

Authorizing Resolution

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A TIFIA LOAN AGREEMENT FOR THE WESTSIDE PURPLE LINE EXTENSION SECTION 2 PROJECT IN A PRINCIPAL AMOUNT NOT TO EXCEED \$307,000,000, A FOURTH SUPPLEMENTAL TRUST AGREEMENT SUPPLEMENTING AND AMENDING THE AMENDED AND RESTATED TRUST AGREEMENT RELATING TO THE MEASURE R SALES TAX, AND AUTHORIZING ALL ACTIONS NECESSARY OR DESIRABLE IN CONNECTION THEREWITH

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) has applied to the U.S. Department of Transportation (acting on its own behalf or acting by and through the Federal Transit Administration or the Federal Highway Administration, “USDOT”) for a Transportation Infrastructure Finance and Innovation Act (TIFIA) Secured (Direct) Loan (the “TIFIA Loan”) in the initial principal amount of not to exceed \$307,000,000 in connection with the Westside Purple Line Extension Section 2 Project (the “Project”); and

WHEREAS, the basic terms of the TIFIA Loan include the following: (i) LACMTA shall be the Borrower under the TIFIA Loan; (ii) the initial principal amount of the TIFIA Loan shall not exceed \$307,000,000; (iii) the interest rate on the TIFIA Loan shall be not greater than 6.5% per annum; (iv) the obligation to pay the TIFIA Loan shall be secured by a junior subordinate pledge of Measure R Sales Tax revenues; and (v) the final maturity of the TIFIA Loan shall not be later than the expiration date of the Measure R Sales Tax; and

WHEREAS, in order to document the terms of the TIFIA Loan, LACMTA wishes to negotiate and enter into a loan agreement relating to the TIFIA Loan substantially on the terms set forth above (the “TIFIA Loan Agreement”); and

WHEREAS, in order to secure its obligation to make payments under the TIFIA Loan to USDOT, LACMTA will pledge, on a junior subordinate basis, Pledged Revenues consisting of monthly Measure R Sales Tax revenues, less any refunds and the administrative fee paid to the California State Board of Equalization in connection with the collection and disbursement of the Measure R Sales Tax, less 15% thereof which constitutes the Local Return allocated to local jurisdictions pursuant to the Measure R Ordinance, as provided under the existing Measure R Trust Agreement, as amended from time to time; and

WHEREAS, in order to provide for the issuance of bonds secured by the Measure R Sales Tax, LACMTA has heretofore executed and delivered the Amended and Restated Trust Agreement, dated as of February 1, 2014, by and between LACMTA and U.S. Bank National Association, as trustee (the “Trustee”), as supplemented and amended by the First Supplemental Trust Agreement, dated as of November 1, 2010, the Second Supplemental Trust Agreement, dated as of February 20, 2014, and the Third Supplemental Trust Agreement, dated as of May 21, 2014, each by and between LACMTA and the Trustee (collectively, the “Measure R Trust Agreement”); and

WHEREAS, as contemplated by the TIFIA Loan Agreement, LACMTA and the Trustee desire to enter into a Fourth Supplemental Trust Agreement (the “Fourth Supplemental Trust Agreement”) providing for the issuance of a junior subordinate sales tax revenue bond evidencing the obligation to repay the TIFIA Loan, supplementing and amending the Measure R Trust Agreement; and

WHEREAS, the Board desires to authorize and direct the negotiation, execution and delivery of the TIFIA Loan Agreement, the Fourth Supplemental Trust Agreement and such other agreements, instruments and documents as are necessary or desirable in connection with the TIFIA Loan and to authorize and direct the consummation of the TIFIA Loan Agreement; and

WHEREAS, the Measure R Independent Taxpayers Oversight Committee has made a finding, pursuant to the Measure R Ordinance, that the economic, environmental and transit benefits of the TIFIA Loan, which would free up Measure R funds to potentially accelerate delivery of Measure R transit capital projects, exceed the issuance and interest costs; and

WHEREAS, the TIFIA Loan is in compliance with the Debt Policy of LACMTA; and

WHEREAS, LACMTA is duly authorized and empowered, pursuant to each and every requirement of law, to authorize the TIFIA Loan, to authorize the execution and delivery of the TIFIA Loan Agreement, the Fourth Supplemental Trust Agreement and such other agreements, instruments and documents as are necessary or desirable in connection with the TIFIA Loan, in the manner and upon the terms provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of LACMTA (the “Board”) as follows:

Section 1. The Chief Executive Officer, the Chief Financial Officer, the Treasurer and any Assistant Treasurer of LACMTA, and each of their respective designees (each, an “Authorized Officer”), are each authorized and directed, for and in the name of and on behalf of LACMTA, to execute and deliver the TIFIA Loan Agreement with such terms as the Authorized Officer executing the same may deem necessary or desirable. The initial principal amount of the TIFIA Loan shall not exceed \$307,000,000, and the interest rate on the TIFIA Loan shall not exceed 6.5% per annum.

Section 2. Each Authorized Officer is hereby authorized and directed, for and in the name and on behalf of LACMTA, to execute and deliver the Fourth Supplemental Trust Agreement with such terms as the Authorized Officer executing the same may deem necessary or desirable.

Section 3. Each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of LACMTA, to negotiate such agreements with and payments to the Trustee as may be necessary or desirable in order to cause the Trustee to execute and deliver the Fourth Supplemental Trust Agreement and to perform its duties as Trustee thereunder.

Section 4. Funds of LACMTA are hereby authorized to be used to pay costs of preparation, negotiation, execution and delivery of the TIFIA Loan Agreement, the Fourth

Supplemental Trust Agreement and any related documents and agreements, including but not limited to costs of attorneys, accountants and financial advisors, the costs associated with rating agencies, filing fees and any related expenses.

Section 5. All approvals, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution may be given or taken by any Authorized Officer without further authorization or direction by the Board, and each Authorized Officer is hereby authorized and directed to give any such approval, consent, direction, notice, order and request, and take any such action, and to execute such agreements, instruments and documents, that such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 6. All actions heretofore taken by the officers, employees and agents of LACMTA with respect to the TIFIA Loan Agreement or the Fourth Supplemental Trust Agreement are hereby ratified, confirmed and approved. The officers, employees and agents of LACMTA are hereby authorized and directed, jointly and severally, for and in the name and on behalf of LACMTA, to do any and all things and to take any and all actions and to execute and deliver any and all agreements, instruments, certificates and documents, which they, or any of them, may deem necessary or advisable in order to consummate the transactions contemplated by the TIFIA Loan Agreement and the Fourth Supplemental Trust Agreement, to manage and administer the TIFIA Loan and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution and the documents approved hereby.

Section 7. 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 8. The effective date of this Resolution shall be the date of its adoption.

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.

By: _____
Board Secretary, Los Angeles County
Metropolitan Transportation Authority