-A Bonds. The Authority hereby agrees to deliver instructions to the Trustee as may be necessary in order 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 7.01 hereof, or this Section 7.02 shall be an Event of Default.

Notwithstanding any provision of this Section and Section 7.01 hereof, if the Authority shall receive an Opinion of Bond Counsel to the effect that any action required under this Section 7.02 and Section 7.01 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 2023-A 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 VIII

COMPLIANCE WITH ORDINANCE NO. 49 AND ACT OF 1998

The Authority hereby covenants to comply with and to carry out the provisions of Ordinance No. 49 and the Act of 1998, including, without limitation, to allocate the Proposition C Sales Tax (including the proceeds of bonds secured by Proposition C Sales Tax) for the uses and in accordance with the percentages specified in Section 4(b) of Ordinance No. 49.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Limited Obligation. Neither the faith and credit nor the taxing power of the County of Los Angeles, the State of California or any political subdivision or agency thereof, other than the Authority to the extent of the Pledged Revenues and certain other amounts held by the Trustee under the Agreement and this Thirty-Fourth Supplemental Agreement, is pledged to the payment of the principal of or interest on the Series 2023-A Bonds. The Authority has no power to levy property taxes to pay the principal of or interest on the Series 2023-A Bonds.

The Series 2023-A Bonds are limited obligations of the Authority and are payable, both as to principal and interest, solely from the Pledged Revenues and by certain other amounts held by the Trustee under the Agreement. Other than Pledged Revenues and such amounts, the general fund of the Authority is not liable, and neither the credit nor the taxing power of the Authority is pledged, for the payment of the Series 2023-A Bonds or their interest.

Section 9.02 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-Fourth Supplemental Agreement. Such agents may include, but shall not be limited to, authenticating agents and paying agents. Any reference in this Thirty-Fourth 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 9.03 Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver, or other communication required or permitted by this Thirty-Fourth Supplemental Agreement or the Series 2023-A Bonds must be in writing except as expressly provided otherwise in this Thirty-Fourth Supplemental Agreement or the Series 2023-A Bonds.

(b) Any notice or other communication, unless otherwise specified, shall be sufficiently given and deemed given when delivered (i) by e-mail or (ii) by hand or mailed by first-class mail, postage prepaid, addressed to the Authority or the Trustee at the e-mail or mailing addresses set forth below. Notwithstanding the foregoing, any notice delivered by e-mail shall be followed by a hard copy delivered by first-class mail, postage prepaid, addressed to the Authority or the Trustee at the mailing 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, 21st Floor
Los Angeles, CA 90012
Attention: Treasury Department
E-mail: treasurydept@metro.net

to the Trustee: U.S. Bank Trust Company, National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust
Ref. Los Angeles County MTA Prop. C Bonds
E-mail: [_______________]

(c) The Trustee shall give written notice to Moody's and S&P if at any time a successor Trustee is appointed under the Agreement, if there is any amendment to the Agreement or this Thirty-Fourth Supplemental Agreement or if the defeasance of the Series 2023-A Bonds shall occur. Notice in the case of an amendment shall include a copy of any such amendment. Notices sent to Moody's shall be addressed to Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Attention: Public Finance Department, or to such other address as Moody's shall supply to the Trustee. 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 S&P shall supply to the Trustee.

Section 9.04 Investments. Notwithstanding anything to the contrary in the Agreement, any moneys held by the Trustee in the funds and accounts created under this Thirty-Fourth 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.

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 will furnish the Authority periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

Section 9.05 Limitation of Rights. Nothing expressed or implied in this Thirty-Fourth Supplemental Agreement or the Series 2023-A 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-Fourth Supplemental Agreement.

Section 9.06 Severability. If any provision of this Thirty-Fourth Supplemental Agreement shall be determined to be unenforceable, such determination shall not affect any other provision of this Thirty-Fourth Supplemental Agreement.

Section 9.07 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 9.08 Governing Law. This Thirty-Fourth Supplemental Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 9.09 Captions. The captions in this Thirty-Fourth Supplemental Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Thirty-Fourth Supplemental Agreement.

Section 9.10 Counterparts. This Thirty-Fourth Supplemental Agreement may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument. The parties further agree that facsimile signatures or signatures scanned into a portable document format (pdf file) (or signatures in another electronic format designated by the Authority) and sent by e-mail shall be deemed original signatures.

Section 9.11 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 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-Fourth Supplemental Agreement, failure of the Authority to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default, however, any Series 2023-A 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 9.12 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Thirty-Fourth Supplemental Trust Agreement by their officers thereunto duly authorized as of the date first above written.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By____

Rodney Johnson,
Deputy Executive Officer, Finance

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By____

Bradley E. Scarbrough
Vice President

[Signature page to Thirty-Fourth Supplemental Trust Agreement]

EXHIBIT A

FORM OF SERIES 2023-A 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 C SALES TAX REVENUE REFUNDING BONDS, SENIOR BONDS, SERIES 2023-A

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 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__	[________], 2023	[______]___

REGISTERED OWNER: CEDE & CO.

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 set forth above from the most recent Interest Payment Date (as defined in the Thirty-Fourth Supplement, as defined below) to which interest has been paid or duly provided for, or from the date of authentication hereof if such Interest Payment Date is a date of authentication, or from the next succeeding Interest Payment Date if such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, or from the Dated Date specified above if no interest has been paid or duly provided for, such payments of interest to be made on each January 1 and July 1, commencing on January 1, 2024, until the principal hereof has been paid or duly provided for as aforesaid. The principal of and interest on this Bond may be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public or private debts. The principal of this Bond is payable to the registered owner hereof upon presentation and surrender hereof at the principal corporate trust office of U.S. Bank Trust Company, National Association, as trustee (together with any successor as trustee under the Agreement, as defined below, the "Trustee"), in St. Paul, Minnesota, or such other place as designated by the Trustee, in lawful money of the United States of America. Capitalized terms used in this Bond and not defined herein shall have the meanings given them in the Agreement (as defined below).

This Bond is one of a duly authorized issue of the Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A (the "Series 2023-A Bonds"). This Bond is issued pursuant to an Amended and Restated Trust Agreement, dated as of January 1, 2010 (the "Trust Agreement"), by and between the Authority and the Trustee, and a Thirty-Fourth Supplemental Trust Agreement, dated as of [______] 1, 2023 (the "Thirty-Fourth Supplement"), by and between the Authority and the Trustee, setting forth the terms and authorizing the issuance of the Series 2023-A Bonds (said Trust Agreement as amended and supplemented, including as supplemented by the Thirty-Fourth Supplement, being the "Agreement"). Said authorized issue of Bonds is limited in aggregate principal amount as provided in the Agreement, and consists or may consist of one or more series of varying denominations, dates, maturities, interest rates and other provisions, as in said Agreement provided, all issued and to be issued pursuant to the provisions of Section 130500 et seq. of the California Public Utilities Code, as amended from time to time (the "Act"). The Series 2023-A Bonds constitute Senior Bonds under the Agreement. Reference is hereby made to the Agreement and to the Act for a description of the terms on which the Series 2023-A Bonds are issued and to be issued, the provisions with regard to the nature and extent of the Pledged Revenues (as that term is defined in the Agreement), and the rights of the Registered Owners of the Series 2023-A Bonds. All the terms of the 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.

Additional Senior Bonds and Senior Parity Debt may be issued or incurred on a parity with the Series 2023-A Bonds of this authorized issue, but only subject to the conditions and limitations contained in the Agreement.

The Senior Bonds currently outstanding and hereafter issued by the Authority, and the interest thereon, are payable from, and are secured by a charge and lien on, the Pledged Revenues derived by the Authority from the Proposition C Sales Tax. All of the Senior Bonds, including the Series 2023-A Bonds, and Senior Parity Debt are equally secured by a pledge of, and charge and lien upon, all of the Pledged Revenues, and the Pledged Revenues constitute a trust fund for the security and payment of the interest on and principal of the Series 2023-A Bonds; but nevertheless out of Pledged Revenues certain amounts may be applied for other purposes as provided in the Agreement.

The Series 2023-A Bonds are limited obligations of the Authority and are payable, both as to principal and interest, solely from the Pledged Revenues and by certain other amounts held by the Trustee under the Agreement.

The general fund of the Authority is not liable, and neither the credit nor the taxing power of the Authority is pledged (other than as described above), for the payment of the Series 2023-A Bonds or their interest. The Series 2023-A Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Pledged Revenues.

This Bond shall be issued pursuant to a book-entry system administered by DTC (together with any successor thereto, "Securities Depository"). The book-entry system will evidence beneficial ownership of the Series 2023-A 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 and interest payments, and provisions of notices or other communications, to beneficial owners of the Series 2023-A Bonds will be the responsibility of the Securities Depository as set forth in the Agreement.

Certain of the Series 2023-A Bonds are subject to redemption prior to their stated maturities as provided in the Thirty-Fourth Supplement.

This Bond is transferable or exchangeable for other Authorized Denominations upon surrender of this Bond at the corporate trust office of the Trustee in St. Paul, Minnesota, or such other place as designated by the Trustee, accompanied by a written instrument 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 Agreement, and upon surrender and cancellation of this Bond. Upon such transfer a new fully authenticated and registered Series 2023-A Bond or Series 2023-A 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 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 Series 2023-A Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Agreement, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of the Series 2023-A 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 Agreement or the Act.

This Bond shall not be entitled to any benefit under the Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

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 C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A Bonds of the Los Angeles County Metropolitan Transportation Authority described in the within mentioned Agreement.

Dated: _____________, 20___

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, 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 SCHEDULE

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY PROPOSITION C SALES TAX REVENUE REFUNDING BONDS, SENIOR BONDS, SERIES 2023-A

Date	Principal	Interest	Total Principal and Interest
Total			

EXHIBIT C

REFUNDED BONDS

1. Los Angeles County Metropolitan Transportation Authority
   Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B

2. Los Angeles County Metropolitan Transportation Authority
   Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C

3. Los Angeles County Metropolitan Transportation Authority
   Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A

EXHIBIT D

PRIOR OUTSTANDING SENIOR BONDS

"Prior Outstanding Senior Bonds" means and includes all of the following:

"Series 2013-A Bonds" means the $138,960,000 original principal amount of Senior Bonds issued under the Agreement and the Twenty-Third Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-A."

"Series 2013-B Bonds" means the $313,490,000 original principal amount of Senior Bonds issued under the Agreement and the Twenty-Fourth Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B."

"Series 2013-C Bonds" means the $63,785,000 original principal amount of Senior Bonds issued under the Agreement and the Twenty-Fourth Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C."

"Series 2014-A Bonds" means the $61,180,000 original principal amount of Senior Bonds issued under the Agreement and the Twenty-Fifth Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A."

"Series 2016-A Bonds" means the $86,570,000 original principal amount of Senior Bonds issued under the Agreement and the Twenty-Sixth Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2016-A."

"Series 2017-A Bonds" means the $454,845,000 original principal amount of Senior Bonds issued under the Agreement and the Twenty-Seventh Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2017-A."

"Series 2019-A Bonds" means the $418,575,000 original principal amount of Senior Bonds issued under the Agreement and the Twenty-Ninth Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2019-A (Green Bonds)."

"Series 2019-B Bonds" means the $126,425,000 original principal amount of Senior Bonds issued under the Agreement and the Twenty-Ninth Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2019-B."

"Series 2019-C Bonds" means the $47,830,000 original principal amount of Senior Bonds issued under the Agreement and the Thirtieth Supplemental Agreement and designated as "Los

Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2019-C."

"Series 2020-A Bonds" means the $28,265,000 original principal amount of Senior Bonds issued under the Agreement and the Thirty-First Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2020-A."

"Series 2021-A Bonds" means the $321,905,000 original principal amount of Senior Bonds issued under the Agreement and the Thirty-Second Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2021-A."

"Series 2022-A Bonds" means the $40,475,000 original principal amount of Senior Bonds issued under the Agreement and the Thirty-Third Supplemental Agreement and designated as "Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2022-A."

EXHIBIT E

PRIOR SUPPLEMENTAL AGREEMENTS

"Prior Supplemental Agreements" means and includes all of the following:

"Twenty-First Supplemental Agreement" means the Twenty-First Supplemental Trust Agreement, dated as of January 1, 2010, by and between the Authority and the Trustee.

"Twenty-Second Supplemental Agreement" means the Twenty-Second Supplemental Trust Agreement, dated as of July 1, 2012, by and between the Authority and the Trustee.

"Twenty-Third Supplemental Agreement" means the Twenty-Third Supplemental Trust Agreement, dated as of May 1, 2013, by and between the Authority and the Trustee.

"Twenty-Fourth Supplemental Agreement" means the Twenty-Fourth Supplemental Trust Agreement, dated as of December 1, 2013, by and between the Authority and the Trustee.

"Twenty-Fifth Supplemental Agreement" means the Twenty-Fifth Supplemental Trust Agreement, dated as of June 1, 2014, by and between the Authority and the Trustee.

"Twenty-Sixth Supplemental Agreement" means the Twenty-Sixth Supplemental Trust Agreement, dated as of June 1, 2016, by and between the Authority and the Trustee.

"Twenty-Seventh Supplemental Agreement" means the Twenty-Seventh Supplemental Trust Agreement, dated as of February 1, 2017, by and between the Authority and the Trustee.

"Twenty-Eighth Supplemental Agreement" means the Twenty-Eighth Supplemental Trust Agreement, dated as of April 1, 2018, by and between the Authority and the Trustee.

"Twenty-Ninth Supplemental Agreement" means the Twenty-Ninth Supplemental Trust Agreement, dated as of February 1, 2019, by and between the Authority and the Trustee.

"Thirtieth Supplemental Agreement" means the Thirtieth Supplemental Trust Agreement, dated as of June 1, 2019, by and between the Authority and the Trustee.

"Thirty-First Supplemental Agreement" means the Thirty-First Supplemental Trust Agreement, dated as of June 1, 2020, by and between the Authority and the Trustee.

"Thirty-Second Supplemental Agreement" means the Thirty-Second Supplemental Trust Agreement, dated as of April 1, 2021, by and between the Authority and the Trustee.

"Thirty-Third Supplemental Agreement" means the Thirty-Third Supplemental Trust Agreement, dated as of June 1, 2022, by and between the Authority and the Trustee.

PRELIMINARY OFFICIAL STATEMENT DATED [•], 2023

KUTAK ROCK LLP
DRAFT 02/18/2023

NEW ISSUE—BOOK-ENTRY ONLY
[DAC Logo]

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

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by LACMTA described herein, interest on the Series 2023-A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Series 2023-A Bonds is exempt from personal income taxes of the State of California (the "State") under present State law. See "TAX MATTERS" herein regarding certain other tax considerations.

[LACMTA Logo]

$[PAR]*
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A

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

The Los Angeles County Metropolitan Transportation Authority ("LACMTA") is issuing its Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A (the "Series 2023-A Bonds"). The Series 2023-A Bonds are being issued pursuant to the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended (the "Trust Agreement"), by and between LACMTA and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee (the "Trustee"), and the Thirty-Fourth Supplemental Trust Agreement, to be dated as of [April] 1, 2023 (the "Thirty-Fourth Supplemental Agreement," and together with the Trust Agreement, the "Agreement"), by and between LACMTA and the Trustee. The Series 2023-A Bonds are limited obligations of LACMTA payable solely from and secured by a first lien on and pledge of "Pledged Revenues" and by other amounts held by the Trustee under the Agreement. "Pledged Revenues" are receipts from the Proposition C Sales Tax, less amounts described in this Official Statement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS" and "PROPOSITION C SALES TAX AND COLLECTIONS" herein. LACMTA will use the proceeds of the Series 2023-A Bonds and other available funds to (a) refund and defease the Refunded Bonds and (b) pay the costs of issuance of the Series 2023-A Bonds.

The Series 2023-A Bonds will be issued in denominations of $5,000 and integral multiples thereof. The Series 2023-A 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 2023-A Bonds. Individual purchases and sales of the Series 2023-A Bonds may be made in book-entry form only. See "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM." The Series 2023-A Bonds will mature in the principal amounts and will bear interest at the rates set forth on the inside front cover. LACMTA will pay interest on the Series 2023-A Bonds on each January 1 and July 1, commencing on January 1, 2024.

Certain of the Series 2023-A Bonds are subject to optional redemption prior to maturity as described in this Official Statement. See "DESCRIPTION OF THE SERIES 2023-A 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 2023-A Bonds. 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 2023-A Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2023-A Bonds.

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 2023-A Bonds. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of 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 2023-A Bonds when, as and if it issues the Series 2023-A Bonds. The issuance of the Series 2023-A Bonds is subject to the approval as to their validity by Nixon Peabody LLP, Bond Counsel to LACMTA. The Los Angeles County Counsel, as General Counsel to LACMTA, and Kutak Rock LLP, as Disclosure Counsel, will pass on certain legal matters for LACMTA. Certain legal matters will be passed upon for the Underwriters by their counsel, [•]. LACMTA anticipates that the Series 2023-A Bonds will be available for delivery through the book-entry facilities of DTC on or about [April •], 2023.

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* Preliminary; subject to change.

[Underwriters]

Date of Official Statement:

[INSERT MAP OF LACMTA SYSTEM]

MATURITY SCHEDULE*

$[PAR]*
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Proposition C Sales Tax Revenue Refunding Bonds,
Senior Bonds, Series 2023-A

Maturity Date (July 1)*	Principal Amount*	Interest Rate	Yield	Price	CUSIP No.†

* Preliminary; subject to change.
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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

Board Members[1]

Ara J. Najarian, Chair
Jacquelyn Dupont-Walker, First Vice-Chair
Janice Hahn, Second Vice Chair
Kathryn Barger
Karen Bass
James T. Butts, Jr.
Fernando Dutra
Lindsey Horvath
Paul Krekorian
Holly J. Mitchell
Tim Sandoval
Hilda L. Solis
Gloria Roberts (Interim), Non-Voting Member

LACMTA Officers

Stephanie N. Wiggins, Chief Executive Officer
Nalini Ahuja, Chief Financial Officer

LACMTA General Counsel

Office of the County Counsel
Los Angeles, California

MUNICIPAL ADVISOR

Montague DeRose and Associates, LLC
Westlake Village, California

BOND COUNSEL

Nixon Peabody LLP

DISCLOSURE COUNSEL

Kutak Rock LLP

TRUSTEE

U.S. Bank Trust Company, National Association
Los Angeles, California

VERIFICATION AGENT

Causey Demgen & Moore P.C.

[1] [There is currently one vacancy on the Board.]

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 2023-A 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 will there be any sale of the Series 2023-A 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 2023-A 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 Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

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 2023-A 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 2023-A Bonds, including the merits and risks involved. The Series 2023-A 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 securities regulatory agency, has passed upon the merits of the Series 2023-A Bonds or the accuracy or completeness of this Official Statement. The Series 2023-A 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.

The Underwriters may offer and sell the Series 2023-A 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 Underwriters.

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OFFICIAL STATEMENT

$[PAR]*
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Proposition C Sales Tax Revenue Refunding Bonds,
Senior Bonds, Series 2023-A

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 $[PAR]* aggregate principal amount of its Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A (the "Series 2023-A Bonds"). 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 2023-A Bonds. LACMTA is only offering the Series 2023-A 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 D—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 District and the Commission, 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 6, 1990, the voters of the County approved the "Proposition C Sales Tax." The Proposition C Sales Tax is a one half of one percent sales tax imposed on 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 of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions, and is not limited in duration. For more information regarding the Proposition C Sales Tax, see "PROPOSITION C SALES TAX AND COLLECTIONS—The Proposition C 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 2023-A Bonds are limited obligations of LACMTA payable from Pledged Revenues, which consist primarily of proceeds of the Proposition C Sales Tax. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS." For certain economic and demographic

* Preliminary; subject to change.

data about the County, see "APPENDIX C—LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION."

Purpose of the Series 2023-A Bonds

LACMTA will use the proceeds of the Series 2023-A Bonds, together with other available funds, to (a) refund and defease the Refunded Bonds (as defined under "PLAN OF REFUNDING AND APPLICATION OF THE SERIES 2023-A BOND PROCEEDS—Use of Proceeds; Plan of Refunding"), and (b) pay the costs of issuance of the Series 2023-A Bonds. For a more detailed description of LACMTA's proposed use of the proceeds of the Series 2023-A Bonds, see "PLAN OF REFUNDING AND APPLICATION OF THE SERIES 2023-A BOND PROCEEDS."

Description of the Series 2023-A Bonds

The Series 2023-A Bonds are limited obligations of LACMTA to be issued pursuant to, and secured under, the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended (the "Trust Agreement"), by and between LACMTA and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee (the "Trustee"). In connection with the issuance of the Series 2023-A Bonds, LACMTA will enter into the Thirty-Fourth Supplemental Trust Agreement, to be dated as of [April] 1, 2023 (the "Thirty-Fourth Supplemental Agreement"), by and between LACMTA and the Trustee, to provide for the terms of the Series 2023-A Bonds and related matters. The Trust Agreement, as supplemented by the Thirty-Fourth Supplemental Agreement, is referred to in this Official Statement as the "Agreement."

The Series 2023-A Bonds will be issued in registered form, in denominations of $5,000 or any integral multiple thereof. The Series 2023-A Bonds will be dated their initial date of delivery and will mature on the dates and in the principal amounts 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 2023-A 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 2023-A Bonds. See "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM."

Security and Sources of Payment for the Series 2023-A Bonds

The Series 2023-A Bonds are limited obligations of LACMTA payable solely from and secured by a first lien on and pledge of "Pledged Revenues," which are moneys collected as a result of the imposition of the Proposition C Sales Tax (the imposition of which is not limited in duration), less 20% thereof which is allocated to local jurisdictions for public transit, paratransit and related services (the "Local Allocation"), and less an administrative fee paid to the California Department of Tax and Fee Administration (formerly the California State Board of Equalization) ("CDTFA") in connection with the collection and disbursement of the Proposition C Sales Tax (the "Pledged Tax"), plus interest, profits and other income received from the investment of such amounts held by the Trustee (other than amounts in the Rebate Fund). In addition, the Series 2023-A Bonds are secured by all other amounts held by the Trustee under the Agreement except for amounts held in any debt service reserve fund, the Rebate Fund and the Redemption Fund. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS" and "PROPOSITION C SALES TAX AND COLLECTIONS."

Proposition C Sales Tax Obligations

Under the Agreement, LACMTA may issue Senior Bonds and incur debt and other obligations payable on a parity with Senior Bonds ("Senior Parity Debt," described in greater detail in APPENDIX D), which are secured by a first lien on and pledge of Pledged Revenues. Senior Bonds and Senior Parity Debt are referred to collectively in this Official Statement as "Senior Obligations." The Series 2023-A Bonds are Senior Bonds and are payable on a parity with all other Senior Bonds and any Senior Parity Debt. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS—Proposition C Sales Tax Obligations."

As of March 1, 2023, LACMTA had Senior Bonds outstanding in the aggregate principal amount of $1,771,705,000, including the principal of the Refunded Bonds. See "PROPOSITION C SALES TAX OBLIGATIONS." LACMTA presently does not have any Senior Parity Debt outstanding.

LACMTA may issue additional Senior Bonds and incur additional Senior Parity Debt upon the satisfaction of certain additional bonds tests contained in the Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS—Proposition C Sales Tax Obligations—*Senior* Obligations". [LACMTA's Short Range Financial Forecast assumes the issuance of approximately $[1.3] billion in additional Senior Bonds from Fiscal Year 2023 through Fiscal Year 2032.] For further discussion of the Short Range Financial Forecast, see "FUTURE TRANSPORTATION IMPROVEMENTS—Capital Planning" in APPENDIX A.

LACMTA has covenanted in the Trust Agreement not to issue or incur any obligations with a pledge of or lien on Pledged Revenues prior or superior to that of the Senior Bonds (including the Series 2023-A Bonds) and any Senior Parity Debt.

Under the Agreement, LACMTA also is authorized to create a charge or lien on Pledged Revenues ranking junior and subordinate to the charge or lien of the Senior Obligations (including the Series 2023-A Bonds). Pursuant to the Subordinate Trust Agreement, dated as of June 1, 1993, as amended and supplemented (the "Subordinate Trust Agreement"), by and between LACMTA and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee, LACMTA has issued obligations (the "Subordinate Lien Obligations") which are payable from and secured by a pledge and lien on the Pledged Revenues remaining after the payment of the principal of and interest on the Senior Obligations and any Pledged Revenues required to fund a debt service reserve fund for the Senior Bonds (collectively, the "Net Pledged Revenues"). See "PROPOSITION C SALES TAX OBLIGATIONS—Subordinate Lien Obligations" for a description of LACMTA's outstanding Subordinate Lien Obligations. See also "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS—Proposition C Sales Tax Obligations—*Subordinate Lien Obligations.*"

In addition, LACMTA has incurred other obligations which are secured by the Proposition C Sales Tax revenues that remain after the payment of Senior Bonds, Senior Parity Debt and Subordinate Lien Obligations. See "PROPOSITION C SALES TAX OBLIGATIONS—Other Obligations."

The Series 2023-A Bonds Are Limited Obligations of LACMTA Only

Neither the faith and credit nor the taxing power of the County, the State of California (the "State") 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 2023-A Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2023-A Bonds.

The Series 2023-A Bonds are limited obligations of LACMTA and are payable, as to both principal and interest, solely from and secured by a first lien on and pledge of 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 2023-A Bonds.

No Reserve Fund for the Series 2023-A Bonds

Prior to 2019, all of the Senior Bonds were supported by a debt service reserve fund established by the Trust Agreement (the "Reserve Fund"). However, subsequent to 2019, only the outstanding Senior Bonds issued on or prior to June 15, 2016 are secured by the Reserve Fund. *The Series 2023-A Bonds will not be secured by the Reserve Fund or any other debt service reserve fund.* See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS—The Series 2023-A Bonds Are Not Secured by Any Debt Service Reserve Fund."

Continuing Disclosure

In connection with the issuance of the Series 2023-A Bonds, for purposes of assisting the Underwriters (as defined under "UNDERWRITING") 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 F—FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Additional Information

Brief descriptions of the Series 2023-A 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 and the purchasers or Owners of any of the Series 2023-A Bonds. LACMTA maintains a website, an investor relations page through a third-party, 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 2023-A 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 REFUNDING AND APPLICATION OF THE SERIES 2023-A BOND PROCEEDS

Use of Proceeds; Plan of Refunding

LACMTA will use the proceeds of the Series 2023-A Bonds, together with other available funds to be released from funds and accounts related to the Refunded Bonds, to (a) refund and defease the Refunded Bonds and (b) pay the costs of issuance of the Series 2023-A Bonds.

LACMTA will apply a portion of the proceeds of the Series 2023-A Bonds, together with other available funds, to refund and defease all or a portion of its outstanding (a) Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B (the portion so refunded, the "Refunded Series 2013-B Bonds"), (b) Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C (the portion so refunded, the "Refunded Series 2013-C Bonds"), and (c) Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A (the portion so refunded, the "Refunded Series 2014-A Bonds," and collectively with the Refunded Series 2013-B Bonds and the Refunded Series 2013-C Bonds, the "Refunded Bonds"), as set forth in more detail in the following table. The refunding of the Refunded Bonds is subject to market conditions, and LACMTA will only refund any of the Refunded Bonds if such refunding results in acceptable debt service savings to LACMTA.

REFUNDED BONDS*

Series	Maturity Date (July 1)	Principal Amount	Interest Rate	Payment/ Redemption Date	CUSIP Number[1]
2013-B	2023	$10,285,000	5.000%	July 1, 2023	5447125T5
2013-B	2024	10,800,000	5.000	July 1, 2023	5447125U2
2013-B	2025	11,340,000	5.000	July 1, 2023	5447125V0
2013-B	2026	11,905,000	5.000	July 1, 2023	5447125W8
2013-B	2027	12,505,000	5.000	July 1, 2023	5447125X6
2013-B	2028	13,130,000	5.000	July 1, 2023	5447125Y4
2013-B	2029	13,785,000	5.000	July 1, 2023	5447125Z1
2013-B	2030	14,475,000	5.000	July 1, 2023	5447126A5
2013-B	2031	15,195,000	5.000	July 1, 2023	5447126B3
2013-B	2032	15,955,000	5.000	July 1, 2023	5447126C1
2013-B	2033	16,755,000	5.000	July 1, 2023	5447126D9
2013-B	2034	17,595,000	5.000	July 1, 2023	5447126E7
2013-B	2035	18,470,000	5.000	July 1, 2023	5447126F4
2013-B	2036	19,395,000	5.000	July 1, 2023	5447126G2
2013-B	2037	20,365,000	4.375	July 1, 2023	5447126H0
2013-B	2038	21,255,000	4.500	July 1, 2023	5447126H6
2013-C	2023	$5,935,000	5.000%	July 1, 2023	5447126T4
2013-C	2024	6,230,000	4.000	July 1, 2023	5447126U1
2013-C	2025	6,475,000	5.000	July 1, 2023	5447126V9
2013-C	2026	6,800,000	5.000	July 1, 2023	5447126W7
2014-A	2027	$6,410,000	5.000%	July 1, 2023	5447126X5
2014-A	2028	6,730,000	5.000	July 1, 2023	5447126Y3
2014-A	2029	7,060,000	5.000	July 1, 2023	5447126Z0
2014-A	2030	7,415,000	5.000	July 1, 2023	5447127A4
2014-A	2031	7,790,000	5.000	July 1, 2023	5447127B2
2014-A	2032	8,175,000	5.000	July 1, 2023	5447127C0
2014-A	2033	8,585,000	5.000	July 1, 2023	5447127D8
2014-A	2034	9,015,000	5.000	July 1, 2023	5447127E6

* Preliminary; subject to change.
[1] CUSIP numbers are provided only for the convenience of the reader. LACMTA does not undertake any responsibility for the accuracy of such CUSIP numbers or for any changes or errors in the list of CUSIP numbers.

A portion of the proceeds of the Series 2023-A Bonds, together with other available funds, will be deposited with U.S. Bank Trust Company, National Association, as trustee and escrow agent, and will be held in (i) an escrow account for the Refunded Series 2013-B Bonds (the "Series 2013-B Escrow Account"), (ii) an escrow account for the Refunded Series 2013-C Bonds (the "Series 2013-C Escrow Account"), and (iii) an escrow account for the Refunded Series 2014-A Bonds (the "Series 2014-A Escrow Account," and collectively with the Series 2013-B Escrow Account and the Series 2013-C Escrow Account, the "Escrow Accounts") to be created under the terms of an escrow agreement to be entered into between LACMTA and U.S. Bank Trust Company, National Association, as trustee and escrow agent. All amounts deposited into the Escrow Accounts will be invested in direct, noncallable obligations of the United States Treasury and/or held uninvested in cash. Amounts on deposit in the Escrow Accounts will be used on July 1, 2023 to (a) pay the principal of and interest on the Refunded Series 2013-B Bonds maturing on July 1, 2023, (b) pay the principal of and interest on the Refunded Series 2013-C Bonds maturing on July 1, 2023, and (c) redeem the Refunded Series 2013-B Bonds maturing on and after July 1, 2024, the Refunded Series 2013-C Bonds maturing on and after July 1, 2024 and the Refunded Series 2014-A Bonds at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon.

Causey Demgen & Moore P.C., will verify that the amounts deposited to the respective Escrow Accounts will be sufficient to (a) pay on July 1, 2023 the principal of and interest on the Refunded Series 2013-B Bonds maturing on July 1, 2023, (b) pay on July 1, 2023 the principal of and interest on the Refunded Series 2013-C Bonds maturing on July 1, 2023, and (c) redeem on July 1, 2023 the Refunded Series 2013-B Bonds maturing on and after July 1, 2024, the Refunded Series 2013-C Bonds maturing on and after July 1, 2024 and the Refunded Series 2014-A Bonds at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2023-A Bonds.

Sources	
Principal Amount	$
Original Issue Premium/(Discount)	
Other Available Moneys[1]	
Total Sources	$
Uses	
Deposit to Escrow Accounts	$
Costs of Issuance[2]	
Total Uses	$

[1] Includes funds released from the Reserve Fund and from the debt service accounts for the Refunded Bonds.

[2] Includes Underwriter's discount, legal fees, rating agency fees, municipal advisor fees, printer costs, and other costs of issuance.

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 2023-A 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 C Sales Tax revenues, or the Series 2023-A 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 C Sales Tax Revenues

The Series 2023-A 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 C Sales Tax and other amounts that are held by the Trustee under the Agreement. The level of Proposition C 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 C Sales Tax revenues received by LACMTA declined. Proposition C Sales Tax revenues increased in Fiscal Years 2011 through 2019.

The worldwide COVID-19 pandemic that began in March 2020, and the resulting governmentally imposed business shutdowns, negatively affected the collection of Proposition C Sales Tax revenues during the last three months of Fiscal Year 2020 (April 2020 through June 2020) and the first nine months of Fiscal Year 2021 (July 2020 through March 2021). However, beginning in April 2021, as COVID-19 vaccines became more widely available and as the COVID-19 restrictions were eased and ultimately terminated, Proposition C Sales Tax revenue collections began to recover rapidly and since then Proposition C Sales Tax revenue collections have been at historically high levels. See "PROPOSITION C SALES TAX AND COLLECTIONS—Historical Proposition C Sales Tax Collections." The COVID-19 outbreak is ongoing, and its dynamic nature leads to uncertainties, including (i) the geographic spread of the virus; (ii) the severity of the disease; (iii) the duration of the outbreak; (iv) existing actions that have been taken, and new actions that may be taken in the future, by governmental authorities to contain or mitigate the outbreak; (v) the acceptance of and effectiveness (especially against any new variants of the virus) of vaccines; (vi) the impact of the outbreak on the local, national or global economy; (vii) the impact of the outbreak and actions taken in response to the outbreak on LACMTA's revenues, expenses and financial condition; and (viii) temporary and permanent changes to consumers' spending habits. In the event of new outbreaks of COVID-19 variants and the reimposition of restrictions on businesses, Proposition C Sales Tax revenues could decline in the future, reducing amounts available to pay the principal of and interest on the Series 2023-A Bonds.

Beginning in 2021, the County, like the rest of the nation, has experienced significant increases in costs of food, energy and other products, in addition to associated wage and salary pressures. Inflation, particularly in wages, food and energy prices are expected to continue for the foreseeable future. Ongoing high inflation may affect consumer spending decisions and as a result adversely impact sales transactions in the County and ultimately the amount of Proposition C Sales Tax revenues received by LACMTA.

To project future Proposition C 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, CDTFA does not provide LACMTA with any forecasts of Proposition C Sales Tax revenues for future periods. Therefore, LACMTA is unable to predict with certainty future levels of Proposition C Sales Tax revenues. In addition, the County is located in a seismically active region. A major earthquake, pandemic, epidemic, or other natural disaster could adversely affect the economy of the County and the amount of Proposition C Sales Tax revenues. Future significant declines in the amount of Proposition C Sales Tax revenues could ultimately impair the ability of LACMTA to pay principal of and interest on the Series 2023-A Bonds. See "PROPOSITION C SALES TAX AND COLLECTIONS—Historical Proposition C Sales Tax Collections." Also see "APPENDIX C—LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION."

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

With limited exceptions, the Proposition C Sales Tax is imposed on the same transactions and items subject to the general sales tax levied throughout the State. In the past, the California State Legislature and the California State electorate have made changes to the transactions and items subject to the State's general sales tax and, therefore, the Proposition C 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 C 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 C Sales Tax are imposed. Such a change could either increase or decrease Proposition C Sales Tax revenues depending on the nature of the change. See "PROPOSITION C SALES TAX AND COLLECTIONS."

Federal law may also cause transactions and items to be excluded from the State's general sales tax, and, therefore, the Proposition C 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 must be used for airport-related purposes. The FAA definition of local sales tax includes the Proposition C Sales Tax, as well as the Measure R Sales Tax and the Measure M Sales Tax (see "PROPOSITION C SALES TAX AND COLLECTIONS—The Proposition C Sales Tax" for descriptions of these sales taxes). While LACMTA cannot be certain of the overall impact that the FAA Policy will have on Proposition C Sales Tax revenues, it does not expect that Proposition C Sales Tax revenues will be reduced as a result of the FAA Policy since the amount of revenues that LACMTA expends on airport-related purposes exceeds the amount of local taxes, including Proposition C Sales Tax revenues, it derives from aviation fuel. However, LACMTA cannot guarantee that Proposition C Sales Tax revenues will not be adversely affected by the FAA Policy. The FAA Policy is illustrative of federal laws that may affect which transactions and items are subject to the State's general sales tax.

Increases in Sales Tax Rate May Cause Declines in Proposition C 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 C 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 in July 1, 2009.

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) to improve transportation and ease traffic congestion. The Measure M Sales Tax is a new one-half cent sales tax that started on 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. Proposition A Sales Tax (as defined herein) revenues, Measure R Sales Tax revenues and Measure M Sales Tax revenues are separate from Proposition C Sales Tax revenues and do not secure the Senior Bonds, including the Series 2023-A Bonds, or Senior Parity Debt.

On March 7, 2017, County voters approved a ¼ of 1% sales tax increase known as the Measure H Sales Tax for Homeless Services and Prevention to fund programs to assist the County's homeless population. The Measure H Sales Tax went into effect in October, 2017 and such tax expires in 2027. See "PROPOSITION C SALES TAX AND COLLECTIONS—The Proposition C Sales Tax" for further discussion of Measure H and other current sales taxes in the County.

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.

Increased Internet Use May Reduce Proposition C Sales Tax Revenues

The increasing use of the Internet to conduct electronic commerce may affect the levels of Proposition C Sales Tax revenues. Internet sales of physical products by businesses located in the State, and Internet sales of physical products delivered to the State by businesses located outside of the State are generally subject to the retail transactions and use tax imposed by Proposition C. 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.

Further, the Supreme Court of the United States (the "Supreme Court") decided a case on June 21, 2018 (*South Dakota v. Wayfair Inc., et al*) concerning out of jurisdiction collection of sales taxes. The Supreme Court ruled that state and local governments have the authority to require out-of-state vendors with no local physical presence in a state to collect and remit sales taxes to state and local governments. Since April 1, 2019, retailers located outside of California have been required to register with CDTFA, collect the California use tax, and pay the tax to CDTFA based on the amount of their sales into California, even if they do not have a physical presence in the state, with exceptions for retailers with California sales below certain volume and dollar amount thresholds. Effective October 1, 2019, marketplace facilitators (such as Internet shopping websites) are treated as retailers for purposes of determining whether such thresholds are met, and marketplace facilitators are required to collect and remit sales and use tax on the sale of tangible personal property sold through their marketplace for delivery to California customers if they meet certain volume and dollar amount thresholds. LACMTA believes that some Internet transactions currently avoid taxation and in the future may continue to avoid taxation, and this potentially reduces the amount of Proposition C Sales Tax revenues.

No Acceleration of the Series 2023-A Bonds

In the event of a default by LACMTA, the Agreement does not contain a provision allowing for the acceleration of the principal of and interest due on the Series 2023-A Bonds. In the event of a default by LACMTA, each Owner of the Series 2023-A Bonds will have the right to exercise the remedies, subject to the limitations thereon, set forth in the Agreement. See "APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—TRUST AGREEMENT—Events of Default and Remedies."

No Reserve Fund for the Series 2023-A Bonds

The Series 2023-A Bonds will not be secured by a debt service reserve fund.

Additional Senior Bonds

LACMTA expects to issue additional debt secured by Proposition C Sales Tax revenues, including additional Senior Bonds. [The Short Range Financial Forecast assumes the issuance of approximately $1.3 billion in additional Senior Bonds from Fiscal Year 2023 through Fiscal Year 2032.] For further discussion of the Short Range Financial Forecast, see "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—FUTURE TRANSPORTATION IMPROVEMENTS—Capital Planning." LACMTA has several major transit projects under construction and has future plans for additional major capital projects. LACMTA may ultimately issue more Senior Bonds to finance these projects than its current plans presently anticipate, particularly if costs of completing projects are higher than expected or other funding sources are not available as planned. In addition, LACMTA is likely to undertake additional capital projects in the future, and additional Senior Bonds may be issued to finance these projects. LACMTA may issue additional Senior Bonds only if the additional bonds tests described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS—Proposition C Sales Tax Obligations—*Senior Obligations*" are satisfied.

Impact of Bankruptcy of LACMTA

As a municipal entity, LACMTA is 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 2023-A 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 C 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 2023-A 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 Senior Bonds (including the Series 2023-A 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. The holders of the Senior Bonds (including the Series 2023-A Bonds) may not be able to assert a claim against any property of LACMTA other than the Pledged Tax, and if the Pledged Tax were no longer subject to the lien of the Agreement, there may be no amounts from which the holders of the Senior Bonds (including the Series 2023-A Bonds) are entitled to be paid.

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 2023-A Bonds.

If LACMTA files for relief under Chapter 9, the parties (including the Trustee and the holders of the Series 2023-A 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 2023-A 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 CDTFA may no longer be enforceable, and LACMTA may be able to require that the Pledged Tax be paid directly to it by CDTFA.

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 2023-A 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 2023-A 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 2023-A 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 a 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 2023-A 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 2023-A 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 2023-A Bonds, to alter the priority, principal amount, interest rate, payment terms, collateral, maturity date, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Agreement and the Series 2023-A Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

As noted in its 2022 Financial Statements (as defined under "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 ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022"), 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 2023-A 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 a 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 2023-A Bonds while the court considers any of these issues, and any of these issues could result in delays or reductions in payments on, or other losses with respect to, the Series 2023-A Bonds. There may be other possible effects of a bankruptcy of LACMTA that could result in delays or reductions in payments on the Series 2023-A Bonds, or result in losses to the holders of the Series 2023-A Bonds. Regardless of any specific adverse determinations in a LACMTA bankruptcy proceeding, the fact of a LACMTA bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Series 2023-A Bonds.

Liability for CalPERS Retirement Funding

LACMTA participates in CalPERS, and is a member of the Southern California Regional Rail Authority ("Metrolink"), a joint powers authority that participates in CalPERS. Participants in CalPERS may terminate their participation, and CalPERS may, following notice and cure periods, terminate participants that fail to make required contributions or provide required information or no longer exist. California law provides that a terminated agency is liable to CalPERS for any deficit in funding for earned benefits, plus interest and collection costs, and that CalPERS will have a lien on assets of the terminated participant, subject only to a prior lien for wages, for such deficit, interest and costs. Similar provisions impose liability and liens on members of joint powers authorities for the retirement obligations of the joint powers authority. As of June 30, 2022, LACMTA's net pension liability with respect to the CalPERS administered plan in which LACMTA participates was approximately $89 million according to LACMTA's audited financial statements (see APPENDIX B), [and, as of June 30, 2022, Metrolink's net pension liability was approximately $[•] million, according to Metrolink's audited financial statements.] While LACMTA expects to make its required contributions to CalPERS and to strive to ensure that no funding deficit exists in the event of the termination or dissolution of Metrolink or any other joint powers authority of which it becomes a member (or if a funding deficit does exist, to make alternate arrangements to address it), it is possible that a lien could be placed on all of LACMTA's assets, including the Proposition C Sales Tax Revenues, in the amount of any funding deficit, plus interest and collection costs, and any such lien on Proposition C Sales Tax Revenues would be senior to that securing the Senior Bonds. Also see "—Impact of Bankruptcy of LACMTA."

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

Voters have the right to place measures before the electorate in the County or the State and the California State Legislature may take actions to limit the collection and use of the Proposition C Sales Tax. Such initiatives or actions may impact various aspects of the security, source of payment and other credit aspects of the Series 2023-A Bonds. See "PROPOSITION C SALES TAX AND COLLECTIONS—Initiatives and Changes to Proposition C Sales Tax."

DESCRIPTION OF THE SERIES 2023-A BONDS

General

The Series 2023-A Bonds are limited obligations of LACMTA to be issued pursuant to and secured under the Agreement. In connection with the issuance of the Series 2023-A Bonds, LACMTA will enter into the Thirty-Fourth Supplemental Agreement to provide the terms of the Series 2023-A Bonds and related matters.

The Series 2023-A Bonds will bear interest at the rates and mature in the principal 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 January 1, 2024. Interest on the Series 2023-A Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2023-A Bonds will be issued in fully registered form in denominations of $5,000 or any integral multiple thereof. Upon initial issuance, the Series 2023-A Bonds will be registered in the name of Cede & Co. as registered owner and nominee of DTC. As long as the Series 2023-A Bonds are registered in such name or in the name of a successor nominee, the ownership of the Series 2023-A Bonds will be evidenced by book-entry as described in "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM." Purchasers will not receive certificated Series 2023-A Bonds. So long as Cede & Co. is the registered owner of the Series 2023-A Bonds, reference herein to the Bondholders or registered owners will mean Cede & Co. as aforesaid and will not mean the Beneficial Owners of the Series 2023-A Bonds.

So long as Cede & Co. is the registered owner of the Series 2023-A Bonds, principal and redemption price of and interest on the Series 2023-A 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 2023-A Bonds cease to be held by DTC or by a successor securities depository, the principal and redemption price of the Series 2023-A Bonds will be payable at maturity or earlier redemption upon presentation and surrender of the Series 2023-A Bonds at the corporate trust office or agency of the Trustee, and interest on the Series 2023-A Bonds will be payable by check mailed by first-class mail on each Interest Payment Date to the Owners of the Series 2023-A Bonds as of the Record Date; provided, that Owners of $1,000,000 or more in aggregate principal amount of Series 2023-A 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 2023-A Bonds maturing on or before July 1, 20__ are not subject to optional redemption prior to their stated maturities. The Series 2023-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 Authorized Denominations at any time, from any moneys that may be provided for such purpose and at the redemption price of 100% of the principal amount of such Series 2023-A Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

Selection of Series 2023-A Bonds to Be Redeemed; Notice of Redemption. The Series 2023-A Bonds are subject to optional redemption in such order of maturity as LACMTA may direct and by lot, selected in such manner as the Trustee deems appropriate, within a maturity, provided that for so long as the Series 2023-A Bonds are held by DTC, the interests of the Participants in the particular Series 2023-A Bonds or portions thereof to be redeemed within a maturity will be selected by lot by DTC in such manner as DTC and the Participants may determine. See also "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM."

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 2023-A Bonds held by DTC, via electronic means or by an express delivery service for delivery on the next following Business Day). Each notice of redemption will specify the Series 2023-A Bonds to be redeemed; the redemption date; the CUSIP numbers

* Preliminary; subject to change.

of the Series 2023-A Bonds to be redeemed; the redemption price; the place or places where amounts due upon such redemption will be payable; if less than all of the Series 2023-A Bonds of a maturity date are to be redeemed, the numbers of the Series 2023-A Bonds and the portions of Series 2023-A Bonds to be redeemed; any conditions to the redemption; and that on the redemption date, and upon the satisfaction of any such condition, the Series 2023-A Bonds to be redeemed will cease to bear interest.

If at the time of mailing of notice of an optional redemption there has not been deposited with the Trustee moneys sufficient to redeem all the Series 2023-A Bonds called for redemption, such notice may, at the election of LACMTA, 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 2023-A Bonds that were to be redeemed.

Failure to give any required notice of redemption or any defect therein will not in any matter affect the validity of the call for redemption of any Series 2023-A Bond in respect of which no such failure or defect occurs. In addition, failure to give notice to the EMMA System, the Information Services or the Securities Depositories or any defect therein will not in any manner affect the redemption of any Series 2023-A Bond. 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 "—*Selection of Series 2023-A Bonds to be Redeemed; Notice of Redemption*" and the moneys for payment of the redemption price are on deposit with the Trustee, the Series 2023-A Bonds called for redemption will be due and payable on the redemption date, interest on such Series 2023-A Bonds will cease to accrue after such date, such Series 2023-A Bonds will cease to be entitled to any lien, benefit or security under the Agreement, and the registered owners of such Series 2023-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 2023-A Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS

Security for the Series 2023-A Bonds

The Series 2023-A Bonds are limited obligations of LACMTA payable from and secured by a first lien on and pledge of the "Pledged Revenues," which consist of Pledged Tax plus interest, profits and other income received from the investment of such amounts held by the Trustee (other than amounts in the Rebate Fund). "Pledged Tax" consists of moneys collected as a result of the imposition of the Proposition C Sales Tax, less 20% thereof which constitutes the Local Allocation, less an administrative fee paid to CDTFA in connection with the collection and disbursement of the Proposition C Sales Tax. In addition, the Series 2023-A Bonds are secured by all other amounts held by the Trustee under the Agreement except for amounts held in any debt service reserve fund, the Rebate Fund and the Redemption Fund. Additionally, the Agreement provides that Pledged Tax also includes any Local Allocation that a local jurisdiction authorizes to be pledged to secure the Series 2023-A Bonds, plus such additional sources of revenue, if any, which are hereafter pledged to pay the Series 2023-A Bonds under a subsequent supplemental trust agreement. As of the date of this Official Statement, no local jurisdiction has authorized to be pledged any of its Local Allocation to secure any Senior Bonds, including the Series 2023-A Bonds. Pledged Revenues do not include any Proposition C Sales Tax revenues that are released by the Trustee to (a) the payment of the Proposition C Revolving Obligations (as defined under "PROPOSITION C SALES TAX OBLIGATIONS—Subordinate Lien Obligations") or any other Subordinate Lien Obligations; (b) LACMTA for the payment, if necessary, of the General Revenue Bonds (as defined under "PROPOSITION C SALES TAX OBLIGATIONS—Other Obligations"); or (c) LACMTA for any other lawful purposes of LACMTA. LACMTA is not obligated to make payments of principal of and interest on the Series 2023-A Bonds from any other source of funds. The Series 2023-A Bonds are payable from and secured by Pledged Revenues on a parity with LACMTA's outstanding Senior Bonds and additional Senior Bonds and Senior Parity Debt that may be issued in the future. See "—Proposition C Sales Tax Obligations—Senior Obligations" and "PROPOSITION C SALES TAX OBLIGATIONS—Senior Bonds and Senior Parity Debt." For a description of the Proposition C Sales Tax and collections related thereto, see "PROPOSITION C SALES TAX AND COLLECTIONS."

Neither the faith and credit nor the taxing power of the County, the State 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 2023-A Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2023-A Bonds.

The Series 2023-A 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 2023-A Bonds.

Proposition C Sales Tax Obligations

Under the Agreement, LACMTA may issue Senior Bonds and incur Senior Parity Debt, which are secured by a first lien on and pledge of Pledged Revenues. The Series 2023-A Bonds are Senior Bonds. See "—*Senior Obligations*" below.

Pursuant to the Trust Agreement, LACMTA has covenanted and agreed not to issue or incur any obligations that would have a lien on Pledged Revenues senior to the Senior Bonds (including the Series 2023-A Bonds) or any Senior Parity Debt.

Under the Agreement, LACMTA also is authorized to create a charge or lien on Pledged Revenues ranking junior and subordinate to the charge or lien of the Senior Obligations (including the Series 2023-A Bonds). Pursuant to the Subordinate Trust Agreement, LACMTA has issued Subordinate Lien Obligations which are payable from and secured by a pledge and lien on Net Pledged Revenues. See "—*Subordinate Lien Obligations and Other Obligations*" below.

Senior Obligations. Pursuant to the Agreement, LACMTA may issue additional Senior Bonds or incur Senior Parity Debt, which would be payable from and secured by a first lien on and pledge of Pledged Revenues on a parity basis with the Series 2023-A Bonds, if LACMTA delivers to the Trustee a certificate prepared by a Consultant showing that the Pledged Tax collected for any 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of such Senior Bonds or incurrence of Senior Parity Debt, as applicable, was at least equal to 130% of Maximum Annual Debt Service for all Senior Bonds and Senior Parity Debt which will be Outstanding immediately after the proposed issuance of Senior Bonds or incurrence of Senior Parity Debt. This certificate need not be delivered if the Senior Bonds or Senior Parity Debt are being issued or incurred for the purpose of refunding Outstanding Senior Bonds or Senior Parity Debt and certain conditions are met as described in "APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—TRUST AGREEMENT—Additional Senior Bonds." For a description of the Senior Bonds currently outstanding, see "PROPOSITION C SALES TAX OBLIGATIONS—Senior Bonds and Senior Parity Debt."

Under the Trust Agreement, "Maximum Annual Debt Service" generally means the greatest amount of principal and interest becoming due and payable on all Senior Bonds and Senior Parity Debt in the Fiscal Year in which the calculation is made or in any subsequent Fiscal Year. For the full definition of Maximum Annual Debt Service, including additional details regarding the process for calculation, see "APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS."

Subordinate Lien Obligations and Other Obligations. Under the Agreement and the Subordinate Trust Agreement, LACMTA may issue additional Subordinate Lien Obligations secured by Net Pledged Revenues. See "PROPOSITION C SALES TAX OBLIGATIONS—Subordinate Lien Obligations."

In addition, LACMTA has other outstanding obligations which are secured by certain "remaining" Proposition C Sales Tax cash receipts. See "PROPOSITION C SALES TAX OBLIGATIONS—Other Obligations."

Flow of Funds

Pursuant to an agreement between LACMTA and CDTFA, CDTFA is required to remit the Proposition C Sale Tax receipts directly to the Trustee monthly after deducting CDTFA's costs of administering the Proposition C Sales Tax. The Trustee immediately transfers the Local Allocation (20% of net Proposition C Sales Tax cash receipts) to LACMTA for disbursement. Under the Agreement, the Trustee is required to deposit into the Revenue Fund and to apply the remaining moneys received from CDTFA (80% of net Proposition C Sales Tax cash receipts), as needed, taking into consideration any other funds previously deposited or applied in such month for such purposes, as follows:

FIRST, to the credit of the Senior Bond Interest Account, an amount equal to the Aggregate Accrued Senior Interest for the current calendar month (which, in general, is equal to 1/6 of the interest coming due on the next Interest Payment Date (see "APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS")) less any Senior Excess Deposit made with respect to the last preceding calendar month plus any Senior 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 Senior Bond Interest Account or another special account to be used to make such payment;

SECOND, to the credit of the Senior Bond Principal Account, an amount equal to the Aggregate Accrued Senior Principal for the current calendar month (which, in general, is equal to 1/12 of the principal maturing within the next year (see "APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS")) less any Senior Excess Deposit made with respect to the last preceding calendar month plus any Accrued Senior Premium and any Senior Deficiency existing on the first day of such 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 Senior Bond Principal Account or another special account to be used to make such payment;

THIRD, to the credit of the Reserve Fund and any other Debt Service Reserve Funds such portion of the balance, if any, remaining after making the deposits to the Senior Bond Interest Account and the Senior Bond Principal Account as described above, to increase the amount on deposit in the Reserve Fund and such other Debt Service Reserve Funds to an amount equal to the Reserve Fund Requirement for all Reserve Fund Participating Bonds Outstanding and the applicable Debt Service Reserve Fund Requirements, respectively (including such amounts required to reimburse draws on any Reserve Fund Insurance Policy), or if the entire balance is less than the amount necessary, then the entire balance is to be deposited into the Reserve Fund and the Debt Service Reserve Funds on a pro-rata basis with respect to the Outstanding principal amounts of the applicable Senior Bonds secured by the Reserve Fund and the other Debt Service Reserve Funds, and such amounts are to be used to reimburse draws on the applicable Reserve

Fund Insurance Policy prior to replenishing the cash or Permitted Investments formerly on deposit therein (The Series 2023-A Bonds are not secured by the Reserve Fund or any other Debt Service Reserve Fund. See "—The Series 2023-A Bonds Are Not Secured by Any Debt Service Reserve Fund"); and

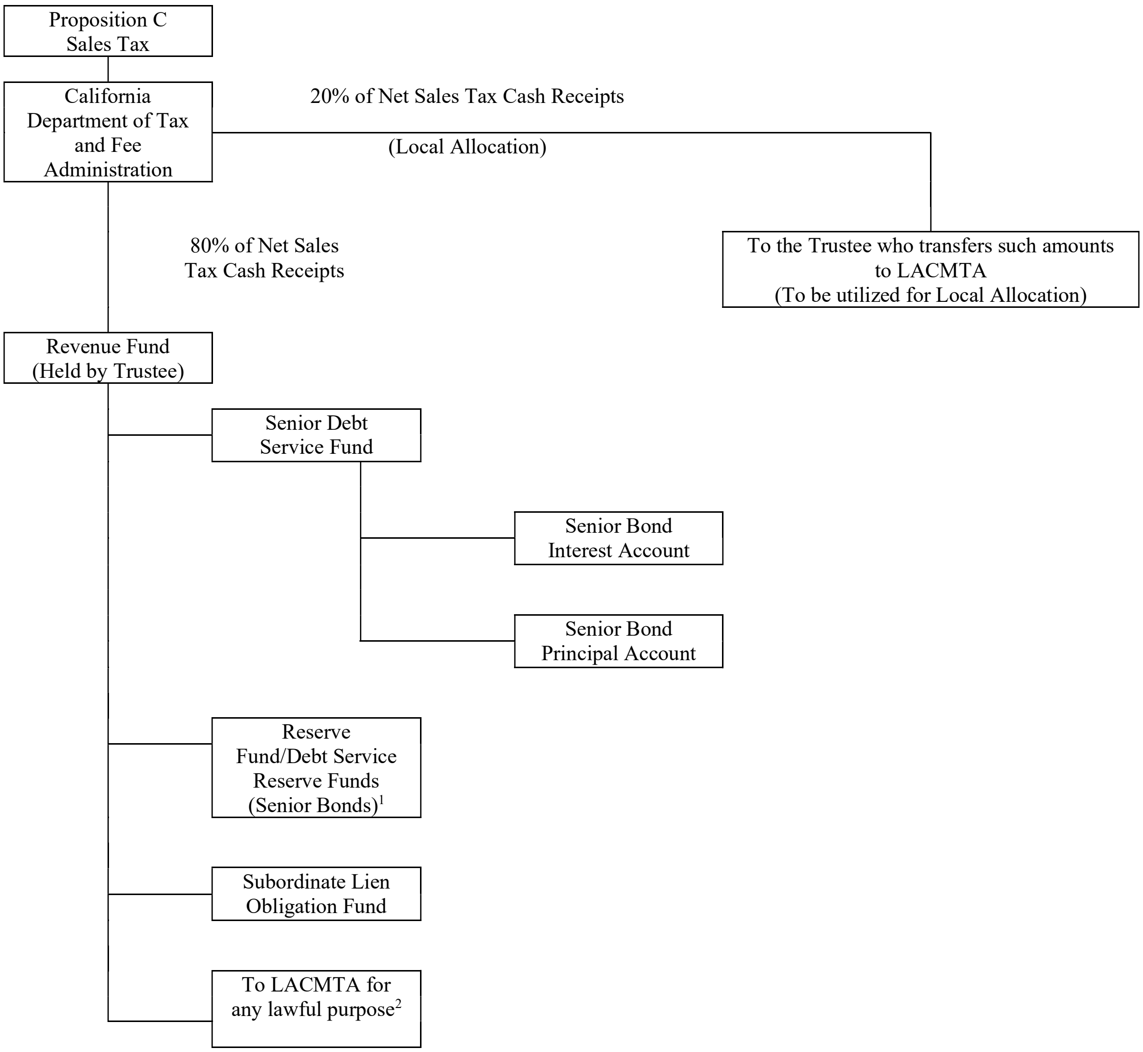
FOURTH, to the accounts in the Subordinate Lien Obligation Fund, amounts sufficient to pay the Subordinate Lien Obligations as further described in the Agreement. Notwithstanding the foregoing, however, if there are insufficient Pledged Revenues in any Fiscal Year to make all of the foregoing deposits, such Pledged Revenues will be allocated to the accounts within the Subordinate Lien Obligation Fund on a pro rata basis based on the amounts required to be deposited therein during such Fiscal Year among all such Subordinate Lien Obligations issued or entered into on a parity basis and in accordance with the rank of the pledge created by such Subordinate Lien Obligations.

After setting aside amounts to be deposited in the Rebate Fund, any remaining funds will then be transferred to LACMTA and will be available to be used for any lawful purpose (including the payment of General Revenue Bonds), and will no longer be pledged to pay debt service on the Senior Bonds.

For additional information regarding withdrawals from the Revenue Fund, see "APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—TRUST AGREEMENT—Funds and Accounts."

The following table provides a graphic presentation of the flow of funds for Proposition C Sales Tax cash receipts as of the date of issuance of the Series 2023-A Bonds.

TABLE 1
Proposition C Sales Tax
Flow of Funds



[1] The Series 2023-A Bonds are not secured by the Reserve Fund or any other Debt Service Reserve Fund. See "—The Series 2023-A Bonds Are Not Secured by Any Debt Service Reserve Fund."

[2] All remaining funds are transferred to LACMTA, are released from the lien established under the Trust Agreement, and are thereafter no longer Pledged Revenues under the Trust Agreement.

The Series 2023-A Bonds Are Not Secured by Any Debt Service Reserve Fund

The Series 2023-A Bonds are not secured by the Reserve Fund or any other Debt Service Reserve Fund. At the time of issuance of the Series 2023-A Bonds, only the outstanding Senior Bonds issued on or before June 15, 2016 will be secured by the Reserve Fund. See Table 5 under "PROPOSITION C SALES TAX OBLIGATIONS—Senior Bonds and Senior Parity Debt" for additional information on the Senior Bond secured by the Reserve Fund.

PROPOSITION C SALES TAX AND COLLECTIONS

The Proposition C 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, the predecessor to LACMTA, on August 8, 1990, adopted Ordinance No. 49 ("Ordinance No. 49") which imposed a retail transactions and use tax for public transit purposes. Ordinance No. 49 was submitted to the electors of the County in the form of Proposition C ("Proposition C") and approved at an election held on November 6, 1990. Ordinance No. 49 imposes a tax, effective April 1, 1991, 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 of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions. The retail transactions and use tax imposed by Ordinance No. 49 and approved by the voters with the passage of Proposition C is referred to in this Official Statement as the "Proposition C Sales Tax." As approved by the voters, the Proposition C Sales Tax is not limited in duration. The validity of the Proposition C Sales Tax was upheld in 1992 by the California Court of Appeal in Vernon v. State Board of Equalization. See "LITIGATION." See also "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—LITIGATION."

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Collection of the Proposition C Sales Tax is administered by CDTFA, which imposes a charge for administration. Such charge is based on the actual costs incurred by CDTFA in connection with the administration of the collection of the Proposition C Sales Tax. In accordance with Ordinance No. 49, LACMTA is required to allocate the proceeds of the Proposition C Sales Tax as follows:

TABLE 2
Allocation of Proposition C Sales Tax

Uses	Percentage
To local jurisdictions for local transit based on population (Local Allocation)	20%
To LACMTA for construction and operation of the bus transit and rail system[1]	40
To LACMTA to expand rail and bus security	5
To LACMTA for commuter rail, construction of transit centers, park and ride lots and freeway bus stops	10
To LACMTA for transit related improvements to freeways and state highways	25
Total	100%[2]

[1] Pursuant to the Act of 1998 (as defined below) LACMTA is prohibited from spending Proposition C Sales Tax revenues on the costs of planning, design, construction or operation of any New Subway (as defined below), 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 C Sales Tax—The Act of 1998" below. The Act of 1998 does not prohibit the use of Measure R Sales Tax or Measure M Sales Tax to pay costs of planning, design, construction or operation of a New Subway.

[2] Up to 1.5% of the non-Local Allocation portion of the Proposition C Sales Tax revenues received by LACMTA may be used by LACMTA to pay administrative costs. Administrative costs are payable only from Proposition C Sales Tax revenues that have been released to LACMTA and are no longer Pledged Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS—Flow of Funds" above.

Source: LACMTA

CDTFA has agreed to remit the Proposition C Sale Tax receipts directly to the Trustee monthly after deducting CDTFA's costs of administering the Proposition C Sales Tax. The Trustee immediately transfers the Local Allocation (20% of net Proposition C Sales Tax cash receipts) to LACMTA for disbursement. After application of the remaining amounts received from CDTFA (80% of net Proposition C Sales Tax receipts) to certain funds and accounts related to the Senior Bonds in accordance with the Agreement, the Trustee is required to transfer the remaining unapplied Proposition C Sales Tax revenues for deposit to the funds and accounts established and maintained for the Subordinate Lien Obligations. Any Proposition C Sales Tax revenues remaining after the deposits described above are 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 (subject to the allocation requirements set forth in Ordinance No. 49). The Senior Bonds do not have a lien on and are not secured by any Proposition C Sales Tax revenues that are released by the Trustee and deposited to the funds and accounts established and maintained for the Subordinate Lien Obligations, or the General Revenue Bonds or transferred to LACMTA to be used for any lawful purposes of LACMTA.

The amount retained by CDTFA from collections of Proposition C Sales Tax is based on the total local entity cost reflected in the annual budget of the State, and includes direct, shared and central agency costs incurred by CDTFA. The amount retained by CDTFA is adjusted to account for the difference between CDTFA's recovered costs and its actual costs during the prior two Fiscal Years. For Fiscal Years 2018 through 2022, CDTFA's fee for administering the Proposition C Sales Tax was as follows:

Fiscal Year Ended (June 30)	Fee ($'s in millions)	Percentage of Proposition C Sales Tax Receipts
2018	$8.7	1.1%
2019	8.9	1.0
2020	9.2	1.1
2021	7.1	0.8
2022	7.9	0.7

Source: LACMTA

CDTFA has advised LACMTA that its fee for Fiscal Year 2023 is estimated to be $8.9 million. LACMTA assumes that the CDTFA fee may increase incrementally each year. CDTFA can change the fee at its discretion in the future.

Under the Agreement, LACMTA covenants that (a) it will not take any action which will have a material adverse effect upon the Pledged Revenues or the pledge thereof under the Agreement, or the rights of the Owners of the Senior Bonds, including the Series 2023-A Bonds; and (b) it will be unconditionally and irrevocably obligated, so long as any of the Senior Bonds, including the Series 2023-A 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 October 1, 1992), to pay from the Pledged Revenues the principal of and interest on the Senior Bonds and to make the other payments provided for in the Agreement.

Under the Act, the State pledges to, and agrees with, the holders of any bonds issued under the Act and with those parties who may enter into contracts with LACMTA pursuant to the Act that the State will not limit or alter the rights vested by the 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, the State is not precluded from limiting or altering rights if and when adequate provision has been made by law for the protection of the bondholders or those entering into contracts with LACMTA. Further, such pledge and agreement does not preclude the State from changing the transactions and items subject to the statewide general sales tax and concurrently thereby altering the amount of Proposition C Sales Tax collected. See "RISK FACTORS—California State Legislature or Electorate or Federal Law May Change Items Subject to Proposition C Sales Tax."

The ½ of 1% Proposition C Sales Tax imposed by LACMTA in the County is in addition to the general sales tax levied statewide by the State (currently 7.25%), the ½ of 1% sales tax imposed by LACMTA pursuant to Ordinance No. 16 of the Commission known as "Proposition A" (such sales tax is referred to herein as the "Proposition A 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% (increasing to 1% upon the expiration of the Measure R Sales Tax) sales tax approved by County voters in November 2016 to fund LACMTA transportation projects and operations known as the "Measure M Sales Tax," the 10-year ¼ of 1% sales tax approved by County voters in March 2017 to fund programs to assist the County's homeless population known as "Measure H Sales Tax," and the taxes that apply only within certain cities in the County. The cities of Avalon, Downey, El Monte, Inglewood, La Puente and Torrance in the County have each enacted a sales tax of ½ of 1% applicable to transactions within their respective city limits. The cities of Alhambra, Arcadia, Azusa, Bell Gardens, Bellflower, Burbank, Carson, Commerce, Covina, Cudahy, Culver City, Duarte, Gardena, Glendale, Glendora, Hawaiian Gardens, Hawthorne, Huntington Park, Irwindale, La Verne, Lakewood, Lancaster, Lawndale, Lomita, Monrovia, Montebello, Norwalk, Palmdale, Paramount, Pasadena, Pomona, San Fernando, San Gabriel, Sierra Madre, Signal Hill, South El Monte, Vernon, West Hollywood and Whittier in the County have each enacted a sales tax of ¾ of 1% applicable to transactions within their respective city limits. The cities of Compton, Long Beach, Lynwood, Pico Rivera, Santa Fe Springs, Santa Monica and South Gate in the County have each enacted a sales tax of 1% applicable to transactions within the city's limits. The combined various sales taxes described above results in (a) transactions within the County, and outside the cities of Avalon, Downey, El Monte, Inglewood, La Puente, Torrance, Alhambra, Arcadia, Azusa, Bell Gardens, Bellflower, Burbank, Carson, Commerce, Covina, Cudahy, Culver City, Duarte, Gardena, Glendale, Glendora, Hawaiian Gardens, Hawthorne, Huntington Park, Irwindale, La Verne, Lakewood, Lancaster, Lawndale, Lomita, Monrovia, Montebello, Norwalk, Palmdale, Paramount, Pasadena, Pomona, San Fernando, San Gabriel, Sierra Madre, Signal Hill, South El Monte, Vernon, West Hollywood, Whittier, Compton, Long Beach, Lynwood, Pico Rivera, Santa Fe Springs, Santa Monica and South Gate currently being taxed at an effective rate of 9.50%, (b) transactions within the cities of Avalon, Downey, El Monte, Inglewood, La Puente and Torrance currently being taxed at an effective rate of 10.00%, (c) transactions within the cities of Alhambra, Arcadia, Azusa, Bell Gardens, Bellflower, Burbank, Carson, Commerce, Covina, Cudahy, Culver City, Duarte, Gardena, Glendale, Glendora, Hawaiian Gardens, Hawthorne, Huntington Park, Irwindale, La Verne, Lakewood, Lancaster, Lawndale, Lomita, Monrovia, Montebello, Norwalk, Palmdale, Paramount, Pasadena, Pomona, San Fernando, San Gabriel, Sierra Madre, Signal Hill, South El Monte, Vernon, West Hollywood, Whittier, Compton, Long Beach, Lynwood, Pico Rivera, Santa Monica and South Gate currently being taxed at an effective rate of 10.25%, and (d) transactions within the city of Santa Fe Springs currently being taxed at an effective rate of 10.50% (the Measure H Sales Tax does not apply to transactions in Compton, Long Beach, Lynwood, Pico Rivera, Santa Monica and South Gate because in those cities the sales tax is already at the maximum allowed by law). These tax rates and the items subject to the Proposition C Sales Tax are subject to change. See "RISK FACTORS—California State Legislature or Electorate or Federal Law May Change Items Subject to Proposition C Sales Tax" and "—Increases in Sales Tax Rate May Cause Declines in Proposition C Sales Tax Revenues." See also "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—OUTSTANDING DEBT."

Initiatives and Changes to Proposition C Sales Tax

Proposition 218. In 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the California State Constitution. Among other things, Article XIIIC 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 C 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 C Sales Tax and Proposition A 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 C Sales Tax or Proposition A 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 C Sales Tax or the Proposition A 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 C Sales Tax and/or the Proposition

A 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 C Sales Tax or the Proposition A Sales Tax to secure payment of its outstanding obligations secured by the Proposition C Sales Tax or the Proposition A Sales Tax. Additionally, LACMTA will covenant not to use the proceeds of the Series 2023-A 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 2023-A Bonds with a pledge of the Proposition C 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 2022, 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 C Sales Tax revenues during the related Fiscal Year to ensure that it spends those revenues for the categories of use set forth in Proposition C. See "—The Proposition C Sales Tax" above. Each Fiscal Year, a substantial portion of the Proposition C Sales Tax revenues are spent on the payment of principal of and interest on the Senior Bonds. See "COMBINED SENIOR BONDS DEBT SERVICE SCHEDULE." For purposes of determining LACMTA's compliance with the categories of use set forth in Proposition C, LACMTA allocates the annual payments of principal and interest with respect to each series of Senior Bonds to the categories of use for which such series of Senior 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 C Sales Tax and Proposition A 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 C Sales Tax Collections

The following table presents, among other things, collections of net Proposition C Sales Tax revenues and corresponding Pledged Revenues and Senior Bonds debt service coverage ratios for the Fiscal Years ended June 30, 2013 through June 30, 2022.

TABLE 3
Historical Net Proposition C Sales Tax Revenues,
Local Allocations, Pledged Revenues and Debt Service Coverage
(Dollars in Millions)[1]

Fiscal Year Ended June 30	Net Sales Tax Revenue	Annual Percentage Change	Allocations to Local Governments	Pledged Revenues[2]	Senior Bonds Debt Service Coverage[3]
2013	$ 687.3	5.94%	$137.5	$549.9	4.81x
2014 [4]	717.2	4.34	143.4	573.7	4.46
2015	745.6	3.96	149.1	596.5	4.40
2016	763.6	2.41	152.7	610.9	4.52
2017	789.3	3.37	157.9	631.4	4.44
2018	836.5	5.98	167.3	669.2	4.06[5]
2019	846.5	1.20	169.3	677.2	4.06
2020	824.6	(2.59)	164.9	659.7	3.58[6]
2021	911.3	10.51	182.3	729.0	4.23
2022	1,091.2	19.74	218.2	873.0	4.56

1 Reflects Proposition C Sales Tax revenues, reported according to accrual basis accounting, as presented in LACMTA's audited financial statements, less the administrative fee paid to CDTFA but before required allocations to local governments for transit purposes. Rounded to the closest $100,000.

2 Proposition C Sales Tax receipts for the Fiscal Years shown, reported according to accrual basis accounting, less required allocations to local governments for transit purposes and less the administrative fee paid to CDTFA.

3 Based on Senior Bonds debt service for the 12 months ending the immediately following July 1.

4 LACMTA's Fiscal Year 2014 audited financial statements include an increase in Proposition C Sales Tax revenues and Pledged Revenues of $61.4 million due to an accounting accrual adjustment resulting in a one-time increase to the reported amount. Amounts shown for Fiscal Year 2014 in this Table 3 are reported and calculated excluding the $61.4 million accounting accrual adjustment.

5 The decrease in coverage from Fiscal Year 2017 reflects the issuance of $454.8 million of LACMTA's Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2017-A in Fiscal Year 2017.

6 Coverage in Fiscal Year 2020 decreased because of the COVID-19 pandemic and the resulting economic shut-down that began in March 2020.

Source: LACMTA

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The following table sets forth the amount of Proposition C Sales Tax receipts, on a cash basis, received for the most recent nine quarters and the changes in such amounts from the corresponding period in the prior year. Proposition C Sales Tax receipts, on a cash basis for a quarterly period, are determined by Proposition C Sales Tax revenues generated by sales activity generally occurring in the previous quarter, less any amount previously advanced, plus an advance for the first month of the next quarter. For example, for the quarter ending December 31, 2022, reported according to cash basis accounting, Proposition C Sales Tax receipts were approximately $285.3 million, which receipts generally represented sales activity occurring in July, August and September 2022, less the advances previously received for those quarterly sales, plus an advance for October 2022 sales (received in December).

TABLE 4
Selected Actual Proposition C Sales Tax Receipts Information
(values are cash basis)

Quarter Ended	Quarterly Receipts ($ millions)	Change from Same Period of Prior Year	Rolling 12 Months Receipts ($ millions)	Change from Same Period of Prior Year
December 31, 2022	$285.3	8.6%	$1,120.0	14.7%
September 30, 2022	238.8	5.8	1,097.4	18.6
June 30, 2022	271.2	17.5	1,081.9	24.5
March 31, 2022	279.7[1]	30.5	1,041.6	30.2
December 31, 2021	262.7[1]	24.3	976.3	19.3
September 30, 2021	268.3[1]	26.2	925.0	11.5
June 30, 2021	230.8[1]	43.1	869.3	3.9
March 31, 2021	214.4[2]	(8.0)	799.7	(8.9)
December 31, 2020	211.4[2]	(5.0)	818.3	(5.8)

[1] Proposition C Sales Tax receipts began to recover after March 31, 2021 as COVID-19 vaccines became more widely available and restrictions on businesses were phased out.

[2] Proposition C Sales Tax receipts decreased between March 31, 2020 and March 31, 2021 because of the COVID-19 pandemic and the resulting economic shut-down that began in March 2020.

Source: LACMTA

Proposition C Sales Tax receipts fluctuate based on general economic conditions within the County. To project future Proposition C Sales Tax receipts 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, CDTFA does not provide LACMTA with any forecasts of Proposition C Sales Tax receipts for future periods. Therefore, LACMTA is unable to predict with certainty future levels of Proposition C Sales Tax receipts. See "RISK FACTORS—Economic Factors May Cause Declines in Proposition C Sales Tax Revenues" above.

PROPOSITION C SALES TAX OBLIGATIONS

General

LACMTA has two priority levels of obligations secured by the Proposition C Sales Tax: its Senior Bonds (which includes the Series 2023-A Bonds) and Senior Parity Debt, and its Subordinate Lien Obligations. In addition, LACMTA has incurred other obligations, which are secured by certain "remaining" Proposition C Sales Tax cash receipts. See "—Other Obligations" below.

Senior Bonds and Senior Parity Debt

Senior Bonds. LACMTA had the following Senior Bonds outstanding as of March 1, 2023, all of which are fixed rate bonds:

TABLE 5
Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Bonds, Senior Bonds
(Outstanding as of March 1, 2023)

Senior Bonds	Outstanding Principal Amount
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2022-A	$ 40,475,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2021-A	321,905,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2020-A	28,265,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2019-A (Green Bonds)	418,575,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2019-B	126,425,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2019-C	30,530,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2017-A	402,190,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2016-A[1]	56,540,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A[1,2]	61,180,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-A[1]	16,970,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B[1,2]	243,210,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C[1,2]	25,440,000
Total	$1,771,705,000

[1] Secured by Reserve Fund.
[2] Upon the issuance of the Series 2023-A Bonds, all or a portion of the Series 2013-B Bonds, the Series 2013-C Bonds and/or the Series 2014-A Bonds will be refunded and defeased. See "PLAN OF REFUNDING AND APPLICATION OF THE SERIES 2023-A BOND PROCEEDS—Use of Proceeds; Plan of Refunding."
Source: LACMTA

LACMTA may issue additional Senior Bonds upon the satisfaction of certain conditions contained in the Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS—Proposition C Sales Tax Obligations—*Senior Obligations*." See "FUTURE TRANSPORTATION IMPROVEMENTS—Capital Planning" in APPENDIX A for a discussion of the Short Range Financial Forecast and LACMTA's expectation that it will issue additional Senior Bonds in the future to finance certain transit projects.

Senior Parity Debt. "Senior Parity Debt" would consist of indebtedness, installment sale obligations, lease obligations or other obligations for borrowed money, or payment obligations under interest swaps or other arrangements having an equal lien and charge upon Pledged Revenues and payable on parity with the Senior Bonds. LACMTA currently has no Senior Parity Debt outstanding. LACMTA may incur Senior Parity Debt upon the satisfaction of certain additional bonds tests. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS—Proposition C Sales Tax Obligations—*Senior Obligations*." Also see "APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—THE TRUST AGREEMENT—Additional Senior Bonds."

Subordinate Lien Obligations

Proposition C Revolving Obligations. On June 9, 1993, the Board of Directors of LACMTA authorized the issuance of Subordinate Lien Obligations (in the form of bonds, commercial paper notes and other obligations) that may be outstanding, at any one time, in a principal amount not to exceed $150,000,000. The Subordinate Lien Obligations are payable from and secured by Net Pledged Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS—Proposition C Sales Tax Obligations—*Subordinate Lien Obligations*." LACMTA is currently authorized to issue, from time to time, and have outstanding, at any one time, up to $150,000,000 in aggregate principal amount of Subordinate Lien Obligations in the form of Subordinate Proposition C Sales Tax Revenue Revolving Obligations (the "Proposition C Revolving Obligations"). As of March 1, 2023, LACMTA had [$30] million in aggregate principal amount of the Proposition C Revolving Obligations outstanding. LACMTA expects to issue additional Proposition C Revolving Obligations in the future.

All Proposition C Revolving Obligations issued by LACMTA are currently purchased by Bank of the West, 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 table sets forth certain terms of the Proposition C Revolving Obligations.

Proposition C Revolving Obligations

Revolving Obligations Bank	Bank of the West
Principal Amount	$150,000,000
Expiration/Maturity Date	May 30, 2025[1]

[1] May be converted to a term loan payable in equal quarterly installments beginning nine months after the Expiration/Maturity Date and ending five years after the Expiration/Maturity Date if specified conditions are satisfied.

Other Obligations

General Revenue Bonds. As of March 1, 2023, there was $52,290,000 aggregate principal amount of LACMTA's General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015 (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 certain Proposition A Sales Tax-secured obligations, in the case of the Proposition A Sales Tax, and the Senior Bonds (including the Series 2023-A Bonds), any Senior Parity Debt and the Subordinate Lien Obligations (including the Proposition C Revolving Obligations), in the case of the Proposition C Sales Tax. LACMTA's obligation to pay principal of and interest on the General Revenue Bonds is secured by a lien on Proposition C Sales Tax that is junior and subordinate to the Senior Bonds (including the Series 2023-A Bonds), any Senior Parity Debt and the Subordinate Lien Obligations (including the Proposition C Revolving Obligations) as to the lien on and source and security for payment from Pledged Revenues. [See "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—TRANSPORTATION SERVICES—Fareless System Initiative" for a discussion of a pilot program instituted by LACMTA that eliminates the collection of fares on LACMTA's bus and rail transit system for K-12 and community college students that attend schools in districts that have agreed to participate in the pilot program.]

Board Policy Limits on Additional Bonds

Besides the limitations of the additional bonds test noted above under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS—Proposition C Sales Tax Obligations—

Senior Obligations," the Board-adopted debt policy sets additional limits on the amount of debt secured by the Proposition C Sales Tax that can be issued. This debt policy is reviewed periodically, and sets limits on debt service as a percentage of the use of sales tax revenues for certain allocations of expenditures as set forth in Ordinance No. 49, which levied the tax. These limits are intended to ensure that LACMTA will be able to continue providing essential operational services while planning for replacement, rehabilitation and expansion of capital investments. Under its current debt policy, debt service on LACMTA obligations is limited to 43.75% of its share of Proposition C Sales Tax revenues, which results in a minimum of 2.28 times coverage of debt service. LACMTA annually monitors its compliance with its debt policy limits. LACMTA's Board is not obligated to maintain its current debt policy and may modify it to allow the issuance of a greater amount of debt secured by the Proposition C Sales Tax in the future.

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COMBINED SENIOR BONDS DEBT SERVICE SCHEDULE

The following table shows the combined debt service requirements on LACMTA's Senior Bonds (including the Refunded Bonds).

TABLE 6
Los Angeles County Metropolitan Transportation Authority
Combined Proposition C Debt Service Schedule
Senior Bonds[1]

Bond Years Ending July 1	Previously Issued Senior Bonds Debt Service[2]	Series 2023-A Bonds Debt Service			Combined Total Debt Service Senior Bonds
		Principal	Interest	Total Debt Service	
2023	$ 184,344,338				
2024	159,694,494				
2025	159,652,294				
2026	147,697,294				
2027	144,780,044				
2028	144,778,544				
2029	140,065,294				
2030	138,591,794				
2031	130,203,944				
2032	130,714,444				
2033	130,721,444				
2034	130,719,694				
2035	121,249,944				
2036	121,250,444				
2037	120,735,694				
2038	120,738,725				
2039	98,527,500				
2040	98,530,750				
2041	98,528,000				
2042	98,530,250				
2043	66,257,500				
2044	66,258,250				
2045	23,863,750				
2046	23,866,500				
Total	$2,800,300,929				

[1] Totals may not add due to rounding.
[2] Includes debt service on the Refunded Bonds. See "PLAN OF REFUNDING AND APPLICATION OF THE SERIES 2023-A BOND PROCEEDS—Use of Proceeds; Plan of Refunding."
Source: LACMTA and Montague DeRose and Associates, LLC

LITIGATION

There is no litigation pending or, to the knowledge of LACMTA, threatened, against LACMTA in any way questioning or affecting the validity of the Series 2023-A Bonds, the imposition and collection of the Proposition C Sales Tax or the pledge of the Pledged Revenues. 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. Various claims of other types have been asserted against LACMTA. In the opinion of LACMTA, none of such pending claims will materially or adversely affect LACMTA's ability to pay the principal of and interest on the Series 2023-A Bonds. See "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—LITIGATION"

LEGAL MATTERS

The validity of the Series 2023-A Bonds and certain other legal matters are subject to the approving opinion of Nixon Peabody LLP, Bond Counsel to LACMTA. The proposed form of the opinion to be delivered by Bond Counsel is attached hereto as APPENDIX E. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. The Los Angeles County Counsel, as General Counsel to LACMTA, and Kutak Rock LLP, as Disclosure Counsel, will pass on certain legal matters for LACMTA. Certain legal matters will be passed upon for the Underwriters by their counsel [•].

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2023-A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2023-A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2023-A Bonds. Pursuant to the Trust Agreement and the Tax and Nonarbitrage Certificate executed by LACMTA in connection with the issuance of the Series 2023-A Bonds (the "Tax Certificate"), LACMTA has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2023-A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, LACMTA has made certain representations and certifications in the Trust Agreement and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by LACMTA described above, interest on the Series 2023-A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. For taxable years beginning after December 31, 2022, interest on the Series 2023-A Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

State Taxes

Bond Counsel is also of the opinion that interest on the Series 2023-A Bonds is exempt from personal income taxes of the State of California under present State law. Bond Counsel expresses no opinion as to other State or local tax consequences arising with respect to the Series 2023-A Bonds nor as to the taxability of the Series 2023-A Bonds or the income therefrom under the laws of any state other than the State of California.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the Series 2023-A Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Series 2023-A Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Bond" and collectively the "Discount Bonds") constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2023-A Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Series 2023-A Bonds sold at prices in excess of their principal amounts are "Premium Bonds". An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series 2023-A Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Series 2023-A Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2023-A Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2023-A Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2023-A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as APPENDIX E. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2023-A Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2023-A Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2023-A Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2023-A Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2023-A Bonds may occur. Prospective purchasers of the Series 2023-A Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2023-A Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2023-A Bonds may affect the tax status of interest on the Series 2023-A Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2023-A Bonds, or the interest thereon, if any action is taken with respect to the Series 2023-A Bonds or the proceeds thereof upon the advice or approval of other counsel.

MUNICIPAL ADVISOR

LACMTA has retained Montague DeRose and Associates, LLC, as Municipal Advisor (the "Municipal Advisor") for the sale of the Series 2023-A Bonds. The Municipal 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, 2022 and the Management's Discussion and Analysis and certain supplementary information, and the Independent Auditors' Report of Crowe LLP, independent accountants, dated January 24, 2023 (collectively, the "2022 Financial Statements") are included as "APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022." The 2022 Financial Statements, included in this Official Statement, have been audited by Crowe LLP, independent accountants, as stated in their Report appearing in APPENDIX B. LACMTA has not requested, nor has Crowe LLP given, Crowe LLP's consent to the inclusion in APPENDIX B of its Report on such 2022 Financial Statements. In addition, Crowe LLP has not performed any post-audit review of the financial condition of LACMTA and has not reviewed this Official Statement.

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION

Certain economic and demographic information about the County is included in "APPENDIX C—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., 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 deposited to the respective Escrow Accounts will be sufficient to (a) pay on July 1, 2023 the principal of and interest on the Refunded Series 2013-B Bonds maturing on July 1, 2023, (b) pay on July 1, 2023 the principal of and interest on the Refunded Series 2013-C Bonds maturing on July 1, 2023, and (c) redeem on July 1, 2023 the Refunded Series 2013-B Bonds maturing on and after July 1, 2024, the Refunded Series 2013-C Bonds maturing on and after July 1, 2024 and the Refunded Series 2014-A Bonds at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon. 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 2023-A Bonds.

CONTINUING DISCLOSURE

At the time of issuance of the Series 2023-A 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 Owners and Beneficial Owners of the Series 2023-A Bonds to provide, by not later than March 31 of each year (commencing March 31, 2024), certain financial information and operating data relating to LACMTA for the immediately preceding 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 F—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 also become aware that the Trustee did not file a notice with respect to a defeasance that occurred in 2018 until 24 days after the defeasance occurred. Lastly, LACMTA has become aware that in a few instances, notices of changes in ratings on some of its bonds were not filed in a timely manner. LACMTA has made corrective filings regarding these ratings changes.

UNDERWRITING

The Series 2023-A Bonds will be purchased by [•] (collectively, the "Underwriters"), from LACMTA at a price of $___________ (which represents the par amount of the Series 2023-A Bonds, plus an original issue premium of $___________, less an original issue discount of $___________, less an underwriters' discount of $___________), subject to the terms of a purchase contract (the "Purchase Contract"), between [•], as representative of the Underwriters, and LACMTA.

The Purchase Contract provides that the Underwriters will purchase all of the Series 2023-A Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by counsel, and certain other conditions. The initial public offering prices of the Series 2023-A Bonds set forth on the inside front cover hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the

Series 2023-A Bonds into unit investment trusts or money market funds at prices lower than the public offering prices stated on the inside front cover hereof.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for LACMTA, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans, credit cards and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve assets, securities and/or instruments of LACMTA. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities and/or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and/or instruments.

RATINGS

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "[•]" ([•] outlook) and S&P Global Ratings ("S&P") has assigned a rating of "[•]" ([•] outlook) to the Series 2023-A Bonds. 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: Moody's, 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007; and S&P, 55 Water Street, New York, New York 10041. Other Senior Bonds have received ratings from other rating agencies. 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 2023-A Bonds any announcement regarding the outlook of any rating agency with respect to the Series 2023-A Bonds. Any downward revision or withdrawal or announcement of negative outlook could have an adverse effect on the market price of the Series 2023-A Bonds. Maintenance of ratings will require periodic review of current financial data and other updated information by the assigning agencies.

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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, 21st Floor, Los Angeles, California 90012, Attention: Treasury Department, Email: TreasuryDept@metro.net, Telephone: (213) 922-2554, or from LACMTA's Municipal Advisor, Montague DeRose and Associates, LLC, 30700 Russell Ranch Road, Suite 250, Westlake Village, CA 91362, Telephone: (805) 496-2211. LACMTA maintains a website at http://www.metro.net and certain social media sites. Information on such website and social media sites 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 2023-A Bonds.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By ____
Deputy Executive Officer, Finance

APPENDIX A

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

GENERAL

Prospective purchasers of the Series 2023-A Bonds should be aware that the following discussion of the Los Angeles County Metropolitan Transportation Authority ("LACMTA") is intended as general information only. The Series 2023-A Bonds are limited obligations of LACMTA payable from Pledged Revenues, which consist primarily of proceeds of the Proposition C Sales Tax. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS" in the front part of this Official Statement.

Establishment; Jurisdiction

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 646,000 passengers per weekday on buses and an estimated 175,000 passengers on rail for the quarter ended December 31, 2022. 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 6, 1990, the voters of the County approved the Proposition C Sales Tax pursuant to Ordinance No. 49. The Proposition C Sales Tax is in addition to a ½ of 1 percent sales tax imposed by LACMTA beginning in 1980 known as "Proposition A 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 in 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 Board of Supervisors of the County of Los Angeles, 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 are provided below.

Member[1]	Appointing Authority
Ara Najarian, *Chair*	Member, Glendale City Council (appointee of Los Angeles County City Selection Committee)
Jacquelyn Dupont-Walker, *First Vice-Chair*	Appointed by Mayor of Los Angeles
Janice Hahn, *Second Vice-Chair*	Board of Supervisors of the County of Los Angeles, Fourth Supervisorial District
Kathryn Barger	Board of Supervisors of the County of Los Angeles, Fifth Supervisorial District
Karen Bass	Mayor of Los Angeles
James T. Butts, Jr.	Mayor, City of Inglewood (appointee of Los Angeles County City Selection Committee)
Fernando Dutra	Member, Whittier City Council (appointee of Los Angeles County City Selection Committee)
Lindsey Horvath	Board of Supervisors of the County of Los Angeles, Third Supervisorial District
Paul Krekorian	Los Angeles City Council (Appointed by Mayor of Los Angeles)
Holly Mitchell	Board of Supervisors of the County of Los Angeles, Second Supervisorial District
Tim Sandoval	Mayor of Pomona (appointee of Los Angeles County City Selection Committee)
Hilda L. Solis	Board of Supervisors of the County of Los Angeles, First Supervisorial District
Gloria Roberts (Interim), *[Non-Voting Member]*	Interim Director of the California Department of Transportation, District 7

[1] There is currently one vacancy on the Board.

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. Stephanie Wiggins became Chief Executive Officer of LACMTA in May 2021. Prior to becoming the Chief Executive Officer of LACMTA she was the Chief Executive Officer of Metrolink. Prior to joining Metrolink, Ms. Wiggins was the Deputy Chief Executive Officer of LACMTA, where she assisted the Chief Executive Officer in providing leadership and formulating and achieving strategic public transportation objectives, including the passage of Measure M. She received her Bachelor of Arts degree in Business Administration from Whittier College, and a Master of Business Administration from the USC Marshall School of Business.

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.

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. As of March 1, 2023, approximately [•] employees of LACMTA belong to PTSC. 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.

During the COVID-19 pandemic, ridership on LACMTA's bus and rail systems has declined significantly. Average weekday ridership for Fiscal Year 2022 was approximately [•] compared to [•] for Fiscal Year 2019 (the last full-Fiscal Year prior to the start of the COVID-19 pandemic), a [•]% decrease. For the first six months of Fiscal Year 2023, average weekly ridership on LACMTA's bus and rail systems [increased] to approximately [•] compared to [•] for the first six months of Fiscal Year 2022. LACMTA cannot predict when, if ever, ridership on its bus and rail systems will return to pre-COVID-19 levels. The Series 2023-A Bonds are limited obligations of LACMTA payable from Pledged Revenues, which consist primarily of proceeds of the Proposition C Sales Tax, and are not payable from farebox revenues collected from riders of LACMTA's bus and rail systems or other revenues of LACMTA.

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 approximately [2,500] buses. LACMTA's bus system covers over [120] routes and serves over [13,000] bus stops, including [two] premium bus rapid transit dedicated busways. System-wide, LACMTA buses provide approximately [•] million revenue service hours annually with an average of approximately 616,100 boardings per weekday on a system-wide basis for the fiscal quarter ended December 31, 2022 and total boardings of 49.8 million for the fiscal quarter ended December 31, 2022. In addition, LACMTA contracts with outside service providers, with an average of approximately 29,900 boardings per weekday for the fiscal quarter ended December 31, 2022 and total boardings of 2.4 million for the fiscal quarter ended December 31, 2022. Virtually all of LACMTA's bus fleet is composed of compressed-natural gas ("CNG") powered buses. As of January 1, 2023, the average age of LACMTA's bus fleet was approximately [6.4] years. In July 2017, the LACMTA Board approved the purchase of approximately 95 electric buses to be added to its fleet and LACMTA is targeting a conversion of the entire fleet to zero emission vehicles by 2030.

Metro Rapid Bus. In June 2000, LACMTA launched the Metro Rapid Demonstration Program ("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. 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. Today, [25] Metro Rapid corridors are 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 City Bus and Torrance Transit operate Metro Rapid.

Metro G Line (Orange Line). The Metro G Line (formerly known as the Metro Orange Line) is a 18-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 B Line subway station in North Hollywood. The Metro G 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 G Line has 18 stations, each located roughly one mile apart, with park and ride facilities at seven stations providing approximately 4,700 parking spaces. The Metro G Line Extension Project, which opened in June 2012, extended the Metro G Line four-miles north from the Canoga park-and-ride lot to the Chatsworth Amtrak/Metrolink Station.

Highway/ExpressLanes System

The ExpressLanes Program is a cooperative effort between California Department of Transportation ("Caltrans") and LACMTA, and was originally 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 Express Lanes and provided the choice for drivers of single occupant vehicles to pay to travel in a high occupancy lane, based on dynamic congestion pricing. The general-purpose lanes on these highways are not tolled. Current funding is provided by toll revenues generated by the Express Lanes. This program also includes improvements to the transit service along the freeways, and has funded transit facility and roadway improvements and provided funding to enhance system connectivity. In early 2017, the LACMTA Board approved a plan to convert additional existing HOV lanes to ExpressLanes in phases over the next 30 years.

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 A Line (formerly known as the Metro Blue Line), Metro C Line (formerly known as the Metro Green Line), Metro L Line (formerly known as the Metro Gold Line), including the L Line Eastside Extension, and the Metro E Line (formerly known as the Exposition Line); and two heavy rail lines: Metro B Line (formerly known as the Metro Red Line) and the Metro D Line (formerly known as the Metro Purple Line). The Rail System covers [98] miles and serves [93] stations, with weekday estimated ridership of approximately 175,000 for the fiscal quarter ended December 31, 2022.

Metro A Line (Blue Line). The Metro A Line is an approximately 22 mile light rail line that extends from downtown Los Angeles, where it links to the Metro B Line, to the City of Long Beach. The Metro A 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 A Line consists of a dual-track line with [22] stations and a primary maintenance facility (which also supports vehicles from the Metro C 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 A Line had estimated ridership of approximately 2.7 million for the fiscal quarter ended December 31, 2022.

Metro C Line (Green Line). The Metro C 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 C Line has [14] stations including a station that intersects the Metro A Line and one that provides passenger connections to the Harbor Freeway Transitway, an elevated busway developed by Caltrans. The Metro C Line began operations in August 1995, and had estimated ridership of approximately 1.4 million for the fiscal quarter ended December 31, 2022.

Metro L Line (Gold Line). The Metro L Line is a 31-mile light rail line which links East Los Angeles to downtown Los Angeles (where it links to the Metro B Line) before heading northward into the San Gabriel Valley. The Metro L Line has undergone two extensions since operations originally began in July 2003. The Metro L Line currently consists of [26] stations. Estimated ridership for the entire Metro L Line was approximately 1.4 million for the fiscal quarter ended December 31, 2022.

The Metro L Line is being further extended as discussed below under "FUTURE TRANSPORTATION PROJECTS—Transit Projects—*L Line Foothill Extension*."

Metro E Line (Exposition Line). The Metro E Line is an approximately [15.2] mile long light rail line that runs from downtown Los Angeles to Santa Monica along the Exposition Boulevard corridor. The first portion of the Metro E 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 added seven stations to the Metro E Line. Estimated ridership for the Metro E Line was more than 2.3 million for the fiscal quarter ended December 31, 2022.

Metro B Line (Red Line) and Metro D Line (Purple Line). The Metro B Line and Metro D 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 B Line and Metro D 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 B Line and the Metro D Line were significantly reduced, including the indefinite suspension of certain 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 B Line and the Metro D Line as long as such design, construction and operation are paid from other sources.

The Metro B Line was constructed in segments. Segment 1 from Union Station to Alvarado Street opened in January 1993. Segment 2 extended west from Alvarado Street to Vermont Avenue where it branches north to Hollywood Boulevard/Vine Street and west to Wilshire Boulevard/Western Avenue. The west branch became operational in July 1996 and was renamed the Metro Purple Line (now known as the Metro D Line) in August 2006. Segment 3 extending the north branch from Hollywood/Vine to North Hollywood opened in June 2000. The Metro B Line is [14.9] miles long with 14 stations. LACMTA is in the process of extending the Metro D 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. Estimated ridership for the entire Metro B and Metro D Lines was approximately 6.5 million for the fiscal quarter ended December 31, 2022.

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 538 miles and 61 stations and is primarily geared toward providing commuter rail service from outlying communities to downtown Los Angeles. 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 ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022." 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, 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 C Sales Tax revenues are available to pay operating expenses only after debt service on the Senior Bonds and certain other amounts are paid. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS—Flow of Funds" in the front part of this Official Statement.

Fareless System Initiative

[Update to come] In September 2020, LACMTA established a taskforce to study the idea of eliminating the collection of fares on its bus and rail transit system, either for all riders or for specified subgroups. For the fiscal years ended June 30, 2021, 2020 and 2019, LACMTA collected approximately $20.4 million, $184.6 million and $265.2 million of fares from riders of its bus and rail transit system, respectively. In addition to the loss of farebox revenues, if LACMTA were to eliminate the collection of fares, it expects that operating and maintenance costs would increase because more people would ride the buses, light rail and subways which would result in additional costs for cleaning, security and maintenance of the bus and rail transit system. None of the Measure R Sales Tax Obligations, the Proposition A Sales Tax Obligations or the Proposition C Sales Tax Obligations are secured by or payable from farebox revenues. However, LACMTA's General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015 (the "General Revenue Bonds") are secured by and are payable from the farebox revenues. Additionally, the General Revenue Bonds are secured by "remaining" Proposition A Sales Tax revenues and "remaining" Proposition C Sales Tax revenues in the event of a shortage of farebox revenues and certain other revenues pledged to the payment of the General Revenue Bonds. See "PROPOSITION C SALES TAX OBLIGATIONS—Other Obligations—*General Revenue Bonds*" in the front part of this Official Statement. Farebox revenues, along with Measure R Sales Tax Revenues, Proposition A Sales Tax revenues and Proposition C Sales Tax revenues also are used to pay for certain operating and maintenance costs of LACMTA. In the event of the elimination or reduction of farebox revenues, additional Measure R Sales Tax revenues, Proposition A Sales Tax revenues and Proposition C Sales Tax revenues would need to be used to pay the operation and maintenance expenses of LACMTA. Such uses of Measure R Sales Tax revenues, Proposition A Sales Tax revenues and Proposition C Sales Tax revenues are subordinate to the payment of debt service on the Measure R Sales Tax Obligations, the Proposition A Sales Tax Obligations and the Proposition C Sales Tax Obligations (including the Series 2023-A Bonds).

In February 2021, the taskforce proposed instituting an eighteen month pilot program starting in January 2022 and running through June 2023 to further study the initiative. A subsequent proposal called for instituting a 23-month pilot program starting in August 2021 and running through June 2023. The pilot program would allow K-12 and community college students ("K-14 students") to ride for free starting in August 2021 and low-income riders (which make up approximately 70% of the riders on LACMTA's bus and rail transit system) to ride for free starting in January 2022.

LACMTA instead decided to institute a two-year pilot program, supported by ARPA funds, that includes a zero-fare GoPass program for K-14 students that attend schools within participating school districts. The school districts that participate in the program have entered into cost-sharing agreements with LACMTA and pay a fixed amount for each student enrolled in the district. LACMTA estimated that its cost associated with the zero-fare GoPass program for K-14 students is $49.9 million for Fiscal Years 2022 and 2023 ($33.5 million of which will be paid by LACMTA and $16.4 million of which will be paid by municipal and local transit operators). Additionally, LACMTA introduced improvements to its "Low Income Fares are Easy" program, including a free 90-day regional transit pass as an incentive for new enrollees.

FUTURE TRANSPORTATION IMPROVEMENTS

[Update to come]

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—Additional Senior Bonds" in the front part of this Official Statement.

Capital Planning

In September 2020, the Board approved the 2020 Long Range Transportation Plan ("2020 LRTP") which updates the prior 2009 Long Range Transportation Plan. LACMTA's capital program is built on two major planning documents, the Long Range Transportation Plan, which has a 40-year vision and a financial forecast component, most recently updated for the 2020 LRTP (as updated, the "LRTP Financial Forecast"), and the "Short Range Financial Forecast," a fifteen-year plan last updated for the Board in November 2019, that guides capital investment through 2034. These plans incorporate the mix of projects approved by voters in concert with the four sales tax measures that fund a large share of LACMTA's operations and capital programs, and are amended as needed to reflect ongoing changes to project costs, revenue and expense projections, and actual financial results. Annually, LACMTA's Office of Management and Budget reviews the active projects set forth in the LRTP Financial Forecast and the Short Range Financial Forecast, and prepares a proposed budget recommending project appropriations as part of the annual Capital Program, which is incorporated in LACMTA's overall annual budget.

The LRTP Financial Forecast reflects LACMTA's plans to build, operate, maintain and partner with third parties for improved mobility (as determined in the 2020 LRTP), and incorporates both the Measure R and Measure M "Expenditure Plans," which identify the projects and programs to be pursued, and the amount and timing of sales tax expenditures.

The Short Range Financial Forecast, a fifteen-year component of the LRTP Financial Forecast, reflects LACMTA's financial plan for operations and capital investments into the transit system and identifies a funding strategy from future transportation revenues. The Short Range Financial Forecast includes a financial baseline that addresses LACMTA's current and known future operations, maintenance and capital financial commitment under a set of growth assumptions. [The Short Range Financial Forecast will be updated in the fall 2022 as part of the 2022 Short Range Transportation Plan, which is an action plan for the 2020 LRTP that recommends near-term implementation steps over a fifteen-year timeframe (2023 to 2037) and reflects updated sales tax revenues and cost estimates, federal stimulus funding, and new projects and programs approved by the Board.]

The LRTP Financial Forecast and the Short Range Financial Forecast are the guiding policies behind funding decisions on subsequent transportation projects and programs in the County and guide the programming of funds in the federally-mandated transportation improvement program ("TIP"). The TIP includes a listing of all transportation-related projects that require federal funding or other approval by the federal transportation agencies of USDOT. The TIP also lists non-federal, "regionally significant" projects for informational and air quality modeling purposes. Major capital projects and programs that are identified in the LRTP Financial Forecast and Short Range Financial Forecast have priority for future programming of funds, subject to the funding restrictions in the Expenditure Plans and Board-adopted funding policies. 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 Short Range Financial Forecast includes projections of debt financing by LACMTA composed of a combination of Proposition A, Proposition C, Measure R and Measure M secured debt. [The Short Range Financial Forecast updates the assumptions about debt issuance and assumes approximately $11.9 billion in new long-term debt financing from Fiscal Year 2023 through Fiscal Year 2032, not including capital grant receipt revenue debt or toll revenue debt.] The Short Range Financial Forecast assumes the issuance of approximately $[715.0] million of Proposition A First Tier Senior Lien Bonds, $[1.3] billion of Proposition C Senior Bonds, $[2.2] billion of Measure R Senior Bonds, and $[7.7] billion of Measure M Senior Bonds from Fiscal Year 2023 through Fiscal Year 2032.

The LRTP, the LRTP Financial Forecast and the Short Range Financial Forecast are planning tools 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, Measure R and Measure M Sales Tax revenues available to fund the projects in the LRTP Financial Forecast and the Short Range Financial Forecast.

Transit Projects

LACMTA has several major transit projects in planning and under construction, including the Crenshaw/LAX Transit Project, the Regional Connector, the Metro D Line Westside Extension and the Metro L Line Foothill Extension. These projects currently have a total budget of approximately $12.9 billion. The costs of the projects are expected to be paid from Proposition A Sales Tax revenues (including the proceeds of Proposition A secured debt), Proposition C Sales Tax revenues (including the proceeds of Proposition C secured debt), Measure R Sales Tax revenues (including the proceeds of Measure R secured debt), Measure M Sales Tax revenues (including the proceeds of Measure M secured debt), other local sources, and federal and State sources, as applicable.

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 C Line at the Aviation/LAX Station. The total project budget is currently $2.15 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.

Regional Connector Transit Corridor Project. 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 L Line tracks to the north and east of 1st and Alameda. This connection will provide through service between the Metro A Line, Metro L Line and Metro E Line corridors. The total project budget is currently $1.82 billion. LACMTA has been awarded federal grants totaling $751.0 million for the Regional Connector project. The remaining project costs are expected to be paid from Measure R Sales Tax revenues and federal, State and local sources.

Metro D Line Westside Extension. The Metro D Line Westside Extension (the "Metro D Line Extension") is an extension of the Metro D 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 Metro D Line Extension. The Metro D Line Extension is being constructed in three sections.

Section 1 of the Metro D Line Extension is currently under construction and extends the existing Metro D Line by 3.92 miles beginning at the Wilshire/Western Station to the City of Beverly Hills and adds three stations, at Wilshire/La Brea, Wilshire/Fairfax and the Phase 1 terminus at Wilshire/La Cienega. The total budget for Section 1 of the Metro D Line Extension is $2.94 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a $1.25 billion federal grant for Section 1 of the Metro D Line Extension. The remaining project costs for Section 1 are expected to paid from Measure R Sales Tax revenues, State sources and other local sources.

Section 2 of the Metro D Line Extension is currently under construction and extends the Metro D Line by 2.59 miles beginning at the future Section 1 Wilshire/La Cienega Station to Century City and adds two new stations, at Wilshire/Rodeo and the Phase 2 terminus at Century City/Constellation. The total budget for Section 2 of the Metro D Line Extension is $2.32 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a $1.187 billion federal grant for Section 2 of the Metro D Line Extension. The remaining project 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 Metro D Line Extension is currently under construction and extends the Metro D Line by 2.56 miles beginning at the future Section 2 Century City/Constellation Station to the Westwood VA Hospital and adds two new stations at Westwood/UCLA and the Phase 3 terminus at Westwood/VA Hospital. The budget for Section 3 of the Metro D Line Extension is $2.96 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a $1.3 billion federal grant for Section 3 of the Metro D Line Extension. The remaining project costs for Section 3 are expected to be paid from Measure R and Measure M Sales Tax Revenues, other Federal sources, State sources, and other local sources.

Metro L Line Foothill Extension. The Metro L Line Phase 2B Project proposed extending the Metro L Line east from Azusa to Claremont, and potentially extending the line to Montclair. However, the project is now expected to build out to an interim terminus at Pomona. LACMTA is working with the Gold Line Foothill Extension Construction Authority ("GLFECA"), an independent transportation planning and construction agency created in 1999 and tasked with designing and constructing the line. Once built, LACMTA will operate it in conjunction with existing LACMTA rail services. The total project budget for the extension to Claremont is $1.4 billion. Project costs are expected to be paid primarily from Measure M Sales Tax Revenues and State sources. LACMTA staff is working with the GLFECA to seek funding to extend the project to Claremont. LACMTA will also coordinate with the GLFECA and San Bernardino County to support their development of an option to Montclair.

LABOR RELATIONS

General

As of March 1, 2023, LACMTA had approximately [•] employees, of which approximately [•]% 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 United Transportation Union) ("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 January 1, 2023 and the current expiration dates of the labor agreements. In July 2017, LACMTA signed five new contracts with its labor unions, the longest contracts in LACMTA's history. Most of these contracts provide for annual salary increases of 4.2% over the five-year life of the contracts.

Employee Bargaining Unit	Number of Employees	Contract Expiration Date[1]
Sheet Metal, Air, Rail and Transportation Division	[•]	06/30/27
Amalgamated Transit Union	[•]	06/30/[•]
Transportation Communications Union	[•]	06/30/[•]
Am. Fed. of State, County and Municipal Employees	[•]	06/30/[•]
Teamsters Union	[•]	06/30/[•]

[1] [LACMTA is currently negotiating new collective bargaining agreements with all five employee bargaining units. Expiring labor agreements will remain in effect until new agreements are approved and executed.]

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 ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022."

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. 74 and No. 75, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" and "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" respectively, 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 ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022."

OUTSTANDING DEBT

General

In addition to obligations issued by LACMTA that are secured by Proposition C Sales Tax, LACMTA has issued debt secured by the Proposition A 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 providing for the issuance of such debt. The Series 2023-A Bonds are secured by and payable from the Proposition C Sales Tax, and are not secured by or payable from the Measure M Sales Tax, the Measure R Sales Tax, the Proposition A Sales Tax or any other revenues of LACMTA. See "FUTURE TRANSPORTATION IMPROVEMENTS—Capital Planning" above. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS" in the front part of this Official Statement for a discussion of obligations secured by the Proposition C Sales Tax.

Debt and Interest Rate Swap Policies

[In April 2021, 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 A Sales Tax Obligations

General. Obligations of LACMTA payable from the Proposition A Sales Tax consist of sales tax revenue bonds, commercial paper notes and other agreements. LACMTA has three priority levels of obligations for Proposition A Sales Tax revenues: its First Tier Senior Lien 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). LACMTA has incurred other obligations which are secured by certain "remaining" Proposition A Sales Tax cash receipts.

Proposition A First Tier Senior Lien Bonds. LACMTA had the following Proposition A First Tier Senior Lien Bonds outstanding as of March 1, 2023. The Proposition A First Tier Senior Lien Bonds are payable from, and secured by a prior first lien on, Proposition A Sales Tax revenue.

Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Bonds
(Outstanding as of March 1, 2023)

Proposition A First Tier Senior Sales Tax Revenue Bonds	Outstanding Principal Amount
Senior Sales Tax Revenue Refunding Bonds, Series 2019-A	$ 31,285,000
Senior Sales Tax Revenue Refunding Bonds, Series 2018-A	10,595,000
Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds)	458,195,000
Senior Sales Tax Revenue Refunding Bonds, Series 2017-B	43,770,000
Senior Sales Tax Revenue Refunding Bonds, Series 2016-A	104,265,000
Senior Sales Tax Revenue Refunding Bonds, Series 2015-A	18,405,000
Senior Sales Tax Revenue Refunding Bonds, Series 2014-A	94,320,000
Total	$760,835,000

Source: LACMTA.

Proposition A Second Tier Obligations. There are no Proposition A Second Tier Obligations outstanding, nor are any additional Second Tier Obligations currently expected to be issued.

Proposition A Third Tier Obligations. LACMTA is authorized to issue and have outstanding, at any one time, up to $350,000,000 aggregate principal amount of its Proposition A commercial paper notes (the "Proposition A Commercial Paper Notes"). As of March 1, 2023, $95 million aggregate principal amount of Proposition A Commercial Paper Notes were outstanding.

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 currently supported by a letter of credit (the "Proposition A CP Letter of Credit") issued by Bank of America, N.A.. The following table sets forth certain terms of the current Proposition A CP Letter of Credit.

Proposition A CP Letter of Credit[1]

Letter of Credit Provider	Amount of Letter of Credit	Issuance Date	Expiration Date
Bank of America, N.A.	$163,315,069[1]	June 24, 2022	June 24, 2025

[1] Supports $150,000,000 of principal of and $13,315,069 of interest on the Proposition A Commercial Paper Notes.
Source: LACMTA

The Proposition A Commercial Paper Notes and the reimbursement obligations with respect to the Proposition A CP Letter of Credit constitute "Proposition A Third Tier Obligations," and are payable from Proposition A Sales Tax revenues on a subordinate basis to the Proposition A First Tier Senior Lien Bonds and Proposition A Second Tier Obligations, if any.

Measure R Sales Tax Obligations

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 its Measure R Junior Subordinate Obligations).

Measure R Senior Sales Tax Revenue Bonds. LACMTA had the following Measure R Senior Sales Tax Revenue Bonds outstanding as of March 1, 2023. The Measure R Senior Sales Tax Revenue Bonds are payable from, and secured by a prior first lien on, Measure R Sales Tax revenue.

Los Angeles County Metropolitan Transportation Authority
Measure R Senior Sales Tax Revenue Bonds
(Outstanding as of March 1, 2023)

Measure R Senior Sales Tax Revenue Bonds	Outstanding Principal Amount
Senior Sales Tax Revenue Bonds, Series 2021-A	$ 491,870,000
Senior Sales Tax Revenue Bonds, Series 2016-A	439,535,000
Senior Sales Tax Revenue Bonds, Series 2010-A	529,500,000
Total	$1,460,905,000

Source: LACMTA.

Measure R Subordinate Obligations. On May 28, 2015, LACMTA received authorization to establish a short-term borrowing program (the "Measure R Short-Term Borrowing Program") secured by the Measure R Sales Tax and in an aggregate principal amount not to exceed $300,000,000. The obligations issued under the Measure R Short-Term Borrowing program are payable from the Measure R Sales Tax revenues on a subordinate basis to the Measure R Senior Sales Tax Revenue Bonds but senior to the Junior Subordinate Obligations. Currently, the obligations issued under the Measure R Short-Term Borrowing Program are in the form of commercial paper notes (the "Measure R Commercial Paper Notes"). [As of March 1, 2023, there were no Measure R Commercial Paper Notes outstanding.]

The Measure R Commercial Paper Notes can only be issued and outstanding if they are supported by a letter of credit. The Measure R Commercial Paper Notes are supported by a letter of credit (the "Measure R CP Letter of Credit") issued by TD Bank, N.A. LACMTA's reimbursement obligations with respect to the Measure R CP Letter of Credit are payable from Measure R Sales Tax revenues on parity with the Measure R Commercial Paper Notes and on a subordinate basis to the Measure R Senior Bonds. The following table sets forth certain terms of the Measure R CP Letter of Credit.

Measure R CP Letter of Credit

Letter of Credit Provider	Amount of Letter of Credit	Issuance Date	Expiration Date
TD Bank, N.A.	$163,315,069	September 30, 2022	September 29, 2027

[1] Supports $150,000,000 of principal and $13,315,069 of interest.
Source: LACMTA

The Measure R Commercial Paper Notes and the reimbursement obligations with respect to the Measure R CP Letter of Credit constitute "Measure R Subordinate Obligations," and are payable from Measure R Sales Tax revenues on a subordinate basis to the Measure R Senior Sales Tax Revenue Bonds.

Measure R Junior Subordinate Obligations and Other Obligations. On August 27, 2020, LACMTA issued $1,356,095,000 aggregate principal amount of its Measure R Junior Subordinate Sales Tax Revenue Refunding Bonds, Series 2020-A (Green Bonds) (the "Series 2020 Measure R Junior Subordinate Bonds") to repay and retire its obligations under four Transportation Infrastructure Finance and Innovation Act loan agreements and to finance certain rail projects. As of March 1, 2023, LACMTA had $1,356,095,000 aggregate principal amount of the Series 2020 Measure R Junior Subordinate Bonds outstanding. The Series 2020 Measure R Junior Subordinate Bonds are payable from the Measure R Sales Tax revenues on a subordinate basis to the Measure R Senior Sales Tax Revenue Bonds and the Measure R Subordinate Obligations.

In addition, LACMTA has the ability to incur other obligations (the "Other Measure R Obligations") which are secured by the Measure R Sales tax that remain after the payment of its senior lien obligations (which currently secures its Measure R Senior Bonds), the subordinate lien (which currently secures its Measure R Subordinate Obligations), and the junior subordinate lien (which currently secures its Series 2020 Measure R Junior Subordinate Bonds). [As of March 1, 2023, LACMTA did not have any Other Measure R Obligations outstanding.]

Measure M Sales Tax Obligations

LACMTA has not issued any debt secured by the Measure M Sales Tax. However, LACMTA anticipates issuing such debt in the future. [The Short Range Financial Forecast assumes the issuance of approximately $7.7 billion of Measure M Senior Bonds through Fiscal Year 2032.]

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 ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022."

Investment Balances

As of December 31, 2022 (based on unaudited financial information), LACMTA had approximately $[•] 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. LACMTA had approximately $[•] billion in additional non-discretionary trust accounts, primarily for pension and OPEB.

Additionally, as of December 31, 2022, LACMTA had approximately $[•] billion (book value) deposited in discretionary/operating accounts ($[•] billion of which consisted of unrestricted cash and investments). 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 December 31, 2022
Local Agency Investment Fund	
Bank Deposits	
Subtotal*	
Managed Investments	
U.S. Treasuries	
Commercial Paper	
Money Market Funds	
Federal Agencies	
Corporate Notes	
Municipal securities	
Asset Backed Securities	
Medium Term Notes	
Certificates of Deposit	
Subtotal Managed Investments*	
Total Cash and Investments*	100.0%

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

As of December 31, 2022, the liquid reserve of the discretionary accounts, which totaled approximately $[•] billion in market value, was managed internally by LACMTA and had an average maturity of [•] days.

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 2023-A 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 ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022."

LITIGATION

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. To the knowledge of LACMTA, none of such pending claims will materially and adversely affect LACMTA's ability to pay the principal of and interest on any of its debt obligations.

CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013

In 2012, the State Legislature adopted and the Governor signed into law the Public Employees' Pension Reform Act of 2013, Cal. Gov't Code §7522, et seq. ("PEPRA"), which limits pension benefits and increases the retirement age for public employees, requires public employees hired after December 31, 2012 to pay for half of their pension costs, and stops abusive pension practices. Following enactment of PEPRA, several unions representing public transit employees in the State (including employees of LACMTA) asserted to the U.S. Department of Labor ("USDOL") that PEPRA was inconsistent with collective bargaining rights that are protected under Section 13(c) of the Federal Transit Act. Section 13(c) requires the preservation of employees' bargained for rights and continuation of these rights. Before a local government agency receives federal funds for a particular transit system, USDOL must certify that employees' bargained for rights are preserved and their collective bargaining rights continue.

Soon after PEPRA's passage, USDOL refused to certify federal grants to California transit agencies, including LACMTA, based on union objections that PEPRA violated Section 13(c) protections. On behalf of two affected transit agencies, the State successfully challenged USDOL's decisions under the Administrative Procedure Act in federal court in 2013, and the court remanded the matter to USDOL for reconsideration. The State had enacted a temporary suspension of PEPRA while the litigation was in process. The temporary suspension allowed federal funds to flow during that period but ended on December 30, 2014 with the court's ruling. In 2015, USDOL on remand again refused to certify the Federal Transportation Administration ("FTA") grants at issue. Again the State sought relief in federal court. Meanwhile, USDOL began certifying the FTA grants to LACMTA later in 2015 subject to new certification provisions requiring grantees to restore pre-PEPRA pension benefits or refund the amount of the grants received since January 1, 2015 in the event USDOL's decisions were ultimately upheld by the court.

On January 24, 2018, the court resolved the dispute in favor of the State and enjoined USDOL from relying on PEPRA to deny transit funding to the two transit agencies whose federal grants were at issue in the litigation. However, the court declined the State's request to enjoin USDOL from using PEPRA to deny Section 13(c) certification to any other California transit agency grantee. On March 8, 2019, USDOL represented to the court in a joint status report that it fully intends to comply with the court's order.

In April 2019, a union representing LACMTA employees objected to certification of a $2.5 million grant on the basis that PEPRA precludes LACMTA from continuing collective bargaining rights as required by Section 13(c). In light of the court's decisions, USDOL reexamined its earlier determinations denying certification of FTA grants to LACMTA because of PEPRA's impact on transit employees. Based on that reexamination, USDOL concluded on June 14, 2019 that PEPRA does not present a bar to certification under Section 13(c).

On August 22, 2019, the union (ATU) whose objections were rejected by USDOL brought an action against USDOL in the U.S. District Court, District of Columbia, contending that the issuance of grant certifications to California transit agencies, over the union's objections is contrary to law and in excess of USDOL's statutory authority because PEPRA diminishes the collective bargaining rights of California transit employees. The State intervened and asked the court to transfer the case to the U.S. District Court for the Eastern District of California, where the prior proceedings concerning USDOL's authority to issue grant certifications in light of PEPRA have taken place. The court granted the State's motion and transferred the case to the Eastern District of California where it is currently pending trial. Cross-motions for summary judgment have been filed by the parties and a hearing with respect to such motions was scheduled for May 28, 2021. On May 19, 2021, the court (a) granted USDOL a short stay to permit it to reach a final decision about whether to reconsider its decision to grant certification to California transit agencies or request a remand, and (b) rescheduled the hearing with respect to the cross-motions for summary judgment to August 27, 2021.

USDOL sought and received further stays from the court so that the new Biden administration would have time to become familiar with the issues and decide whether to reconsider USDOL's position regarding PEPRA. On October 28, 2021, USDOL determined it will not certify transportation grants to California transit agencies based on USDOL's current position that PEPRA prevents a "continuation of collective bargaining rights as required by Section 13(c)." In response to USDOL's decision, the State requested and obtained leave to file a cross-claim under the Administrative Procedure Act in this action. The State also sought and was granted an order staying USDOL's October 2021 determination.

A hearing on cross-motions for summary judgment was held on February 17, 2022. On December 28, 2022, District Court Judge Kimberly Mueller issued a ruling that USDOL's determination to deny California transit agencies' requests for federal transportation funds on the basis of PEPRA was arbitrary and capricious. The 2021 preliminary injunction remains in place, under which USDOL cannot refuse to approve applications for federal funds on the basis of PEPRA. In addition to invalidating USDOL's 2021 determination that PEPRA precludes certification under Section 13(c), the Court ordered the parties to submit a joint status report within 30 days that includes a proposed schedule for resolving the case. The Court suggested that the parties could agree to convert the preliminary injunction issued in 2021 to a permanent injunction, which would allow USDOL and ATU to move forward to promptly appeal the court's ruling. On February 17, 2022, the parties submitted their joint status report, which included a stipulation to convert the preliminary injunction issued in 2021 to a permanent injunction.

FTA grants are a significant source of funding for LACMTA. Given the Court's ruling in favor of the State, LACMTA expects to continue to receive FTA grants. However, if USDOL or ATU appeals and the Ninth Circuit reverses the trial court ruling and finds that PEPRA is inconsistent with Section 13(c) protections, LACMTA may have to potentially delay or cancel projects or use alternate funding sources for projects, possibly including additional Senior Bonds or Senior Parity Obligations. Senior Bonds and Senior Parity Obligations may be issued only if the additional bonds tests described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS—Proposition C Sales Tax Obligations—*Senior Obligations*" in the front part of this Official Statement are satisfied.

LACMTA's collection of Proposition C Sales Tax revenues to pay debt service on the Senior Bonds, including the Series 2023-A Bonds, is not affected by the receipt of FTA grants.

APPENDIX B

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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APPENDIX C

LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

The Proposition C 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. The information in this Appendix is historic in nature and generally predates the COVID-19 pandemic. It is not possible to predict whether the trends shown below will continue in the future. See "INTRODUCTION—Impact of Global COVID-19 Outbreak" in the front part of this Official Statement.

Los Angeles County

As of January 1, 2023, the County had an estimated population of [•] million. Los Angeles County is the largest County in the country by population, and includes over a quarter of the State of California's (the "State") population. The County covers 4,084 square miles, and includes 88 incorporated cities, with approximately [8.9] million residents, as well as unincorporated communities with approximately one million residents.

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Population

The table below summarizes the populations of the County and State, estimated as of January 1 of each year, except for the years 2000 and 2010 which are reported as of April 1 of such years. The population estimates for 2010 and later incorporate 2010 Census counts as the benchmark.

Table C-1
COUNTY AND STATE POPULATION STATISTICS

	County of Los Angeles	Annual Growth Rate	State of California	Annual Growth Rate
2000	9,519,330	–	33,873,086	–
2010	9,818,605	0.31%[1]	37,253,956	1.0%[1]
2014	10,078,942	–	38,556,731	–
2015	10,124,800	0.47%	38,865,532	0.81%
2016	10,150,386	0.31	39,103,587	0.67
2017	10,181,162	0.35	39,352,398	0.68
2018	10,192,593	0.16	39,519,535	0.48
2019	10,163,139	(0.25)	39,605,361	0.27
2020	10,135,614	(0.11)	39,648,938	0.22
2021	9,931,338	(2.00)	39,303,157	(0.90)
2022	9,861,324	(0.70)	39,185,605	(0.30)
2023	[•]	[•]	[•]	[•]

[1] Annual Growth Rate represents average annual growth rate between 2000 and 2010.
Source: Census Counts, Sacramento, California - 2000 and 2010. State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2014-2023, [•] 2023.

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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 final unemployment figures for 2022 of [•]% statewide (not seasonally adjusted) and [•]% for Los Angeles County (not seasonally adjusted). The U.S. Bureau of Labor, Department of Labor Statistics, has reported the final unemployment figure for 2022 of [•]% nationwide (not seasonally adjusted).

The California Employment Development Department has reported unemployment figures for [March] 2023 of [•]% statewide (not seasonally adjusted) and [•]% for Los Angeles County (not seasonally adjusted). The U.S. Bureau of Labor, Department of Labor Statistics, has reported an unemployment figure for [March] 2023 of [•]% nationwide (not seasonally adjusted).]

Table C-2
ESTIMATED AVERAGE ANNUAL EMPLOYMENT AND UNEMPLOYMENT OF RESIDENT LABOR FORCE

	2018	2019	2020	2021	2022
Civilian Labor Force					
County of Los Angeles					
Employed	4,885,300	4,926,100	4,355,900	4,548,900	[•]
Unemployed	235,900	227,000	613,000	445,200	[•]
Total	5,121,300	5,153,100	4,968,900	4,994,100	[•]
Unemployment Rates					
County	4.6%	4.4%	12.3%	8.9%	[•]
State	4.3	4.1	10.2	7.3	[•]
United States	3.9	3.7	8.1	5.3	[•]

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 most recent 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 annual employment data for the State is also summarized.

Table C-3
LOS ANGELES COUNTY
ESTIMATED 2022 INDUSTRY EMPLOYMENT[1]

	County		State of California	
	Number of Employees	% of Total	Number of Employees	% of Total
Total Farm				
Mining and Logging				
Construction				
Manufacturing				
Trade, Transportation and Utilities				
Information				
Financial Activities				
Professional and Business Services				
Educational and Health Services				
Leisure and Hospitality				
Other Services				
Government				
Total[2]		100.0%		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 C-2.
Source: California Employment Development Department, Labor Market Information Division. Based on [•] 2022 Benchmark report released [•], 2023.

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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.

The following table sets forth the estimates of personal income and per capita personal income for the County, the State and the United States for 2017 through 2021.

Table C-4
COUNTY, STATE AND U.S.
PERSONAL INCOME[1]

Year and Area	Personal Income (thousands of dollars)	Per Capita Personal Income (dollars)
2017		
County	$ 580,826,819	$57,551
State	2,318,644,417	58,942
United States	16,845,028,000	51,811
2018		
County	$ 602,428,812	$59,874
State	2,431,821,953	61,663
United States	17,681,159,000	54,098
2019		
County	$ 631,161,849	$63,043
State	2,544,234,978	64,513
United States	18,402,004,000	64,513
2020		
County	$ 678,829,092	$68,272
State	2,763,311,977	70,192
United States	19,607,447,000	59,510
2021		
County		
State		
United States		

[1] Last updated: [•], 2022 - new statistics for 2021; revised statistics for 2017-2020. Source: U.S. Bureau of Economic Analysis, "Table CAINC1 - Personal Income Summary" (accessed [•], 2023).

Retail Sales

The following table sets forth taxable sales for the County for calendar years 2018 through 2022. Taxable sales for the State were approximately $[•] billion for calendar year 2022.

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

	2018	2019	2020	2021	2022
Motor Vehicle and Parts Dealers	$18,935,861	$18,954,470	$18,534,326	$23,555,049	
Home Furnishings and Appliance Stores	7,536,953	7,308,501	6,608,482	8,177,309	
Building Material & Garden Equipment & Supplies Dealers	8,446,279	8,698,495	9,556,946	10,450,158	
Food and Beverage Stores	7,106,527	7,255,361	7,650,294	7,861,401	
Gasoline Stations	12,553,326	12,491,790	8,132,307	12,405,237	
Clothing and Clothing Accessories Stores	12,258,410	12,536,982	9,498,705	13,957,944	
General Merchandise Stores	12,583,909	12,910,844	12,263,784	14,541,309	
Food Services and Drinking Places	24,016,431	25,097,944	17,006,158	23,577,050	
Other Retail Group	15,707,358	17,190,290	24,164,972	24,407,441	
Total Retail and Food Services	119,145,054	122,444,678	113,415,974	138,932,925	
All Other Outlets[1]	48,878,742	49,868,925	44,322,010	53,340,253	
TOTAL ALL OUTLETS[2]	$166,023,796	$172,313,603	$157,737,984	$192,273,178	

[1] Primarily manufacturing and wholesale businesses.
[2] Items may not add to totals due to rounding.
Source: California Department of Tax and Fee Administration, Research and Statistics Division.

APPENDIX D

SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS

APPENDIX E

FORM OF BOND COUNSEL APPROVING OPINION

APPENDIX F

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 C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A (the "Series 2023-A 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 Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended, by and between the Authority and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee (the "Trustee"), and the Thirty-Fourth Supplemental Trust Agreement, dated as of [April] 1, 2023, 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.

"*Financial Obligation*" means (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

"*Holder*" means any registered owner of Series 2023-A Bonds and any beneficial owner of Series 2023-A 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 ____________, 2023, prepared and distributed in connection with the initial sale of the Series 2023-A 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 2023-A 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 March 31 of each year (commencing March 31, 2024), 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 timely 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 3—Historical Net Proposition C Sales Tax Revenues, Local Allocations, Pledged Revenues and Debt Service Coverage" of the Official Statement; and

(c) Updated information of the type set forth in "TABLE 6—Los Angeles County Metropolitan Transportation Authority, Combined Proposition C Debt Service Schedule Senior Bonds" of the Official Statement, but only the information in the column entitled "Total Debt Service" and the information under the column entitled "Combined Total Debt Service Senior 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 2023-A 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 2023-A 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 2023-A Bonds;

6. Tender offers;

7. Defeasances;

8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of the Authority; or

   Note: For the purposes of the event identified in subparagraph (a)(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.

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

(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 2023-A 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 2023-A Bonds or other material events affecting the tax status of the Series 2023-A Bonds;

2. Modifications to rights of the Owners of the Series 2023-A Bonds;

3. Optional, unscheduled or contingent bond calls;

4. Release, substitution or sale of property securing repayment of the Series 2023-A 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;

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

8. Incurrence of a Financial Obligation of the Authority, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders.

(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 2023-A 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 2023-A 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 2023-A 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 2023-A 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 2023-A 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 2023-A 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 2023-A 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 [•] day of [April], 2023.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: ______________________________
Name ______________________________
Title ______________________________

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APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the subcaption "—General" below has been provided by DTC. LACMTA makes no representations as to the accuracy or completeness of such information. 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 2023-A 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 2023-A 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 2023-A BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT TO THE OWNERS OF THE SERIES 2023-A BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF SERIES 2023-A BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2023-A Bonds. The Series 2023-A 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 2023-A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Trustee.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2023-A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023-A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2023-A 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 2023-A 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 2023-A Bonds, except in the event that use of the book-entry system for the Series 2023-A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023-A 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 the Series 2023-A 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 2023-A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023-A 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 2023-A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023-A Bonds, such as redemptions, tenders, defaults and proposed amendments to the Series 2023-A Bond documents. For example, Beneficial Owners of Series 2023-A Bonds may wish to ascertain that the nominee holding the Series 2023-A 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 2023-A Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Series 2023-A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2023-A 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 2023-A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of and interest payments on the Series 2023-A 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 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, LACMTA, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest 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 2023-A 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, Series 2023-A Bond certificates 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, Series 2023-A Bond certificates will be printed and delivered to DTC.

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

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2023-A 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 PARTICIPANTS.

In the event that the book-entry-only system is discontinued, payments of principal of and interest on the Series 2023-A Bonds will be payable as described in the front part of this Official Statement under the caption "DESCRIPTION OF THE SERIES 2023-A BONDS—General."

PURCHASE CONTRACT

$__________
Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A

April __, 2023

Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza, 21st Floor
Los Angeles, CA 90012

Ladies and Gentlemen:

The undersigned, Citigroup Global Markets Inc. (the "***Representative***"), on its own behalf and on behalf of the other underwriters listed on the signature page hereof (collectively with the Representative, the "***Underwriters***"), offers to enter into this Purchase Contract (this "***Purchase Contract***") with the Los Angeles County Metropolitan Transportation Authority (the "***Authority***"). The offer made hereby is subject to the written acceptance by the Authority, and delivery of an executed counterpart of this Purchase Contract to the Representative at or before 11:59 p.m., California time, on or before the date hereof, and, if not so accepted, will be subject to withdrawal by the Representative upon notice delivered to the Deputy Executive Officer, Finance of the Authority at any time before acceptance. Upon acceptance and delivery of such acceptance to the Representative, this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the Authority and the Underwriters. All capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended and supplemented (the "***Trust Agreement***"), by and between the Authority and U.S. Bank Trust Company, National Association, as successor trustee (the "***Trustee***"), and the Thirty-Fourth Supplemental Trust Agreement, to be dated as of April 1, 2023 (the "***Thirty-Fourth Supplemental Trust Agreement***," and, together with the Trust Agreement, the "***Agreement***") by and between the Authority and the Trustee.

Section 1. Purchase and Sale of the Series 2023A Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties, covenants and agreements hereinafter set forth, the Underwriters, jointly and severally, hereby agree to purchase from the Authority, and the Authority agrees to sell to the Underwriters, all (but not less than all) of the $__________ Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A (the "***Series 2023A Bonds***").

The Underwriters agree to purchase the Series 2023A Bonds at the aggregate purchase price of $__________ (representing the principal amount of the Series 2023A Bonds of $__________, plus an original issue premium of $__________, less an Underwriters' discount of $__________) (the "***Purchase Price***").

The Underwriters have designated the Representative to act as their representative, and the Representative hereby represents that they are duly authorized to execute this Purchase Contract for and on behalf of the Underwriters.

Section 2. The Series 2023A Bonds. The Series 2023A Bonds shall be issued pursuant to and in accordance with the provisions of Chapter 5 of Division 12 of the Public Utilities Code of the State of California (the "***Act***"), Ordinance No. 49, adopted by the Los Angeles County Transportation Commission (the predecessor to the Authority) on August 8, 1990 and approved by the voters of Los Angeles County, California on November 6, 1990 ("***Proposition C***"), the Resolution (as hereinafter defined) and the Agreement.

The Series 2023A Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided in the Agreement. The Series 2023A Bonds shall be limited obligations of the Authority payable solely from and secured by a first lien on and pledge of Pledged Revenues, and shall be additionally payable from certain other amounts, all as provided under the Agreement. Neither the faith and credit nor the taxing power of the County of Los Angeles, the State of California (the "***State***") or any political subdivision or public agency thereof, other than the Authority 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 and interest on the Series 2023A Bonds.

The Series 2023A Bonds shall be issued in fully registered form without coupons in denominations of $5,000 and integral multiples thereof. The Series 2023A Bonds shall be dated their date of delivery and shall mature, subject to prior redemption, in the principal amounts on the dates and shall bear interest at the rates payable on the dates, as shown on Schedule I hereto.

The proceeds from the sale of the Series 2023A Bonds will be used by the Authority to (a) together with other available funds, refund and defease all or a portion of its outstanding Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B, Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C, and Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A (the portion so refunded, the "Refunded Bonds") and (b) pay the costs of issuance of the Series 2023A Bonds. To provide for the defeasance of the Refunded Bonds, a portion of the proceeds of the Series 2023A Bonds and other available funds will be deposited into the escrow fund created under an Escrow Agreement, dated as of April __, 2023 (the "Escrow Agreement"), by and between the Authority and U.S. Bank Trust Company, National Association, as escrow agent thereunder (the "Escrow Agent").

Section 3. Offering. It shall be a condition to the Authority's obligations to sell and deliver the Series 2023A Bonds to the Underwriters, and a condition to the Underwriters' obligations to purchase, accept delivery of and pay for the Series 2023A Bonds, that the entire aggregate principal amount of the Series 2023A Bonds referred to in Section 1 hereof shall be issued, sold and delivered by the Authority and purchased, accepted and paid for by the Underwriters at the Closing (defined herein).

The Underwriters agree to make a *bona fide* public offering of all the Series 2023A Bonds, at prices not in excess of the initial public offering prices or at yields not lower than the yields set forth on the inside cover page of the Official Statement (as hereinafter defined); provided that the

Underwriters reserve the right from time to time as the Underwriters, in their sole discretion, deem necessary or desirable, to offer and sell the Series 2023A Bonds to certain dealers (including dealers depositing the Series 2023A Bonds into investment trusts) and others at prices lower than the initial offering prices or at yields higher than the initial yields set forth on the inside cover page of the Official Statement (but in all respects, subject to the provisions of Section 3 hereof). The Authority has authorized the use by the Underwriters, in connection with the public offering and sale of the Series 2023A Bonds, of the Resolution (as hereinafter defined), the Agreement, the Continuing Disclosure Certificate (as hereinafter defined) and this Purchase Contract and any supplements or amendments thereto, and the Preliminary Official Statement (as hereinafter defined) and the Official Statement (as hereinafter defined) and the information contained in each of such documents (including the appendices thereto).

Section 4. Establishment of Issue Price.

(a) The Representative, on behalf of the Underwriters, agree to assist the Authority in establishing the issue price of Series 2023A Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel (as hereinafter defined), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of Series 2023A Bonds.

(b) [Except as otherwise set forth in Schedule I attached hereto,] the Authority will treat the first price at which 10% of each maturity of Series 2023A Bonds (the "***10% test***") is sold to the public as the issue price of that maturity. Schedule I attached hereto sets forth the maturities of the Series 2023A Bonds for which the 10% test has been satisfied as of the date of this Purchase Contract (the "***10% Test Maturities (Sale Date)***") and the prices at which the Underwriters have sold such 10% Test Maturities (Sale Date) to the public. At or promptly after the execution of this Purchase Contract, the Representative shall report to the Authority the price or prices at which the Underwriters have sold to the public each maturity of Series 2023A Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Series 2023A Bonds, the Representative agrees to promptly report to the Authority the prices at which Series 2023A Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Series 2023A Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2023A Bonds of that maturity; provided that, the Underwriters' reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the Authority or Bond Counsel.]

(c) [The Representative confirms that the Underwriters have offered the Series 2023A Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2023A Bonds for which the 10% test has not been satisfied and for which the Authority and the

Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2023A Bonds, the Underwriters will neither offer nor sell unsold Series 2023A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2023A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2023A Bonds to the public at a price that is no higher than the initial offering price to the public.]

For purposes of this Section, if Series 2023A Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2023A Bonds.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2023A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable,

(A) (1) to report the prices at which it sells to the public the unsold Series 2023A Bonds of each maturity allocated to it, whether or not the Closing Date (as hereinafter defined) has occurred, until either all Series 2023A Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2023A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,

(B) to promptly notify the Representative of any sales of Series 2023A Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series

2023A Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2023A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2023A Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2023A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2023A Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Series 2023A Bonds of that maturity, provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Authority acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2023A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023A Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2023A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2023A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023A Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2023A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2023A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023A Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2023A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023A Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2023A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023A Bonds.

(f) The Underwriters acknowledge that sales of any Series 2023A Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2023A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "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,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of Series 2023A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of Series 2023A Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of Series 2023A Bonds to the public),

(iii) a purchaser of any of the Series 2023A Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 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), (B) 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 (C) 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), and,

(iv) "sale date" means the date of execution and delivery of this Purchase Contract by all parties.

Section 5. Use of Preliminary Official Statement and Official Statement; Continuing Disclosure. The Authority has heretofore delivered to the Underwriters the Preliminary Official Statement dated March __, 2023, relating to the Series 2023A Bonds (as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "***Preliminary Official Statement***"), which the Authority has deemed final as of its date, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("***Rule 15c2-12***"). The Authority shall prepare and deliver to the Underwriters, as promptly as practicable, but in no event later than seven business days from the date hereof and at least two business days prior to the Closing Date, whichever occurs first, a final official statement, with such changes and amendments as may be agreed to by the Representative (such official statement, including the cover page, the inside cover page and appendices thereto, and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form is herein referred to as the "***Official Statement***"), in "the designated electronic format" (as defined in Rule G-32 of the MSRB (herein defined)), in order to permit the Underwriters to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. The Authority hereby ratifies, confirms and approves the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement and hereby authorizes the Underwriters to use and distribute the Official Statement, the Agreement and this Purchase Contract, and all information contained in each, and all other documents, certificates and statements furnished by the Authority to the Underwriters with respect to the transactions contemplated by this Purchase Contract, in connection with the offer and sale of the Series 2023A Bonds. The Representative agrees to promptly file a copy of the Official Statement, including any supplements prepared by the Authority, with the Municipal Securities Rulemaking Board and a nationally recognized municipal securities information repository.

The Authority will undertake pursuant to a Continuing Disclosure Certificate, to be dated as of the date of issuance of the Series 2023A Bonds (the "***Continuing Disclosure Certificate***"), to provide certain annual financial and operating information and certain material event notices. A description of this undertaking will be set forth in the Official Statement.

Section 6. Representations, Warranties and Covenants of the Authority. The Authority represents, warrants and covenants to the Underwriters (and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Series 2023A Bonds) that the representations and warranties contained herein shall be true and correct on the date hereof and on the Closing Date, as if made on and at the Closing. The Authority represents, warrants, covenants and agrees that:

(a) The Authority is, and will be on the Closing Date, a county transportation commission or a political subdivision that has the powers granted to a county transportation commission as of the date hereof, duly organized and validly existing under the laws of the State, with full legal right, powers and authority to issue the Series 2023A Bonds pursuant to the Act.

(b) The Authority has or had at the time of execution or adoption, as applicable, full legal right, power and authority to (i) execute and deliver this Purchase Contract, (ii) execute and deliver the Agreement, the Escrow Agreement and the Continuing Disclosure Certificate (collectively, the "***Authority Documents***"); (iii) adopt the resolution entitled "RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF ITS LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY PROPOSITION C SALES TAX REVENUE REFUNDING BONDS, APPROVING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST AGREEMENT, CONTINUING DISCLOSURE

CERTIFICATE, BOND PURCHASE AGREEMENT, ESCROW AGREEMENT, AND PRELIMINARY AND FINAL OFFICIAL STATEMENT, AND THE TAKING OF ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH," which was adopted by the Board of Directors of the Authority on March 23, 2023 (the "***Resolution***"); (iv) deliver the Preliminary Official Statement and execute and deliver the Official Statement; (v) sell, issue and deliver the Series 2023A Bonds to the Underwriters as provided herein; and (vi) carry out and consummate the transactions contemplated by this Purchase Contract, the Authority Documents, the Resolution and the Official Statement.

(c) The Authority has complied, and will at Closing be in compliance in all respects, with the terms of the Act and the Resolution and with its obligations in connection with the issuance of the Series 2023A Bonds as contained in the Series 2023A Bonds, this Purchase Contract and the Authority Documents.

(d) By all necessary official action, the Authority has duly adopted the Resolution, has duly authorized and approved the Official Statement and the delivery thereof to the Underwriters, has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations in connection with the issuance of the Series 2023A Bonds on its part contained in the Series 2023A Bonds, this Purchase Contract and the Authority Documents and the consummation by it of all other transactions contemplated by this Purchase Contract and the Authority Documents in connection with the issuance of the Series 2023A Bonds; and this Purchase Contract and each of the Authority Documents, upon execution and delivery thereof, will constitute the legal, valid and binding obligations of the Authority, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), to limitations on remedies imposed in actions against public entities in the State and to any principles of law or public policy limiting the enforceability of indemnification provisions or the waiver of jury trial.

(e) To the best knowledge of the Authority, after reasonable investigation, (i) the Authority is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, ordinance, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, which would materially adversely affect the financial position or operations of the Authority or the ability of the Authority to pay principal and interest on the Bonds (as defined in the Trust Agreement) as and when due, or to perform its obligations under the Authority Documents or this Purchase Contract; and (ii) no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument, which would materially adversely affect the financial position or operations of the Authority or the ability of the Authority to pay principal of and interest on the Bonds as and when due. To the best knowledge of the Authority, after reasonable investigation, the execution and delivery of the Series 2023A Bonds, this Purchase Contract and the Authority Documents and the adoption of the Resolution and compliance with the provisions on the Authority's part contained in this Purchase Contract, the Series 2023A Bonds and the Authority Documents, will not materially conflict with or constitute a material breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, ordinance, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as provided by the Series 2023A Bonds, this Purchase Contract and the Authority Documents.

(f) When delivered to and paid for by the Underwriters on the Closing Date in accordance with the provisions of this Purchase Contract, the Series 2023A Bonds will have been duly authorized, executed and delivered and will constitute valid and binding limited obligations of the Authority in conformity with and entitled to the benefit and security of the Agreement enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors rights generally, by the application of equitable principles if equitable remedies are sought, and by limitations on remedies imposed in actions against public entities in the State.

(g) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction over the matter which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Authority of its obligations in connection with the issuance, sale and delivery of the Series 2023A Bonds under this Purchase Contract and the Agreement have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2023A Bonds; and, except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction in the matter which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Authority of its respective obligations under this Purchase Contract and the Authority Documents have been duly obtained.

(h) On the date hereof and at the Closing, the Authority will be in compliance with the covenants and agreements contained in this Purchase Contract and the Authority Documents, and no event of default and no event which, with the lapse of time or giving of notice, or both, would constitute an event of default thereunder, shall have occurred and be continuing.

(i) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Authority, threatened against the

Authority, affecting the corporate existence of the Authority or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2023A Bonds or the levy or collection by the Authority of the Proposition C Sales Tax or application of the Pledged Revenues or other money to be pledged to pay the principal of and interest on the Series 2023A Bonds, or contesting or affecting as to the Authority the validity or enforceability of the Act, the Series 2023A Bonds, the Resolution, this Purchase Contract or any Authority Documents, or contesting the tax-exempt status of interest on the Series 2023A Bonds, or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or contesting the powers of the Authority or any authority for the issuance of the Series 2023A Bonds, the adoption of the Resolution, the collection of the Proposition C Sales Tax, the pledge of the Pledged Revenues or the execution and delivery by the Authority of this Purchase Contract or any Authority Document, nor, to the best knowledge of the Authority, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would affect in any way the validity or enforceability of the Act as to the Authority or materially and adversely affect the authorization, execution, delivery or performance by the Authority of the Series 2023A Bonds, any Authority Document or this Purchase Contract, the collection of the Proposition C Sales Tax or the pledge of the Pledged Revenues or the adoption of the Resolution.

(j) The Series 2023A Bonds, when issued, will conform in all material respects to the description thereof contained in the Preliminary Official Statement and the Official Statement under the captions "DESCRIPTION OF THE SERIES 2023-A BONDS" and "APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS"; the proceeds of the Series 2023A Bonds, when issued, will be applied generally as described in the Preliminary Official Statement and the Official Statement under the captions "INTRODUCTION—Purpose of the Series 2023A Bonds" and "PLAN OF REFUNDING AND APPLICATION OF THE SERIES 2023-A BOND PROCEEDS;" and the Authority Documents conform in all material respects to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.

(k) The Preliminary Official Statement (other than information allowed to be omitted by Rule 15c2-12), as of its date and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (excluding therefrom the information contained under the caption "UNDERWRITING" and under "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM" as to which no representations or warranties are made).

(l) The financial statements of the Authority as of June 30, 2022, attached to the Official Statement as Appendix B, fairly represent the revenues, expenditures, assets, liabilities and fund balances of such amounts and, insofar as presented, other funds of the Authority as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Representative, there has not been any materially adverse change in the financial condition of the Authority or in its operations since June 30, 2022 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(m) At all times upon the delivery thereof and subsequent to the date of delivery thereof (up to and including the Closing Date), the Official Statement, as supplemented and amended, did not and will not, except for brief periods between changes in any relevant circumstances and the timely amendment or supplement of the Official Statement to reflect such change, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (excluding therefrom the information contained under the caption "UNDERWRITING" and under "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM" as to which no representations or warranties are made).

(n) If, subsequent to the date hereof and prior to the Closing, an event occurs affecting the Authority which is materially adverse for the purpose for which the Official Statement, as then supplemented or amended, is to be used and such event is not disclosed in the Official Statement, the Authority shall notify the Representative and if in the opinion of the Authority or the Representative such event requires a supplement or amendment to the Official Statement, the Authority will supplement or amend the Official Statement in a form and manner approved by the Representative.

(o) After the Closing, the Authority will not participate in the delivery of any amendment of or supplement to the Official Statement, to which, after being furnished with a copy, the Representative shall reasonably object in writing and which shall be disapproved by the Representative, Norton Rose Fulbright US LLP, counsel to the Underwriters ("***Underwriters' Counsel***"), Nixon Peabody LLP, as bond counsel to the Authority ("***Bond Counsel***") or Kutak Rock LLP, as disclosure counsel to the Authority ("***Disclosure Counsel***"), and if any event relating to or affecting the Authority shall occur during the period through and including the twenty-fifth day after the "underwriting period" (as defined in Rule 15c2-12) as a result of which it is necessary, in the opinion of the Authority, the Representative, or their respective counsel, to amend or supplement the Official Statement in order to make the Official Statement not inaccurate or misleading in the light of the circumstances existing at the time it is delivered to a prospective purchaser, the Authority will forthwith prepare and furnish to the Underwriters (at the expense of the Authority), a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to Underwriters' Counsel, Bond Counsel and Disclosure Counsel) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading.

(p) If the information contained in the Official Statement is amended or supplemented pursuant to <u>Section 6(o)</u> hereof, at the time of each supplement or amendment thereto and (unless subsequently supplemented or amended pursuant to such clause) at all times subsequent thereto up to and including 25 days after the end of the "underwriting period," the Official Statement, as supplemented and amended, will not, except for brief periods between changes in any relevant circumstances and the timely amendment or supplement of the Official Statement to reflect such change, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (excluding therefrom the information contained under the caption "UNDERWRITING" and under "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM" as to which no representations or warranties are made).

(q) The Authority will furnish such information, execute such instruments and take such other action not inconsistent with applicable law in cooperation with the Underwriters as the Representative may deem necessary in order (i) to qualify the Series 2023A Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Representative may designate; and (ii) to determine the eligibility of the Series 2023A Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Series 2023A Bonds; provided, however, that in no event shall the Authority be required to take any action which would subject it to service of process in any jurisdiction in which it is not now so subject or be required to register as a dealer or broker or qualify to do business as a foreign corporation or to comply with any other similar requirements deemed by the Authority to be unduly burdensome.

(r) Between the date of this Purchase Contract and the Closing Date, the Authority will not, without the prior written consent of the Representative, except as disclosed in the Official Statement, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, secured by the Proposition C Sales Tax.

(s) The Authority is not currently in default, and has not within the last 10 years defaulted in the payment of principal of or interest on any bond, note or other obligation for borrowed money nor is it currently in default in any material respect under any agreement or instrument under which such obligation for borrowed money has been issued, and no event of which the Authority has notice or knowledge has occurred and is continuing under the provisions of any such agreement or instrument which, with or without the lapse of time or the giving of notice, or both, constitutes or would constitute a default thereunder.

(t) Except as described in the Preliminary Official Statement and the Official Statement, the Authority has complied with all previous continuing disclosure undertakings required pursuant to Rule 15c2-12 for the past five years.

(u) Any certificate signed by any authorized official of the Authority, and delivered to the Underwriters in connection with the execution and delivery of the Series 2023A Bonds, shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein.

(v) The Authority acknowledges and agrees that (i) the purchase and sale of the Series 2023A Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the Authority and the Underwriters and that the Underwriters have financial and other interests that differ from those of the Authority, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as the municipal advisors, financial advisors, agents or fiduciaries of the Authority, (iii) the Underwriters (individually or collectively) have not assumed an advisory or fiduciary responsibility in favor of the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or is currently providing other services to the Authority on other matters) and the Underwriters have no obligation to the Authority with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract and under applicable laws and regulations and (iv) the Authority has consulted its own municipal, legal, accounting, tax, financial and other advisors to the extent it has deemed appropriate.

Section 7. Closing. At 8:00 a.m., California Time, on April __, 2023, or at such other date or time as shall have been mutually agreed upon by the Authority and the Representative (the "***Closing Date***"), the Authority will, subject to the terms and conditions hereof, issue and deliver the Series 2023A Bonds; and the Underwriters will accept such delivery and pay the Purchase Price set forth in Section 1 hereof, in immediately available funds to or on the order of the Authority. Payment for the Series 2023A Bonds shall be made at a place designated by the Authority, with the consent of the Representative. The Series 2023A Bonds will be delivered to the account of the Underwriters through The Depository Trust Company, New York, New York ("***DTC***") as fully registered bonds registered in the name of Cede & Co., as nominee of DTC. Physical delivery of the Series 2023A Bonds shall be made to the Trustee, as agent for DTC under the Fast Automated Securities Transfer system, or as otherwise instructed by the Authority or the Trustee. Such payment and delivery is referred to herein as the "***Closing***." The Series 2023A Bonds shall be made available to the Underwriters for inspection not later than one business day before the Closing Date. It is anticipated that CUSIP identification numbers will be printed on the Series 2023A Bonds, but neither the failure to print such numbers on any Series 2023A Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Series 2023A Bonds in accordance with the terms of this Purchase Contract.

Section 8. Closing Conditions. The Underwriters hereby enter into this Purchase Contract in reliance upon the representations, warranties and covenants of the Authority contained herein and the representations and warranties contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority of its obligations both on and as of the date hereof and as of the Closing Date. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Series 2023A Bonds shall be subject to the accuracy of the representations and warranties of the Authority contained herein as of the date hereof and as of the Closing Date, to the accuracy of the statements of the officers and other officials of the Authority made in any certificate or other document furnished pursuant to the provisions hereof, to the performance by the Authority of its obligations to be performed hereunder and under all documents and instruments furnished pursuant to the provisions hereof at or prior to the Closing Date, and are also subject to the following additional conditions:

(a) at the time of the Closing, this Purchase Contract and the Authority Documents shall have been duly authorized, executed and delivered and shall not have been revised, amended, modified or supplemented subsequent to the date hereof except as may have been agreed to by the Representative;

(b) at the time of Closing, all official action of the Authority related to this Purchase Contract, the Authority Documents and the sale of the Series 2023A Bonds shall be in full force and effect and this Purchase Contract and the Authority Documents shall not have been amended, modified, supplemented or repealed;

(c) at the time of Closing, the Authority shall have made timely payment of principal and/or interest when due on all of its outstanding indebtedness;

(d) as of the date hereof and at the time of Closing, trading in any securities of the Authority shall not have been suspended on any national securities exchange; nor shall any proceeding be pending or threatened by the Securities and Exchange Commission against the Authority;

(e) the Authority shall perform, or have performed at or prior to the time of the Closing, all of its obligations required under or specified in this Purchase Contract and the Authority Documents, as amended to the Closing Date, to be performed at or prior to the Closing;

(f) subsequent to the date hereof, up to and including the time of Closing, there shall not have occurred any change in or event particularly affecting the Authority, the Act, Proposition C, the Pledged Revenues, the Series 2023A Bonds, the Resolution or the Authority Documents as the foregoing matters are described in the Official Statement, which in the reasonable professional judgment of the Underwriters materially impairs the investment quality of the Series 2023A Bonds;

(g) Subsequent to the date hereof, up to and including the time of Closing, the California Department of Tax and Fee Administration ("CDTFA") shall not have suspended or advised the Authority of suspension of the collection of the Proposition C Sales Tax or the escrow of any proceeds thereof by the CDTFA, and counsel to the Authority shall not have been advised of the suspension of the collection of the Proposition C Sales Tax or the escrow of any proceeds thereof by the CDTFA, nor shall CDTFA have questioned the validity of the Proposition C Sales Tax; and

(h) at or prior to the Closing, the Underwriters shall receive, among other items, the following in each case satisfactory in form and substance to the Representative and Underwriters' Counsel:

(i) a copy of the Official Statement and each supplement or amendment thereto, manually executed on behalf of the Authority by its Deputy Executive Officer, Finance or another duly authorized officer of the Authority, together with a copy of same in "the designated electronic format" (as defined in Rule G-32 of the MSRB);

(ii) a certified copy of the Resolution, which certificate shall state that such Resolution is in full force and effect as of the Closing Date and has not been amended, modified or rescinded since initial adoption;

(iii) duly executed copies of the Authority Documents and specimen copies of the Series 2023A Bonds;

(iv) an executed copy of the Tax Certificate, executed by the Authority, and evidence of the preparation for filing of IRS Form 8038-G;

(v) an opinion of Bond Counsel, dated the Closing Date and addressed to the Authority, substantially to the effect of the form included in the Official Statement as Appendix E, together with a letter of such counsel, dated the date of the Closing and addressed to the Underwriters, to the effect that the foregoing opinion addressed to the Authority may be relied upon by the Underwriters to the same extent as if such opinion were addressed to them;

(vi) an opinion of Bond Counsel, dated the Closing Date and addressed to the Authority and the Underwriters, to the effect that (A) the Series 2023A Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended (the "***Securities Act***"); (B) the Purchase Contract and the Continuing Disclosure Certificate have each been duly authorized, executed and delivered by the Authority, and assuming due authorization, execution and delivery by the other parties thereto, as applicable, the Purchase Contract and the Continuing Disclosure Certificate constitute legal, valid and binding agreements of the Authority enforceable in according with their respective terms, subject to (1) bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws), (2) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, (3) the exercise of judicial discretion in appropriate cases, (4) the limitations on legal remedies imposed on actions against public entities in the State of California, and (5) the application of California laws relating to conflicts of interest to which public entities are subject, and no opinion is expressed on indemnification provisions; (C) the Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "***Trust Indenture Act***"); and (D) the statements contained in the Official Statement under the captions "DESCRIPTION OF THE SERIES 2023-A BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023-A BONDS" and "TAX MATTERS" and in "APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS" and APPENDIX E—FORM OF BOND COUNSEL APPROVING OPINION," insofar as the statements purport to summarize certain provisions of the Series 2023A Bonds, the Authority Documents and the approving opinion of Bond Counsel, are accurate in all material respects;

(vii) an opinion, dated the Closing Date and addressed to the Authority and the Underwriters, of Disclosure Counsel to the effect that based upon information made available to them in the course of their preparation of the Preliminary Official Statement and the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, and having made no independent investigation or verification thereof, nothing has come to the attention of attorneys in their firm rendering legal services as Disclosure Counsel in connection with the Preliminary Official Statement and the Official Statement which caused them to believe that the Preliminary Official Statement and the Official Statement (excluding therefrom (i) with respect to the Preliminary Official Statement, any omissions permitted pursuant to Rule 15c2-12 and (ii) with respect to both the Preliminary Official Statement and the Official Statement, any CUSIP numbers, financial, statistical, economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumption or expressions of opinion contained therein, information regarding DTC and its book-entry system, any information contained or referred to in the section entitled "TAX MATTERS" or information concerning the tax-exempt status of the Series 2023A Bonds, statements under the caption "UNDERWRITING" and in Appendices B, D, E, F and G thereto, as to which no view need be expressed) as of their respective dates and with respect to the Preliminary Official Statement, as of the date of the Purchase Contract, and with respect to the Official Statement, as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(viii) an opinion, dated the date of the Closing, and addressed to the Underwriters, of Los Angeles County Counsel ("***County Counsel***"), to the effect that:

(A) the Authority is a county transportation commission, duly organized and validly existing under the laws of the State;

(B) the Resolution of the Authority authorizing the issuance of the Series 2023A Bonds and the execution and delivery of the Purchase Contract and the execution and delivery of the Thirty-Fourth Supplemental Trust Agreement, the Continuing Disclosure Certificate and the Escrow Agreement (collectively, the "***Financing Documents***") was duly adopted at a meeting of the Board of Directors of the Authority on March 23, 2023, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption;

(C) except as disclosed in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, or public body, pending or, to the best of our knowledge, threatened against the Authority, to restrain or enjoin the execution, issuance or delivery of the Series 2023A Bonds, the Purchase Contract or the Financing Documents or the Authority's performance of its obligations under the Series 2023A Bonds, this Purchase Contract, the Trust Agreement or the Financing Documents, the collection of the revenues pledged under the Agreement, or in any way contesting or affecting any authority for the issuance of the Series 2023A Bonds or the validity or enforceability of the Series 2023A Bonds, the Purchase Contract, the Trust Agreement or the Financing Documents, or in any way contesting the existence or powers of the Authority with respect to the issuance of the Series 2023A Bonds or the execution of the Purchase Contract and the Financing Documents or the security therefor wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Official Statement, the Purchase Contract, the Trust Agreement and the Financing Documents, or the validity of the Series 2023A Bonds;

(D) to the best of our knowledge, after due inquiry, the execution and delivery of the Series 2023A Bonds, the Purchase Contract and the Financing Documents and compliance with the foregoing, as appropriate, under the circumstances contemplated thereby, do not in any material respect conflict with or constitute on the part of the Authority a breach of or a default under any agreement or other instrument to which the Authority is a party (and of which we are aware) or by which it is bound (and of which we are aware) or any existing law, regulation, court order or consent decree to which the Authority is subject;

(E) the Purchase Contract, the Trust Agreement and the Financing Documents (collectively, the "***Referenced Documents***") and the Series 2023A Bonds were duly authorized by the Authority and were duly executed and delivered by officers of the Authority having all necessary power and authority to do so on behalf of the Authority and in its name. The Referenced Documents and the Series 2023A Bonds have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery of the Referenced Documents by the parties thereto other than the Authority, the Referenced Documents and the Series 2023A Bonds constitute, legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, including any limitations on legal remedies against public entities in the State, by any principles of law or public policy limiting the enforceability of indemnification provisions or the waiver of jury trial, and by the application of equitable principles if equitable remedies are sought. We express no opinion concerning waivers (including waiver of jury trial) or the availability of equitable remedies in connection with the enforcement of the Referenced Documents or the Series 2023A Bonds;

(F) there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency within the State having jurisdiction over the Authority required for the issuance of the Series 2023A Bonds or the consummation by the Authority of the other financial transactions contemplated by the Official Statement and the Referenced Documents (other than regulatory approvals in the normal course of the Authority's transit operations and other than qualification under the "Blue Sky" or securities laws of the United States or any state); and

(G) the preparation and distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the Authority. The information in the Preliminary Official Statement and the Official Statement under the captions entitled "LITIGATION" and "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—LITIGATION" as of the date thereof and, with respect to the Preliminary Official Statement, as of the date of the Purchase Contract, and, with respect to the Official Statement, as of the Closing Date, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ix) an opinion of Underwriters' Counsel, dated the Closing Date and addressed to the Underwriters, in form and substance acceptable to the Underwriters;

(x) a certificate of the Authority, dated the date of the Closing, signed on behalf of the Authority by an Authorized Authority Representative or other duly authorized officer of the Authority to the effect that (in lieu of or in conjunction with such certificate the Representative may, in their sole discretion, accept certificates or opinions of County Counsel or any deputy thereof, or of other counsel acceptable to the Representative, to the effect that in the opinion of such counsel the issues raised in any pending or threatened litigation referred to in such certificate are without substance or that the contentions of all plaintiffs therein are without merit):

(A) the representations and warranties of the Authority contained in the Purchase Contract are true, complete and correct on and as of the Closing Date as though made on the Closing Date;

(B) after reasonable investigation, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best knowledge of the Authority, threatened against the Authority, affecting the corporate existence of the Authority or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2023A Bonds or the levy or collection of the Proposition C Sales Tax or the application of the Pledged Revenues or other moneys pledged to pay the principal of and interest on the Series 2023A Bonds, or in any way contesting or affecting as to the Authority the validity or enforceability of the Act, the Series 2023A Bonds, the Resolution, the Purchase Contract or the Authority Documents, or contesting the tax-exempt status of interest on the Series 2023A Bonds, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Authority or any authority for the issuance of the Series 2023A Bonds, the adoption of the Resolution, the collection of the Proposition C Sales Tax, the pledge of the Pledged Revenues or the execution and delivery by the Authority of the Purchase Contract and the Authority Documents nor, to the best knowledge of the Authority, is there any basis for any such action, suit, proceeding, inquiry or investigation wherein an unfavorable decision, ruling or finding would affect in any way the validity or enforceability of the Act as to the Authority or materially and adversely affect the authorization, execution, delivery or performance by the Authority of the Series 2023A Bonds, the Purchase Contract or the Authority Documents or the adoption of the Resolution. Additionally, no litigation, which in the aggregate would have a material adverse effect on the financial condition of the Authority, is pending, nor, to the best knowledge of the Authority, is there any basis therefor;

(C) no event affecting the Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and which has not been disclosed in a supplement or amendment to the Official Statement; and

(D) the Authority has complied with all the material agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date pursuant to the Purchase Contract, the Agreement and the Resolution with respect to the issuance of the Series 2023A Bonds;

(xi) evidence that the Series 2023A Bonds have been rated "[___]" by Moody's Investor Services, Inc. ("***Moody's***") and "[___]" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("***S&P***").

(xii) a certificate of an authorized officer of U.S. Bank Trust Company, National Association ("***US Bank***"), dated the Closing Date, to the effect that (A) US Bank is a national banking association duly organized and validly existing under the laws of the United States of America having full power and being qualified to enter into, accept and agree to the provisions of the Agreement and the Escrow Agreement, to perform its obligations under the Agreement and the Escrow Agreement and to authenticate the Series 2023A Bonds; (B) all approvals, consents and orders of any governmental authority or agency having jurisdiction in this matter that would constitute a condition precedent to the performance by US Bank of its trusts, duties and obligations under the Agreement and the Escrow Agreement have been obtained and are in full force and effect; (C) US Bank has duly accepted the duties and obligations of US Bank under the Agreement and the Escrow Agreement, which are legal, valid and binding obligations of US Bank; (D) acceptance of the duties and obligations of US Bank under the Agreement and the Escrow Agreement and the consummation of the transactions on the part of US Bank contemplated therein, and the compliance by US Bank, as applicable, with the terms, conditions and provisions of the Agreement and the Escrow Agreement do not contravene any provisions of applicable law or regulation or any order or decree, writ or injunction or the articles of incorporation or bylaws of US Bank, and, to the best knowledge of such officer, will not require the consent under or result in a breach of or a default under, any resolution, agreement or other instrument to which US Bank a party or by which it may be bound and (E) US Bank has not been served with any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, nor to the best knowledge of US Bank is any such action or other proceeding threatened against US Bank, as such but not in its individual capacity, affecting the existence of US Bank, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the collection of Proposition C Sales Tax to be applied to pay the principal and interest on the Series 2023A Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Agreement and the Escrow Agreement, or contesting the powers of US Bank or its authority to enter into, adopt or perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Agreement and the Escrow Agreement;

(xiii) a certified copy of the general resolution of Trustee authorizing execution and delivery of Series 2023A Bonds and Agreement;

(xiv) an opinion, dated the Closing Date and addressed to the Underwriters and the Authority, of counsel to US Bank, to the effect that (A) US Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America; (B) US Bank has all requisite corporate power, authority and legal right to execute and deliver the Thirty-Fourth Supplemental Trust Agreement, as trustee, and the Escrow Agreement, as escrow agent, to authenticate the Series 2023A Bonds, and to perform its obligations under the Agreement and the Escrow Agreement and has taken all necessary corporate action to authorize the execution and delivery thereof and the performance of its obligations under the Agreement and the Escrow Agreement and to authenticate the Series 2023A Bonds; (C) US Bank has duly authorized, executed and delivered the Thirty-Fourth Supplemental Trust

Agreement and the Escrow Agreement and has duly authenticated the Series 2023A Bonds, and assuming the due authorization, execution and delivery thereof by the other parties thereto, each of the Agreement and the Escrow Agreement is the legal, valid and binding agreement of US Bank, enforceable in accordance with its terms against US Bank; (D) no authorization, approval, consent, or order of any governmental agency or regulatory authority having jurisdiction over US Bank that has not been obtained by US Bank is required for the authorization, execution, and delivery by US Bank of the Thirty-Fourth Supplemental Trust Agreement or the Escrow Agreement, the authentication of the Series 2023A Bonds, or the performance of the duties and obligations of US Bank under the Agreement or the Escrow Agreement; and (E) the execution and delivery of the Thirty-Fourth Supplemental Trust Agreement and the Escrow Agreement, and compliance with the provisions of the Agreement and the Escrow Agreement by US Bank will not violate any provisions of any law or regulation governing US Bank or any order of any governmental authority having jurisdiction over US Bank;

(xv) a duly executed copy of the DTC Representation Letter;

(xvi) the items required by the Trust Agreement as conditions for issuance of the Series 2023A Bonds;

(xvii) a copy of the Report of Proposed Debt Issuance and the Report of Final Sale required to be delivered to the California Debt and Investment Advisory Commission;

(xviii) an opinion of Bond Counsel, dated the Closing Date, addressed to the Authority and the Trustee pursuant to Section 10.03(d)(ii) of the Trust Agreement;

(xix) a defeasance opinion of Bond Counsel to the effect that the Refunded Bonds are deemed to be paid under the Trust Agreement;

(xx) a verification report of Causey Demgen & Moore P.C.;

(xxi) a transcript of all proceedings relating to the authorization and delivery of the Series 2023A Bonds; and

(xxii) such additional certificates, legal opinions of Bond Counsel, Underwriters' Counsel or other counsel and such other instruments or documents as Underwriters' Counsel or Bond Counsel reasonably request to evidence the truth and accuracy as of the date hereof and as of the Closing Date of information contained in the Official Statement and the representations and warranties contained herein and in the Official Statement and the due satisfaction on or prior to the Closing Date of all conditions then to be satisfied in connection with the transaction contemplated hereby.

Section 9. **Termination**. The Underwriters shall have the right to terminate their obligations under this Purchase Contract to purchase, accept delivery of and to pay for the Series 2023A Bonds, if:

(a) between the date hereof and the Closing Date, the market price or marketability or the ability of the Underwriters to sell or to enforce contracts for the sale, at the initial offering prices set forth in the Official Statement, of the Series 2023A Bonds has been materially adversely affected, in the reasonable judgment of the Representative in consultation with the Authority (evidenced by a written notice to the Authority terminating the obligation of the Underwriters to accept delivery of and pay for the Series 2023A Bonds), by reason of any of the following:

(i) (A) any legislation that is (1) enacted by or introduced in Congress; (2) favorably reported for passage to either House of the Congress of the United States by any Committee of such House to which such legislation has been referred for consideration; (3) recommended to the Congress for passage by the President of the United States or the Treasury Department; or (4) officially presented by any member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives for formal action by such Committee, or officially presented as an option for formal consideration by either such Committee, by the Staff of such Committee or by the Staff of the Joint Committee on Taxation of the United States Congress, or by the occurrence of any other Congressional action, but only, however, if the occurrence of any of the foregoing events is generally accepted by the municipal bond market as potentially affecting the federal tax status of the Authority, its property or income, or the interest on its bonds or notes (including the Series 2023A Bonds); (B) any decision rendered by a court established under Article III of the Constitution of the United States or the Tax Court of the United States, but only, however, if such decision is generally accepted by the municipal bond market as potentially affecting the federal tax status of the Authority, its property or income, or the interest on its bonds or notes (including the Series 2023A Bonds); or (C) a final order, ruling, regulation or official statement issued or made (1) by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by the holders of the Series 2023A Bonds, or upon such revenues or other income of the general character expected to be received by the Authority; or (2) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Series 2023A Bonds are not exempt from registration or qualification under, or other requirements of, the Securities Act, the Trust Indenture Act or that the issuance, offering or sale of the Series 2023A Bonds or obligations of the general character of the Series 2023A Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement, otherwise is or would be in violation of the federal securities laws as amended and then in effect;

(ii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States;

(iii) the outbreak of hostilities or escalation of any existing or future hostilities or terrorist attacks involving the United States or the declaration by the United States of a national emergency or war or the occurrence of any other local, national or international calamity or crisis or any escalation of any thereof (including an escalation of any calamity or crisis existing on the date hereof);

(iv) the declaration of a general banking moratorium by federal, New York or California authorities, a major financial crisis, material disruption in commercial banking or securities settlement or clearance services, or the general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required and be in force on the New York Stock Exchange or other national securities exchange;

(v) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Series 2023A Bonds or obligations of the general character of the Series 2023A Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the net capital requirements of the Underwriters;

(vi) the adoption of any amendment to the federal or California Constitution, a decision by any federal or State court, or enactment by any federal or State legislative body materially adversely affecting (A) the Authority or the right of the Authority to receive or to pledge any of the Pledged Revenues; (B) the validity or collection of the Proposition C Sales Tax; or (C) the validity or enforceability of the Series 2023A Bonds, this Purchase Contract, the Authority Documents or the Resolution;

(vii) a stop order, ruling or regulation by the Securities and Exchange Commission shall hereafter be issued or made, the reasonable effect of which is that the issuance, offering or sale of the Series 2023A Bonds, as contemplated herein or in the Official Statement, or of obligations of the general character of the Series 2023A Bonds, is in violation of any provisions of the Securities Act, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, the Trust Indenture Act, or any rule or regulation promulgated under any such Acts;

(viii) the purchase of and payment for the Series 2023A bonds by the Underwriters or the sale of the Series 2023A Bonds to the Underwriters or their resale or reoffering by the Underwriters, on the terms and conditions provided in this Purchase Contract, is prohibited by any applicable law or governmental authority, board, agency or commission.

(ix) except as otherwise described in the Official Statement, there shall occur any materially adverse change or any materially adverse development involving a prospective change in or affecting the business, properties or financial condition of the Authority; or

(x) there has been a suspension, withdrawal or downgrading, or any official statement has been made as to the possible suspension, withdrawal or downgrading of any rating assigned to the Series 2023A Bonds by Moody's or S&P.

(b) an event occurs, or information becomes known, which, in the judgment of the Representative, makes untrue any material statement or information contained in the Preliminary Official Statement or the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, which event or information has not been reflected to the satisfaction of the Representative in an amendment or supplement to the Preliminary Official Statement or the Official Statement pursuant to Section 6(n) hereof; or

(c) any litigation shall be instituted, pending or threatened to restrain or enjoin the validity and collection of the Proposition C Sales Tax or the issuance or sale of the Series 2023A Bonds, or in any way protesting or affecting the authority of the Authority to issue the Series 2023A Bonds or the validity of the Series 2023A Bonds or this Purchase Contract, the Authority Documents or the Resolution, or which would materially and adversely affect the existence or powers of the Authority.

Section 10. Expenses.

(a) The Underwriters shall be under no obligation to pay, and the Authority shall pay, or cause to be paid, all expenses incident to the performance of the Authority's obligations hereunder, including, but not limited to, the cost of word processing and reproducing, executing and delivering the Series 2023A Bonds to the Underwriters; the cost of preparation, printing (and/or word processing and reproducing), distribution and delivery of the Agreement, the Authority Documents, the Preliminary Official Statement, the Official Statement and such other agreements or proceedings as determined necessary with respect to the sale of the Series 2023A Bonds, in sufficient quantities for distribution in connection with the sale of the Series 2023A Bonds; the fees and disbursements of Bond Counsel and Disclosure Counsel; the fees and disbursements of any other accountants, attorneys, financial advisors and experts or consultants retained in connection with the issuance of the Series 2023A Bonds; the fees and disbursements of the Trustee; fees charged by the rating agencies for rating the Series 2023A Bonds; the meal, transportation, travel and lodging fees and expenses and any other customary fees and expenses of the Authority (including any member of the Board of Directors of the Authority and any official, officer or any other employee of the Authority) or any other governmental official or employees incident and ancillary to the carrying out of the transactions described in this Purchase Contract and the Official Statement; and any other expenses not specifically enumerated in Section 10(b) below incurred in connection with the issuance of the Series 2023A Bonds.

(b) The Underwriters shall pay the following expenses (which may be included as an expense component of the Underwriters' discount): (i) the fees and disbursements of Underwriters' Counsel; (ii) the cost of preparation and printing of Blue Sky and legal investment memoranda to be used by them; (iii) all advertising and marketing expenses in connection with the public offering of the Series 2023A Bonds; (iv) any fees assessed upon the Underwriters with respect to the Series 2023A Bonds by DTC, the Municipal Securities Rulemaking Board or the Financial Industry Regulatory Authority; (v) the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure compliance review; and (vi) the CUSIP Service bureau charge for the assignment of CUSIP numbers.

Section 11. Covenants and Agreements of the Authority. No covenant or agreement contained in this Purchase Contract shall be deemed to be a covenant or agreement of any member, officer, agent or employee of the Authority nor shall such persons be liable personally under this Purchase Contract or be subject to any personal liability or accountability solely by reason of the execution of this Purchase Contract or solely by reason of the breach or attempted alleged breach hereof by the Authority.

Section 12. Notices. Any notice to be given to the Authority under this Purchase Contract may be given by delivering the same to the Los Angeles County Metropolitan Transportation Authority, One Gateway Plaza, 21st Floor, Los Angeles, California 90012 Attention: Deputy Executive Officer, Finance; any such notice to be given to the Underwriter may be given by delivering the same to Citigroup Global Markets Inc., 300 South Grand Avenue, Suite 3110, Los Angeles, CA 90071, Attention: Chris Mukai.

Section 13. Survival of Representations and Warranties. The representations and warranties of the Authority set forth in or made pursuant to this Purchase Contract shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Contract and regardless of any investigations or statements as to the results thereof made by or on behalf of the Underwriters and regardless of delivery of and payment for the Series 2023A Bonds. All of the Authority's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (a) any investigations made by or on behalf of the Underwriters; (b) delivery of and payment for the Series 2023A Bonds pursuant to this Purchase Contract; and (c) any termination of this Purchase Contract.

Section 14. Parties in Interest. This Purchase Contract is made solely for the benefit of the Authority and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 15. Governing Law. This Purchase Contract shall be governed by, and construed in accordance with, the laws of the State of California.

Section 16. **Counterparts and Headings**. This Purchase Contract may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The headings of the section of this Purchase Contract are inserted for convenience and shall not be deemed to be a part hereof.

Section 17. **Waiver by Representative**. The Representative, in its sole discretion, may waive any condition or requirement imposed upon the Authority as set forth in this Purchase Contract.

Section 18. **Entire Agreement**. This Purchase Contract when accepted by the Authority in writing as heretofore specified shall constitute the entire agreement between the Authority and the Underwriters with respect to the purchase of the Series 2023A Bonds.

Section 19. **Effectiveness**. This Purchase Contract shall become effective upon the execution of the acceptance hereby by the Authority, and valid and binding and enforceable as of the time acceptance.

Section 20. **Assignment**. The rights and obligations created by this Purchase Contract shall not be subject to assignment by the Underwriters or the Authority without the prior written consent of the other party hereto.

Section 21. **Severability**. In the event any provision of this Purchase Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

THE UNDERWRITERS:

CITIGROUP GLOBAL MARKETS INC.,
as representative of itself and
Goldman Sachs & Co. LLC,
Sibert Williams Shank & Co., LLC and
Drexel Hamilton LLC

By ______________________________
Authorized Representative

The foregoing is hereby agreed to and
accepted as of the date first above written.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By ______________________________
Rodney Johnson
Deputy Executive Officer, Finance

[Signature page to Purchase Contract]

SCHEDULE I

SCHEDULE OF MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND PRICES AND REDEMPTION PROVISIONS

$___________
Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds
Senior Bonds, Series 2023-A

Maturity Schedule

Maturity (July 1)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied*	10% Test Not Satisfied	Subject to Hold-The-Offering Price Rule
2023							

Redemption Provisions

Optional Redemption of Series 2023-A Bonds. The Series 2023-A Bonds maturing on or before July 1, 20[__] are not subject to optional redemption prior to their stated maturities. The Series 2023-A Bonds maturing on or after July 1, 20[__] are subject to redemption at the option of the Authority on or after July 1, 20[__], in whole or in part in Authorized Denominations at any time, from any moneys that may be provided for such purpose and at the redemption price of 100% of the principal amount of such Series 2023-A Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

* At the time of the execution of this Purchase Agreement and assuming orders are confirmed by the end of the day immediately following the day of execution of this Purchase Agreement.

APPENDIX A

ISSUE PRICE CERTIFICATE
(REPRESENTATIVE)

$____________
Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A

The undersigned, Citigroup Global Markets Inc. (the "Representative"), on behalf of itself and on behalf of the other underwriters for the herein referenced Series 2023A Bonds (collectively, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Series 2023A Bonds").

1. ***Sale of the 10% Test Maturities***. As of the date of this certificate, for each Maturity of the Series 2023A Bonds listed as a "10% Test Maturity" in Schedule A attached hereto, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A attached hereto.

2. ***Initial Offering Price of the Hold-the-Price Maturities***.

(a) The Underwriting Group offered the "Hold-the-Price Maturities" (as listed in Schedule A attached hereto) to the Public for purchase at the respective initial offering prices listed in Schedule A attached hereto (the "Initial Offering Prices") on or before the Sale Date.

(b) With respect to the Hold-the-Price Maturities, as agreed to in writing by the Representative in the Purchase Contract, dated April __, 2023, between the Representative, on behalf of themselves and on behalf of the other members of the Underwriting Group, and the Authority, the Representative has not offered or sold unsold Series 2023A Bonds of any of the Hold-the-Price Maturities to any person at a price that is higher than or a yield lower than the respective Initial Offering Prices for such Maturities of the Series 2023A Bonds during the Holding Period.

3. ***Pricing Wire or Equivalent Communication***. A copy of the pricing wire or equivalent communication for the Series 2023A Bonds is attached to this certificate as Schedule B.

4. ***Defined Terms***.

(a) 10% Test Maturities means those Maturities of the Series 2023A Bonds listed in Schedule A hereto as the "10% Test Maturities."

(b) Authority means the Los Angeles County Metropolitan Transportation Authority.

(c) Hold-the-Price Maturities means those Maturities of the Series 2023A Bonds listed in Schedule A hereto as the "Hold-the-Price Maturities."

(d) Holding Period means, with respect to a Hold-the-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which at least 10% of such Hold-the-Price Maturity was sold to the Public at prices that are no higher than or yields that are no lower than the Initial Offering Price for such Hold-the-Price Maturity.

(e) Maturity means Series 2023A Bonds with the same credit and payment terms. Series 2023A Bonds with different maturity dates, or Series 2023A Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) 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.

(g) Related Party. A purchaser of any Series 2023A 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).

(h) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2023A Bonds. The Sale Date of the Series 2023A Bonds is April __, 2023.

(i) Tax Certificate means the Tax Certificate, dated April __, 2023, executed and delivered by the Authority in connection with the issuance of the Series 2023A Bonds.

(j) Underwriter means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2023A 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 Series 2023A 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 Series 2023A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative'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 Authority with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2023A Bonds, and by Nixon Peabody LLP, as Bond Counsel to the Authority, in connection with rendering its opinion that the interest on the Series 2023A 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 Series 2023A Bonds.

CITIGROUP GLOBAL MARKETS INC.,
as Representative of the Underwriting Group

By ________________________________
Managing Director

Dated: April __, 2023

SCHEDULE A

SALE PRICES

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

APPENDIX F

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 C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A (the "Series 2023-A 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 Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended, by and between the Authority and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee (the "Trustee"), and the Thirty-Fourth Supplemental Trust Agreement, dated as of [April] 1, 2023, 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.

"*Financial Obligation*" means (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

"*Holder*" means any registered owner of Series 2023-A Bonds and any beneficial owner of Series 2023-A 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 ____________, 2023, prepared and distributed in connection with the initial sale of the Series 2023-A 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 2023-A 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 March 31 of each year (commencing March 31, 2024), 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 timely 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 3—Historical Net Proposition C Sales Tax Revenues, Local Allocations, Pledged Revenues and Debt Service Coverage" of the Official Statement; and

(c) Updated information of the type set forth in "TABLE 6—Los Angeles County Metropolitan Transportation Authority, Combined Proposition C Debt Service Schedule Senior Bonds" of the Official Statement, but only the information in the column entitled "Total Debt Service" and the information under the column entitled "Combined Total Debt Service Senior 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 2023-A 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 2023-A 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 2023-A Bonds;

6. Tender offers;

7. Defeasances;

8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of the Authority; or

   Note: For the purposes of the event identified in subparagraph (a)(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.

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

(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 2023-A 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 2023-A Bonds or other material events affecting the tax status of the Series 2023-A Bonds;

2. Modifications to rights of the Owners of the Series 2023-A Bonds;

3. Optional, unscheduled or contingent bond calls;

4. Release, substitution or sale of property securing repayment of the Series 2023-A 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;

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

8. Incurrence of a Financial Obligation of the Authority, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders.

(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 2023-A 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 2023-A 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 2023-A 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 2023-A 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 2023-A 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 2023-A 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 2023-A 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 [•] day of [April], 2023.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: ______________________________

Name ______________________________

Title ______________________________

ESCROW AGREEMENT

by and between

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee and Escrow Agent

relating to:

Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Bonds,
Senior Bonds, Series 2013-B

Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds,
Senior Bonds, Series 2013-C

and

Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds,
Senior Bonds, Series 2014-A

Dated ________, 2023

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated _______, 2023 (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 **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as successor in interest to U.S. Bank National Association, as trustee under the hereinafter defined Agreement, the Twenty-Fourth Supplemental Agreement, and the Twenty-Fifth Supplemental Agreement, and as escrow agent (the "***Trustee/Escrow Agent***").

W I T N E S S E T H :

WHEREAS, the Authority has previously issued its Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B (the "***Series 2013-B Bonds***"), its Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C (the "***Series 2013-C Bonds***") and its Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A (the "***Series 2014-A Bonds,***" and together with the Series 2013-B Bonds and the Series 2013-C Bonds, the "***Refunded Bonds***"), pursuant to the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended and supplemented (the "***Agreement***"), by and between the Authority and the Trustee/Escrow Agent, as trustee, the Twenty-Fourth Supplemental Trust Agreement, dated as of December 1, 2013, with respect to the Series 2013-B Bonds and the Series 2013-C Bonds (the "***Twenty-Fourth Supplemental Agreement***"), by and between the Authority and the Trustee/Escrow Agent, as trustee, and the Twenty-Fifth Supplemental Trust Agreement, dated as of June 1, 2014, with respect to the Series 2014-A Bonds (the "***Twenty-Fifth Supplemental Agreement***"), by and between the Authority and the Trustee/Escrow Agent, as trustee; and

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 C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2023-A (the "***Series 2023-A Bonds***") under the terms of the Agreement and the Thirty-Fourth Supplemental Trust Agreement, dated as of [_____] 1, 2023 (the "***Thirty-Fourth Supplemental Agreement***"), by and between the Authority and the Trustee/Escrow Agent, as trustee; and

WHEREAS, the Series 2023-A Bonds are being issued to, among other things, current refund and defease the Refunded Bonds set forth in <u>Exhibit A</u> attached hereto; 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 the "Los Angeles County Metropolitan Transportation Authority, Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Escrow Fund" (herein referred to as the "***Escrow Fund***"), within which there shall be established an escrow account for the Series 2013-B Bonds (the "***Series 2013-B Bonds Escrow Account***"), an escrow account for the Series 2013-C Bonds (the "***Series 2013-C Bonds Escrow Account***"), and an escrow account for the Series 2014-A Bonds (the "***Series 2014-A Bonds Escrow Account***"), each 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 2023-A Bonds (which the Authority shall transfer or caused to be transferred to the Trustee/Escrow Agent on [________], 2023) to the Series 2013-B Bonds Escrow Account.

(b) 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 2023-A Bonds (which the Authority shall transfer or caused to be transferred to the Trustee/Escrow Agent on [________], 2023) to the Series 2013-C Bonds Escrow Account.

(c) 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 2023-A Bonds (which the Authority shall transfer or caused to be transferred to the Trustee/Escrow Agent on [________], 2023) to the Series 2014-A Bonds Escrow Account.

(d) The Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, transfer to the Series 2013-B Bonds Escrow Account within the Escrow Fund for the Series 2013-B Bonds (i) $[________] in cash from the Series 2013-B Account of the Reserve Fund, (ii) $[________] from the Series 2013-B Subaccount of the Senior Bond Interest Account of the Senior Debt Service Fund, and (iii) $[________] from the Series 2013-B Subaccount of the Senior Bond Principal Account of the Senior Debt Service Fund. The Authority further directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, transfer to the Series 2013-C Bonds Escrow Account within the Escrow Fund for the Series 2013-C Bonds (i) $[_________] in cash from the Series 2013-C Account of the Reserve Fund, (ii) $[__________] from the Series 2013-C Subaccount of the Senior Bond Interest Account of the Senior Debt Service Fund, and (iii) $[_________] from the Series 2013-C Subaccount of the Senior Bond Principal Account of the Senior Debt Service Fund. The Authority further directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, transfer to the Series 2014-A Bonds Escrow Account within the Escrow Fund for the Series 2014-A Bonds (i) $[_________] in cash from the Series 2014-A Account of the Reserve Fund, (ii) $[__________] from the Series 2014-A Subaccount of the Senior Bond Interest Account of the Senior Debt Service Fund, and (iii) $[_________] from the Series 2014-A Subaccount of the Senior Bond Principal Account of the Senior Debt Service Fund.

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

(f) The Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, on [________], 2023, use $[_________] on deposit in the Escrow Fund to purchase the securities described in Schedule I attached hereto (the "***Initial Federal Securities***") and shall retain the balance, $[________], in the Escrow Fund as cash. The Trustee/Escrow Agent has received a report of Causey Demgen & Moore P.C. (the "***Verification Agent***") to the effect that the anticipated receipts on such Initial Federal Securities and the cash balance will be sufficient to pay the principal and interest due on the Refunded Bonds on July 1, 2023 and to pay the redemption price of and the accrued and unpaid interest on the Refunded Bonds maturing after that date on the Redemption Date.

Section 3. Investment of the Escrow Fund. The Trustee/Escrow Agent shall purchase the Initial Federal Securities as provided in Section 2 above and shall hold the Initial Federal Securities, the beginning cash balance 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 Federal Securities, as defined in and subject to the terms and limitations of Section 7 of this Escrow Agreement, but otherwise shall have no power or duty to sell, transfer, request the redemption of or otherwise dispose of the Initial Federal Securities or amounts in the Escrow Fund.

Section 4. Creation of Lien on Escrow Fund. The deposit of the moneys, the Initial Federal Securities and any other Federal 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 amount described in Schedule II attached hereto on the date set forth in Schedule II from the Escrow Fund and use such amount 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, the Twenty-Fourth Supplemental Agreement and the Twenty-Fifth Supplemental Agreement, as applicable.

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 pay or redeem the Refunded Bonds, or on July [5], 2023, whichever occurs first, the Trustee/Escrow Agent shall transfer all amounts then remaining in the Escrow Fund to the Series 2023-A Subaccount of the Senior Bond Interest Account, established under the Thirty-Fourth Supplemental Agreement, to be used to pay interest on the Series 2023-A Bonds. At such time as no amounts remain in the Escrow Fund, such fund shall be closed.

Section 6. Notice of Redemption; Notice of Defeasance. The Authority hereby irrevocably instructs the Trustee/Escrow Agent to deliver (1) on the date hereof notices of defeasance in the form attached as Exhibit B to the holders of the Refunded Bonds and other required parties (including Securities Depositories) in accordance with Section 7.02(b) of the Agreement and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA") and (2) at least 30 but not more than 60 days before July 1, 2023, notices of redemption to the holders of the Refunded Bonds maturing after July 1, 2023 and other parties (including Securities Depositories and MBIA Insurance Corporation) as provided in Section 4.01 of the Twenty-Fourth Supplemental Agreement with respect to the Series 2013-B Bonds and the Series 2013-C Bonds and in Section 4.01 of the Twenty-Fifth Supplemental Agreement with respect to the Series 2014-A Bonds and Section 3.03 of the Agreement with respect to the Refunded Bonds, in the manner and as required pursuant to the Agreement, the Twenty-Fourth Supplemental Agreement and the Twenty-Fifth Supplemental Agreement, as applicable, and to EMMA.

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

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

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 Federal 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 Federal 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 nationally recognized in its profession for work of this character that, after such reinvestment or substitution, the principal amount of the Federal Securities then held in such Escrow Fund, together with the interest thereon and other available moneys therein, will be sufficient to pay the interest and principal then due on the Refunded Bonds on July 1, 2023 and the redemption price of and the accrued and unpaid interest on the Refunded Bonds maturing after that date on the Redemption Date in the amounts as required pursuant to the Twenty-Fourth Supplemental Agreement with respect to the Series 2013-B Bonds and the Series 2013-C Bonds and the Twenty-Fifth Supplemental Agreement with respect to the Series 2014-A Bonds; and (b) an opinion of nationally recognized bond counsel to the effect that such sale, liquidation or other disposition and substitution of different Federal Securities is permitted under this Escrow Agreement, the Agreement, the Twenty-Fourth Supplemental Agreement and the Twenty-Fifth Supplemental Agreement, as applicable, and will not have any adverse effect with respect to the exemption of the interest on the Series 2023-A Bonds or the Refunded Bonds from income taxation under the Internal Revenue Code of 1986, as amended (the "***Code***").

"***Federal Securities***," as used herein, means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidence of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations, (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations, and (c) the underlying United States obligations are held in safekeeping in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated.

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 Initial Federal Securities or Federal 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, the Twenty-Fourth Supplemental Agreement and the Twenty-Fifth Supplemental Agreement, as applicable.

(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 Federal Securities as may be directed by the Authority as set forth in Section 7 herein, 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 shall have the right to accept and act upon instructions, including funds transfer instructions ("***Instructions***") given pursuant to this Escrow Agreement and delivered using Electronic Means ("***Electronic Means***" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee/Escrow Agent, or another method or system specified by the Trustee/Escrow Agent as available for use in connection with its services hereunder.); provided, however, that the Authority shall provide to the Trustee/Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions ("***Authorized Officers***") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority, whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee/Escrow Agent Instructions using Electronic Means 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 Authority understands and agrees that the Trustee/Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Trustee/Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee/Escrow Agent have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee/Escrow Agent and that the Authority and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. 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 directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions 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; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee/Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee/Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

(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 2023-A Subaccount of the Senior Bond Interest Account, established under the Thirty-Fourth Supplemental Agreement.

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 anything 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 Code, nor will it use any of the proceeds received from the sale of the Series 2023-A Bonds, directly or indirectly, in any manner which would result in the Series 2023-A 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 $[1,000.00] 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 defeasance and 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 Twenty-Fourth Supplemental Agreement and the Twenty-Fifth 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. The parties further agree that facsimile signatures or signatures scanned into a portable document format (pdf file) (or signatures in another electronic format designated by the Authority) and sent by e-mail shall be deemed original signatures.

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 ______________________________
Rodney Johnson
Deputy Executive Officer, Finance

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee and Escrow Agent

By ______________________________
Authorized Officer

[Signature page to Escrow Agreement]

EXHIBIT A

REFUNDED BONDS

Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Bonds,
Senior Bonds, Series 2013-B

Maturity Date (July 1)	Principal to be Paid or Redeemed	Redemption Price	Payment Date/ Redemption Date	CUSIP Number
2023	$10,285,000	100%	July 1, 2023	5447125T5
2024	10,800,000	100	July 1, 2023	5447125U2
2025	11,340,000	100	July 1, 2023	5447125V0
2026	11,905,000	100	July 1, 2023	5447125W8
2027	12,505,000	100	July 1, 2023	5447125X6
2028	13,130,000	100	July 1, 2023	5447125Y4
2029	13,785,000	100	July 1, 2023	5447125Z1
2030	14,475,000	100	July 1, 2023	5447126A5
2031	15,195,000	100	July 1, 2023	5447126B3
2032	15,955,000	100	July 1, 2023	5447126C1
2033	16,755,000	100	July 1, 2023	5447126D9
2034	17,595,000	100	July 1, 2023	5447126E7
2035	18,470,000	100	July 1, 2023	5447126F4
2036	19,395,000	100	July 1, 2023	5447126G2
2037	20,365,000	100	July 1, 2023	5447126H0
2038	21,255,000	100	July 1, 2023	5447126J6

Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds,
Senior Bonds, Series 2013-C

Maturity Date (July 1)	Principal to be Paid or Redeemed	Redemption Price	Payment Date/ Redemption Date	CUSIP Number
2023	$5,935,000	100%	July 1, 2023	5447126T4
2024	6,230,000	100	July 1, 2023	5447126U1
2025	6,475,000	100	July 1, 2023	5447126V9
2026	6,800,000	100	July 1, 2023	5447126W7

Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds,
Senior Bonds, Series 2014-A

Maturity Date (July 1)	**Principal to be Paid or Redeemed**	**Redemption Price**	**Payment Date/ Redemption Date**	**CUSIP Number**
2027	$6,410,000	100%	July 1, 2023	5447126X5
2028	6,730,000	100	July 1, 2023	5447126Y3
2029	7,060,000	100	July 1, 2023	5447126Z0
2030	7,415,000	100	July 1, 2023	5447127A4
2031	7,790,000	100	July 1, 2023	5447127B2
2032	8,175,000	100	July 1, 2023	5447127C0
2033	8,585,000	100	July 1, 2023	5447127D8
2034	9,015,000	100	July 1, 2023	5447127E6

EXHIBIT B

FORM OF NOTICE OF DEFEASANCE

NOTICE OF DEFEASANCE

RELATING TO:

Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Bonds,
Senior Bonds, Series 2013-B

Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds,
Senior Bonds, Series 2013-C

Notice is hereby given to the holders of the below listed Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B (the "**Defeased Series 2013-B Bonds**") and Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C (the "**Defeased Series 2013-C Bonds**" and, together with the Defeased Series 2013-B Bonds, the "**Defeased Bonds**") that: (i) there has been deposited with U.S. Bank Trust Company, National Association, as escrow agent (the "**Escrow Agent**"), moneys and investment securities as permitted by the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended and supplemented (the "**Trust Agreement**"), by and between the Los Angeles County Metropolitan Transportation Authority (the "**Authority**") and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee (the "**Trustee**"), and the Twenty-Fourth Supplemental Trust Agreement, dated as of December 1, 2013 (the "**Twenty-Fourth Supplemental Agreement**"), by and between the Authority and the Trustee, 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 on July 1, 2023 to defease the Defeased Bonds and (ii) the Defeased Bonds are deemed paid in accordance with and for purposes of the Trust Agreement and the Twenty-Fourth Supplemental Agreement. The Defeased Bonds consist of the following bonds:

Bond No.	Series	CUSIP Number[1]	Maturity Date (July 1)	Principal Amount to be Paid or Redeemed
R-10	2013-B	5447125T5	2023	$10,285,000
R-11	2013-B	5447125U2	2024	10,800,000
R-12	2013-B	5447125V0	2025	11,340,000
R-13	2013-B	5447125W8	2026	11,905,000
R-14	2013-B	5447125X6	2027	12,505,000
R-15	2013-B	5447125Y4	2028	13,130,000
R-16	2013-B	5447125Z1	2029	13,785,000
R-17	2013-B	5447126A5	2030	14,475,000
R-18	2013-B	5447126B3	2031	15,195,000
R-19	2013-B	5447126C1	2032	15,955,000
R-20	2013-B	5447126D9	2033	16,755,000
R-21	2013-B	5447126E7	2034	17,595,000
R-22	2013-B	5447126F4	2035	18,470,000
R-23	2013-B	5447126G2	2036	19,395,000
R-24	2013-B	5447126H0	2037	20,365,000
R-25	2013-B	5447126J6	2038	21,255,000
R-9	2013-C	5447126T4	2023	5,935,000
R-10	2013-C	5447126U1	2024	6,230,000
R-11	2013-C	5447126V9	2025	6,475,000
R-12	2013-C	5447126W7	2026	6,800,000

[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.

Dated this __nd day of ______, 2023.

Los Angeles County
Metropolitan Transportation Authority

U.S. Bank Trust Company, National Association, as Trustee

NOTICE OF DEFEASANCE

RELATING TO:

Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds,
Senior Bonds, Series 2014-A

Notice is hereby given to the holders of the below listed Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A (the "**Defeased Bonds**") that: (i) there has been deposited with U.S. Bank Trust Company, National Association, as escrow agent (the "**Escrow Agent**"), moneys and investment securities as permitted by the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended and supplemented (the "**Trust Agreement**"), by and between the Los Angeles County Metropolitan Transportation Authority (the "**Authority**") and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee (the "**Trustee**"), and the Twenty-Fifth Supplemental Trust Agreement, dated as of June 1, 2014 (the "**Twenty-Fifth Supplemental Agreement**"), by and between the Authority and the Trustee, 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 on July 1, 2023 to defease the Defeased Bonds and (ii) the Defeased Bonds are deemed paid in accordance with and for purposes of the Trust Agreement and the Twenty-Fourth Supplemental Agreement. The Defeased Bonds consist of the following bonds:

Bond No.	CUSIP Number[1]	Maturity Date (July 1)	Principal Amount to be Paid or Redeemed
R-1	5447126X5	2027	$6,410,000
R-2	5447126Y3	2028	6,730,000
R-3	5447126Z0	2029	7,060,000
R-4	5447127A4	2030	7,415,000
R-5	5447127B2	2031	7,790,000
R-6	5447127C0	2032	8,175,000
R-7	5447127D8	2033	8,585,000
R-8	5447127E6	2034	9,015,000

[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.

Dated this __nd day of ______, 2023.

Los Angeles County
Metropolitan Transportation Authority

U.S. Bank Trust Company, National Association, as Trustee

EXHIBIT C

NOTICE OF REDEMPTION

RELATING TO:

Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Bonds,
Senior Bonds, Series 2013-B

Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds,
Senior Bonds, Series 2013-C

Notice is hereby given to the holders of the below listed Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B (the "**Series 2013-B Bonds**") and Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C (the "**Series 2013-C Bonds**" and, together with the Series 2013-B Bonds, the "**Refunded Bonds**") that the Los Angeles County Metropolitan Transportation Authority (the "**Authority**") has elected to redeem the Refunded Bonds. This notice is provided pursuant to the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended and supplemented (the "**Agreement**"), by and between Authority and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee thereunder (the "**Trustee**"), including as supplemented by the Twenty-Fourth Supplemental Trust Agreement, dated as of December 1, 2013 (the "**Twenty-Fourth Supplemental Agreement**"), by and between the Authority and the Trustee. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Agreement.

The Refunded Bonds consist of the following bonds:

Bond No.	Series	Maturity Date (July 1)	Principal Amount	Redemption Price	Redemption Date	CUSIP Number[1]
R-11	2013-B	2024	$10,800,000	100%	July 1, 2023	5447125U2
R-12	2013-B	2025	11,340,000	100	July 1, 2023	5447125V0
R-13	2013-B	2026	11,905,000	100	July 1, 2023	5447125W8
R-14	2013-B	2027	12,505,000	100	July 1, 2023	5447125X6
R-15	2013-B	2028	13,130,000	100	July 1, 2023	5447125Y4
R-16	2013-B	2029	13,785,000	100	July 1, 2023	5447125Z1
R-17	2013-B	2030	14,475,000	100	July 1, 2023	5447126A5
R-18	2013-B	2031	15,195,000	100	July 1, 2023	5447126B3
R-19	2013-B	2032	15,955,000	100	July 1, 2023	5447126C1
R-20	2013-B	2033	16,755,000	100	July 1, 2023	5447126D9
R-21	2013-B	2034	17,595,000	100	July 1, 2023	5447126E7
R-22	2013-B	2035	18,470,000	100	July 1, 2023	5447126F4
R-23	2013-B	2036	19,395,000	100	July 1, 2023	5447126G2
R-24	2013-B	2037	20,365,000	100	July 1, 2023	5447126H0
R-25	2013-B	2038	21,255,000	100	July 1, 2023	5447126J6
R-10	2013-C	2024	6,230,000	100	July 1, 2023	5447126U1
R-11	2013-C	2025	6,475,000	100	July 1, 2023	5447126V9
R-12	2013-C	2026	6,800,000	100	July 1, 2023	5447126W7

[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.

The Owners of the Refunded Bonds are required to present and surrender the Refunded Bonds at the address of the Trustee set forth below in order to receive payment of the redemption price set forth above (the "**Redemption Price**") and accrued interest, unless other arrangements for payment of principal are made in the Representation Letter:

[U.S. Bank
Global Corporate Trust
111 Fillmore Avenue East
St. Paul, Minnesota 55107]

Owners presenting their Refunded Bonds in person for same day payment **<u>must</u>** surrender their Refunded Bond(s) by 1:00 P.M. CDT on the redemption date set forth above (the "**Redemption Date**") and a check will be available for pick up after 2:00 P.M. CDT. Checks not picked up by 4:30 P.M. CDT will be mailed to the Owner via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Refunded Bond, you are not required to endorse the Refunded Bond to collect the Redemption Price.

For a list of redemption requirements, please visit the Trustee's website at www.usbank.com/corporatetrust and click on the "Bondholder Information" link for redemption instructions. You may also contact the Bondholder Communications team at 1-800-934-6802 Monday through Friday from 8 A.M. to 6 P.M. CDT.

On the Redemption Date, the Refunded Bonds shall cease to bear interest. If the Owner of any Refunded Bond that is subject to optional redemption fails to deliver such Refunded Bond to the Trustee on the Redemption Date, such Refunded Bond shall nevertheless be deemed redeemed on the Redemption Date and the Owner of such Refunded Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds that are held for such payment.

Redemption of the Refunded Bonds is conditioned on and 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 provided to the Owners of the affected Refunded Bonds as provided for under Section 4.01 of the Twenty-Fourth Supplemental Agreement.

IMPORTANT NOTICE

Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Dated this __th day of _______, 2023.

Los Angeles County
Metropolitan Transportation Authority

U.S. Bank Trust Company, National Association, as Trustee

NOTICE OF REDEMPTION

RELATING TO:

Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Refunding Bonds,
Senior Bonds, Series 2014-A

Notice is hereby given to the holders of the below listed Los Angeles County Metropolitan Transportation Authority Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A (the "**Refunded Bonds**") that the Los Angeles County Metropolitan Transportation Authority (the "**Authority**") has elected to redeem the Refunded Bonds. This notice is provided pursuant to the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended and supplemented (the "**Agreement**"), by and between Authority and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as trustee thereunder (the "**Trustee**"), including as supplemented by the Twenty-Fifth Supplemental Trust Agreement, dated as of June 1, 2014 (the "**Twenty-Fifth Supplemental Agreement**"), by and between the Authority and the Trustee. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Agreement.

The Refunded Bonds consist of the following bonds:

Bond No.	Maturity Date (July 1)	Principal Amount	Redemption Price	Redemption Date	CUSIP Number[1]
R-1	2027	$6,410,000	100%	July 1, 2023	5447126X5
R-2	2028	6,730,000	100	July 1, 2023	5447126Y3
R-3	2029	7,060,000	100	July 1, 2023	5447126Z0
R-4	2030	7,415,000	100	July 1, 2023	5447127A4
R-5	2031	7,790,000	100	July 1, 2023	5447127B2
R-6	2032	8,175,000	100	July 1, 2023	5447127C0
R-7	2033	8,585,000	100	July 1, 2023	5447127D8
R-8	2034	9,015,000	100	July 1, 2023	5447127E6

[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.

The Owners of the Refunded Bonds are required to present and surrender the Refunded Bonds at the address of the Trustee set forth below in order to receive payment of the redemption price set forth above (the "**Redemption Price**") and accrued interest, unless other arrangements for payment of principal are made in the Representation Letter:

[U.S. Bank
Global Corporate Trust
111 Fillmore Avenue East
St. Paul, Minnesota 55107]

Owners presenting their Refunded Bonds in person for same day payment **<u>must</u>** surrender their Refunded Bond(s) by 1:00 P.M. CDT on the redemption date set forth above (the "**Redemption Date**") and a check will be available for pick up after 2:00 P.M. CDT. Checks not picked up by 4:30 P.M. CDT will be mailed to the Owner via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Refunded Bond, you are not required to endorse the Refunded Bond to collect the Redemption Price.

For a list of redemption requirements, please visit the Trustee's website at www.usbank.com/corporatetrust and click on the "Bondholder Information" link for redemption instructions. You may also contact the Bondholder Communications team at 1-800-934-6802 Monday through Friday from 8 A.M. to 6 P.M. CDT.

On the Redemption Date, the Refunded Bonds shall cease to bear interest. If the Owner of any Refunded Bond that is subject to optional redemption fails to deliver such Refunded Bond to the Trustee on the Redemption Date, such Refunded Bond shall nevertheless be deemed redeemed on the Redemption Date and the Owner of such Refunded Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds that are held for such payment.

Redemption of the Refunded Bonds is conditioned on and 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 provided to the Owners of the affected Refunded Bonds as provided for under Section 4.01 of the Twenty-Fifth Supplemental Agreement.

IMPORTANT NOTICE

Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Dated this __th day of _______, 2023.

Los Angeles County
Metropolitan Transportation Authority

U.S. Bank Trust Company, National Association, as Trustee

SCHEDULE I

INITIAL FEDERAL SECURITIES

Type	Maturity Date	Principal Amount	Interest Rate	Total Purchase Cost
Total				

SCHEDULE II

PAYMENT REQUIREMENTS FOR REFUNDED BONDS

Series	Payment/ Redemption Date	Principal	Interest	Total
2013-B	July 1, 2023			
2013-C	July 1, 2023			
2014-A	July 1, 2023			

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2023-0101, **File Type:** Informational Report **Agenda Number:** 14.

FINANCE, BUDGET, AND AUDIT COMMITTEE
MARCH 15, 2023

SUBJECT: FISCAL YEAR 2024 BUDGET DEVELOPMENT STATUS UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the Fiscal Year 2024 (FY24) Budget Development Status Update.

ISSUE

This is the third of a series of monthly updates to the Board on the FY24 Budget development process, culminating in a planned May 2023 Board Adoption. This report lays the framework for the annual budget development, with the primary objective for the annual budget to advance Metro's transit and transportation goals, with an equity lens, in a fiscally sound and financially responsible manner.

This report focuses on Metro's diverse portfolio of major infrastructure capital projects, including Transit Infrastructure Development (TID), Highway Multimodal Development, and Regional Rail. Additionally, this report provides an overview of Metro's voter approved Regional Allocation and Pass Throughs (Subsidy) funding programs.

This report also discusses the mitigation options to be considered for managing through the near-term financial challenges for the major infrastructure capital projects and shares the latest update regarding Metro's comprehensive budget outreach efforts.

BACKGROUND

California Public Utilities Code Section 130105 requires Metro to adopt an annual budget to manage the revenues and expenses of the Agency's projects and programs. The budget is the legal authorization to obligate and spend funds and to implement Board policy. It includes all operating, capital, planning and programming, subsidy funds, debt service requirements, and general fund activities for the fiscal year. The legal level of control is at the fund level. Total annual expenditures cannot exceed the final appropriation by the Board at the fund level except for capital expenditures, which are authorized on a life of project basis.

DISCUSSION

Major Infrastructure Capital, Near-Term Financial Challenges

Metro recognizes the importance of sound financial planning to successfully implement transit capital investments and operating plans. The overall operating deficit also referred to as the 'fiscal cliff,' and the challenges of major infrastructure capital projects, are two distinct concerns impacting Metro. In this report, we will be discussing the challenges regarding major infrastructure capital projects. The operating deficit will be presented in next month's report.

Metro recognizes the additional financial risks stemming from Transportation Infrastructure Development (TID) as we continue to build out the ordinance approved major construction projects. While the cashflow required in the next three-year near term is not at risk, Metro needs to be mindful of the total project costs and potential funding gaps faced by each project over the next ten years and beyond so as to not be obligated to a project delivery ahead of the funding plan. Currently, Measure R and M total receipts are below their ordinance projections. Although Metro continues to compete for capital investment grants, not all of Metro's projects are awarded funding. Grants awarded to Metro often include significant operational and local match funding requirements placed in the legal framework for the funding agreement. Additional debt issuance is projected from FY24 to FY26 to cover shortfalls in certain programs; however, new debt issuance will only be used as a last resort as it is subject to Board established maximum bonding capacity policy and potentially means reduced future funding availability for other transit needs.

Other common capital project management issues include higher bid prices and cost increases due to a tighter labor market and rising demand for goods with previous supply chain constraints. Capital projects are also impacted by fiscal challenges that may increase total project cost at completion. Project cost overruns with no new or dedicated funding will continue to take away funding currently available for transit. These combined challenges in capital infrastructure, along with the stressors in the operating budget deficit, have contributed to the Agency's overall financial outlook.

Major Infrastructure Capital, EZBB Cost Control

Metro is enacting cost controls through the Equitable Zero-Based Budgeting (EZBB) process by establishing the Early Intervention Team and other program management efforts.

At Board's direction, the CEO formed the Early Intervention Team (EIT), which is set up to draw on the collective experiences of cross department collaboration to review and assess cost and schedule drivers, potential corresponding mitigation strategies currently in practice at Metro, as well as new mitigation strategies needed across the full life cycle of projects, from planning through construction and finally into operations and maintenance. Regular updates are being provided to the board on the status and progress of these efforts.

Metro is actively evaluating the appropriate consultant to staff ratio that can build up in-house knowledge. Metro is also strategically embedding seasoned project management and controls staff onto new major projects as other projects are exiting the construction phase and moving on to the operational phase. There is also ongoing project soft cost monitoring and reporting.

Major Infrastructure Capital, Near-Term Mitigation Strategies for Consideration

Below are some other mitigation strategies to help address the challenges described above.

Transit Infrastructure Development:

- Project Timeline: Deliberate board review at each major project milestone; assess the cost/benefit of changing project schedules as necessary while remaining within sequence per ordinance.
- Project Scope: Avoid adding additional components beyond the original project scope to remain within budget.
- Operational Impact: Plan and incorporate the cost implications of system integration due to an expanding system.
- Business Interruption Fund (BIF): Advocate for BIF funds to be eligible to match and/or be eligible for reimbursement of state and federal funds.

Highway Multimodal Development:

- Strategic Partnership with Caltrans: Work with Caltrans to explore efficiencies to deliver the highway projects based upon core competencies.

Regional Rail:

- Metrolink Operating Plan: Align service level goals to ridership demand with a financially sustainable operating framework to mitigate the structural deficit in eligible funding sources Metro utilizes to finance Metrolink operations.

Major Infrastructure Capital Investment FY24 Preliminary Budget

LA County's capital expansion plan is one of the nation's most ambitious and transformative transportation construction and enhancements programs. The report below covers the following programs:

1. Transit Infrastructure Development (TID): The FY24 Budget provides funding for planning and constructing new transit projects for LA County per the voter approved Measure R and Measure M sales tax ordinances. In FY23, this program reflected 26.5% of the total FY23 budget.
2. Highway Multimodal Development: The FY24 Budget provides funding from voter approved Measure R and Measure M sales tax ordinances to advance design and construction activities for Highway projects in LA County, notably the I-105 ExpressLanes, I-5 North Capacity Enhancements Project, and community-driven efforts to re-imagine the I-710 North, I-710

South, and I-605 Hot Spots Projects. In FY23, this program reflected 6.6% of the total FY23 Budget.

3. Regional Rail: The FY24 Budget supports double tracking and grade separation projects transitioning from Final Design to pre-construction activities, advancing the transformative Link Union Station project, and ongoing subsidy support for Metrolink's operating and SGR/capital components. In FY23, this program reflected 3.3% of the total FY23 Budget.

In FY23, major infrastructure capital projects totaled 36.4% of the Metro budget. The FY24 Preliminary Budget represents the annual incremental cashflow requirement to advance these capital projects.

Transit Infrastructure Development (TID)

The TID Program consists of transit line expansions and improvements specified in the Measure R (MR) and Measure M (MM) Ordinances. These project development activities are divided into planning and construction phases, and the annual budget request reflects the annual increments of the project development phase. Starting with a feasibility study followed by alternative analyses, the planning phase typically culminates in environmental clearance. The multiyear Life Of Project (LOP) budget is adopted for each project through a separate board action.

The annual budget monitors the cashflow requirement for the activities in each project phase while considering the existing level of board authorization(s), respective project delivery schedule and identifies eligible and available funding sources from Federal/State/Local grants, sales taxes, and financing.

Fig 1:

Transit Infrastructure Development

	Summary	FY23 Adopted	FY24 Preliminary	$ Change	% Change
1	Transit Construction	$ 2,116.0	$ 1,893.4	$ (222.5)	-10.5%
2	Transit Planning	172.2	277.7	105.6	61.3%
3	Program Support/Admin	16.0	19.6	3.57	22.3%
4	**Grand Total**	**$ 2,304.2**	**$ 2,190.8**	**$ (113.4)**	**-4.9%**

For FY24, Figure 1 above displays the preliminary budget for the TID program at $2.19 billion, a decrease of $113.4 million or 4.9% from the FY23 budget. The decrease in the Transit Construction budget reflects the opening of the Regional Connector in FY23 while newer projects, including the East San Fernando Valley Light Rail Transit project project has yet to proceed into the major construction phase. While the budget for transit construction decreased, the budget for planning studies increased by $105.6 million, or 61.3%, which reflects increased funding for planning projects in the environmental and design phase, including the Sepulveda Corridor, West Santa Ana Branch and Eastside Transit Corridor Phase 2 projects. These projects will also advance to requiring funds for construction in future fiscal years, and thus this year's requested budget reflects current project phasing and not a broader pattern.

A more detailed project discussion can be found in Attachment A.

Highway Multimodal Development

The FY24 Preliminary Budget of $606.3 million represents a $27 million or 4.7% increase over the FY23 Adopted Budget. The FY24 preliminary budget reflects a transitional period for Metro's Highway program as the Agency begins to shift away from legacy highway expansion projects and towards investments in ExpressLanes and HOV construction, improvements to bus infrastructure, including bus-only lanes, and safety enhancements. Further, a shift in eligibility criteria for Metro freeway and street programs enables municipalities and partner agencies to incorporate multimodal components in the surface street and subregional road improvement projects.

In FY24, the Highway Multimodal Development budget advances design activities and pre-construction activities for the I-105 ExpressLanes project, the implementation of additional bus-only lanes and bus infrastructure throughout LA County, re-imagining the I-710 South and I-605 Hot Spots projects, and ongoing construction for the I-5 South and I-5 North freeways, as well as the SR-57/SR-60 confluence project.

Fig 2:

	Highway Multimodal Development Project ($ in millions)	FY23 Adopted	FY24 Preliminary	$ Change	% Change
1	Bus Improvements	$ 11.1	$ 14.8	$ 3.6	32.6%
2	Capacity Improvements	211.9	186.3	(25.5)	-12.0%
3	Express/HOV Improvements	63.8	101.5	37.7	59.1%
4	General Planning	9.3	12.7	3.4	37.1%
5	Local Subregion/Street/Safety/Op Improvements	261.7	266.9	5.2	2.0%
6	Property Maintenance	0.9	1.2	0.3	30.6%
7	Traffic Noise Reduction	20.7	23.0	2.3	10.9%
8	**Total Highway Multimodal Development**	**$ 579.3**	**$ 606.3**	**$ 27.0**	**4.7%**

See Attachment B for individual Highway project detail.

Metro Regional Rail

Metro oversees the planning, programming, and implementation of commuter rail projects in LA County that are or will be operated by other agencies such as Southern California Regional Rail Authority (Metrolink), Amtrak, California High Speed Rail Authority, and freight carriers. Metro also manages and coordinates capital improvement projects along approximately 150 miles of Metro owned, and Metrolink operated railroad right-of-way.

Fig 3:

	Metro Regional Rail Project ($ in millions)	FY23 Adopted	FY24 Preliminary	$ Change	% Change
1	Link Union Station	$ 91.9	$ 96.6	$ 4.7	5.1%
2	Rosecrans & Marquardt Grade Separation	27.8	29.4	1.6	5.9%
3	Brighton to Roxford Double Track	3.4	10.2	6.8	197.6%
4	High Desert Corridor	3.6	2.8	(0.8)	-21.8%
5	Doran Street Grade Separation	12.5	10.1	(2.4)	-19.3%
6	Lone Hill to CP White Double Track	6.5	5.8	(0.7)	-11.0%
7	Other Metro Regional Rail	0.5	3.6	3.1	610.4%
8	**Total Metro Regional Rail**	**$ 146.2**	**$ 158.5**	**$ 12.2**	**8.4%**

The LINK US project at Los Angeles Union Station (LAUS) will expand LAUS's overall capacity and operational efficiency for rail operations. The FY24 budget is driven by the anticipated procurement of the Construction Manager / General Contractor (CMGC) contract and the finalization of real estate acquisitions. Other major activities include the ongoing construction of the Rosecrans/Marquardt Grade Separation Project (the State of California's top priority grade crossing project), completing the construction of the interim configuration for the Doran St. Grade Separation Project, completing the final design and initiating pre-construction activities for the Brighton to Roxford double tracking project in the east San Fernando Valley and the completion of the final design for the Lone Hill to White double tracking project in the San Gabriel Valley.

The Regional Rail group will also advance preliminary engineering for a high-speed rail service from Palmdale via the High Desert Corridor to the future Apple Valley station of Brightline's privately funded high-speed rail line to Las Vegas.

Metrolink Commuter Rail

At the time of this report, Metrolink is developing its FY24 operating and capital budget. An update will be included in a later monthly report to the Board.

Regional Allocations and Pass Throughs

The budget's Regional Allocations and Pass Throughs portion represents resources distributed to regional partners to carry out local transportation needs. This component is directly tied to locally imposed and collected sales taxes as well as Metro oversight and distribution of State and federal pass-through grant funding. This program includes:

- Pass-through funding awarded to local jurisdictions and municipal and local transit operators through Local Agency Programs (ex., Local Return) and Regional Transit Funding (ex., Regional Transit Formula and Access Services).
- Pass-through funding for Major Projects being implemented by local agencies, including the Inglewood Transit Connector, Alameda Corridor East Grade Separation Phase II, Metrolink Antelope Valley Line Projects, and Sankofa Park
- Grants allocated to local agencies through Other Local Programs such as the Congestion

Reduction Demonstration (CRD) Toll Revenue grant program, Open Streets grant program, Active Transportation Program (ATP), Federal Pass-Throughs, and the Transit Oriented Development (TOD) Planning grant initiative.

The Regional Allocations and Pass Throughs program expenditures are projected to increase by an estimated $155.2 million over the adopted FY23 Budget and will total approximately $2.06 billion in FY24. About 85% of this budget element is comprised of Local Agency Programs and Regional Transit Funding. As a result of the better than anticipated performance of the local economy during FY22 and FY23, direct subsidies provided by local and State sales tax-based programs passed through to LA County transit operators and local jurisdictions, are expected to increase. The table below summarizes the FY24 Preliminary Regional Allocations and Pass Throughs Budget.

Fig 4:

	Regional Allocations and Pass Throughs ($ in millions)	FY23 Adopte	FY24 Preliminary	$ Change	% Change
1	Local Agencies	$ 822.4	$ 962.2	$ 139.9	17%
2	Regional Transit	692.5	788.3	95.8	14%
3	Major Projects	241.0	164.3	(76.7)	-32%
4	Other Local Programs	93.9	87.1	(6.7)	-7%
5	Regional Federal Grants	29.0	30.4	1.4	5%
6	Fare Assistance	30.3	31.9	1.6	5%
7	**Program Total**	**$ 1,908.9**	**$ 2,064.1**	**$ 155.2**	**8%**

Local Agency Programs

The two funding programs that make up Local Agency Programs include Local Return and Transit Development Act (TDA) Article 3 and Article 8 funding. This subprogram will increase by $139.9 million, an increase of 17% over the FY23 budgeted amount. Most of this increase is due to the Local Return program, estimated to receive $126.1 million more than the FY23 budgeted amounts in sales tax revenue to LA County jurisdictions.

Regional Transit Funding, Including Access Services

Similar to Local Agency Programs, Regional Transit Funding programs are projected to increase during FY24 by $95.8 million, a 14% increase. This subprogram is comprised of the annual transit formula funding allocated to the LA County municipal and local transit operators as well as Access Services. The increase is partially due to higher than anticipated sales tax revenues in FY22 that will be carried over into FY24. Formula programs for the municipal and local transit operators included in this subprogram include Proposition A Discretionary funding, Measure M 20%, Measure R 20%, SB1 State of Good Repair, TDA Article 4, and other fund programs. Staff also continues to work in partnership with the Bus Operators Subcommittee (BOS) and the Local Transit Systems Subcommittee (LTSS) to understand the residual impacts of COVID-19 and to determine the appropriate allocation methodology for the FY24 Formula Allocation Procedure (FAP).

In addition, preliminary funding of $163.9 million is proposed for Access Service operations in Los

Angeles County, including the direct Metro subsidy to support Access riders on Metrolink within the County, an increase of $7.8 million over the adopted FY23 Budget. The final budget amount is subject to Access Services' final budget request.

Final distribution amounts will be brought forward for specific Board approval detailing subsidy funding amounts for each municipal and local operator, including Access Services and local jurisdictions.

Major Projects

This subprogram is comprised of the Alameda Corridor East Grade Separation Phase II, the Antelope Valley Line Projects, Inglewood Transit Connector, and Sankofa Park. It is estimated that these multi-year projects will need less funding (-32%) during FY24 compared to FY23 due to project progress in prior fiscal years.

Fig 5:

	Major Projects ($ in millions)	FY23 Adopted	FY24 Preliminary	$ Change	% Chang
1	Inglewood Transit Connector	$ 208.7	$ 114.7	$ (94.0)	-45%
2	Metrolink Antelope Valley Line Projects (NEW)	-	25.0	25.0	100%
3	Alameda Corridor East Grade Separation Phase II	20.1	14.1	(6.0)	-30%
4	Sankofa Park Project	12.2	10.5	(1.7)	-14%
5	**Total**	**$ 241.0**	**$ 164.3**	**$ (76.7)**	**-32%**

Other Local Programs & Regional Federal Grant Programs

Due to the pass-through nature, annual variability of local and federal grant programming, and uses by local jurisdictions, 7% or $6.7 million less funding is being requested for FY24 activities in the following subprograms: ATP-related grants, Call for Projects, CRD Toll Revenue Grant Program, Federal Earmarks, and TOD Planning Grants. A modest increase of 1.4% is projected for Regional Federal Grants.

Fare Assistance - Low Income Fare is Easy (LIFE) Program

The LIFE program is anticipated to continue to grow during the coming year, and the budget request has increased accordingly to $31.9 million to support the Board approved expansion and improvements to the program. This represents a 5% increase over the adopted FY23 budgeted amount for the program.

Early & Expanded Public Engagement Update

Public outreach and engagement continue to be a priority for Metro. Metro's FY24 public engagement and outreach began in 2022. Metro held a Telephone Town Hall on October 18, 2022, and on January 17, 2023, with a third one scheduled in March 2023. Metro launched a My Metro Budget feedback and interactive educational tool, which greatly expanded the outreach efforts, with over 20,000 views. Metro has implemented many changes in how it approaches engaging with the public and stakeholders on important budget topics and will continue to improve.

Public participation is a process, not a single event, and happens year-round. Metro strives to capitalize on public feedback to reflect the interest and values of the received input. The following methods in attachment A are a few ways Metro obtains public input to help develop the annual budget. There are many other efforts made throughout Metro to engage with stakeholders and the public that help shape the budget. The topics of safety, service, and cleanliness are consistent areas of public concern.

See attachment C for an overview of the public engagement efforts to date.

EQUITY PLATFORM

The FY24 EZBB development begins with the evaluation process that provides flexibility to focus resources on Metro's core missions, key initiatives, and priorities. Budget Equity is a top priority in the FY24 Budget development as Metro carries out its initiatives and impacts all communities throughout Los Angeles County. Furthermore, the FY24 Budget will align with principles highlighting how public transit can be equitable, sustainable, economically productive, safe, and Americans with Disabilities Act accessible.

As part of the FY24 EZBB evaluation process, the ongoing Metro Budget Equity Assessment Tool (MBEAT) is in its fourth fiscal year of evaluating equity in Metro's Annual Budget. Staff also incorporated a more detailed geographic equity measure into budget development by conducting Equity Focus Communities (EFC) Budget Assessments for both the FY23 Approved Budget and the FY24 Budget, the latter of which will be finalized later this year. Implementation of MBEAT and the EFC Budget Assessment will assess equity impacts that will identify access to opportunities and reduce potential barriers or harms.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the following Metro Strategic Plan Goal:
Goal # 5: Provide responsive, accountable, and trustworthy governance within the Metro Organization.

NEXT STEPS

Next month's FY24 Budget process update will address Metro Transit Operations & Maintenance, Metro Transit State of Good Repair, Congestion Management, and Planning and Administration.

Metro will host the third in the series of FY24 Budget Development Telephone Town Halls on March 28, 2023. This is an opportunity for riders and the public to hear and weigh in on the FY24 Proposed Budget. Metro leadership will attend the event and listen, learn, and respond to public comments on Metro's FY24 initiatives.

ATTACHMENTS

Attachment A - Transit Infrastructure Development project details
Attachment B - Highway Multimodal Development project details
Attachment C - Public Engagement Update

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Attachment A

Transit Infrastructure Development

TID Projects in Construction Phase:

D Line (Purple) Extension

This project includes three sections of the D (Purple) Line subway extension westward from the current terminus of Wilshire / Western station, collectively adding seven new stations. The FY24 preliminary budget of $1.065 billion supports the continued advancement of tunneling, station box, and trackwork construction activities along the 9.1-mile extension. Section 3, in addition to the tunneling, will move to complete its final design and advanced utility relocation. The Revenue Service Dates for Sections 1, 2, and 3 are 2024, 2025, and 2027, respectively. A related project, the Division 20 Portal Widening, builds a new turnback facility which facilitates the headway requirements for the entire D Line.

Airport Metro Connector

The Airport Metro Connector is a station hub at Aviation Bl / 96th Street on the Crenshaw/LAX Transit line which will allow riders to transfer quickly from the Metro network to the LAX Automated People Mover. This station hub will include the light rail station, bus plaza, bicycle parking, customer service center, and passenger pick-up and drop-off area. FY24 preliminary budget of $177.7 million supports construction activities.

L Line (Gold) Foothill Extension

The L (Gold) Line Foothill Extension will provide 12.3 miles of new rail to the east beyond the current end point of the L Line in Azusa, adding six stations. The preliminary budget of $220.3 million supports improvements to Azusa Depot, retaining wall work, and heavy construction activities beyond Azusa. Design of the extension is substantially complete. A targeted Substantial Completion of the extension to Pomona is planned for 2025, and an extension to Montclair is planned by 2028.

G Line (Orange) BRT Improvements

The G (Orange) Line BRT Improvements will provide better transit service in the San Fernando Valley area with grade separations on major streets, better signal priority technology, electric bus connectivity and four-quad gating system for faster trips. The Metro Board has selected the Valley Transit Partners – a Joint Venture of Stacy and Witbeck, Inc., Flatiron West, and Modern Railway Systems as the contractor for this project. FY24 preliminary budget of $74.5 million supports property acquisitions, early site work and potholing, and construction activities beginning early 2024.

East San Fernando Valley LRT

The East San Fernando Valley LRT project is total of 9.2-mile, 14-stations extending northward from G Line Van Nuys station to Sylmar/San Fernando Metrolink station. This project is being built in two segments, with the first interim operating segment (IOS) being the 6.7-mile stretch between the G Line Van Nuys station to San Fernando Road in Pacoima. Most advanced design has been completed and will be completed using the Progressive Design Build delivery method, for which procurement is being sought. The preliminary budget of $288.4 million supports right-of-way acquisition and construction after the contract is awarded.

BRT Connector B/G Line to L Line

Metro is planning Bus Rapid Transit (BRT) to connect the cities of Los Angeles (North Hollywood and Eagle Rock communities), Burbank, Glendale, and Pasadena. Environmental review was completed in 2022 and a budget of $60.3 million will support continued preliminary engineering and project design work.

<u>TID Projects in Planning Phase:</u>

The Planning Studies FY24 preliminary budget of $797.7 million supports conceptual engineering, environmental clearance, and right-of-way acquisition on MR and MM projects. Some highlights include the Sepulveda Corridor project which continues the environmental review phase, the West Santa Ana Branch Corridor project for design activities, the East Side Transit Corridor Phase 2 final environmental impact report, C (Green) Line Extension to Torrance of light rail draft environmental impact report and stakeholder coordination, and Vermont Transit Corridor, which will begin environmental services and continue community outreach. Metro is also planning to implement bus rapid transit (BRT) projects across the county with the Broadway BRT project receiving the highest priority for funding as a result of a prior completed study which evaluated the project benefits of different proposed routes.

Eastside Transit Corridor Phase 2

This project plans for an extension of the Metro L Line (Gold) east through the cities of Commerce, Montebello, Pico Rivera, Santa Fe Springs, and Whittier. The draft environmental impact report was released in June 2022 and work is proceeding on the final environmental impact report and conceptual engineering. The FY24 budget request is for $22.4 million.

North San Fernando Valley BRT

Metro is proposing to implement improvements to the bus network in the north San Fernando Valley to provide higher-quality bus service and transit infrastructure. These improvements reimagine the existing network to better serve customers and complement those in the NextGen Bus Plan occurring in other parts of Metro's network, but are planned to be funded using Measure M funds, as an alternative to a single-line BRT project following outreach and evaluation of alternatives. The project has filed a notice of exemption. A budget of $3.3 million will support preliminary engineering and continued stakeholder engagement, and additional funds will support the NextGen bus improvements.

	Transit Infrastructure	Ordinance Project	Expenditure thru FY22	FY23 Adopted	FY24 Preliminary	Life of Project
1	**Transit Construction**	Airport Metro Connector	$ 319.1	$ 242.8	$ 177.7	$ 898.6
2		D (Purple) Line Extension	5,483.4	1,125.8	1,064.7	9,725.6
3		East San Ferando Transit Corridor	91.9	248.2	288.4	-
4		E Line (Expo) Light Rail Transit	2,291.9	4.5	6.0	2,301.1
5		G (Orange) Line BRT	32.4	57.4	74.5	149.7
6		K Line (Crenshaw/LAX) Light Rail Transit	2,338.0	55.7	43.1	2,429.8
7		L (Gold) Line Foothill Extension 2A & 2B	1,591.4	283.0	220.3	2,330.5
8		Regional Connector	1,663.9	98.5	18.8	1,831.0
9	**Transit Construction Subtotal**		**$ 13,811.9**	**$ 2,116.0**	**$ 1,893.4**	**$ 19,666.3**
10	**Transit Planning**	Broadway BRT	-	-	4.0	-
11		BRT Connector B/G Line to L Line	12.9	7.2	60.3	-
12		C (Green) Line South Bay	24.9	11.6	44.1	-
13		Crenshaw Northern	16.7	10.0	18.4	-
14		Eastside Access	30.9	8.8	5.3	29.7
15		Eastside Extension	115.8	13.9	22.4	-
16		North San Fernando Valley BRT	7.1	5.5	3.3	-
17		Sepulveda Corridor	59.1	81.5	71.3	-
18		SGV Feasibility Study	0.9	1.9	2.2	-
19		Vermont Transit Corridor	4.1	2.7	8.1	-
20		West Santa Ana Branch Corridor	64.7	29.1	38.3	-
21	**Transit Planning Subtotal**		**$ 337.2**	**$ 172.2**	**$ 277.7**	**$ 29.7**
22	**Program Control Support**			16.0	19.6	-
23	**Grand Total**		**$ 14,149.1**	**$ 2,304.2**	**$ 2,190.8**	**$ 19,696.1**

Attachment B

Highway Multimodal Development

The Highway Multimodal Development Program continues to evolve, as legacy expansion projects move towards completion or undergo rescoping with robust community participation, new ExpressLanes advance through the design and implementation phase, and multimodal components are integrated into freeway and street projects.

The Highway Multimodal Development Program differs from the Transit Construction Program in that completed projects represent non-Metro owned capital assets despite similarities in delivery and construction phases. For most Highway projects, Metro oversees the planning and early engineering phases, then transitions the project to Caltrans to execute right-of-way acquisitions and construction. Upon completion, Highway projects are capitalized as a Caltrans asset with Caltrans assuming primary responsibility for operations and maintenance.

The FY24 preliminary Highway Multimodal Development budget of $606.3 million represents a $27 million or 4.7% increase over the FY23 Adopted Budget. The increase is primarily due to an increase in design and pre-construction activities for the I-105 ExpressLanes project, countywide bus-only lane and bus infrastructure implementation, and ongoing construction for the I-5 North (North County) and the SR-57/SR-60 confluence project.

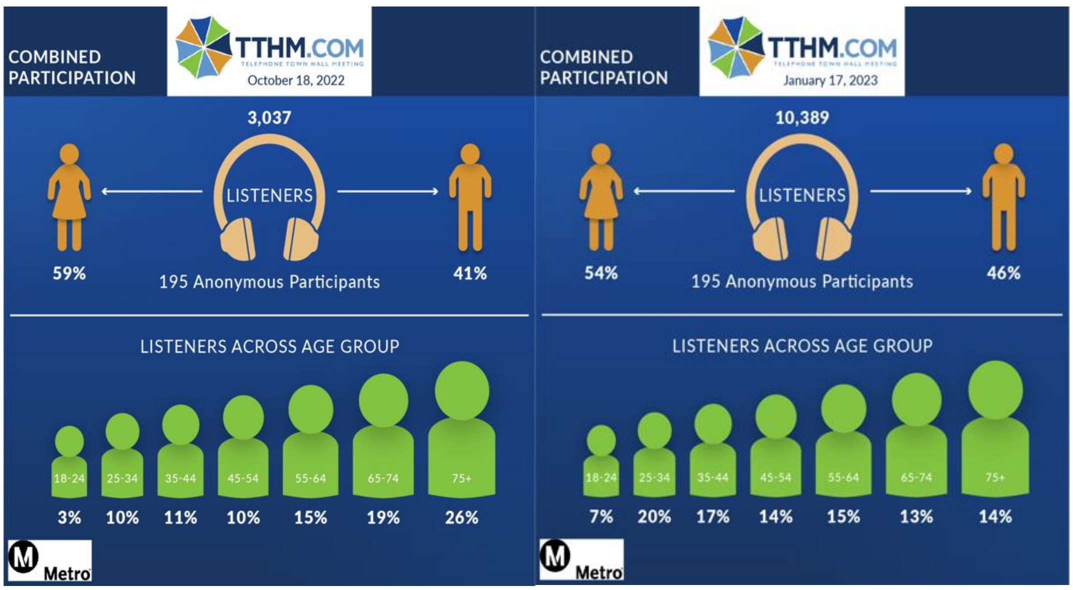
	Highway Multimodal Development Project ($ in millions)	Exp thru FY22	FY23 Adopted	FY24 Preliminary	Subregion
1	**MR/MM Projects**				
2	Countywide Soundwall Constructions	$ 126.0	$ 20.7	$ 23.0	sc
3	High Desert Corridor (environmental)	36.8	0.3	0.1	nc
4	Highway Demand Based Program (SG)	-	-	0.1	sg
5	Highway Efficiency Program	11.4	2.0	6.2	av, lvm, nc
6	Highway Operational Improvements in Arroyo Verdugo Subregion	53.7	8.2	7.5	av
7	Highway Operational Improvements in Las Virgenes/Malibu Subregion	128.2	6.8	3.0	lvm
8	I-105 ExpressLane from I-405 to I-605	16.9	35.3	77.5	sc
9	Sepulveda Pass Transit Corridor (Ph 1 - I-405 ExpressLane)	7.9	10.5	9.0	sf
10	Interstate 405, I-110, I-105 and SR-91 Ramp & Interchange Improvements (South Bay)	151.5	45.3	53.5	sb
11	I-5 Capacity Enhancement from SR-134 to SR-170	173.2	19.0	12.5	av, sf
12	I-5 Carmenita Road Interchange Improvement	22.1	2.0	0.6	gc
13	Interstate 5 Capacity Enhancement from I-605 to Orange County Line	130.3	19.0	20.1	gc
14	Interstate 5 North Capacity Enhancements from SR-14 to Kern County Line (Truck Lanes)	117.8	153.1	105.7	nc
15	Interstate 5/St. Route 14 Capacity Enhancement (North County)	0.2	0.1	3.5	nc
16	Interstate 605 corridor "Hot Spot" Interchanges (Gateway Cities)	195.3	63.1	92.0	gc
17	Interstate 710 South and/or Early Action Projects (Gateway Cities)	165.1	12.7	24.4	gc
18	South Bay Highway Operational Improvements	0.2	2.3	10.0	sb
19	SR-57/SR-60 Interchange Improvements	83.8	95.2	66.2	sg
20	SR-71 Gap from I-10 to Rio Rancho Road	8.3	20.0	25.0	sg
21	SR-710 N Corridor Mobility Improvements	53.6	17.2	12.7	av, cc, sg
22	State Route 138 Capacity Enhancements (North County)	67.1	10.7	10.0	nc
23	Transportation System and Mobility Improvement Program (South Bay)	32.9	13.1	19.5	sb
24	**MR/MM Projects Total**	**$ 1,582.3**	**$ 556.8**	**$ 582.1**	
25	**Other**				
26	Caltrans Property Maintenance	$ 10.2	$ 0.9	$ 1.2	
27	Highway Planning	153.7	3.3	4.3	
28	I-210 Barrier Replacement	13.7	6.6	3.5	
29	I-405 Carpool Lane	1,456.7	0.5	0.5	
30	NextGen Bus Lanes	5.6	11.1	14.8	
31	**Total Highway Multimodal Development**	**$ 3,222.2**	**$ 579.3**	**$ 606.3**	

Attachment C

Telephone Town Hall

We have held two Telephone Town Hall (TTH) meetings, the most recent of which included over 10,000 participants, including over 350 Spanish listeners. (Just include the combined chart, don't show English v. Spanish)

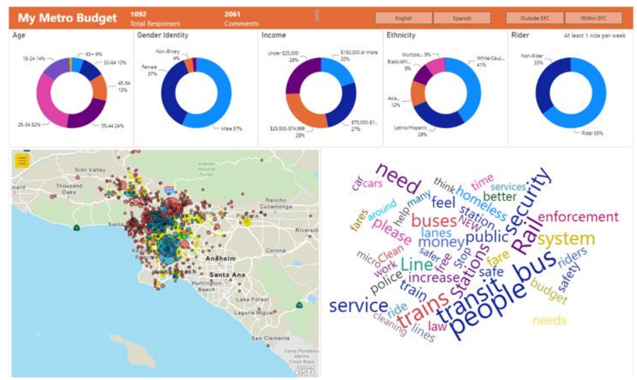
The following demographics are from the October 18, 2022, and the January 17, 2023, meeting:



The comments and questions mentioned in the Telephone Town Hall are related to public concern about service, cleaning, and safety across Metro's system. Metro senior leaders were on hand to address those concerns and listen directly to the public. There will be a third Telephone Town Hall meeting on March 28th, 2023, to gather more information from the public and to provide additional updates on the FY24 budget development process.

New My Metro Budget

The My Metro Budget is a new, interactive, educational activity that resulted in over 1,100 submissions and more than 2,000 written comments. Like last year, Metro is dedicated to having the comments guide decisions about the annual budget. These 2,000 comments have been distributed to departments for consideration when developing the FY24 Budget. To help review and assess these comments, OMB staff created an interactive dashboard that can filter comments by cabinet, region, and demographics along with word clouds that allow staff to see hot topics by group and area. Additionally, the dashboard will provide specific demographic and geographic data to identify where comments are coming from.



Stakeholder Meetings and Outreach Efforts

Listening and learning will be of the utmost importance as Metro continues to conduct public outreach for the FY24 Budget. Metro will continue engagement with key stakeholders and community groups throughout the budget process.

Schedules and information for public meetings and updated budget information will be provided in advance on the Finance and Budget portal at https://budget.metro.net.

Item #14

FY24 Budget Development Status Update

Metro

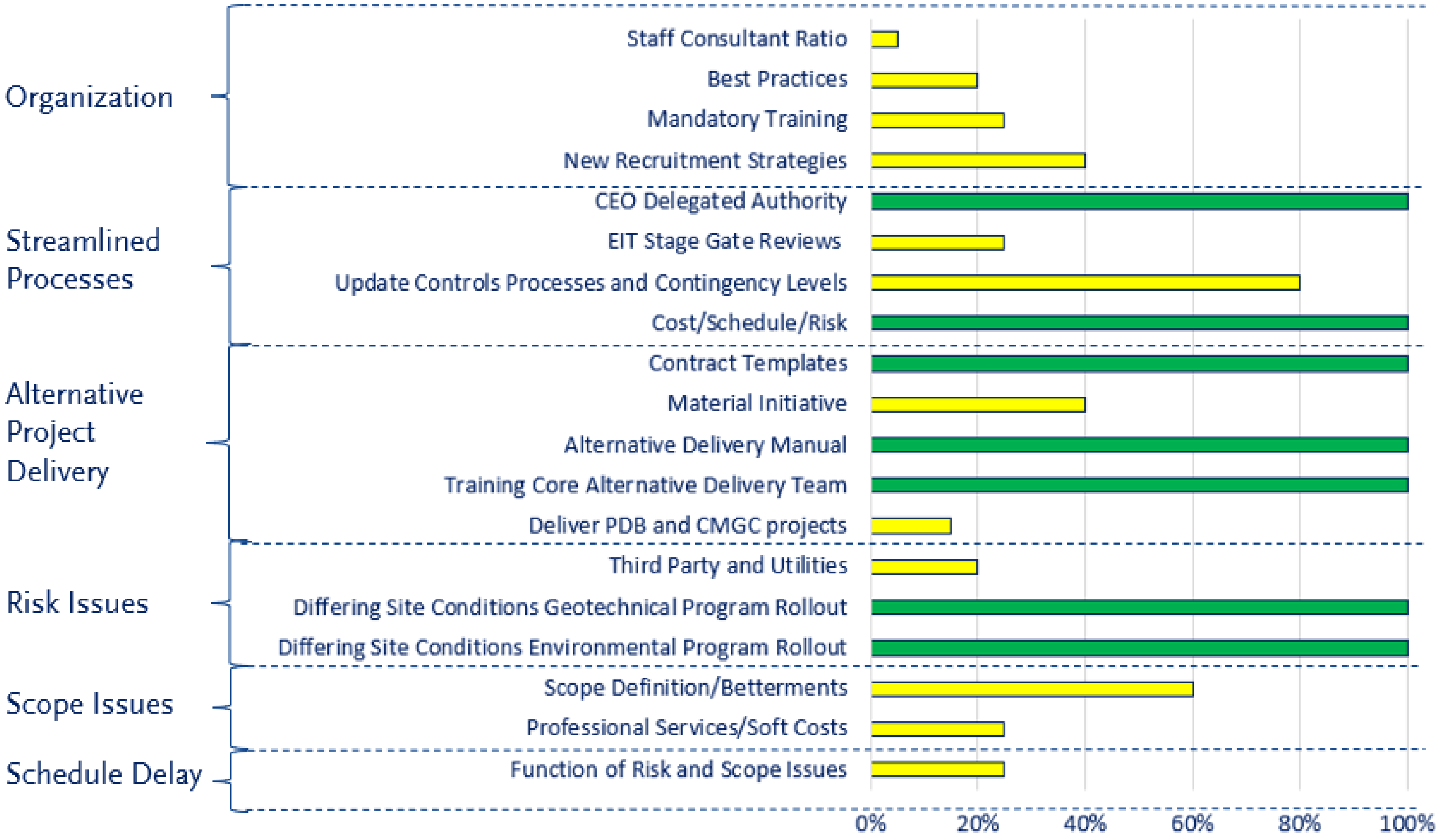
Finance, Budget and Audit Committee
March 15th, 2023

Near-term Financial Challenges & EZBB Cost Controls

- **Near-term Financial Challenges:**
  - Measure R and Measure M receipts totaling 13% below ordinance projections
  - Grants are not always awarded and include operational and local funding requirements
  - New debt issuance used as last resort as subject to maximum bonding capacity and may impact operations available funding
  - Facing higher bid prices and higher cost of construction material
  - Project cost overruns with no new or dedicated funding take away funding available

- **Cost controls through the Equitable Zero-Based Budgeting (EZBB) process**
  - Early Intervention Team (EIT): Improve on-time, on-budget capital program delivery by encouraging collaboration across departments and introducing cost control strategies across the full project life cycle for LA Metro’s capital program
  - Metro is implementing strategic initiatives and mitigation measures such as evaluating the consultant to staff ratio and upgrading contract templates

Progress on FY23 Strategic Initiatives and Mitigation Measures



Context on LA Metro’s Early Intervention Team (EIT)

Reminder of the EIT’s purpose:

Improve on-time, on-budget capital program delivery by encouraging collaboration across departments and introducing cost control strategies across the full project life cycle for LA Metro’s capital program

Recall: Overview of October Board update

- EIT launched as a cross-functional team in July 2022 and has met at least twice a month to improve overall capital program and specific project performance
- EIT was focused on developing a comprehensive set of targeted cost control questions and creating the EIT Project Review Process to share executive cross-functional feedback to improve project outcomes
- Since the October Board update, the EIT has conducted four EIT Project Reviews

Objectives for today

- Share the overall project cycle and how the EIT Project Review Process improves the likelihood of project success
- Discuss the types of critical actions being taken to improve project outcomes, given the integration of EIT feedback, using specific examples from completed EIT Project Reviews
- Outline the EIT's impact to date and proposed next steps

FY24 Major Infrastructure Investment & Regional Allocations

Transit Infrastructure Dev

$2,190.8M (-4.9%)

- Crenshaw & RC completed

Highway Multimodal Dev

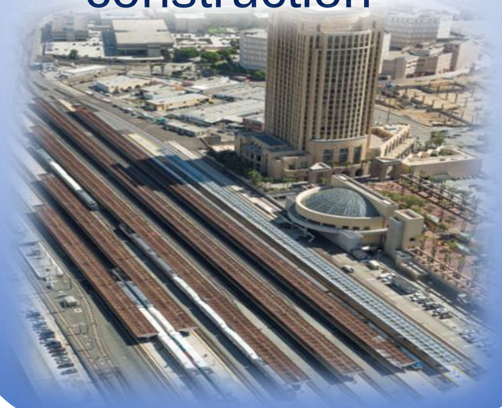
$606.3M (+4.7%)

- Increase in Express lanes

Metro Regional Rail

$158.5M (+8.4%)

- Projects transitioned to construction



Regional Allocations & Pass-Throughs

$2,064.1M (+8%)

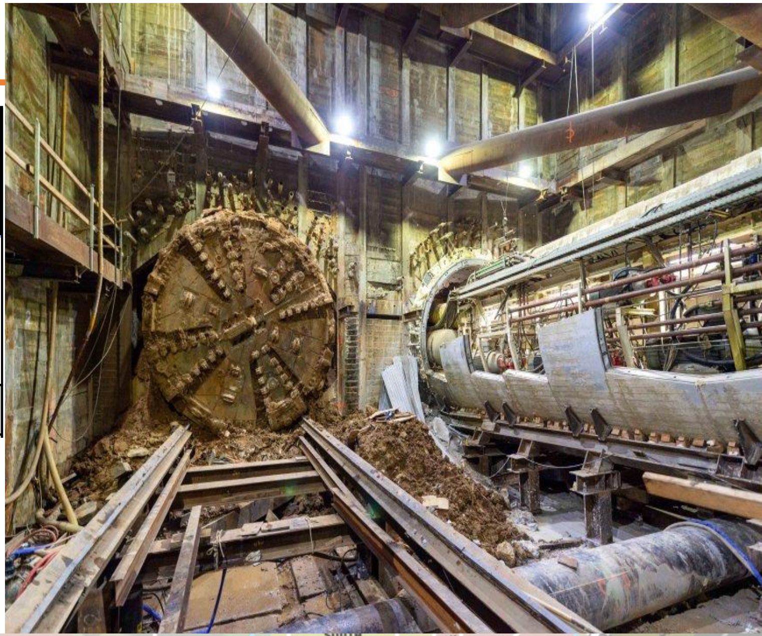
- Increase in sales tax

In FY23 the four programs account for 58.2% of total agency's budget:

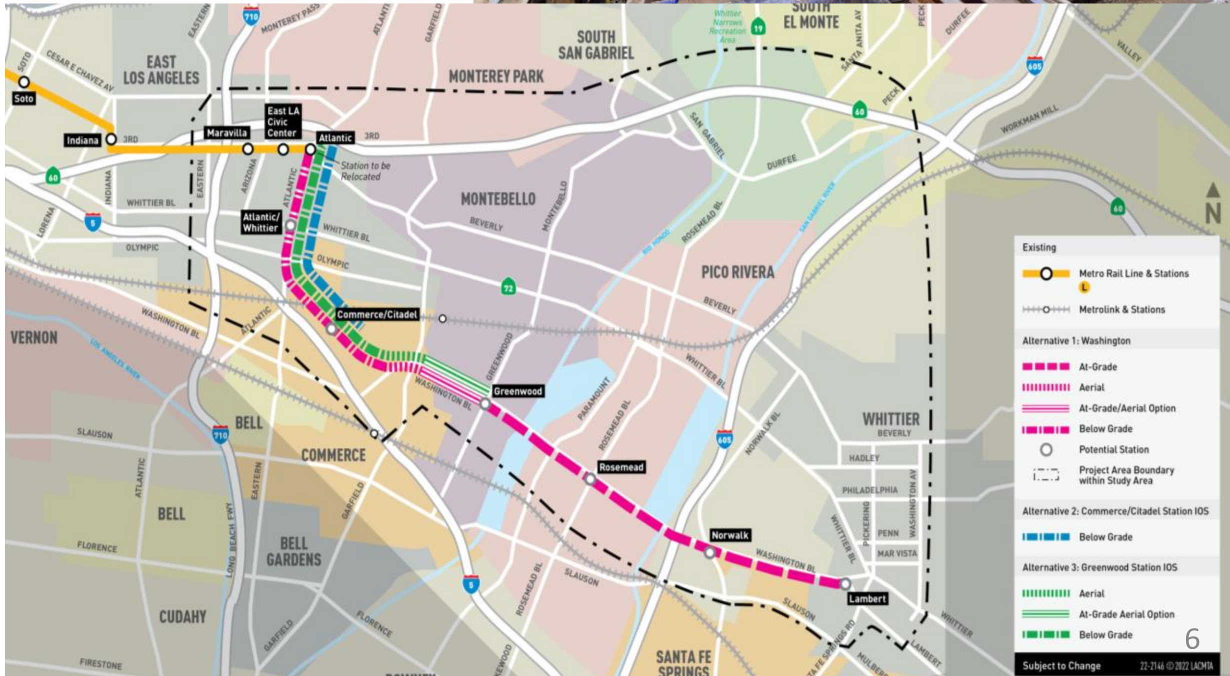
Transit Infrastructure Development	Highway Multimodal Development	Metro Regional Rail	Regional Allocations & Pass-Throughs
26.5%	6.6%	3.3%	21.7%

Transit Infrastructure Planning and Construction

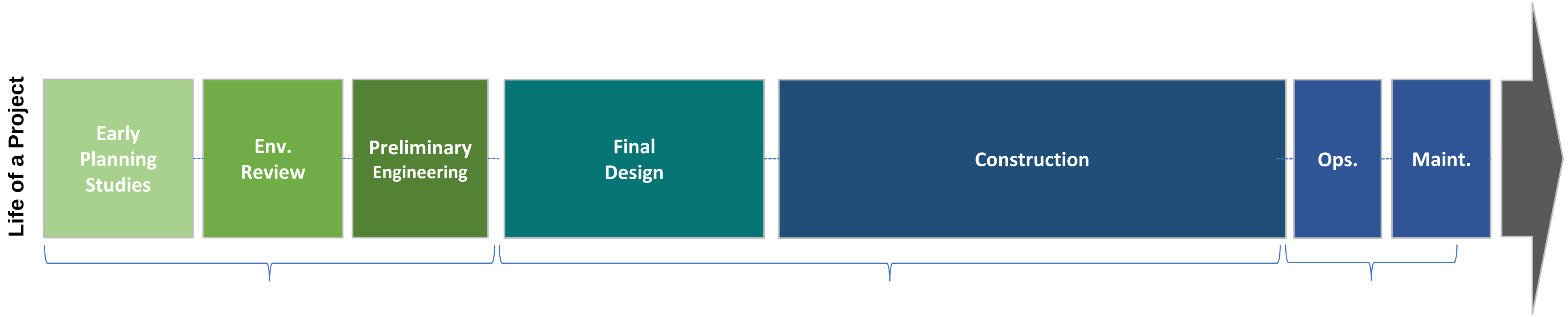
Summary ($ in millions)	FY23 Adopted	FY24 Preliminary	$ Change	% Change
Transit Construction	$ 2,116.0	$ 1,893.4	$ (222.5)	-10.5%
Transit Planning	172.2	277.7	105.6	61.3%
Program Support/Admin	16.0	19.6	3.57	22.3%
Grand Total	**$ 2,304.2**	**$ 2,190.8**	$ (113.4)	-4.9%



- Continue all major construction projects:
  - PLE Section 1, 2, 3 & support: 56% of construction budget
  - Foothill 2B, AMC, ESFV
- FY24 Budget $2.2B reflects $113M or 4.9% reduction from FY23:
  - Substantial completion of Regional Connector in FY23
  - Construction budget decreased to reflect realistic cash flow needs
- Planning studies increase $105.6M, 61.3%
  - Maintaining Measure M schedules for projects currently funded in LRTP or grant funded.
  - Increased involvement of construction group
  - BRT studies
- Program Support & Admin
  - Business Solution Center



Transit Infrastructure Planning and Construction Projects



Transit Planning ($ in millions)	FY24 Preliminary
Broadway BRT	$ 4.0
BRT Connector B/G Line to L Line	60.3
C (Green) Line South Bay	44.1
Crenshaw Northern	18.4
Eastside Access	5.3
Eastside Extension	22.4
North San Fernando Valley BRT	3.3
Sepulveda Corridor	71.3
SGV Feasibility Study	2.2
Vermont Transit Corridor	8.1
West Santa Ana Branch Corridor	38.3
TID Planning Total	**$ 277.7**

Transit Construction ($ in millions)	FY24 Preliminary
Airport Metro Connector	$ 177.7
D (Purple) Line Extension	1,064.7
East San Ferando	288.4
Expo Closeout	6.0
G (Orange) Line BRT	74.5
K Line (Crenshaw/LAX) Light Rail Transit	43.1
L (Gold) Line Foothill Ext 2A & 2B	220.3
Regional Connector	18.8
Transit Construction Total	**$ 1,893.4**

Multimodal Highway Program ($606.3m)

Bus
Improvements

$14.8m
+$3.6m (33%)

Capacity
Improvements

$186.3m
-25.5m (-12%)

Express / HOV
Improvements

$101.5m
+37.7m (59%)

General Planning

$12.7m
+3.4m (37%)

Local
Subregional Improvements

$266.9m
+5.2m (2%)

Traffic Noise Reduction & Property Maintenance

$24.1m
+2.5m (12%)

Overview:

- Increase in ExpressLane investments driven by the I-105 ExpressLane project.
- Other increases include dedicated bus lane and noise reduction investments.
- A decrease in Capacity Improvement investments as construction continues for legacy projects. New expansion projects (710N/S) are transitioning to Mobility Improvement Projects nominated by local municipalities under the "Local Subregion" subprogram.

Regional Rail ($158.5m)

Link Union Station:

- Complete ROW Acquisition
- Procure CM/GC contract

$96.6M

+$4.7m (5.1%)

Grade Separation Projects:

- Rosecrans: Full Construction.
- Doran St: Interim Improvements construction

$39.5M

-$.8m (-2%)

Double Tracking Projects:

Brighton to Roxbury and Lone Hill to CP White in final design

$16M

+$6.1m (62%)

High Desert Corridor Rail Service Plan and Other Metro Regional Rail Projects

$6.4M

+$2.3m (56%)

METROLINK

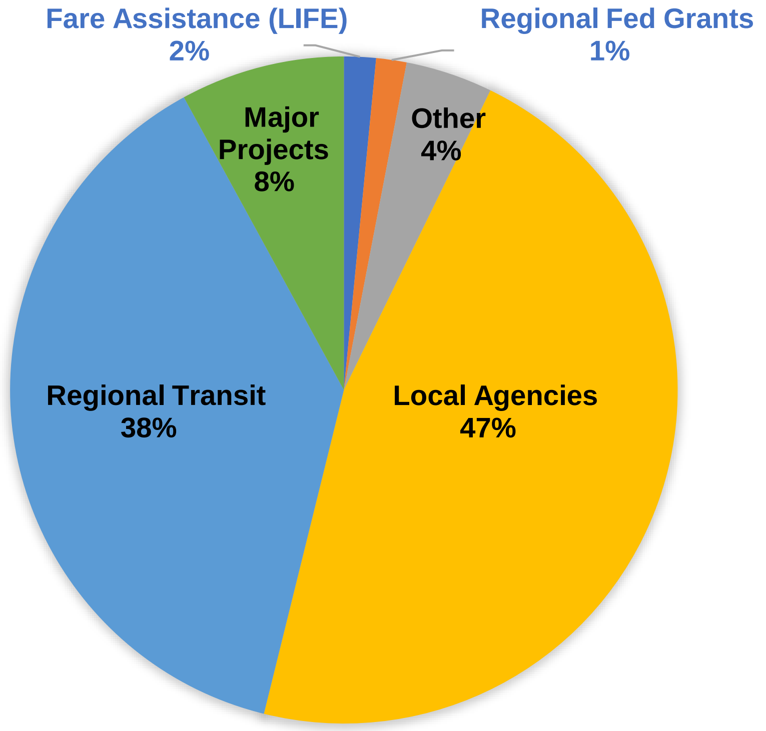
Metrolink's FY24 Budget is still under development and will be available upon receipt

Currently In Development

Overview:

- Double Tracking and Grade Separation projects transitioning from Final Design to Construction Phase
- High Desert Corridor moving from study phase to environmental / engineering phase.
- Metrolink subsidy still under development

Regional Allocations & Pass Throughs



Regional Allocations & Pass Throughs ($ millions)	FY23 Adopted	FY24 Preliminary	$ Change	% Change
Local Agencies	$ 822.4	$ 962.2	$ 139.9	17%
Regional Transit	692.5	788.3	95.8	14%
Major Projects	241.0	164.3	(76.7)	-32%
Other Local Programs	93.9	87.1	(6.7)	-7%
Regional Federal Grants	29.0	30.4	1.4	5%
Fare Assistance (LIFE)	30.3	31.9	1.6	5%
Total	**$ 1,908.9**	**$ 2,064.1**	**$ 155.2**	**8%**

(1) Excludes Funding Allocated to Metro Transit Operations

- 91% of funding passed through to transit operators & local jurisdictions per formula, federal guidelines, State law & Board policy
- Estimated 8% increase driven by higher projected sales tax
- Greatest increase within Local Agency Programs (17%) and Regional Transit (14%) and represents 85% of this program's budget

Metro

Public Outreach & Stakeholder Engagement

October 2022

- **Telephone Town Hall**
- Launch My Budget Tool: distributed via social media, e-blast, QR codes, flyers

November 2022

- Social Media launch My Metro Budget Marketing

December 2022

- **EFC engagement** for My Metro Budget – physical marketing cards

January 2023

- **Telephone Town Hall**
- Regional Service Council Budget Briefing

February 2023

- Finalization of My Metro Budget data, feedback solicited from departments

WE ARE HERE

March 2023

- Community Advisory Council
- **Telephone Town Hall – Mar 28**

April 2023

- San Gabriel Valley COG
- Gateway COG
- Policy Advisory Council
- Bus Operators Subcommittee
- Regional Service Council, Budget Briefing
- Streets & Freeways
- Community Advisory Council – General

May 2022

- Technical Advisory Committee
- Valley Industry and Commerce Association
- Local Transit Systems Subcommittee
- San Gabriel Valley COG
- **South Bay COG (added)**
- Bus Operators Subcommittee
- Accessibility Advisory Committee
- **Budget Public Hearing**
- **Board Adoption**

Note: Updated as additional meetings are scheduled.

ONGOING PUBLIC PARTICIPATION

Schedule & Next Steps

JAN
- Near-Term Update
- FY24 EZBB
- Prelim. Sales Tax & CPI Forecast
- Public Outreach & Engagement

FEB
- Sales Tax Forecast, Resources Assumptions
- Cost Inflation Estimates
- Other Expense Assumptions

MAR
- Transit Infrastructure
- Multimodal Hwy Investments
- Regional Rail
- Regional Allocations & Pass-Throughs

WE ARE HERE

APR
- Metro Transit - Operations & Maintenance (O&M) and Capital Improvement Program (CIP)
- Congestions Management
- Planning & Administration

MAY
- Consolidated Agency-wide Expenses & FTEs
- Proposed Budget Book
- Public Hearing
- Board Adoption