

**RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY AUTHORIZING THE MEASURE M SHORT-TERM
BORROWING PROGRAM; THE EXECUTION AND DELIVERY OF DOCUMENTS
RELATED THERETO; THE PLEDGE OF MEASURE M SALES TAX REVENUES OF
THE AUTHORITY AND OTHER SECURITY FOR MEASURE M SECOND LIEN
OBLIGATIONS AND THIRD LIEN OBLIGATIONS; AND RELATED MATTERS**

(MEASURE M SALES TAX)

W I T N E S S E T H :

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the “LACMTA”) is authorized under Section 130500 et seq. of the California Public Utilities Code (the “Act”) to issue “bonds,” which term includes indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations for purposes authorized by the Act, and to finance the cost of acquiring, constructing and developing facilities for transit systems within the meaning of the Act; and

WHEREAS, the LACMTA is authorized by Section 130350.7 of the California Public Utilities Code to impose a retail transactions and use tax 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 June 23, 2016, adopted Ordinance No. 16-01, known as the “Los Angeles County Traffic Improvement Plan” (the “Ordinance”), imposing a County-wide transactions and use tax, and the Ordinance was submitted to the electors of the County in the form of Measure M and approved by greater than a two-thirds vote at an election held on November 8, 2016; and

WHEREAS, the Ordinance, as so approved, beginning July 1, 2017, imposed a tax upon the sale of tangible personal property at retail at a rate of one-half of one percent of the gross receipts of the sale and a complementary tax upon the storage, use or other consumption in the County, initially at a rate of one-half of one percent of the sale price of the property whose storage, use or other consumption is subject to the tax, with such rate increasing to one percent on July 1, 2039, immediately upon the expiration of the one-half of one percent tax known as the Measure R sales tax imposed by Ordinance 08-01 of the LACMTA (the “Measure M Sales Tax”; amounts received in respect to the Measure M Sales Tax, less any refunds and the administrative fee deducted by the State of California Board of Equalization and less the Local Return (as defined in the Senior Trust Agreement (as defined below)) being referred to herein as the “Measure M Sales Tax Revenues”); and

WHEREAS, the LACMTA has commenced and is proceeding with the financing of projects and programs described in the Expenditure Plan adopted as part of the Ordinance (the “Expenditure Plan”); and

WHEREAS, the LACMTA desires to establish a short-term borrowing program (the “Measure M Short-Term Borrowing Program”) to finance projects and programs set forth in the

Expenditure Plan that would be secured by the Measure M Sales Tax Revenues and be in an aggregate principal amount not to exceed \$500,000,000; and

WHEREAS, the LACMTA desires that the Measure M Short-Term Borrowing Program consists of one or more of the following, including modifications, extensions and replacements thereof (each, a “Short-Term Obligation”):

- (a) A commercial paper program (a “Commercial Paper Program”), pursuant to which the LACMTA would issue commercial paper notes (“CP Notes”), together with CP Enhancement Agreements (defined below) and advances thereunder; and
- (b) One or more series of variable rate drawdown bonds (“Drawdown Bonds”), pursuant to which the LACMTA would issue bonds and draw down principal on those bonds and repay that principal from time to time; and
- (c) One or more revolving credit facilities (“Revolving Credit Facilities”) pursuant to which the LACMTA may borrow amounts from time to time from one or more financial institutions; and

WHEREAS, the Short-Term Obligations may constitute either one of or a combination of Second Lien Obligations (as such term is defined in the Senior Trust Agreement (as defined below)) or Third Lien Obligations (as such term is defined in the Senior Trust Agreement); and

WHEREAS, in connection with one or more of the Short-Term Obligations, the LACMTA expects to execute and deliver one or more of the following (collectively, the “Measure M Short-Term Program Documents”):

- (a) A trust agreement (the “Senior Trust Agreement”), by and between the LACMTA and U.S. Bank Trust Company, National Association, as trustee; and
- (b) One or more supplements and/or amendments to the Senior Trust Agreement; and
- (c) A trust agreement (the “Subordinate Trust Agreement”), by and between the LACMTA and U.S. Bank Trust Company, National Association, as trustee; and
- (d) One or more supplements and/or amendments to the Subordinate Trust Agreement to provide for the issuance or incurrence of Second Lien Obligations to the extent that the Short-Term Obligations constitute Second Lien Obligations; and
- (e) One or more trust agreements, together with one or more supplements thereto, to provide for the issuance of Third Lien Obligations to the extent that the Short-Term Obligations constitute Third Lien Obligations; and
- (f) In connection with any Revolving Credit Facility and/or Drawdown Bonds, one or more revolving credit agreements, bondholder agreements, continuing covenant agreements and/or similar agreements or evidences of indebtedness, bond purchase agreements, and fee agreements between the LACMTA and one or more commercial banks, financial institutions and/or investment banks (each, a

“Financial Institution”); and

- (g) In connection with any Commercial Paper Program, one or more reimbursement agreements, credit agreements and/or other similar agreements, together with any related fee agreements (each, a “CP Enhancement Agreement”) pursuant to which one or more Financial Institutions (each, a “CP Enhancement Provider”) would agree to issue a letter of credit or other credit enhancement instrument and/or make loans for the purpose of supporting the payment of principal of and/or interest on the CP Notes (each such support, “CP Enhancement”); and
- (h) Any other documents deemed by a Designated Officer to be necessary or desirable to establish, modify, extend or replace any Short-Term Obligations that constitute part of the Measure M Short-Term Borrowing Program;

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

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

(a) The Measure M Short-Term Borrowing Program, including the issuance of any and all Short-Term Obligations, if determined by any of the Chair of the LACMTA, any Vice Chair of the LACMTA, the Chief Executive Officer of the LACMTA, the Chief Financial Officer of the LACMTA, the Treasurer of the LACMTA, any Executive Officer, Finance 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), or any such officer serving in an acting or interim capacity, and any written designee of any of them (each, a “Designated Officer”), to be in the best interest of the LACMTA, is in the public interest.

(b) Under the provisions of the Ordinance, all of the Measure M Sales Tax Revenues are revenues of the LACMTA available for public transit purposes as set forth in the Ordinance and to that extent are available to be and are, by the terms of the Senior Trust Agreement and the Subordinate Trust Agreement and will be, by the terms of the applicable Measure M Short-Term Program Documents, pledged to secure the Second Lien Obligations and the Third Lien Obligations, respectively, and, by this Resolution, such pledge is reaffirmed and affirmed (as applicable).

(c) The forgoing recitals are true and correct and the LACMTA so finds and determines.

2. Approval of the Measure M Short-Term Borrowing Program. For purposes of providing for the financing of the transit projects and programs authorized by the Act and the Expenditure Plan, the LACMTA hereby authorizes the establishment and continuation of the Measure M Short-Term Borrowing Program and the issuance or incurrence of each and every Short-Term Obligation thereunder. Each Designated Officer is hereby authorized to determine, on behalf of and in the name of the LACMTA, each of the following:

- (a) Whether the Short-Term Obligations will consist of a Commercial Paper Program, one or more series of Drawdown Bonds, one or more Revolving Credit Facilities, or a combination of some or all of these; and
- (b) The interest rates, maturity dates and any and all terms and conditions of each and every Short-Term Obligation; and
- (c) When each Short-Term Obligation shall be established; and
- (d) The term of each component of the Measure M Short-Term Borrowing Program; and
- (e) The selection of any CP Enhancement Provider, Financial Institution, and any dealer, underwriter, trustee, issuing and paying agent or other party a Designated Officer deems necessary or desirable to effect the Measure M Short-Term Borrowing Program; and
- (f) Whether and the extent to which the Short-Term Obligations constitute Second Lien Obligations or Third Lien Obligations or a combination of both; and
- (g) Whether the Short-Term Obligations shall be issued on a taxable or tax-exempt basis or a combination of both; and
- (h) What modifications, extensions or replacements (if any) shall be made with respect to each of the Short-Term Obligations from time to time;

provided, however, that (a) a Designated Officer determines that (i) the interest rate terms for each Short-Term Obligation are fair and reasonable in market conditions at the time of the initial establishment of such obligation and that the interest rate terms for any modified, extended or replacement Short-Term Obligation are fair and reasonable in market conditions at the time of such modification, extension or replacement and (ii) the aggregate principal amount of the Measure M Short-Term Borrowing Program shall not exceed \$500,000,000 at any time.

3. Measure M Short-Term Program Documents. The Designated Officers are, and each of them hereby is, authorized and directed to have prepared and to execute, acknowledge and deliver in the name of and on behalf of the LACMTA each of the Measure M Short-Term Program Documents, in each case, to the extent, in the form, and with the terms and provisions as the Designated Officer executing the same shall determine is appropriate and necessary for the Measure M Short-Term Borrowing Program, including, but not limited to, affirmative and negative covenants relating to the Measure M Short-Term Borrowing Program, the Measure M Sales Tax, and the finances and operations of the LACMTA.

4. Offering Documents. Should a Designated Officer determine to establish a Short-Term Obligation for which the preparation and circulation of an offering memorandum or other offering document is deemed appropriate by such Designated Officer, the LACMTA hereby authorizes the preparation and circulation of one or more offering memoranda and/or other offering documents relating to such Short-Term Obligation, as determined by a Designated Officer. The LACMTA also authorizes the circulation of any supplements or amendments to offering documents that are approved by a Designated Officer. Each offering document,

supplement and/or amendment shall be circulated at such time or times as a Designated Officer (after consultation with the relevant Dealer(s), the LACMTA's municipal advisor and bond counsel and/or such other advisors as such Designated Officer believes to be useful) determines. Each Designated Officer is authorized to execute and deliver any offering document, supplement and/or amendment.

5. Other Documents. The Designated Officers are, and each of them is, hereby authorized, empowered and directed to execute, acknowledge and deliver in the name and on behalf of the LACMTA such documents as are necessary or desirable to effectuate the Measure M Short-Term Borrowing Program or to extend, modify or replace any Short-Term Obligation (the "Related Documents"), including, but not limited to, any promissory notes, any tax certificate(s), note purchase agreements, issuance and paying agent agreements, dealer agreements and/or continuing disclosure certificates. The Related Documents, as executed and delivered, shall be in the form approved by the Designated Officer executing the same (which may include, but not be limited to, affirmative and negative covenants); the execution thereof shall constitute conclusive evidence of the Board's approval of such Related Documents; and from and after the execution and delivery of each Related Document, 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 Related Document.

6. Pledge of Measure M Sales Tax Revenues. The Measure M Sales Tax Revenues are hereby irrevocably pledged in accordance with the terms of the Senior Trust Agreement, the Subordinate Trust Agreement and the other Measure M Short-Term Program Documents, as applicable, to secure the Short-Term Obligations.

7. Additional Authorization. The Designated Officers and all other officers, employees and agents of the LACMTA, for and on behalf of the LACMTA, be and they each hereby are authorized and directed to do any and all things necessary to effect (i) the establishment of the Measure M Short-Term Borrowing Program and the issuance and/or incurrence each of the Short-Term Obligations, (ii) the execution and delivery of the Measure M Short-Term Program Documents and the Related Documents and the carrying out of the terms thereof, (iii) any extensions, modifications or replacements of Short-Term Obligations as determined by a Designated Officer to be in the interest of the LACMTA, and (iv) the transactions contemplated by 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 that may be required in order to carry out the authority conferred by this Resolution, the Measure M Short-Term Program Documents and/or the Related Documents or to evidence the same authority and its exercise. The foregoing authorization includes, but is in no way limited to, authorizing LACMTA staff to pay costs of issuance in connection with the Short-Term Obligations and the Measure M Short-Term Program Documents, as applicable, and authorizing the investment of the proceeds of the Short-Term Obligations in one or more of the permitted investments provided for under the Measure M Short-Term Program Documents. All actions heretofore taken by the officers, agents and employees of the LACMTA in furtherance of this Resolution are hereby confirmed, ratified and approved.

8. 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 Designated Officer 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.

9. Further Actions. The Designated Officers and each of them are hereby authorized and directed to amend, supplement or otherwise modify any documents related to the Measure M Short-Term Borrowing Program at any time and from time to time and in any manner determined to be necessary or desirable by the Designated Officer executing such amendment, supplement or modification, upon consultation with the LACMTA's municipal advisor and bond counsel, the execution of such amendment, supplement or other modification being conclusive evidence of the LACMTA's approval thereof.

10. 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.

11. Effective Date. The effective date of this Resolution shall be the date of its adoption.

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 _____, 2026.

[SEAL]

By _____
Board Clerk, Los Angeles County
Metropolitan Transportation Authority

Dated: _____, 2026