



**Board Report**

**File #:** 2015-1227, **File Type:** Resolution

**Agenda Number:** 9.

**REGULAR BOARD MEETING  
OCTOBER 22, 2015**

**SUBJECT: GENERAL REVENUE BONDS AND UNDERWRITER POOL**

**ACTION: AUTHORIZE REFUNDING OF BONDS AND APPOINT BOND UNDERWRITERS**

**RECOMMENDATION**

A. ADOPTING a resolution:

1. authorizing **the issuance of refunding bonds by negotiated sale to refund the 2004 General Revenue Refunding Bonds** (the “2004 GRRBs”) in one or more transactions through June 30, 2016, consistent with the Debt Policy;
2. approving the forms of the supplemental trust agreement, preliminary official statement and such other documents as required and all as subject to modification as set forth in the Resolution;
3. authorizing taking all action necessary to achieve the foregoing, including, without limitation, the further development and execution of bond documentation associated with the issuance of the 2015 General Revenue Refunding Bonds (the “2015 GRRBs”), and approves related documents on file with the Board Secretary; and
4. prohibiting the subsequent issuance of General Revenue Bonds or Parity Debt under the General Revenue Trust Agreement except for refunding bonds.

B. **APPOINTING the underwriter team** selected for the 2015 GRRBs transaction(s) as shown in Attachment B.

C. **ESTABLISHING an underwriter pool**, as shown in Attachment B, that will be used to select underwriters for all future negotiated debt issues through June 30, 2019.

(REQUIRES SEPARATE SIMPLE MAJORITY VOTE OF THE BOARD)

(CARRIED OVER FROM SEPTEMBER BOARD CYCLE)

**ISSUE**

Currently low interest rates provide an opportunity to lock in fixed interest rates to refund our \$86,175,000 outstanding 2004 GRRBs, which were originally issued as weekly auction rate securities (“ARS”) in 2004, in combination with an interest rate swap to produce a synthetic fixed rate of 3.501%. During the financial crisis in 2008, the ARS market failed and it continues to fail, causing investors to be unable to sell their bonds. We were able to refund approximately half of the bonds to fixed rate in 2010 through a tender program, buying the bonds back from owners at a discount. We would like to refund the remaining failed ARS while interest rates continue to be low.

## **DISCUSSION**

ARS bear an interest rate that changes weekly based on the results of an auction process to investors. Following the financial collapse in 2008, and demise of the bond insurers, there has not been an active market for these bonds. When the auction fails, as it has since then, the weekly interest rate is set by formula at 225% of the one-month London Interbank Offered Rate (“LIBOR”). The one-month LIBOR rate is now only about 0.20%, meaning we pay approximately 0.45% on the bonds. Because these bonds are now illiquid, this rate is especially unattractive to investors. Replacing this failed security would be a positive for LACMTA’s relationship with bond investors.

Although current short-term interest rates are extremely low, and thus what was designed as a penalty rate is not burdensome, the cost to LACMTA is expected to increase as interest rates rise. For example, the 10 year average for one-month LIBOR is 1.75%, which would result in an interest rate of approximately 4%.

To avoid these cost increases as the market returns to more normal interest rate levels, we need to refund the ARS into another type of bond. These variable rate bonds were originally matched with an interest rate swap to create a “synthetically” fixed-rate obligation. With falling interest rates since 2009, the fixed rate was higher than the current market, and the swap was terminated at no cost last year. Replacing the failed ARS with a traditional fixed-rate bond financing is recommended. This will allow us to lock in a fixed rate at current low levels for the remaining life of the bonds, through fiscal 2027.

The General Revenue Bonds are rated A1/A+ as of September 1, 2015, by Moody’s and S&P respectively, because the first source of payment for the bonds is farebox revenues, with a subordinate pledge of Prop A, Prop C and certain other funds in the event farebox revenues are not sufficient to pay debt service. Because of the unusual type of revenue pledge and the lower ratings, the negotiated bond sale method is recommended. A negotiated bond sale is justified under the Debt Policy criteria for Method of Bond Sale due to the need to have the underwriters available well in advance of the bond sale because this particular structure is unfamiliar to many of our investors. The underwriters will pre-market the issue, assist with the rating process and advise on market timing for pricing the bonds.

In addition to appointing underwriters for the 2015 GRRBs transaction, we are recommending the establishment of a pool of underwriters to be used in all future negotiated sales. The pool will enable us to move more quickly in forming financing teams when a negotiated sale is the recommended approach for a bond issue. For subsequent negotiated sales, underwriter(s) will be selected from the pool, using a mini-RFP process. Selecting the underwriters early in the process will enable us to

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benefit from their participation in structuring the debt, bond document development and preparation for credit presentations.

Consistent with our Debt Policy, the underwriting team is recommended based on a competitive Request For Proposal (RFP) process conducted by KNN, our general financial advisor. RFPs were distributed in March 2015 to 29 firms and 24 proposals were received. Members of LACMTA's Treasury staff and our financial advisors reviewed the proposals, evaluating them based on the criteria listed in the RFP. The twelve firms that were ranked the highest by the review team are recommended for inclusion in the pool. The underwriting pool will be retained through June 30, 2019. See Attachment B, Summary of Underwriter Selection.

The underwriters selected for the 2015 GRRBs transaction are the highest ranked member of the pool and the two highest ranked minority owned firms.

Included in the Resolution and in the Supplemental Trust Agreement is language that amends the General Revenue Trust Agreement so that no further General Revenue Bonds can be issued on parity with the current bonds, other than refunding bonds. Our Debt Policy specifically says that we will not issue any additional General Revenue Bonds and we have not issued any General Revenue Bonds, other than refunding bonds, since 1995. By making this legally binding, it should provide an additional level of security to rating agencies and bondholders and does not impose an undue burden on us as we do not have any plans to use General Revenue Bonds as a source of borrowing.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will have no impact on safety.

### **FINANCIAL IMPACT**

The costs of issuance for this refunding were not budgeted in FY16 due to the uncertainty related to completing any refunding. The costs of issuance including underwriting fees for this transaction will not affect the FY16 Budget since they will be covered by the proceeds of the bond issue.

General Revenue debt service is accounted for in cost center 0521, project #610309. The 2004 GRRBs refunded bonds that financed the construction cost of the Gateway Headquarters Building and the debt service is allocated as rent cost to departments housed in the Gateway building.

### **ALTERNATIVES CONSIDERED**

Authorization of the refunding and the appointment of the underwriters could be delayed, but would continue to expose us to significantly higher interest costs in the future if interest rates were to rise. This option is not recommended.

The selection of an underwriting pool may either be deferred or not be put into place. This option is not recommended. The Debt Policy identifies that for a negotiated bond sale, the financial advisor will conduct a competitive process to select underwriters, either for a specific bond issue or through the establishment of a pool of underwriters to be used for bond issues over a defined time period.

With a pool, it will be much faster and easier to move forward with negotiated transactions because a new solicitation process will not have to be done each time, which could save us several months in a volatile interest rate environment as we try to get to market.

### **NEXT STEPS**

- Obtain ratings on the bonds, finish legal documentation, distribute the Preliminary Official Statement to potential investors, and initiate the pre-marketing effort.
- Negotiate the sale of the bonds with the underwriter.

### **ATTACHMENTS**

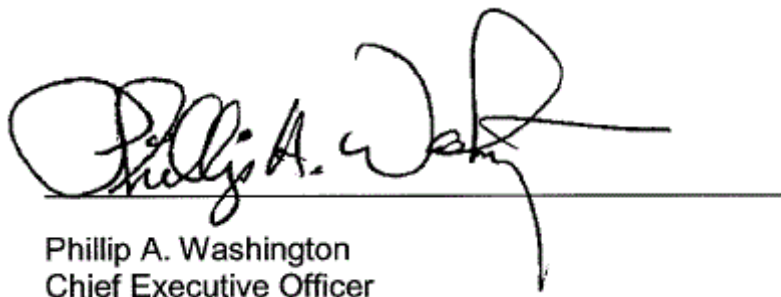
Attachment A - Authorizing Resolution

Attachment B - Summary of Underwriter Selection

Attachment C - Form of the 7<sup>th</sup> Supplemental Trust Agreement

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Reviewed By: Nalini Ahuja, Executive Director, Finance and Budget,  
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Phillip A. Washington  
Chief Executive Officer

**Authorizing Resolution**

RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY AUTHORIZING THE ISSUANCE OF ITS GENERAL REVENUE REFUNDING BONDS (UNION STATION GATEWAY PROJECT), SERIES 2015 IN AN AGGREGATE PRINCIPAL AMOUNT SUFFICIENT TO REFUND ITS GENERAL REVENUE REFUNDING BONDS (UNION STATION GATEWAY PROJECT), SERIES 2004-A, SERIES 2004-B, SERIES 2004-C AND SERIES 2004-D; PROVIDING FOR THE FORM OF SUCH BONDS AND OTHER TERMS WITH RESPECT TO SUCH BONDS; PROVIDING FOR THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO; AND AUTHORIZING OFFICERS, AGENTS AND EMPLOYEES TO PERFORM DUTIES AND TAKE ACTIONS IN ACCORDANCE WITH THIS RESOLUTION

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WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the "LACMTA") is a county transportation commission duly organized and existing pursuant to Section 130000 *et seq.* of the California Public Utilities Code and is authorized to issue bonds under Section 130500 *et seq.* of the California Public Utilities Code (the "Authorizing Act"); and

WHEREAS, the LACMTA has heretofore issued \$197,050,000 in aggregate principal amount of its outstanding General Revenue Refunding Bonds (Union Station Gateway Project), Series 2004-A, Series 2004-B, Series 2004-C and Series 2004-D (collectively, the "Series 2004 Bonds"); and

WHEREAS, pursuant to the Authorizing Act, the LACMTA is authorized to issue refunding bonds in one or more series for the purpose of refunding any bonds then outstanding if the LACMTA makes a determination that it is in the public interest to issue refunding bonds pursuant to the terms or conditions of the refunding; and

WHEREAS, on July 22, 2010, LACMTA purchased and cancelled \$79,620,000 of the Series 2004 Bonds with the proceeds of its General Revenue Refunding Bonds(Union Station Gateway Project), Series 2010-A; and

WHEREAS, the Board of the LACMTA desires to permit the issuance of the Bonds herein authorized so long as the issuance thereof complies with the provisions of the Debt Policy of the LACMTA; and

WHEREAS, the LACMTA has determined that it is in the public interest of the LACMTA and the residents of Los Angeles County to issue bonds in one or more series entitled the Los Angeles County Metropolitan Transportation Authority General Revenue Refunding Bonds, Series 2015 (the "Bonds"), in an aggregate principal amount sufficient to refund the outstanding Series 2004 Bonds; and

WHEREAS, there has been made available in the Board Secretary's office to the LACMTA the form of a Seventh Supplemental Trust Agreement (the "Seventh Supplemental Trust Agreement") between the LACMTA and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), which Seventh Supplemental Trust Agreement authorizes the issuance of the Bonds and amends certain provisions of the Trust Agreement, dated as of January 1, 1995 (as heretofore supplemented, "Trust Agreement"), by and between the LACMTA and the Trustee; and

WHEREAS, in accordance with Article X of the Trust Agreement, the Trust Agreement will be amended pursuant to the Seventh Supplemental Trust Agreement to clarify procedures for issuance of debt secured by Proposition A and Proposition C, effect the proposed amendment authorized under the

Sixth Supplemental Trust Agreement dated as of July 1, 2010, by and between the Authority and the Trustee, and to change the definition of the term “Authorized Authority Representative” in the Trust Agreement; and

WHEREAS, subsequent to the issuance of the Bonds, the LACMTA has determined that no Bonds or Parity Debt (as defined in the Trust Agreement) except for refunding bonds may hereafter be issued under the Trust Agreement;

WHEREAS, there has been made available in the Board secretary's office to the LACMTA a form of a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) to be executed by the LACMTA as required by Securities and Exchange Commission Rule 15c2-12, as amended (the “Rule”); and

WHEREAS, there has been made available in the Board secretary's office to the LACMTA the form of an Escrow Agreement (the “Escrow Agreement”) between the LACMTA and The Bank of New York Mellon Trust Company, N.A., as escrow agent, providing for the refunding of the Series 2004 Bonds; and

WHEREAS, there has been made available in the Board secretary's office to the LACMTA the form of a Preliminary Official Statement to be used in connection with the sale of the Bonds (the “Preliminary Official Statement”) which describes the Bonds, the LACMTA and the LACMTA’s operations and finances; and

WHEREAS, the LACMTA has been advised by its bond counsel that the foregoing documents are in appropriate form, and the LACMTA hereby acknowledges that said documents will be modified and amended to reflect the various final terms of the Bonds and said documents are subject to completion to reflect the results of the sale of the Bonds; and

WHEREAS, the LACMTA has determined that it is in its best interest to provide for a negotiated sale of the Bonds to one or more underwriters to be selected by the Authority (collectively, the “Underwriters”); and

WHEREAS, there has been available in the Board secretary's office to the LACMTA the form of a Purchase Contract (the “Purchase Contract”), by and between the LACMTA and the Underwriters for the initial purchase and sale of the Bonds;

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

Section 1. **Findings.** Each of the above recitals is true and correct and the LACMTA so finds and determines. The issuance of the Bonds is in the public interest of the LACMTA and the residents of Los Angeles County.

Section 2. **Issuance of Bonds; Term of Bonds.** For the purpose of refunding the Series 2004 Bonds, the LACMTA hereby authorizes the issuance of its Bonds in one or more series through June 30, 2016. The LACMTA hereby specifies that the aggregate principal amount of the Bonds shall be an amount sufficient (taking into account any original issue discount and premium) to refund \$86,175,000 in aggregate principal amount of the Series 2004 Bonds and to provide for the Underwriters’ discount and payment of costs of issuance. The Bonds shall mature not later than July 1, 2027, shall bear interest at the rates per annum, be subject to redemption, if any, and have such other terms, all as set forth in the Seventh Supplemental Trust Agreement. The Bonds shall be in substantially the form set forth in the Seventh Supplemental Trust Agreement with necessary or appropriate variations, omissions and insertions as permitted or required by the Seventh Supplemental Trust Agreement or as appropriate to adequately reflect the terms of the Bonds and the obligations represented thereby. No Bonds shall bear interest at a rate

in excess of 6% per annum. The Bonds shall be issued in fully registered form in minimum denominations of \$5,000 or any integral multiple thereof. Each of the Chief Executive Officer, the Executive Director, Finance and Budget, the Treasurer and any Assistant Treasurer of the LACMTA or any other Designated Officer (as defined below), acting in accordance with this Section 2, is hereby authorized to determine the actual aggregate principal amount of Bonds to be issued and to direct the execution and authentication of said Bonds in such amounts. Such direction shall be conclusive as to the principal amounts hereby authorized.

Section 3. **Designated Officers.** The LACMTA hereby appoints the Chief Executive Officer, Executive Director, Finance and Budget, the Treasurer and any Assistant Treasurer of the LACMTA or any such officer serving in an acting or interim capacity, and any written designee of any of them under the terms of this Resolution and the Seventh Supplemental Trust Agreement as designated officers (each, a “Designated Officer”). The Designated Officers are, and each of them is, hereby authorized and directed to perform those duties set forth in the Documents (as defined below). The Designated Officers are, and each of them is, also authorized to make representations, certifications and warranties concerning the Bonds and to take such other actions and execute such other documents as are necessary to issue the Bonds and to purchase bond insurance or other credit enhancement described under Section 10 hereof, if desirable, for some or all of the Bonds and to refund the Series 2004 Bonds.

Section 4. **Special Obligations.** The Bonds shall be special obligations of the LACMTA secured by and payable from Pledged Revenues and Remaining Sales Tax (as such terms are defined in the Trust Agreement) and other amounts pledged therefor.

Section 5. **Execution of Bonds.** Each of the Bonds shall be executed on behalf of the LACMTA by a Designated Officer or any one or more thereof and any such execution may be by manual or facsimile signature, and each Bond shall be authenticated by the endorsement of the Trustee. Any facsimile signature of a Designated Officer or any one or more thereof shall have the same force and effect as if such officer had manually signed each of said Bonds.

Section 6. **Sale of the Bonds.** The LACMTA hereby authorizes the sale of the Bonds through a negotiated sale to the Underwriters pursuant to the Purchase Contract. The Bonds, if sold to the Underwriters, shall be sold subject to an underwriters’ discount (excluding original issue discount) not to exceed .5% of the aggregate principal amount of the Bonds, subject to the terms and conditions set forth in the Purchase Contract.

Section 7. **Approval of Documents.** The forms, terms and provisions of the Seventh Supplemental Trust Agreement, the Continuing Disclosure Certificate, the Escrow Agreement and the Purchase Contract (collectively, the “Documents”) are in all respects approved, and the Designated Officers are, and each of them is, hereby authorized and directed to execute, acknowledge and deliver each of the Documents including counterparts thereof, in the name and on behalf of the LACMTA and the LACMTA’s corporate seal is hereby authorized (but not required) to be affixed or imprinted on each of the Documents. The Documents, as executed and delivered, shall be in substantially the forms on file with the Board Secretary and hereby approved, with such changes therein as shall be approved by the Designated Officer or Officers executing the same, which execution shall constitute conclusive evidence of the LACMTA’s approval of any and all changes or revisions therein from the forms of the Documents now before this meeting; and from and after the execution and delivery of the Documents the officers, agents and employees of the LACMTA are, and each of them is, hereby authorized and directed to take all such actions and to execute all such documents as may be necessary to carry out and comply with the provisions of the Documents.

Section 8. **Preliminary Official Statement.** The distribution of the Preliminary Official Statement in connection with the offering and sale of the Bonds in substantially the form of the draft thereof made available at this meeting, with such changes therein as shall be approved by the Designated Officers, individually or collectively, is hereby authorized and approved. The Preliminary Official Statement shall

be circulated for use in selling the Bonds at such time as a Designated Officer (after consultation with the LACMTA's financial advisors and bond counsel and such other advisors as the Designated Officer believes to be useful) shall deem the Preliminary Official Statement to be final within the meaning of the Rule, said determination to be conclusively evidenced by a certificate signed by the Designated Officer to such effect. Each Designated Officer is hereby authorized to make such determination.

Section 9. **Official Statement.** Prior to the delivery of the Bonds, the LACMTA shall provide for the preparation, execution, delivery, publication and distribution of a final Official Statement relating to the Bonds in substantially the form of the draft Preliminary Official Statement on file with the Board Secretary. The Designated Officers are, and each of them is, hereby authorized and directed to execute and deliver the final Official Statement in the name and on behalf of the LACMTA. The execution thereof shall constitute conclusive evidence of the LACMTA's approval of any and all changes or revisions therein from the form of the Preliminary Official Statement.

Section 10. **Credit Enhancement; Surety.** Each of the Designated Officers is hereby authorized to obtain municipal bond insurance or any other guarantee of payment of the principal of and interest on the Bonds and to obtain a surety bond or other credit facility covering all or a portion of the reserve fund for the Bonds, and to execute and deliver any financial guaranty or reimbursement agreement with the providers thereof, all upon such terms as shall be satisfactory to such Designated Officer.

Section 11. **Additional Authorization.** The Designated Officers and all officers, agents and employees of the LACMTA, for and on behalf of the LACMTA, are hereby authorized and directed to take any and all actions necessary or desirable to effect the execution and delivery of the Bonds, the Seventh Supplemental Trust Agreement, the Continuing Disclosure Certificate, the Escrow Agreement, the Purchase Contract and the final Official Statement and to carry out the transactions contemplated therein, including without limitation investment agreements with respect to the Bonds and the Series 2004 Bonds. The Designated Officers and all other officers, agents and employees of the LACMTA are further authorized and directed, for and on behalf of the LACMTA, to execute all papers, documents, certificates and other instruments that may be necessary or desirable in order to carry out the authority conferred by this Resolution or the provisions of the Documents. All actions heretofore taken by the officers, agents and employees of the LACMTA in furtherance of the purposes of this Resolution are hereby confirmed, ratified and approved.

Section 12. **Bond Counsel and Disclosure Counsel.** The LACMTA hereby confirms, ratifies and approves the appointment of Hawkins Delafield & Wood LLP as bond counsel and disclosure counsel to the LACMTA in connection with the issuance and sale of the Bonds.

Section 13. **Severability.** The provisions of this Resolution are hereby declared to be severable and if any section, phrase or provision shall for any reason be declared to be invalid, such sections, phrases and provisions shall not affect any other provision of this Resolution.

Section 14. **Effective Date.** The effective date of this Resolution shall be the date of its adoption.



CERTIFICATION

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
GENERAL REVENUE REFUNDING BONDS  
(UNION STATION GATEWAY PROJECT), SERIES 2015

The undersigned, duly qualified and acting as Board Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on \_\_\_\_\_, 2015.

\_\_\_\_\_  
Michele Jackson  
Board Secretary

Date: \_\_\_\_\_, 2015

**Summary of Underwriter Selection**

**Recommended Firms for 2015 General Revenue Refunding Bonds**

<b>Position</b>	<b>Firm</b>	<b>Alloc.</b>
Senior Manager	Siebert Brandford Shank & Co., L.L.C.	60%
Co-Manager	Wells Fargo Bank, N.A.	25%
Co-Manager	Ramirez & Co., Inc.	15%

Proposed Price (Takedown): \$2.00 per \$1,000 of Bonds (0.2% of the bond issue)

The takedown is normally the largest component of the spread, similar to a commission, which represents the income the selling broker or dealer derives from the sale of the bonds. It compensates the underwriters for their work in structuring the transaction, marketing the transaction, and underwriting any bonds that are not pre-sold to investors. Note that the actual takedown rate varies by bond maturity and will be in accordance with the senior manager's proposal. The takedown rates for all the firms will be at the rates of the senior manager. Out of pocket expenses will be an additional charge.

**Recommended Firms for Underwriting Pool (in alphabetical order)**

Bank of America Merrill Lynch  
Barclays Capital Inc.  
Citigroup Global Markets Inc.  
Drexel Hamilton LLC (Disabled veteran owned firm)  
J.P. Morgan Securities LLC  
Loop Capital Markets LLC (Minority owned firm)  
Morgan Stanley  
Ramirez & Co., Inc. (Minority owned firm)  
RBC Capital Markets, LLC  
Siebert Brandford Shank & Co., L.L.C. (Minority owned firm)  
Stifel, Nicolaus & Company, Incorporated  
Wells Fargo Bank, N.A.

## Evaluation of Proposals

The Request For Proposals (“RFP”) was sent on March 13, 2015 to 29 firms who had previously expressed interest in serving as underwriter on our bonds or were known as active in the California market. Proposals were due April 2, 2015 and were received from the 24 firms listed below:

<b>List of Proposers</b>
Bank of America Merrill Lynch
Barclays Capital Inc.
BOSC, Inc.
Cabrera Capital Markets
Citigroup Global Markets Inc.
Drexel Hamilton LLC
Fidelity Capital Markets
First Tennessee National
Goldman Sachs & Co.
Hutchinson, Shockey, Erley & Co.
Jefferies
J.P. Morgan Securities LLC
Loop Capital Markets LLC
Mesirow Securities
Morgan Stanley
Piper Jaffray
Ramirez & Co., Inc.
RBC Capital Markets
Siebert Brandford Shank & Co., LLC
Stern Brothers & Co.
Stifel, Nicolaus & Company, Incorporated
Wells Fargo Bank, N.A.
Williams Capital Group
US Bancorp

Proposals were evaluated in accordance with the guidelines and the following criteria established in the RFP:

- Relevant experience of the firm and its individuals 40%
- Quality of the proposal 30%
- Capabilities of the firm of underwriting & distributing LACMTA’s debt 30%

Relevant experience included transportation debt, transportation fare box revenues and experience working directly with TIFIA, and working on debt that was secured by revenues that also secured TIFIA loans. One factor that was considered in

evaluating the capabilities of a firm was the demonstrated commitment of a firm in bidding on our recent competitive bond issues. The RFP also included questions about providing specific suggestions for the structuring of the 2015 GRRBs and our debt program, in general. The selection committee made up of four staff and two of our financial advisors reviewed all proposals and scored the firms based on the evaluation criteria. The twelve firms that ranked the highest are being recommended for inclusion in the underwriting pool.

Part of the review process included determining the preferred approach to structuring the General Revenue refunding bonds, which, together with experience with related securities, weighed heavily in the selection of the firms recommended for the 2015 GRRBs underwriting. These recommendations also reflect the LACMTA's Debt Policy of finding opportunities to contract with small, local and disadvantaged firms; given the relatively small size of the transaction, this bond issue provides an opportunity to fulfill this policy goal. The senior manager and one of the two co-managers are minority owned firms. The third member of the recommended underwriting team is a large broker-dealer with strong marketing and distribution capabilities. A key factor in evaluating the firms' capabilities was the level of their participation in prior competitive bids for LACMTA bonds, and their performance in such bids.

HDW Draft – 8/20/15

**SEVENTH SUPPLEMENTAL TRUST AGREEMENT**

between

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,**  
as Trustee

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Dated as of [Dated Date]

Supplemental to the Trust Agreement dated as of January 1, 1995, as supplemented

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Providing for issuance of

**Los Angeles County  
Metropolitan Transportation Authority**

**[\$[Principal Amount]  
General Revenue Refunding Bonds  
(Union Station Gateway Project),  
Series 2015**

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# SEVENTH SUPPLEMENTAL TRUST AGREEMENT

## Providing for Issuance of

### Los Angeles County Metropolitan Transportation Authority

### [\$[Principal Amount] General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015

This SEVENTH SUPPLEMENTAL TRUST AGREEMENT (the “Seventh Supplement”), dated as of [Dated Date], is made by and between the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a county transportation commission duly organized and existing pursuant to Section 130050 of the California Public Utilities Code (the “Authority”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, as successor trustee (the “Trustee”), and supplements that certain Trust Agreement, dated as of January 1, 1995, by and between the Authority and the Trustee (as successor trustee to Harris Trust and Savings Bank), as supplemented and amended to the date hereof (the “Agreement”).

The Authority intends to accomplish a refunding of its outstanding General Revenue Refunding Bonds (Union Station Gateway Project), Series 2004-A, Series 2004-B, Series 2004-C and Series 2004-D (collectively, the “Series 2004 Bonds”) by issuing its General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015 (the “Series 2015 Bonds”), under the terms of the Agreement and this Seventh Supplement, and using proceeds of the Series 2015 Bonds to optionally redeem the Series 2004 Bonds. Such refunding will mitigate risks to the Authority of market volatility related to the Series 2004 Bonds and provide other benefits to the Authority. The Series 2015 Bonds will be issued as an additional Series of Bonds pursuant to the Agreement on parity with Outstanding Bonds, as provided in the Agreement. In addition, pursuant to this Seventh Supplement and in accordance with the Agreement, the Agreement will be amended and supplemented.

## ARTICLE 1

### DEFINITIONS; INTERPRETATION

#### **Section 1.01. Definitions.**

(a) Except as otherwise provided in Section 1.01(b), all words, terms and phrases used herein which are defined in the Agreement shall have the same meaning herein as in the Agreement.



(b) The following words, terms and phrases used herein shall have the following meanings:

“Agreement” means the Trust Agreement, dated as of January 1, 1995, by and between the Authority and the Trustee, as amended and supplemented from time to time.

“Authorized Denomination” means \$5,000 and any integral multiple thereof.

“Bond Counsel” means Hawkins Delafield & Wood LLP. or other nationally recognized bond counsel selected by the Authority.

“Bondholder” means the Registered Owner of any Series 2015 Bond, including DTC or its nominee as the sole Registered Owner of all Book-Entry Bonds.

“Book-Entry Bonds” means the Series 2015 Bonds held by DTC (or its nominee) as the Registered Owner thereof pursuant to the terms and provisions of Section 2.06 hereof.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in Los Angeles, California or New York, New York, or the Trustee is required or authorized to be closed, or (iii) a day on which the New York Stock Exchange is closed.

“Closing Date” means the date of original issuance and delivery of the Series 2015 Bonds.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate dated as of the date of issuance of the Series 2015 Bonds executed by the Authority.

“Costs of Issuance” means all costs and expenses incurred by the Authority in connection with the issuance of the Series 2015 Bonds, including, but not limited, to costs and expenses of printing and copying documents and the Series 2015 Bonds; the fees, costs and expenses of rating agencies, the Trustee, the Trustee’s counsel, Bond Counsel and Disclosure Counsel, accountants, financial advisors and other consultants; and the underwriting fee.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“Escrow Agent” means The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Escrow Agreement, and any successor thereto.

“Escrow Agreement” means the Escrow Agreement, dated as of [Dated Date], by and between the Authority and the Escrow Agent, as amended and supplemented in accordance with its terms.

“Escrow Fund” means the escrow fund established under the Escrow Agreement and held by the Escrow Agent.

“Interest Payment Date” means January 1 and July 1, commencing January 1, 2016.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds book-entry bonds as securities depository.

“Participating Underwriter” means any of the original underwriters of the Series 2015 Bonds required to comply with the Rule in connection with the offering of the Series 2015 Bonds.

“Registered Owner” means the Person in whose name any Series 2015 Bond is registered pursuant to Article II of the Agreement.

“Registrar” means, for purposes of this Seventh Supplement, the Trustee or any successor registrar appointed pursuant to the Agreement.

“Regular Record Date” means the fifteenth (15th) day (whether or not a Business Day) of the month next preceding each Interest Payment Date.

“Representation Letter” means the Letter of Representations from the Authority to DTC.

“Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended from time to time.

“Series 2004 Bonds” means the Authority’s outstanding General Revenue Refunding Bonds (Union Station Gateway Project), Series 2004-A, Series 2004-B, Series 2004-C and Series 2004-D.

“Series 2015 Bonds” means the Los Angeles County Metropolitan Transportation Authority General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015.

“Series 2015 Costs of Issuance Fund” means the Fund of that name created pursuant to Section 4.01 hereof.

“Seventh Supplement” means this Seventh Supplemental Trust Agreement, dated as of [Dated Date], by and between the Authority and the Trustee, providing for the issuance of the Series 2015 Bonds.

“Special Record Date” means the date and time established by the Trustee for determination of which Bondholders shall be entitled to receive overdue interest on the Series 2015 Bonds pursuant to Section 2.03(b)(iii) hereof.

“Tax Agreement” means the Tax Compliance Agreement of the Authority, dated the closing date of the Series 2015 Bonds, with respect to tax matters relating to the Series 2015 Bonds.

**Section 1.02. Article and Section References.** Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this Seventh Supplement.

**Section 1.03. Actions by Authority.** Except as otherwise expressly provided herein, for all purposes of the Agreement and this Seventh Supplement with respect to the Series 2015 Bonds, the Authorized Authority Representative shall be authorized to act upon behalf of the Authority.

## ARTICLE 2

### THE SERIES 2015 BONDS

**Section 2.01. Authority; Purpose; Principal and Interest Provisions.**

(a) The Series 2015 Bonds are issued pursuant to the Act and the Agreement and constitute an additional Series of Bonds issued pursuant to Article II of the Agreement.

(b) The Series 2015 Bonds are issued for the purpose of refunding the Series 2004 Bonds. The Authority will use proceeds of the Series 2015 Bonds, together with moneys transferred pursuant to

Section 2.07(a) hereof, to pay the redemption price of the Series 2004 Bonds and to pay Costs of Issuance.

The Series 2015 Bonds shall be secured by a prior lien on, and are payable from, Pledged Revenues and Remaining Sales Tax and otherwise, all as provided in the Agreement, and are otherwise subject to the terms of the Agreement, except that otherwise provided on this Seventh Supplement. The Authority may, but is not obligated to, provide for payment of principal or redemption price of and interest on the Series 2015 Bonds from any other source or from any other funds of the Authority.

(c) The Series 2015 Bonds shall be designated as “Los Angeles County Metropolitan Transportation Authority General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015” in the original aggregate principal amount of \$[Principal Amount]. The Series 2015 Bonds shall be issued in Authorized Denominations and shall be dated the Closing Date.

(d) The Series 2015 Bonds shall mature on the dates in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

Maturity Date (July 1)	Principal Amount	Interest Rate
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(e) The Series 2015 Bonds shall be in substantially the form set forth in Exhibit A hereto. The form of any Series 2015 Bond shall be subject to such variations, omissions and insertions as may be necessary.

**Section 2.02. Payments of Principal, Redemption Price and Interest: Persons Entitled Thereto.**

(a) The principal or redemption price of each Series 2015 Bond shall be payable when due, upon surrender of such Series 2015 Bond to the Trustee at its designated office, by check, provided that any Registered Owner of \$1,000,000 or more in aggregate principal amount of the Series 2015 Bonds may, upon written request given to the Trustee at least 15 days prior to the maturity or redemption date designating an account in a domestic bank, be paid by wire transfer of immediately available funds; provided further, however, that while the Series 2015 Bonds are Book-Entry Bonds, payment of principal or redemption price of the Book-Entry Bonds shall be made as provided in Section 2.05 hereof. Such payments shall be made to the Registered Owner of the Series 2015 Bond so surrendered, as shown on the registration books maintained by the Registrar on the date of payment.

(b) (i) Each Series 2015 Bond shall bear interest (A) from the date of authentication, if authenticated on an Interest Payment Date to which interest has been paid or duly provided for in full, or (B) from the last preceding Interest Payment Date to which

interest has been paid or duly provided for in full (or from the Closing Date, if no interest thereon has been paid or duly provided for).

(ii) Subject to the provisions of subparagraph (iii) below, the interest due on any Series 2015 Bond on any Interest Payment Date shall be paid to the Registered Owner of such Series 2015 Bond as shown on the registration books kept by the Registrar as of the Regular Record Date.

(iii) If the available funds under this Seventh Supplement are insufficient on any Interest Payment Date to pay the interest then due, the Regular Record Date shall no longer be applicable with respect to the Series 2015 Bonds. If funds for the payment of such overdue interest thereafter become available, the Trustee shall immediately establish a special interest payment date for the payment of the overdue interest and a Special Record Date (which shall be a Business Day) for determining the Registered Owners entitled to such payments. Notice of such date so established shall be sent by mail by the Trustee to each Registered Owner at least ten days prior to the Special Record Date, but not more than 30 days prior to the special interest payment date. The overdue interest shall be paid on the special interest payment date to the Registered Owners, as shown on the registration books kept by the Registrar as of the close of business on the Special Record Date.

(iv) All payments of interest on the Series 2015 Bonds shall be paid to the persons entitled thereto pursuant to subsection (b)(ii) above by check and sent by mail on the Interest Payment Date, provided that any Registered Owner of \$1,000,000 or more in aggregate principal amount of the Series 2015 Bonds may, upon written request given to the Trustee at least 15 days prior to an Interest Payment Date designating an account in a domestic bank, be paid by wire transfer of immediately available funds; provided, however, that while the Series 2015 Bonds are Book-Entry Bonds, payment of interest on Book-Entry Bonds shall be made as provided in Section 2.05 hereof.

### **Section 2.03. Terms of Redemption of Series 2015 Bonds.**

(a) Optional Redemption of Series 2015 Bonds. The Series 2015 Bonds maturing on or before July 1, \_\_\_\_, are not subject to optional redemption prior to their stated maturities. The Series 2015 Bonds maturing on or after July 1, \_\_\_\_, shall be subject to optional redemption, in whole or in part, upon forty-five (45) days written notice to the Trustee by the Authority of its intention to optionally redeem, on any date on or after July 1, \_\_\_\_, from any available source of funds of the Authority, at a redemption price equal to the principal amount of the Series 2015 Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. Any such redemption shall be in such order of maturity as the Authority shall designate.

(b) Selection of Series 2015 Bonds for Redemption. Whenever provision is made in this Seventh Supplement for the redemption of less than all of the Series 2015 Bonds of a particular maturity, the Trustee shall select the Series 2015 Bonds to be redeemed from all Series 2015 Bonds of such maturity, or such given portion thereof not previously called for redemption, by lot in any manner which the Trustee in its sole discretion shall deem appropriate. For purposes of such selection, the Trustee shall treat each Series 2015 Bond as consisting of separate \$5,000 portions and each such portion shall be subject to redemption as if such portion were a separate bond.

(c) Notice of Redemption. Notice of redemption shall be mailed by the Trustee by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days before any redemption date, to the respective Owners of any Series 2015 Bonds designated for redemption at their addresses appearing on the registration books of the Registrar. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Series 2015 Bonds (or all Series 2015 Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Series 2015 Bonds within a maturity are called for redemption) bond numbers of the Series 2015 Bonds to be redeemed, the maturity or maturities of the Series 2015 Bonds to be redeemed and in the case of Series 2015 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Series 2015 Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Series 2015 Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date.

Notwithstanding the foregoing, in the case of any optional redemption of any Series 2015 Bonds under Section 2.03(a) above, the notice of redemption may state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to optionally redeem the Series 2015 Bonds on the anticipated redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Series 2015 Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Series 2015 Bonds to be optionally redeemed, such event shall not constitute an Event of Default, the Trustee shall send written notice to the Owners to the effect that the redemption did not occur as anticipated, and the Series 2015 Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes of the Agreement. In addition, the Authority shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(d) Partial Redemption of Bonds. Upon surrender of any Series 2015 Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of Authorized Denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered and of the same interest rate and maturity.

**Section 2.04. Purchase of Series 2015 Bonds in Lieu of Optional Redemption.** If any Series 2015 Bond is called for optional redemption in whole or in part, the Authority may elect, as provided in this Section 2.04, to have all or part in Authorized Denominations of such Series 2015 Bonds purchased for the account of the Authority or its designee in lieu of redemption and cancellation. The purchase price of the Series 2015 Bonds purchased in lieu of optional redemption shall be equal to the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, which would have been payable on such Series 2015 Bonds on the scheduled redemption date for such redemption. The Authority may direct the Trustee (or another agent appointed by the Authority to make such purchase upon behalf of the Authority) to purchase all or such specified lesser portion of the Series 2015 Bonds called for optional redemption. Any such direction to the Trustee must (i) be in writing; (ii) state either that all the Series 2015 Bonds called for redemption therein identified are to be purchased or, if less than all of the Series 2015 Bonds called for redemption are to be purchased, identify those Series 2015 Bonds to be purchased by maturity date and Outstanding principal amount in Authorized Denominations; and

(iii) be received by the Trustee no later than 12:00 noon one Business Day prior to the scheduled redemption date thereof. If so directed, the Trustee shall purchase such Series 2015 Bonds on the date which otherwise would be the optional redemption date of such Series 2015 Bonds. On or prior to the scheduled optional redemption date, any direction given to the Trustee pursuant to this Section may be withdrawn by the Authority by delivering a written direction to the Trustee. Any of the Series 2015 Bonds called for optional redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by the Agreement and this Seventh Supplement on such redemption date. No notice of the purchase in lieu of optional redemption shall be required to be given to the Owners (other than the notice of redemption otherwise required under Section 2.03(f)).

## **Section 2.05. Book-Entry Bonds.**

(a) Except as provided in paragraph (c) of this Section 2.05, the Registered Owner of all of the Series 2015 Bonds shall be DTC and the Series 2015 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of principal or interest for any Series 2015 Bond registered in the name of Cede & Co. shall be made by wire transfer of the New York Clearing House or equivalent next day funds or by wire transfer of same day funds to the account of Cede & Co. at the address indicated on the Regular Record Date or Special Record Date for Cede & Co. in the registration books of the Registrar.

(b) The Series 2015 Bonds shall be initially issued in the form of a separate single authenticated fully registered Series 2015 Bond for each separate stated maturity of the Series 2015 Bonds. Upon initial issuance, the ownership of such Series 2015 Bonds shall be registered in the registration books of the Registrar in the name of Cede & Co., as nominee of DTC. The Trustee, the Registrar and the Authority may treat DTC (or its nominee) as the sole and exclusive Registered Owner of the Series 2015 Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Series 2015 Bonds, selecting the Series 2015 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Agreement or this Seventh Supplement, registering the transfer of Series 2015 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the Trustee, the Registrar nor the Authority shall be affected by any notice to the contrary. Neither the Trustee, the Registrar nor the Authority shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2015 Bonds under or through DTC or any Participant or any other person which is not shown on the registration books as being a Bondholder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Series 2015 Bonds; any notice which is permitted or required to be given to Bondholders under the Agreement or this Seventh Supplement; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2015 Bonds; or any consent given or other action taken by DTC as a Bondholder. The Trustee shall pay, from funds held under the terms of the Agreement or otherwise provided by the Authority, all principal or redemption price of and interest on the Series 2015 Bonds only to DTC as provided in the Representation Letter and all such payments shall be valid and effective to satisfy and discharge fully the Authority's obligations with respect to the principal or redemption price of and interest on the Series 2015 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2015 Bond evidencing the obligation of the Authority, to make payments of principal or redemption price and interest pursuant to the Agreement. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Regular Record Dates and Special Record Dates, the name "Cede & Co." in this Seventh Supplement shall refer to such new nominee of DTC.

(c) In the event the Authority determines that Series 2015 Bond certificates be issued, the Authority may notify DTC, the Trustee and the Registrar of such determination and then DTC will notify the Participants of the availability through DTC of Series 2015 Bond certificates. In such event, the Trustee shall authenticate and the Registrar shall transfer and exchange Series 2015 Bond certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2015 Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Authority and the Trustee shall be obligated to deliver Series 2015 Bond certificates as described in this Seventh Supplement. In the event Series 2015 Bond certificates are issued the provisions of the Agreement and this Seventh Supplement shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2015 Bonds to any Participant having Series 2015 Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2015 Bonds.

(d) Notwithstanding any other provision of the Agreement and this Seventh Supplement to the contrary, so long as any Series 2015 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or redemption price of and interest on such Series 2015 Bond and all notices with respect to such Series 2015 Bond shall be made, and given by the Trustee, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to the Agreement and this Seventh Supplement by the Authority or the Trustee with respect to any consent or other action to be taken by Owners of Series 2015 Bonds, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

**Section 2.06. Application of Proceeds.** The proceeds of the sale of the Series 2015 Bonds shall be applied:

(a) \$\_\_\_\_\_ shall be deposited into the Escrow Fund to be applied in accordance with the Escrow Agreement; and .

(b) \$\_\_\_\_\_ shall be deposited into the Series 2015 Costs of Issuance Fund.

**Section 2.07. Transferred Amounts.** On the Closing Date, the Trustee shall transfer to the Escrow Agent for deposit to the Escrow Fund to be applied in accordance with the Escrow Agreement (i) \$\_\_\_\_\_ from the Series 2004 Subaccount in the Bond Principal Account and \$\_\_\_\_\_ from the Series 2004 Subaccount in the Bond Interest Account held under the Agreement (which amounts represent the monthly deposits made therein by the Authority with respect to the mandatory sinking account payment for the Series 2004 Bonds due on July 1, 2016 and interest due thereon on the next Interest Payment Date of the Series 2004 Bonds) and (ii) \$\_\_\_\_\_ from the Reserve Fund held under the Agreement.

## ARTICLE 3

### AMENDMENT OF AGREEMENT; ADDITIONAL BONDS

**Section 3.01. Amendment of Agreement.** Pursuant to Article X of the Agreement and in accordance with the terms of the Sixth Supplemental Trust Agreement dated as of July 1, 2010 by and between the Authority and the Trustee, the definition of the term “Reserve Fund Requirement” is amended to be as follows:

“Reserve Fund Requirement’ means, as of any date of calculation under the Agreement, the least of: (1) 10% of the aggregate original proceeds of all Series of the Bonds Outstanding, (2) Maximum Annual Debt Service on all the Bonds Outstanding (provided however that notwithstanding anything contained in the definition of Maximum Annual Debt Service herein, the interest rate for Variable Rate Indebtedness with respect to which there is no corresponding interest rate swap agreement or interest rate cap agreement satisfying the requirements set forth in such definition shall be assumed to be “The Bond Buyer Thirty-Year Revenue Bond Index” as last published prior to the date of determination), or (3) 125% of average Annual Debt Service on all the Bonds Outstanding. For purposes of determining if the amount on deposit in the Reserve Fund meets the Reserve Fund Requirement for all Bonds Outstanding, any Reserve Fund Insurance Policy deposited with the Trustee shall be deemed to be a deposit in the face amount of the policy or the stated amount of the credit facility provided, less any unreimbursed drawings or other amounts not reinstated under such Reserve Fund Insurance Policy.”

The owners of the Series 2015 Bonds are deemed upon the purchase thereof to have consented to this amendment to the Agreement.

(b) Pursuant to Article X of the Agreement, Section 2.13 of the Agreement is amended to be as follows:

“Section 2.13. Test for Issuance of Securities Secured by Proposition A Sales Tax and Proposition C Sales Tax.

As a condition to the issuance of any securities or other indebtedness secured by Proposition A Sales Tax or Proposition C Sales Tax on a parity with or senior to the Bonds subsequent to the issuance of the initial Bonds and initial Parity Debt issued under this Agreement, there shall be delivered to the Trustee a certificate prepared by a Consultant showing that Proposition A Sales Tax and/or Proposition C Sales Tax, as the case may be, collected for any 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of the proposed securities or other indebtedness was at least 100% of Maximum Annual Debt Service for all Bonds, Parity Debt and all other securities or other indebtedness secured by such Proposition A Sales Tax or Proposition C Sales Tax which will be Outstanding immediately after the issuance of the proposed securities or other indebtedness. As used herein, “issuance” means (i) with respect to Bonds or Parity Debt with fixed rates of interest through the term of such Bonds and Variable Rate Indebtedness other than commercial paper, the initial issuance and delivery thereof by the Authority, and (ii) with respect to commercial paper or other short-term financing facility, the date on which a commercial paper financing program or other short-term financing facility is established or the date that the maximum authorized principal amount under the financing program is modified or otherwise amended; provided that the maximum authorized principal



amount under any such commercial paper or other short-term financing program shall be used for the purpose of preparing the certificate of the Consultant required by this Section 2.13.”

(c) Pursuant to Article X of the Agreement, the definition of the term “Authorized Authority Representative” is amended to be as follows:

"Authorized Authority Representative" shall mean the Chief Executive Officer, the Executive Director, Finance and Budget, the Treasurer and any Assistant Treasurer of the LACMTA, or such other officer or employee of the Authority or other person who has been designated an agent of the Authority by any of the officers of the Authority named above or by resolution of the Authority”.

**Section 3.02. Additional Bonds.** The Authority covenants not to issue any Bonds or Parity Debt under the Trust Agreement subsequent to the issuance of the Series 2015 Bonds except for Bonds and Parity Debt issued in accordance with Section 2.11(c) thereof.

## ARTICLE 4

### PAYMENT OF COSTS OF ISSUANCE; CREATION OF SERIES 2015 ACCOUNTS

**Section 4.01. Payment of Costs of Issuance.** There is hereby created a separate Fund for the Series 2015 Bonds to be designated as the Series 2015 Costs of Issuance Fund, which shall be held and applied by the Trustee for the payment of Costs of Issuance as provided in this Section 4.01.

(a) As provided in Section 2.07(b) hereof, at the time of issuance and delivery of the Series 2015 Bonds, a portion of the proceeds of the Series 2015 Bonds shall be deposited into the Series 2015 Costs of Issuance Fund. Funds on deposit in such Fund shall be used to pay, or to reimburse the Authority for the payment of, Costs of Issuance. Amounts in the Series 2015 Costs of Issuance Fund shall be disbursed by the Trustee upon written requisition executed by an Authorized Authority Representative. Each such requisition shall state:

- (i) the requisition number;
- (ii) the amount to be paid to the Authority or to its designee and the method of payment;
- (iii) that each item to be paid with the requisitioned funds represents either incurred or due and payable Costs of Issuance;
- (iv) that such Costs of Issuance have not been paid from other funds withdrawn from the Series 2015 Costs of Issuance Fund; and
- (v) to the best of the signatory’s knowledge, no Event of Default has occurred and is continuing under the Agreement or any Supplemental Agreement.

(b) The Trustee shall transfer all amounts remaining in the Series 2015 Costs of Issuance Fund into the Series 2015 Subaccount of the Bond Interest Account of the Debt Service Fund to be applied on the next Interest Payment Date to pay interest on the Series 2015 Bonds upon the earlier to occur of (i) \_\_\_\_\_ 1, 2016 or (ii) receipt by the Trustee of written notice from the Authority that all Costs of Issuance have been paid and that no additional amounts from the Series 2015 Costs of Issuance Fund will

be needed to pay Costs of Issuance. At such time as no amounts remain in the Series 2015 Costs of Issuance Fund, the Series 2015 Costs of Issuance Fund shall be closed.

**Section 4.02. Creation of Series 2015 Subaccount in Bond Interest Account of Debt Service Fund.** There is hereby created within the Bond Interest Account of the Debt Service Fund a separate Account to be designated as the “Series 2015 Subaccount of the Bond Interest Account.” Amounts in the Series 2015 Subaccount of the Bond Interest Account will be disbursed to pay interest on the Series 2015 Bonds pursuant to the Agreement and this Seventh Supplement. All amounts held at any time in the Series 2015 Subaccount of the Bond Interest Account shall be held, invested and used by the Trustee as an integral part of the Bond Interest Account as provided in Sections 4.04 and 4.06 of the Agreement and shall be used by the Trustee to pay interest on the Bonds, when due, pursuant to the Agreement and this Seventh Supplement, as if no separate Subaccount had been created.

**Section 4.03. Creation of Series 2015 Subaccount in Bond Principal Account of Debt Service Fund.** There is hereby created within the Bond Principal Account of the Debt Service Fund a separate Account to be designated as the “Series 2015 Subaccount of the Bond Principal Account.” All amounts held at any time in the Series 2015 Subaccount of the Bond Principal Account shall be held, invested and used by the Trustee as an integral part of the Bond Interest Account as provided in Sections 4.04 and 4.06 of the Agreement and shall be used by the Trustee to pay principal of the Series 2015 Bonds, when due, pursuant to the Agreement and this Seventh Supplement, as if no separate Subaccount had been created.

## ARTICLE 5

### TAX COVENANTS

**Section 5.01. Tax Covenants for Series 2015 Bonds.** The Authority covenants to and for the benefit of the Owners of the Series 2015 Bonds that, notwithstanding any other provisions of Agreement, it will:

(a) neither make or use nor cause to be made or used any investment or other use of the proceeds of the Series 2015 Bonds or the moneys and investments held in the funds and accounts established under the Agreement or this Seventh Supplement which would cause the Series 2015 Bonds to be arbitrage bonds under section 103(b) and Section 148 of the Code or which would otherwise cause the interest payable on the Series 2015 Bonds to be includable in gross income for federal income tax purposes;

(b) not take or cause to be taken any other action or actions, or fail to take any action or actions, which would cause the interest payable on the Series 2015 Bonds to be includable in gross income for federal income tax purposes;

(c) at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on the Series 2015 Bonds will be excluded from the gross income, for federal income tax purposes, of the Owners pursuant to section 103 of the Code; and

(d) not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2015 Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

In furtherance of the covenants in this Section 5.01, the Authority agrees that any money transferred pursuant to Section 4.06(c) of the Agreement from the Series 2015 Reserve Account, because the balance therein exceeds the Reserve Fund Requirement for the Series 2015 Bonds, shall be transferred to the Series 2015 Subaccount in the Bond Interest Account and used to pay interest on the Series 2015 Bonds.

In furtherance of the covenants in this Section 5.01, the Authority shall execute, deliver and comply with the provisions of the Tax Agreement for Series 2015 Bonds, which is by this reference incorporated into this Indenture and made a part of this Indenture as if set forth in this Indenture in full including all of the defined terms therein, and by its acceptance of this Indenture the Trustee acknowledges receipt of such Tax Agreement and acknowledges its incorporation in this Indenture by this reference. The Trustee agrees it will invest funds held under this Indenture in accordance with the terms of this Indenture (this covenant shall extend throughout the term of the Series 2015 Bonds, to all funds and accounts created under this Indenture and all moneys on deposit to the credit of any fund or account).

### **Section 5.02. Rebate Fund for the Series 2015 Bonds.**

(a) The Trustee shall establish and maintain, when required, a fund separate from any other fund established and maintained hereunder or under the Agreement designated as the Rebate Fund for the Series 2015 Bonds (the “Rebate Fund”), which is not pledged to any Bonds. Neither the Authority nor the Owner of any Bonds shall have any rights in or claim to such money. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with instructions of the Authority given pursuant to the terms and conditions of the Tax Agreement. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Agreement) for the Series 2015 Bonds, for payment to the federal government of the United States of America.

All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 5.02 and by the Tax Agreement (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written direction of the Authority including supplying all necessary information in the manner provided in the Tax Agreement, and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Agreement or any other tax covenants contained herein. The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate calculations. The Trustee shall have no independent duty to review such calculations or enforce the compliance by the Authority with such rebate requirements. The Trustee shall have no duty or obligation to determine the applicability of the Code and shall only be obligated to act in accordance with written direction provided by the Authority.

(b) Upon the Authority’s written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the Authority, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Requirement for the Series 2015 Bonds. Computations of the Rebate Requirement shall be furnished by or on behalf of the Authority in accordance with the Tax Agreement. The Trustee shall supply to the Authority, at the Authority’s request, all necessary information in the manner provided in the Tax Agreement, to the extent such information is reasonably available to the Trustee.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 6.07, other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by the Authority.

(d) At the written direction of the Authority, the Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments. Moneys shall not be transferred from the Rebate Fund except as provided in paragraph (e) below. The Trustee shall not be liable for any consequences arising from such investment.

(e) Upon receipt of the Authority's written direction, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the Authority so directs, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the Authority's written direction; provided, however, only moneys in excess of the Rebate Requirement may, at the written direction of the Authority, be transferred out of the Rebate Fund to such other accounts or funds or to anyone other than the United States in satisfaction of the arbitrage rebate obligation. Any funds remaining in the Rebate Fund after each five year remission to the United States, redemption and payment of all of the Series 2015 Bonds and payment and satisfaction of any Rebate Requirement, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the Authority.

(f) Notwithstanding any other provision of this Seventh Supplement and the Agreement, including in particular Article VII, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section 5.02, Section 5.01 and the Tax Agreement shall survive the defeasance or payment in full of the Series 2015 Bonds.

## ARTICLE 6

### MISCELLANEOUS

**Section 6.01. Continuing Disclosure.** The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Agreement and this Seventh Supplement, failure of the Authority to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default hereunder or under the Agreement

**Section 6.02. Trustee's Agents.** The Trustee or the Authority (with written notice to the Trustee) may from time to time appoint other banks, trust companies or other financial institutions to perform functions of the Trustee described in this Seventh Supplement or the Agreement, as provided in the Agreement. Such agents may include, but shall not be limited to, authenticating agents and Paying Agents. Any reference in this Seventh Supplement to the Trustee shall also refer to any agent appointed by the Trustee or the Authority to perform such functions in addition to the Trustee or shall, instead, refer only to any agent appointed by the Trustee or the Authority to perform such functions in place of the Trustee.

**Section 6.03. Notices.**

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Seventh Supplement must be in writing except as expressly provided otherwise in this Seventh Supplement or the Series 2015 Bonds.

(b) Whenever in this Seventh Supplement or the Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Seventh Supplement or the Agreement any notice to Owners of Series 2015 Bonds shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

**Section 6.04. Limitation of Rights.** Nothing expressed or implied in this Seventh Supplement or the Series 2015 Bonds shall give any person other than the Authority, the Trustee and the Holders of the Series 2015 Bonds any right, remedy or claim under or with respect to this Seventh Supplement or the Agreement.

**Section 6.05. Waiver of Personal Liability.** No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest or premium (if any) on the Series 2015 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Seventh Supplement or by the Agreement.

**Section 6.06. Payments or Actions Occurring on Non-Business Days.** If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made or the action taken on the stated date, and no interest shall accrue for the intervening period.

**Section 6.07. Evidence of Acts of Owners of Series 2015 Bonds.**

(a) Any request, direction, consent or other instrument provided hereby or under the Agreement to be signed and executed by the Owners of Series 2015 Bonds may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Series 2015 Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof and of the Agreement and shall be conclusive in favor of the Trustee and Authority with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(i) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(ii) The ownership of Series 2015 Bonds shall be proved by the registration books of the Registrar.

Nothing in this Section shall be construed as limiting the Trustee to the proof herein specified, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient including, without limitation, an affidavit evidencing beneficial ownership of Series 2015 Bonds while the Series 2015 Bonds are Book-Entry Bonds.

(b) Any action taken or suffered by the Trustee pursuant to any provision hereof or the Agreement, upon the request or with the assent of any person who at the time is the Owner of any Series 2015 Bond or Bonds, shall be conclusive and binding upon all future Owners of the same Series 2015 Bond or Bonds.

(c) Any request, consent, or other instrument or writing of the Owner of any Series 2015 Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

**Section 6.08. Money Held for Particular Series 2015 Bonds.** The money held by the Trustee for the payment of the interest or principal due on any date with respect to particular Series 2015 Bonds (or portions of Series 2015 Bonds in the case of bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Series 2015 Bonds entitled thereto, subject, however, to the provisions of Section 4.12 of the Agreement hereof but without any liability for interest thereon.

**Section 6.09. Severability.** If any provision of this Seventh Supplement shall be determined to be unenforceable, such determination shall not affect any other provision of this Seventh Supplement.

**Section 6.10. Governing Law.** This Seventh Supplement shall be governed by and construed in accordance with the laws of the State.

**Section 6.11. Captions.** The captions in this Seventh Supplement are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Seventh Supplement.

**Section 6.12. Counterparts.** This Seventh Supplement may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Supplement by their officers thereunto duly authorized as of the date first written above.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

By \_\_\_\_\_  
Assistant Treasurer

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**FORM OF SERIES 2015 BONDS**

Unless this Series 2015 Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Los Angeles County Metropolitan Transportation Authority or its agent for registration of transfer, exchange or payment, and any Series 2015 Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
GENERAL REVENUE REFUNDING BONDS  
(UNION STATION GATEWAY PROJECT) SERIES 2015**

No. R-1 \$ \_\_\_\_\_

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
%		_____2015	

REGISTERED OWNER:

PRINCIPAL AMOUNT: \$ \_\_\_\_\_

The LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (the “Authority”), a public entity, duly organized and existing under and pursuant to the laws of the State of California (the “State”), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns (the “Owner”), but solely from the sources hereinafter mentioned, on the Maturity Date specified above the Principal Amount shown above and to pay interest hereon, but solely from the sources hereinafter referred to, at the Interest Rate shown above from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, or from the date of authentication hereof if such date is on an Interest Payment Date to which interest has been paid or duly provided for, or from the Original Issue Date specified above if no interest has been paid or duly provided for, such payments of interest to be made on each Interest Payment Date until the principal or redemption price hereof has been paid or duly provided for as aforesaid. The principal or redemption price of and interest on this Bond may be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public or private debts. The principal of this Bond is payable to the Owner hereof in immediately available funds or next day funds, depending on the instructions of the Owner as described below upon presentation and surrender hereof at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A. as successor Trustee (the “Trustee”) under the Trust Agreement, dated as of January 1, 1995, as supplemented and amended (the “Trust Agreement”), including as supplemented by the Seventh Supplemental Trust Agreement, dated as of [Dated Date] (the “Seventh Supplement” and, together with the Trust Agreement, the “Agreement”) providing for the issuance of the captioned bonds (the “Series 2015 Bonds”). Interest shall be paid to the Owner hereof whose name appears on the registration books kept by the Trustee as of the close of



business on the applicable regular or special record date by check mailed to such Owner; provided that any Owner of \$1,000,000 or more in aggregate principal amount of the Series 2015 Bonds may, upon written request given to the Trustee at least fifteen days prior to an Interest Payment Date designating an account in a domestic bank, be paid by wire transfer of immediately available funds. The regular record date for any Interest Payment Date shall be the 15th day of the calendar month (whether or not a Business Day) next preceding such Interest Payment Date. If sufficient funds for the payment of interest becoming due on any Interest Payment Date are not on deposit with the Trustee on such date, the Trustee may establish a special interest payment date on which such overdue interest shall be paid and a special record date relating thereto. This Series 2015 Bond is registered as to both principal and interest on the registration books kept with the Trustee and may be transferred or exchanged, subject to the further conditions specified in the Agreement, only upon surrender hereof at the designated corporate trust office of the Trustee. This Series 2015 Bond is payable solely from the sources hereinafter mentioned.

Capitalized terms used in this Series 2015 Bond which are not defined herein but which are defined in the Agreement shall have the respective meanings set forth in the Agreement.

The Series 2015 Bonds are special, limited obligations of the Authority payable from and secured by a prior lien on and pledge of the Pledged Revenues and the Remaining Sales Tax and are also payable in the event of a deficiency from certain other amounts, all as provided under the Agreement. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR THE COUNTY OF LOS ANGELES OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, OTHER THAN THE AUTHORITY TO THE EXTENT OF THE AMOUNTS PLEDGED UNDER THE AGREEMENT, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2015 BONDS.

NO RECOURSE UNDER THIS BOND SHALL BE HAD AGAINST ANY PAST, PRESENT OR FUTURE OFFICER OF THE AUTHORITY.

This Series 2015 Bond is one of an authorized series of Series 2015 Bonds of the Authority issued in the original aggregate principal amount of \$[Principal Amount] designated as “Los Angeles County Metropolitan Transportation Authority General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015” authorized by a resolution of the Authority, and issued under and secured by the Agreement in full conformity with the Constitution and laws of the State of California.

Reference is made to the Agreement for provisions concerning the rights of the Owners and the rights and obligations of the Authority and the Trustee. The acceptance of the terms and conditions of the Agreement (including amplifications and qualifications of the provisions hereof), which is on file at the designated corporate trust office of the Trustee, is an explicit and material part of the consideration of the Authority’s issuance hereof, AND EACH OWNER HEREOF BY ACCEPTANCE OF THIS SERIES 2015 BOND ACCEPTS AND ASSENTS TO ALL SUCH TERMS AND CONDITIONS AS IF FULLY SET FORTH HEREIN.

Series 2015 Bonds and all other Bonds and Parity Debt now or hereafter issued and Outstanding under the Agreement are and will be equally and ratably secured, to the extent provided by the Agreement, by the pledge thereunder of the Pledged Revenues and Remaining Sales Tax, all as provided in the Agreement.

Interest on the Series 2015 Bonds is payable on January 1 and July 1, commencing on January 1, 2011 (each an “Interest Payment Date”), and will be paid to the party who is the Owner hereof on the

record date for such payment. This Series 2015 Bond shall be issued pursuant to a book-entry system administered by The Depository Trust Company (together with any successor thereto, "Securities Depository"). The book-entry system will evidence beneficial ownership of the Series 2015 Bonds with transfers of ownership effected on the register held by the Securities Depository pursuant to rules and procedures established by the Securities Depository. So long as the book-entry system is in effect, transfer of principal, interest and premium payments, and provisions of notices or other communications, to beneficial owners of the Series 2015 Bonds will be the responsibility of the Securities Depository as set forth in the Agreement.

Reference has made to the Agreement for the redemption provisions and the transfer and exchange provisions applicable to the Series 2015 Bonds.

In case an Event of Default, as defined in the Agreement, shall have occurred, the principal of all Bonds then outstanding under the Agreement may become due and payable prior to their scheduled maturity date.

No Owner shall have any right to pursue any remedy under the Agreement unless (a) the Trustee shall have been given written notice of an Event of Default by an Owner of the Bonds then outstanding, (b) the Owners of no less than 25% in aggregate principal amount of the Bonds then Outstanding shall have requested the Trustee, in writing, to exercise the powers therein granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, (d) the Trustee shall have failed to comply with such request within sixty (60) days after receipt of such notice, request and offer of indemnity and (e) the Trustee shall not have received contrary directions from the Owners of a majority in aggregate principal amount of Bonds then outstanding.

The Authority and the Trustee may deem and treat the Owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Series 2015 Bond shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Series 2015 Bond shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge liability on this Series 2015 Bond to the extent of the sum or sums so paid.

The rights and obligations of the Authority and of the Owners of the Series 2015 Bonds may be amended at any time in the manner, to the extent and upon the terms provided in the Agreement

If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Series 2015 Bonds the interest thereon and the principal thereof at the times and in the manner stipulated herein and in the Agreement, then the Owners of such Series 2015 Bonds shall cease to be entitled to the security provided by the Agreement, and all agreements, covenants and other obligations of the Authority to the Owners of such Series 2015 Bonds under the Agreement shall thereupon cease, terminate and become void and be discharged and satisfied.

Except as otherwise provided in the Agreement, this Series 2015 Bond shall not be entitled to any, right or benefit under the Agreement, or be valid or become obligatory for any purpose, until this Series 2015 Bond shall have been authenticated by execution by the Trustee of the Certificate of Authentication inscribed hereon.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond and the Series 2015 Bonds is duly authorized by law; that all acts, conditions and things required to exist

and necessary to be done or performed precedent to and in the issuance of this Series 2015 Bond and the Series 2015 Bonds to render the same lawful, valid and binding have been properly done and performed and have happened in regular and due time, form and manner as required by law; that all acts, conditions and things necessary to be done or performed by the Authority or to have happened precedent to and in the execution and delivery of the Agreement have been done and performed and have happened in regular and due form as required by law; that due provision has been made for the payment of the principal of and premium, if any, and interest on this Series 2015 Bond and the Series 2015 Bonds by irrevocably assigning the described revenues as provided in the Agreement; that payment in full for the Series 2015 Bonds has been received; and that the issuance of the Series 2015 Bonds does not contravene or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY has caused this Series 2015 Bond to be signed in its name and on its behalf as of the Original Issue Date specified above.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

By \_\_\_\_\_  
Title: Assistant Treasurer

**AUTHENTICATION CERTIFICATE**

This Bond is one of the General Revenue Refunding Bonds (Union Station Gateway Project) Series 2015 of the Los Angeles County Metropolitan Transportation Authority, described in the within-mentioned Agreement.

Date: \_\_\_\_\_

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By \_\_\_\_\_  
Authorized Officer

**ASSIGNMENT OF THE SERIES 2015 BONDS**

For value received the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_, whose tax identification number is \_\_\_\_\_, the within Series 2015 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney, to transfer the within Series 2015 Bond on the books kept for registration thereof, with full power of substitution in the premises.

\_\_\_\_\_

Dated: \_\_\_\_\_

NOTE: The signature to this Assignment must correspond with the name as written upon the face of the Series 2015 Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_

NOTE: The signature must be guaranteed by an eligible guarantor institution.