

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.

* Preliminary; subject to change.
4872-8074-4774.4

[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.†
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* Preliminary; subject to change.

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

Board Members¹

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 Number¹
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.

<u>Sources</u>	
Principal Amount	\$
Original Issue Premium/(Discount)	
Other Available Moneys ¹	_____
Total Sources	\$ _____
<u>Uses</u>	
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

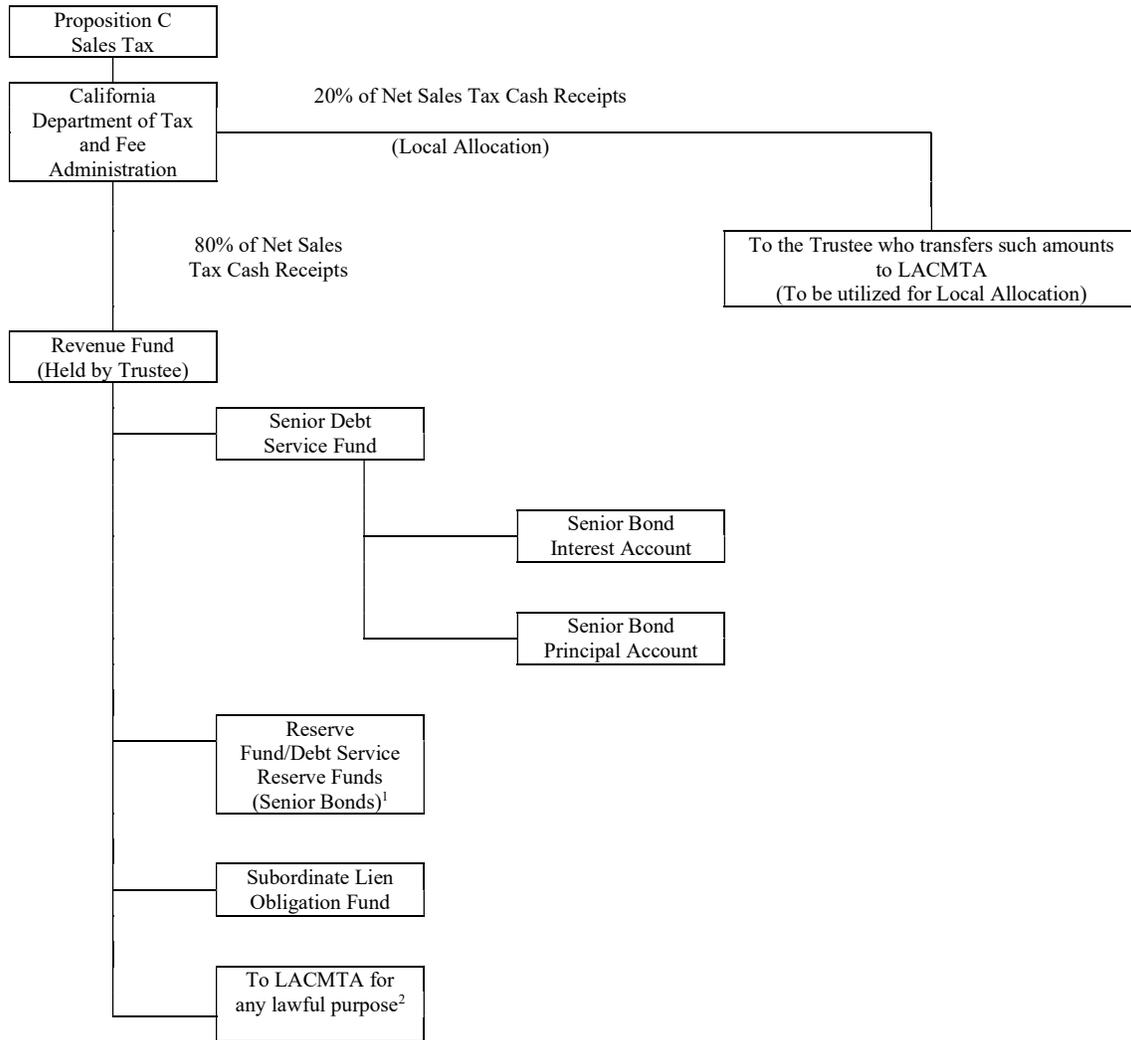
FOURTH, to the accounts in the Subordinate Lien Obligation Fund, amounts sufficient to pay the Subordinate Lien Obligations as further described in the Agreement. Notwithstanding the foregoing, however, if there are insufficient Pledged Revenues in any Fiscal Year to make all of the foregoing deposits, 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

<u>Uses</u>	<u>Percentage</u>
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	<u>25</u>
Total	<u>100%</u> 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 $\frac{3}{4}$ 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 XIIC and XIID to the California State Constitution. Among other things, Article XIIC 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 Revenues²	Senior Bonds Debt Service Coverage³
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}	<u>25,440,000</u>
Total	<u>\$1,771,705,000</u>

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 Bonds¹**

Bond Years Ending July 1	Previously Issued Senior Bonds Debt Service²	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	<u>23,866,500</u>				
Total	<u>\$2,800,300,929</u>				

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.

Member¹	Appointing Authority
Ara Najarian, <i>Chair</i>	Member, Glendale City Council (appointee of Los Angeles County City Selection Committee)
Jacquelyn Dupont-Walker, <i>First Vice-Chair</i>	Appointed by Mayor of Los Angeles
Janice Hahn, <i>Second Vice-Chair</i>	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), <i>[Non-Voting Member]</i>	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 be 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 Date¹
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)**

<u>Proposition A First Tier Senior Sales Tax Revenue Bonds</u>	<u>Outstanding Principal Amount</u>
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	<u>\$760,835,000</u>

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 Credit¹

<u>Letter of Credit Provider</u>	<u>Amount of Letter of Credit</u>	<u>Issuance Date</u>	<u>Expiration Date</u>
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*	<u>100.0%</u>

* 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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
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 EMPLOYMENT¹**

	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 INCOME¹

<u>Year and Area</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income (dollars)</u>
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 OUTLETS²	\$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."