

**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 MEASURE R SENIOR SALES TAX REVENUE BONDS, APPROVING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST AGREEMENT, A PURCHASE CONTRACT, A CONTINUING DISCLOSURE CERTIFICATE AND PRELIMINARY AND FINAL OFFICIAL STATEMENTS, AND THE TAKING OF ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH

**(MEASURE R SALES TAX)**

WITNESSETH:

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the "LACMTA") is a county transportation commission duly organized and existing pursuant to Section 130050.2 of the California Public Utilities Code; and

WHEREAS, the LACMTA is authorized by Sections 130350.4 and 130350.5 of the California Public Utilities Code to impose a retail transactions and use tax at a rate of 0.5% that is applicable in the incorporated and unincorporated areas of the County of Los Angeles, California (the "County") if authorized by at least two-thirds of the electors voting on the issue; and

WHEREAS, in accordance with such provision, the LACMTA, on July 24, 2008, adopted Ordinance No. 08-01, known as the Traffic Relief and Rail Expansion Ordinance, Imposing a Transactions and Use Tax to be Administered by the State Board of Equalization (the "Ordinance") imposing the transactions and use tax for a period of 30 years, and the Ordinance was submitted to the electors of the County in the form of Measure R and approved by more than a two-thirds vote at an election held on November 4, 2008; and

WHEREAS, the Ordinance, as so approved, imposes for a period of 30 years, beginning July 1, 2009, a tax upon the sale of tangible personal property at retail at a rate of 1/2 of 1% of the gross receipts of the sale and a complementary tax upon the storage, use or other consumption in the County at a rate of 1/2 of 1% of the sales price of the property whose storage, use or other consumption is subject to the tax (the "Measure R Sales Tax"); and

WHEREAS, Section 130500 et seq. of the California Public Utilities Code (the "Act") provides that the LACMTA may issue bonds, which terms includes indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations, and all of such obligations shall be special obligations of the LACMTA, payable from the proceeds of the Measure R Sales Tax; and

WHEREAS, pursuant to the Act and the provisions of the Amended and Restated Trust Agreement, dated as of February 1, 2014 (as supplemented and amended from time to time, the "Trust Agreement"), between the LACMTA and U.S. Bank National Association (the "Trustee"), the LACMTA is authorized to issue Senior Bonds, Subordinate Obligations and Junior Subordinate Obligations (each as defined in the Trust Agreement); and

WHEREAS, the LACMTA has determined that the issuance of one or more series of Senior Bonds, in an aggregate principal amount not to exceed \$600,000,000, is necessary in order to (a) finance and refinance the costs of projects authorized in the Expenditure Plan adopted as part of the Ordinance (the “Expenditure Plan”); (b) refund and repay certain Subordinate Obligations previously issued to finance and refinance the costs of projects authorized in the Expenditure Plan; and (c) pay the costs of issuance incurred in connection with such Senior Bonds (collectively, the “Financing”); and

WHEREAS, the LACMTA has determined that such Senior Bonds shall be entitled “Los Angeles County Metropolitan Transportation Authority Measure R Senior Sales Tax Revenue Bonds,” with such series designations and other additions and modifications as may be appropriate (collectively, the “Series 2016 Bonds”); and

WHEREAS, the LACMTA has determined that it is in its best interest to sell the Series 2016 Bonds to the public through a negotiated sale to the underwriters selected through a competitive process by the LACMTA and approved by the Board pursuant to this Resolution (the “Underwriters”); and

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

(a) a Supplemental Trust Agreement (the “Series 2016 Supplemental Trust Agreement”) by and between the LACMTA and the Trustee, which, along with the Trust Agreement, shall set forth the terms and provisions of the Series 2016 Bonds;

(b) a Purchase Contract (the “Purchase Contract”), to be entered into by one or more of the Underwriters and the LACMTA, which shall set forth the terms of the sale of the Series 2016 Bonds;

(c) a Preliminary Official Statement (the “Preliminary Official Statement”), which will provide information about the Series 2016 Bonds, the LACMTA, the Measure R Sales Tax and certain other related matters, and will be used, from time to time, in connection with the offer and sale of the Series 2016 Bonds; and

(d) a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), to be executed by the LACMTA, which will be used in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5); and

WHEREAS, the LACMTA has been advised by its Bond Counsel that such documents are in appropriate form, and the LACMTA hereby acknowledges that said documents will be modified and amended to reflect the various details applicable to the Series 2016 Bonds and said documents are subject to completion to reflect the results of the sale of the Series 2016 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 Series 2016 Supplemental Trust Agreement, the Purchase Contract and the Continuing Disclosure Certificate, the preparation of the Preliminary Official Statement and the execution and delivery of the Official Statement (as hereinafter defined) for the purposes, in the manner and upon the terms provided; and

WHEREAS, the LACMTA has pledged the Pledged Revenues pursuant to the terms of the Trust Agreement to secure the Senior Bonds and certain other obligations of the LACMTA, and once issued, the Series 2016 Bonds will be 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, terms used in this Resolution and not otherwise defined herein shall have the meanings assigned to them in the Trust Agreement and the Series 2016 Supplemental 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 Board finds and determines that the foregoing recitals are true and correct.

**Section 2. Issuance of Series 2016 Bonds.** The Board hereby authorizes the issuance by the LACMTA of one or more series of Series 2016 Bonds in a total aggregate principal amount not to exceed \$600,000,000 to (a) finance and refinance the costs of projects authorized in the Expenditure Plan, (b) refund and repay certain Subordinate Obligations previously issued to finance and refinance the costs of projects authorized in the Expenditure Plan, and (c) pay the costs of issuance incurred in connection with the Series 2016 Bonds. The LACMTA hereby specifies that each series of Series 2016 Bonds shall not mature later than June 30, 2039. The Series 2016 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 (“CEO”) of the LACMTA, the Chief Financial Officer of the LACMTA, any Treasurer of the LACMTA, any Assistant Treasurer of the LACMTA, or 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 each series of Series 2016 Bonds to be issued (not in excess of the maximum amount set forth above), and to direct the execution and authentication of the Series 2016 Bonds in such amount. Such direction shall be conclusive as to the principal amounts hereby authorized. Payment of the principal of, interest on and premium, if any, on the Series 2016 Bonds shall be made at the place or places and in the manner provided in the Trust Agreement and the Series 2016 Supplemental Trust Agreement.

**Section 3. Terms of Series 2016 Bonds.** The Series 2016 Bonds shall be issued as current interest bonds and shall be available in denominations of \$5,000 and integral multiples thereof. The Series 2016 Bonds shall, when issued, be in the aggregate principal amounts and shall be dated as shall be provided in the final form of the Series 2016 Supplemental Trust Agreement. The Series 2016 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 Series 2016 Supplemental Trust Agreement.

Interest on the Series 2016 Bonds shall be paid at the rates and on the dates set forth in the Series 2016 Supplemental Trust Agreement. No Series 2016 Bond shall bear interest at a rate in excess of 6.00% per annum. The Series 2016 Bonds shall be subject to redemption at the option of the LACMTA on such terms and conditions as shall be set forth in the Series 2016 Supplemental Trust Agreement and the Purchase Contract. The Series 2016 Bonds issued as term bonds also shall be subject to mandatory sinking fund redemption as shall be set forth in the Series 2016 Supplemental Trust Agreement and the Purchase Contract.

Execution and delivery of the Series 2016 Supplemental Trust Agreement, which document will contain the maturities, interest rates and the fixed interest payment obligations of the LACMTA within parameters set forth in this Resolution, shall constitute conclusive evidence of the LACMTA's approval of such maturities, interest rates and payment obligations.

**Section 4. Form of Series 2016 Bonds.** The Series 2016 Bonds and the Trustee's Certificate of Authentication to appear thereon shall be in substantially the form set forth in Exhibit A to the Series 2016 Supplemental Trust Agreement on file with the Secretary of the Board and made available to the Board, with such necessary or appropriate variations, omissions and insertions as permitted or required by the Trust Agreement or the Series 2016 Supplemental Trust Agreement or as appropriate to adequately reflect the terms of such Series 2016 Bonds and the obligation represented thereby.

**Section 5. Execution of Series 2016 Bonds.** Each of the Series 2016 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 Series 2016 Bonds.

**Section 6. Approval of Series 2016 Supplemental Trust Agreement.** The form, terms and provisions of the Series 2016 Supplemental Trust Agreement on file with the Secretary of the Board and made available to the Board, within the parameters set forth in this Resolution, are in all respects approved, and each of the Designated Officers is hereby severally authorized, empowered and directed to execute, acknowledge and deliver in the name of and on behalf of the LACMTA the Series 2016 Supplemental Trust Agreement, including counterparts thereof. The Series 2016 Supplemental Trust Agreement, as executed and delivered, shall be in substantially the form now on file with the Secretary of the Board and made available to the Board and hereby approved, or with such changes therein as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Series 2016 Supplemental Trust Agreement now on file with the Secretary of the Board and made available to the Board; and from and after the execution and delivery of the Series 2016 Supplemental Trust 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 the Series 2016 Supplemental Trust Agreement.

## **Section 7. Sale of Series 2016 Bonds.**

(a) The Board hereby authorizes the initial sale of the Series 2016 Bonds to the public through a negotiated sale to the Underwriters. The Series 2016 Bonds shall be sold subject to an underwriters' discount (excluding original issue discount and premium) not to exceed \$1.50 per \$1000 of principal amount of the Series 2016 Bonds and subject to the terms and conditions set forth in the form of the Purchase Contract. The form, terms and provisions of the Purchase Contract on file with the Secretary of the Board and made available to the Board, within the parameters set forth in this Resolution, and the Underwriters named therein, are in all respects approved, and each of the Designated Officers is hereby severally authorized, empowered and directed to execute, acknowledge and deliver from time to time the Purchase Contract, including counterparts thereof, in the name of and on behalf of the LACMTA. The Purchase Contract, as executed and delivered, shall be in substantially the form now on file with the Secretary of the Board and made available to the Board and hereby approved, or with such changes therein as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the LACMTA's approval of any and all changes or revisions therein from the form of the Purchase Contract now on file with the Secretary of the Board and made available to the Board; and from and after the execution and delivery of the Purchase Contract, 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 the Purchase Contract.

(b) The form of the Preliminary Official Statement on file with the Secretary 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 Secretary of the Board and made available to the Board with such changes as a Designated Officer approves (such approval to be conclusively evidenced by the execution and delivery of the certificate referenced in the following sentence). The Preliminary Official Statement shall be circulated for use in selling the Series 2016 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 Measure R Sales Tax and a description of historical receipts of sales tax revenues substantially in the form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board with such changes as any Designated Officer determines are appropriate or necessary. The Preliminary Official Statement shall also contain a description of the applicable Series 2016 Bonds and the terms and conditions of the Trust Agreement and the Series 2016 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 written format and/or through electronic means) the Preliminary Official Statement for use in selling the Series 2016 Bonds from time to time. The Underwriters are hereby further authorized to distribute (via written format and/or through electronic

means) copies of the LACMTA's most recent annual audited financial statements and such other financial statements of the LACMTA as any Designated Officer shall approve.

(c) Upon the execution and delivery of the Purchase Contract, from time to time, 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 to the Underwriters reflecting updated and revised information as shall be acceptable to the Underwriters and as the Designated Officers, or any one of them, approve. Each final Official Statement shall be circulated (via written format and/or through electronic means) for use in selling the Series 2016 Bonds at such time or times as a Designated Officer deems appropriate after consultation with the Underwriters, the LACMTA's Financial Advisor and Bond Counsel and such other advisors as a Designated Officer believes to be useful. The Underwriters are hereby authorized to circulate (via written format and/or through electronic means) the final Official Statement, any supplement to the final Official Statement and any revised final Official Statement, as the case may be.

(d) The form, terms and provisions of the Continuing Disclosure Certificate on file with the Secretary of the Board and made available to the Board, within the parameters set forth in this Resolution, are hereby approved and the LACMTA's obligation to provide the information as described therein is 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 the Continuing Disclosure Certificate. The Continuing Disclosure Certificate, as executed and delivered, shall be in substantially the form on file with the Secretary of the Board and made available to the Board and hereby approved, or with such changes therein as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the LACMTA's approval of any and all changes or revisions therein from the form of the Continuing Disclosure Certificate on file with the Secretary of the Board and made available to the Board, and from and after the execution and delivery of the Continuing Disclosure Certificate, 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 the Continuing Disclosure Certificate.

(e) Any Designated Officer, on behalf of the LACMTA, is further authorized and directed to cause written notice to be provided to the California Debt and Investment Advisory Commission ("CDIAC") of the proposed sale of the Series 2016 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, if necessary, and to file such additional notices and reports as are deemed necessary or desirable by such Designated Officer in connection with the Series 2016 Bonds, and any such notices are hereby ratified, confirmed and approved.

(f) Each Designated Officer's authority to approve the final terms of the sale of the Series 2016 Bonds and to execute or to direct the execution of the Purchase Contract shall commence upon the date of adoption of this Resolution and shall continue for twelve calendar months thereafter unless rescinded or modified by subsequent action of the LACMTA prior to the time that a Purchase Contract has been duly signed and delivered.

**Section 8. Bond Insurance.** In connection with the sale of all or a portion of the Series 2016 Bonds, any Designated Officers is hereby authorized on behalf of the LACMTA to purchase or otherwise arrange for the provision of (including the payment of such premiums, fees and other costs and expenses as such Designated Officer determines acceptable), one or more policies of municipal bond insurance to support the timely payment of principal of and interest on all or a portion of the Series 2016 Bonds, said municipal bond insurance to contain such terms and conditions as such Designated Officer(s) shall determine is appropriate or necessary for the issuance of the Series 2016 Bonds.

**Section 9. Investments.** Each Designated Officer is hereby authorized to invest the proceeds of the Series 2016 Bonds in accordance with the Trust Agreement and the Series 2016 Supplemental Trust 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 and the Series 2016 Supplemental Trust Agreement, on such terms as the Designated Officer shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the LACMTA hereby finds and determines that the Investment Agreement will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and 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 Series 2016 Bonds or enhance the relationship between risk and return with respect to investments.

**Section 10. Additional Authorizations.** All actions heretofore taken by the officers, employees and agents of the LACMTA with respect to the Financing and the issuance and sale of the Series 2016 Bonds are hereby ratified, confirmed and approved. The officers, employees and agents of the LACMTA are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the LACMTA, to do any and all things and to take any and all actions and to execute and deliver any and all agreements, certificates and documents, including, without limitation, any tax certificates or agreements, any agreements for depository services, and any agreements for rebate compliance services, which they, or any of them, may deem necessary or advisable in order to consummate the Financing and the issuance and sale of the Series 2016 Bonds, to manage and administer the Financing after the issuance and sale of the Series 2016 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of the Ordinance, this Resolution, the Series 2016 Bonds and the documents approved hereby.

All approvals, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Series 2016 Bonds, including, without limitation, any of the foregoing that may be necessary or desirable in connection with any investment of proceeds of the Series 2016 Bonds, or in connection with the addition, substitution or replacement of underwriters, or any agreements with paying agents or the Trustee or any similar action may be given or taken by any Designated Officer without further authorization or direction by the LACMTA, and each Designated Officer is hereby authorized and directed to give any such approval, consent, direction, notice, order, request, or other action and to execute such documents and take any such action which such Designated Officer may deem necessary or desirable to further the purposes of this Resolution.

**Section 11. Continuing Authority of Designated Officers.** The authority of any individual serving as a Designated Officer under this Resolution by a written designation signed by the CEO of the LACMTA, the Chief Financial Officer of the LACMTA, any Treasurer of the LACMTA, or any Assistant Treasurer of the LACMTA shall remain valid notwithstanding the fact that the individual officer of the LACMTA signing such designation ceases to be an officer of the LACMTA, unless such designation specifically provides otherwise.

**Section 12. Further Actions.** From and after the delivery of the Series 2016 Bonds, the Designated Officers and each of them are hereby authorized and directed to amend, supplement or otherwise modify the Series 2016 Supplemental Trust Agreement and the Continuing Disclosure Certificate 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 Financial Advisor and Bond Counsel, the execution of such amendment, supplement or other modification being conclusive evidence of the LACMTA's approval thereof. Further, the Designated Officers and each of them are hereby authorized and directed to terminate any municipal bond insurance policy or investment agreement and enter into one or more municipal bond insurance policies or investment agreements as any such Designated Officer shall determine is appropriate or necessary.

**Section 13. Costs of Issuance.** The LACMTA authorizes funds of the LACMTA, together with the proceeds of the Series 2016 Bonds, to be used to pay costs of issuance of the Series 2016 Bonds, including, but not limited to, costs of attorneys, accountants, financial advisors, trustees, the costs associated with rating agencies, bond insurance and surety bonds, printing, publication and mailing expenses and any related filing fees.

**Section 14. 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 sections, phrases and provisions shall not affect any other provision of this Resolution.

**Section 15. Effective Date.** The effective date of this Resolution shall be the date of its adoption.



**Authorizing Resolution**

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.

[SEAL]

By \_\_\_\_\_  
Board Secretary, Los Angeles County  
Metropolitan Transportation Authority

Dated: \_\_\_\_\_, 2016