

**Authorizing Resolution**

**RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF PROPOSITION C SALES TAX REVENUE REFUNDING BONDS, APPROVING AMENDMENTS TO THE PROPOSITION C RESERVE FUND REQUIREMENT, AND APPROVING OTHER RELATED MATTERS**

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 National Association, as trustee (the "Trustee"), the LACMTA has issued several series of bonds, including its Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2006-A (the "Series 2006-A Bonds"); Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2008-A; Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2009-B; Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2009-D; Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2009-E; Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2010-A; Proposition C Sales Tax Revenue

Refunding Bonds, Senior Bonds, Series 2012-A; Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2012-B; Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds, 2013-A; 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 collectively, the “Prior Senior Lien Bonds”); and

WHEREAS, the LACMTA now desires to provide for the issuance of one or more Series from time to time and in one or more transactions of its Proposition C Sales Tax Revenue Refunding Bonds, Senior Bonds (the “Refunding Bonds”) (a) to refund all or a portion of the outstanding Series 2006-A Bonds; (b) to fund or make provision for one or more reserve funds or accounts; and (c) to pay the costs of issuance related thereto; and

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

WHEREAS, the LACMTA desires to amend certain provisions of the Trust Agreement to provide that the Refunding Bonds and bonds issued thereafter on a parity with the Prior Senior Lien Bonds, on and after the effective date of such amendment, shall not be required to be secured by the reserve fund established under the Trust Agreement, but rather may be secured by a separate reserve fund or by no reserve fund (the final form of any such amendments, the “Reserve Fund Amendments”), provided that prior to execution and delivery of the Supplemental Trust Agreement (defined below) initially containing the Reserve Fund Amendments, the LACMTA has received confirmation from Moody’s Investors Service and Standard & Poor’s Ratings Services that the Reserve Fund Amendments will not adversely affect their ratings of the Refunding Bonds or the Prior Senior Lien Bonds; and

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

(a) Supplemental Trust Agreement (the “Supplemental Trust Agreement”) 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, and which form includes a proposed form of the Reserve Fund Amendments;

(b) Preliminary Official Statement (the “Preliminary Official Statement”) to be used in connection with the offer and sale of the Refunding Bonds;

(c) a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) to be executed by the LACMTA to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, and which will provide for the annual and periodic update of certain financial and operating information;

(d) a Notice Inviting Bids (the “Notice Inviting Bids”) setting forth the terms and the manner in which proposals from qualified bidders for the purchase of the Refunding Bonds shall be received;

(e) a Notice of Intention to Sell Bonds (the “Notice of Intention to Sell Bonds”) to be published in connection with any proposed sale of the Refunding Bonds; and

(f) an Escrow Agreement (the “Escrow Agreement”) between the Trustee, acting as escrow agent, and the LACMTA, which agreement would provide for the deposit, investment and expenditure of moneys to refund all or a portion of the Series 2006-A Bonds; and

WHEREAS, the LACMTA hereby acknowledges that such 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 whether the Reserve Fund Amendments are to be included, 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 Board of the LACMTA hereby acknowledges that Section V(B) of the Debt Policy of the LACMTA contemplates that the LACMTA will achieve certain levels of target savings on any issuance of refunding bonds; and

WHEREAS, the Board of the LACMTA desires to permit the issuance of the Refunding Bonds in one more Series and from time to time so long as each issuance complies with the interest savings or other provisions of the Debt Policy of the LACMTA (including the provisions that give the Treasurer discretion with respect to various matters, including refunding savings on individual maturities); and

WHEREAS, the LACMTA has pledged the Proposition C Tax (less the 20% local allocation and the State Board of Equalization’s costs of administering such tax) (the “Pledged Taxes”) to secure the Prior Senior Lien Bonds; and

WHEREAS, the LACMTA desires to designate the Executive Director, Finance and Budget of the LACMTA, the Treasurer of the LACMTA, each Assistant Treasurer of the LACMTA, and any such officer serving in an acting or interim capacity, as an “Authorized Authority Representative” for all purposes under the Trust Agreement and the Supplemental Trust Agreement;

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 (THE “BOARD”) OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, AS FOLLOWS:

1. **Findings.** The LACMTA hereby finds and determines that:

(a) The issuance of the Refunding Bonds to refund all or any portion of the Series 2006-A Bonds, to fund or make provision for one or more reserve funds or

accounts (as and to the extent determined by a Designated Officer) and to pay the costs of issuance related thereto 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 Lien Bonds were issued, pledged to secure the Prior Senior Lien 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 to be set forth in one or more Supplemental Trust Agreements, including the Reserve Fund Amendments, are reasonable and proper for the security of the holders of the Refunding Bonds.

**2. Issuance of Refunding Bonds.** The Board of the LACMTA hereby authorizes the issuance of one or more Series of Refunding Bonds from time to time for the purpose of (a) refunding all or any portion of the Series 2006-A Bonds; (b) funding or making provision for one or more reserve funds or accounts as and to the extent determined by a Designated Officer; and (c) paying the costs of issuance related thereto; *provided, however*, that, as of the date of sale of the Refunding Bonds, the issuance of such Series of Refunding Bonds satisfies the requirements of the Debt Policy of the LACMTA as determined and calculated in the discretion of the Treasurer of the LACMTA, which shall be conclusive for all purposes of this Resolution. The LACMTA hereby specifies that each Series of Refunding Bonds shall not mature later than July 1, 2030. The Chief Executive Officer of the LACMTA, any Executive Director, Finance and Budget of the LACMTA, any Treasurer of the LACMTA, any Assistant Treasurer of the LACMTA, or any such officer serving or acting in an interim capacity, or any written designee of any of them (each, a “Designated Officer”), acting in accordance with this Section 2, are each hereby authorized to determine the actual aggregate principal amount of each Series of Refunding Bonds to be issued 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.

**3. Terms of Refunding Bonds.** The Refunding Bonds shall, when issued, be in the aggregate principal amounts and shall be dated as shall be provided in the applicable 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 applicable Supplemental Trust Agreement. Interest on the Refunding Bonds shall be paid on the dates set forth in the applicable Supplemental Trust Agreement. The Refunding Bonds shall be subject to redemption at the option of the LACMTA on such terms and conditions as shall be set forth in the applicable Supplemental Trust Agreement. The Refunding Bonds shall also be subject to mandatory sinking fund redemption as and to the extent set forth in the applicable Supplemental Trust Agreement. Payment of principal of, and interest and premium, if any, on the Refunding Bonds shall be made at the place or places and in the manner provided in the applicable Supplemental Trust Agreement.

Execution and delivery of one or more Supplemental Trust Agreements, which document contains the maturities, 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, interest rates and payment obligations.

4. **Pledge of Pledged Taxes.** The Pledged Taxes are hereby irrevocably pledged in accordance with the terms of the Trust Agreement to secure the Prior Senior Lien Bonds, the Refunding Bonds and any additional bonds which may subsequently be issued under and secured by the terms of the Trust Agreement. Except for the Prior Senior Lien Bonds, the LACMTA hereby confirms that it has not previously granted any prior or parity interest in such Pledged Taxes, and the LACMTA hereby agrees that, except as permitted by the Trust Agreement (as amended, in accordance with its terms), it will not, as long as any of the Refunding Bonds remain outstanding, grant or attempt to grant any prior or parity pledge, lien or other interest in the Pledged Taxes to secure any other obligations of the LACMTA.

5. **Special Obligations.** The Refunding Bonds shall be special obligations of the LACMTA secured by and payable from the Pledged Taxes 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.

6. **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 the applicable Supplemental Trust Agreement, with such necessary or appropriate variations, omissions and insertions as permitted or required by the Trust Agreement or the applicable Supplemental Trust Agreement or as appropriate to adequately reflect the terms of such Refunding Bonds and the obligation represented thereby.

7. **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.

8. **Approval of Reserve Fund Amendments.** Each of the Designated Officers is hereby authorized and directed to enter into the Reserve Fund Amendments in substantially the form set forth in the form of the Supplemental Trust Agreement on file with the Secretary of the Board and made available to the Board and hereby approved, with such changes as the Designated Officer executing and delivering the Supplemental Trust Agreement containing such amendments determines are appropriate or necessary, such determination to be conclusively evidenced by such execution and delivery; provided that LACMTA has received oral or written confirmation from Moody's Investors Service and Standard & Poor's Ratings Services that the Reserve Fund Amendments are not expected to adversely affect their ratings of the Refunding Bonds or the Prior Senior Lien Bonds in form and substance satisfactory to the Designated Officer executing the Supplemental Trust Agreement containing the Reserve Fund Amendments, such satisfaction to be conclusively evidenced by such execution and delivery.

9. **Approval of Documents, Authorization for Execution.** Each of the Designated Officers is hereby authorized and directed to have prepared and to execute, acknowledge and deliver in the name of and on behalf of the LACMTA one or more Supplemental Trust Agreements, one or more Escrow Agreements, one or more Continuing Disclosure Certificates, one or more Notices Inviting Bids and one or more Notices of Intention to Sell Bonds, all in substantially the forms on file with the Secretary of the Board and made available to the Board and hereby approved, with such changes as any Designated Officer determines are appropriate or necessary, in each case, to the extent, in the form, and with the terms and provisions as the Designated Officer executing the same shall determine are appropriate and necessary for the issuance of the Refunding Bonds and, if applicable, the Reserve Fund Amendments, including, but not limited to, affirmative and negative covenants relating to the Refunding Bonds and the finances and operations of the LACMTA and any amendments, modifications and/or supplements to the Trust Agreement. All Supplemental Trust Agreements, Escrow Agreements, Continuing Disclosure Certificates, Notices Inviting Bids and Notices of Intention to Sell Bonds are collectively referred to herein as the “Related Documents” and each a “Related Document.”

10. **Sale of Refunding Bonds.**

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

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

(c) Each Designated Officer is authorized and directed to cause any Notice Inviting Bids to be published at least once in *The Los Angeles Daily Journal* (or such other publication as may be selected by a Designated Officer) not less than five days prior to the sale of the Refunding Bonds and to print and distribute (including via electronic methods) any Notice Inviting Bids to such municipal broker-dealers, banking and financial institutions and other persons as the Designated Officer deems necessary or desirable, and any such action previously taken is hereby confirmed, ratified and approved.

(d) Each Designated Officer is hereby authorized and directed to cause the Notices of Intention to Sell Bonds to be published from time to time (after completion, modification or correction thereof reflecting the terms of the Refunding Bonds, as approved by said Designated Officer, such approval to be conclusively evidenced by such publication) in *The Bond Buyer* (or such other publication as may be selected by a Designated Officer), a financial publication generally circulated throughout the State of California, at least five days prior to the sale of the Refunding Bonds in accordance with

Section 53692 of the Government Code of the State of California and any such action previously taken is hereby confirmed, ratified and approved.

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

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

(g) Each Designated Officer, on behalf of the LACMTA, is further authorized and directed to cause notice to be provided to the California Debt and Investment Advisory Commission (“CDIAC”) of the proposed sale of the Refunding Bonds, said notice to be provided in accordance with Section 8855 et seq. of the California Government Code, to file the notice 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, 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 prior such notices are hereby ratified, confirmed and approved.

11. **Preliminary Official Statement and Official Statement.** In connection with the issuance of the Refunding Bonds, the LACMTA hereby authorizes the circulation in electronic and/or printed form of one or more Preliminary Official Statements. The Preliminary Official Statement(s) 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 Secretary of the Board and made available to the Board and hereby approved, with such changes as any Designated Officer determines are appropriate or necessary. Each Preliminary Official Statement shall also contain a description of the applicable Refunding Bonds and the terms and conditions of the applicable Supplemental Trust Agreement together with such information and description as a Designated Officer determines is appropriate or necessary. Each Preliminary Official Statement shall be circulated 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.

Upon the sale of any Series of Refunding Bonds, the Designated Officers shall provide for the preparation, publication, execution and delivery in electronic and/or printed form of one or more final Official Statements in substantially the form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board with such changes as any Designated Officer determines are appropriate or necessary. Any Designated Officer is hereby authorized and directed to execute and deliver 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 the Designated Officers deem appropriate or necessary. Each Official Statement shall be circulated for use in selling the Refunding Bonds at such time or times as a Designated Officer deems appropriate.

12. **Paying Agent, Registrar and Escrow Agent.** The LACMTA hereby appoints the Trustee as Paying Agent for the Refunding Bonds, appoints the Trustee as Registrar for the Refunding Bonds, and appoints the Trustee as Escrow Agent under any Escrow Agreement. 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.

13. **Authorized Authority Representative.** The Board hereby designates the Executive Director, Finance and Budget of the LACMTA, the Treasurer of the LACMTA each Assistant Treasurer of the LACMTA, and any such officer serving in an acting or interim capacity, as an "Authorized Authority Representative" for all purposes under the Trust Agreement, the Supplemental Trust Agreement, and any amendments or supplements to the Trust Agreement or Supplemental Trust Agreement. Such appointment shall remain in effect until modified by resolution. The prior designation of officers, including the Chairperson and the Chief Executive Officer, as Authorized Authority Representatives under the Trust Agreement and any amendments or supplements thereto shall continue.

14. **Additional Authorization.** The Designated Officers and all officers, agents and employees of the LACMTA, for and on behalf of the LACMTA, are each authorized and directed to do any and all things necessary to effect the execution and delivery of the Refunding Bonds and the Related Documents and to carry out the terms thereof. The Designated Officers and all other officers, agents and employees of the LACMTA are further authorized and directed, for and on behalf of the LACMTA, to execute all papers, documents, certificates and other instruments that may be required in order to carry out the authority conferred by this Resolution or the provisions of the Trust Agreement, each Supplemental Trust Agreement and the Related Documents 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 investments in Permitted Investments (defined in the Trust Agreement) of the proceeds of the Refunding Bonds and of the Pledged Taxes including the execution and delivery of investment agreements related thereto; the execution by a Designated Officer and the delivery of the Tax Certificate as required by the Supplemental Trust Agreement for the purpose of complying with the rebate requirements of the Internal Revenue Code of 1986, as amended; and the execution and delivery of documents required by The Depository Trust Company in connection with the Book-Entry Refunding 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.

15. **Continuing Authority of Designated Officers.** The authority of any individual serving as a Designated Officer under this Resolution by a written designation signed by any Chief Executive Officer, any Executive Director, Finance and Budget, any Treasurer, or any Assistant Treasurer 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.

16. **Further Actions.** From and after the delivery of the Refunding Bonds, the Designated Officers and each of them are hereby authorized and directed to amend, supplement or otherwise modify any Related Document 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, the execution of such amendment, supplement or other modification being conclusive evidence of LACMTA's approval thereof.

17. **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, verification agents, financial advisors, the costs associated with rating agencies, bond insurance and surety bonds, printing, publication and mailing expenses, and any related filing fees.

18. **Investment Agreements.** In connection with the issuance of the Refunding Bonds, each of the Designated Officers is hereby authorized and directed to terminate, amend, assign or otherwise dispose of any investment agreement relating to the Series 2006-A Bonds, including the Forward Purchase and Sale Agreement, dated December 12, 2006, by and between SunTrust Bank, the LACMTA and the Trustee, in such manner and on such terms and provisions as any such Designated Officer shall determine is appropriate or necessary.

19. **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.

20. **Effective Date.** This Resolution shall be effective upon adoption and shall be effective with respect to Refunding Bonds issued on or before December 31, 2016.

21. **Contract.** This Resolution and the pledge of the Pledged Taxes contained herein shall constitute a contract between the LACMTA and the holders of the Refunding Bonds.

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CERTIFICATION

The undersigned, duly qualified and acting as Board Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct copy of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on \_\_\_\_\_, 2016.

\_\_\_\_\_  
LACMTA Board Secretary

DATED: \_\_\_\_\_