

PRELIMINARY OFFICIAL STATEMENT DATED MARCH [•], 2021**NEW ISSUE—BOOK-ENTRY ONLY**
[DAC Logo]**Ratings: S&P: “[•]”**
Moody’s: “[•]”
See “RATINGS” herein.

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to LACMTA, based on an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2021-A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2021-A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2021-A Bonds. See “TAX MATTERS” herein.

[LACMTA
Logo]

§[PAR]*
LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY
Proposition C Sales Tax Revenue Bonds,
Senior Bonds, Series 2021-A

Dated: Date of Delivery**Due: As shown on the inside cover**

The Los Angeles County Metropolitan Transportation Authority (“LACMTA”) is issuing its Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2021-A (the “Series 2021-A Bonds”). The Series 2021-A Bonds are being issued pursuant to the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended (the “Trust Agreement”), by and between LACMTA and U.S. Bank National Association, as trustee (the “Trustee”), and the Thirty-Second Supplemental Trust Agreement, to be dated as of [April] 1, 2020 (the “Thirty-Second Supplemental Agreement,” and together with the Trust Agreement, the “Agreement”), by and between LACMTA and the Trustee. The Series 2021-A Bonds are limited obligations of LACMTA payable solely from and secured by a first lien on and pledge of “Pledged Revenues” and by other amounts held by the Trustee under the Agreement. “Pledged Revenues” are receipts from the Proposition C Sales Tax, less amounts described in this Official Statement. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS” and “PROPOSITION C SALES TAX AND COLLECTIONS” herein. LACMTA will use the proceeds of the Series 2021-A Bonds to (a) finance or refinance (through the repayment of Proposition C Revolving Obligations, as further described herein), or reimburse LACMTA for, the development and construction of certain projects of the rail, bus and highway transit system, and (b) pay the costs of issuance of the Series 2021-A Bonds.

The Series 2021-A Bonds will be issued in denominations of \$5,000 and integral multiples thereof. The Series 2021-A Bonds will be issued in fully registered form and will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”), the securities depository for the Series 2021-A Bonds. Individual purchases and sales of the Series 2021-A Bonds may be made in book-entry form only. See “APPENDIX G—BOOK-ENTRY-ONLY SYSTEM.” The Series 2021-A Bonds will mature in the principal amounts and will bear interest at the rates set forth on the inside front cover. LACMTA will pay interest on the Series 2021-A Bonds on each January 1 and July 1, commencing on January 1, 2022.

Certain of the Series 2021-A Bonds are subject to redemption prior to maturity as described in this Official Statement. See “DESCRIPTION OF THE SERIES 2021-A BONDS—Redemption.”

Neither the faith and credit nor the taxing power of the County of Los Angeles, the State of California or any political subdivision or public agency thereof, other than LACMTA to the extent of the Pledged Revenues and certain other amounts held by the Trustee under the Agreement, is pledged to the payment of the principal of or interest on the Series 2021-A Bonds. Other than Pledged Revenues and such other amounts held by the Trustee under the Agreement, the general fund of LACMTA is not liable, and neither the credit nor the taxing power of LACMTA is pledged, to the payment of the principal of or interest on the Series 2021-A Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2021-A Bonds.

This cover page contains certain information for general reference only. It is not intended to be a summary of the terms of, or the security for, the Series 2021-A Bonds. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page and not otherwise defined have the meanings set forth herein.

LACMTA is offering the Series 2021-A Bonds when, as and if it issues the Series 2021-A Bonds. The issuance of the Series 2021-A Bonds is subject to the approval as to their validity by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to LACMTA. The Los Angeles County Counsel, as General Counsel to LACMTA, and Kutak Rock LLP, as Disclosure Counsel, will pass on certain legal matters for LACMTA. LACMTA anticipates that the Series 2021-A Bonds will be available for delivery through the facilities of DTC on or about April [•], 2021. Electronic bids for the purchase of the Series 2021-A Bonds will be received by LACMTA, as set forth in

*Preliminary; subject to change.
4843-4744-5981.3

the Notice Inviting Bids, dated March [•], 2021 (the “Notice Inviting Bids”), from [•] to [•] a.m., California time, on April [•], 2021, unless postponed as set forth in the Notice Inviting Bids.

Date of Official Statement:

[INSERT MAP OF LACMTA SYSTEM]

MATURITY SCHEDULE*

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Proposition C Sales Tax Revenue Bonds,
Senior Bonds, Series 2021-A

Maturity Date (July 1)*	Principal Amount*	Interest Rate	Yield	Price	CUSIP No.†
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\$ _____ – _____% Series 2021-A Term Bonds due July 1, 20____;
Yield _____% – Price _____ – CUSIP† No. _____

* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with LACMTA and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Series 2021-A Bonds. LACMTA does not take any responsibility for the accuracy of the CUSIP numbers provided herein.

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

Board Members¹

Eric Garcetti, Chair
Hilda L. Solis, First Vice-Chair
Ara J. Najarian, Second Vice Chair
Kathryn Barger
Mike Bonin
James T. Butts, Jr.
Jacquelyn Dupont-Walker
Janice Hahn
Paul Krekorian
Sheila Kuehl
Holly Mitchell
Tim Sandoval
Tony Tavares, Ex-Officio Member

LACMTA Officers

Phillip A. Washington, Chief Executive Officer
Nalini Ahuja, Chief Financial Officer
Donna R. Mills, Treasurer

LACMTA General Counsel

Office of the County Counsel
Los Angeles, California

MUNICIPAL ADVISOR

KNN Public Finance LLC
Berkeley, California

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP

DISCLOSURE COUNSEL

Kutak Rock LLP

TRUSTEE

U.S. Bank National Association
Los Angeles, California

¹ [There is currently one vacancy on the Board of Directors].

LACMTA has not authorized any dealer, broker, salesperson or other person to give any information or to make any representation in connection with the offer or sale of the Series 2021-A Bonds other than as set forth in this Official Statement and, if given or made, such other information or representation must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021-A Bonds, by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not a contract with the purchasers or owners of the Series 2021-A Bonds. Statements contained in this Official Statement which involve estimates, projections or matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of facts.

The information and expressions of opinion in this Official Statement are subject to change without notice, and the delivery of this Official Statement and any sale made pursuant to this Official Statement do not, under any circumstances, imply that the information and expressions of opinion in this Official Statement and other information regarding LACMTA have not changed since the date hereof. LACMTA is circulating this Official Statement in connection with the sale of the Series 2021-A Bonds and this Official Statement may not be reproduced or used, in whole or in part, for any other purpose.

In making an investment decision, investors must rely on their own examination of the terms of the offering and the security and sources of payment of the Series 2021-A Bonds, including the merits and risks involved. The Series 2021-A Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Agreement been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. Neither the U.S. Securities and Exchange Commission nor any other federal, state or other governmental entity, nor any agency or department thereof, has passed upon the merits of the Series 2021-A Bonds or the accuracy or completeness of this Official Statement. The Series 2021-A Bonds have not been recommended by any federal or state securities commission or regulatory authority. Any representation to the contrary may be a criminal offense.

This Official Statement contains statements relating to future results that are “forward looking statements.” When used in this Official Statement, the words “estimate,” “forecast,” “projection,” “intend,” “expect” and similar expressions identify forward looking statements. Any forward looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward looking statements. Some assumptions used to develop forward looking statements inevitably will not be realized, and unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results; those differences could be material.

In connection with this offering, the Winning Bidder (as defined herein) may overallocate or effect transactions which stabilize or maintain the market price of the Series 2021-A Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing transactions, if commenced, may be discontinued at any time. The Winning Bidder may offer and sell the Series 2021-A Bonds to certain dealers and others at yields higher or prices lower than the public offering yields and/or prices stated on the inside cover page of this Official Statement, and such public offering yields and/or prices may be changed from time to time by the Winning Bidder.

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APPENDIX A	LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
APPENDIX B	LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020
APPENDIX C	LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION
APPENDIX D	SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS
APPENDIX E	PROPOSED FORM OF BOND COUNSEL’S OPINION
APPENDIX F	FORM OF CONTINUING DISCLOSURE CERTIFICATE
APPENDIX G	BOOK-ENTRY-ONLY SYSTEM

OFFICIAL STATEMENT

[\$[PAR]]*
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Proposition C Sales Tax Revenue Bonds,
Senior Bonds, Series 2021-A

INTRODUCTION

This Official Statement, which includes the cover page and the appendices hereto, sets forth information in connection with the offering by the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) of \$[PAR]* aggregate principal amount of its Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2021-A (the “Series 2021-A Bonds”). This Introduction is qualified by the more complete and detailed information contained in this entire Official Statement and the documents summarized or described in this Official Statement. Prospective investors should review this entire Official Statement, including the cover page and appendices, before they make an investment decision to purchase the Series 2021-A Bonds. LACMTA is only offering the Series 2021-A Bonds to potential investors by means of this entire Official Statement. Capitalized terms used but not defined herein have the meanings ascribed to them in “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS.”

LACMTA

LACMTA was established in 1993 pursuant to the provisions of Section 130050.2 et seq. of the California Public Utilities Code (the “LACMTA Act”). LACMTA is the consolidated successor entity to both the Southern California Rapid Transit District (the “District”) and the Los Angeles County Transportation Commission (the “Commission”). As the consolidated successor entity, LACMTA succeeded to all powers, duties, rights, obligations, liabilities, indebtedness, bonded or otherwise, immunities and exemptions of the District and the Commission, including the Commission’s responsibility for planning, engineering and constructing a county wide rail transit system. The Commission was authorized, subject to approval by the electorate of the County of Los Angeles (the “County”), to adopt a retail transactions and use tax ordinance, with the revenues of such tax to be used for public transit purposes. On November 6, 1990, the voters of the County approved the “Proposition C Sales Tax.” The Proposition C Sales Tax is a one half of 1 percent sales tax imposed on the gross receipts of retailers from the sale of tangible personal property sold at retail in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions, and is not limited in duration. For more information regarding the Proposition C Sales Tax, see “PROPOSITION C SALES TAX AND COLLECTIONS—The Proposition C Sales Tax.”

For further discussion of LACMTA, its other sources of revenues, the services it provides and the projects it is undertaking, see “APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY.” The information provided in APPENDIX A is intended as general information only. The Series 2021-A Bonds are limited obligations of LACMTA payable from Pledged Revenues, which consist primarily of proceeds of the Proposition C Sales Tax. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS.” For certain economic and demographic

* Preliminary; subject to change.

data about the County, see “APPENDIX C—LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION.”

Purpose of the Series 2021-A Bonds

LACMTA will use the proceeds of the Series 2021-A Bonds to (a) finance or refinance (through the repayment of Proposition C Revolving Obligations, as defined under “PROPOSITION C SALES TAX OBLIGATION—Subordinate Lien Obligations”), or reimburse LACMTA for, the development and construction of certain projects of the rail, bus and highway transit system, as further described herein, and (b) pay the costs of issuance of the Series 2021-A Bonds. For a more detailed description of LACMTA’s proposed use of the proceeds of the Series 2021-A Bonds, see “PLAN OF FINANCE AND APPLICATION OF THE SERIES 2021-A BOND PROCEEDS.”

Description of the Series 2021-A Bonds

The Series 2021-A Bonds are limited obligations of LACMTA to be issued pursuant to, and secured under, the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended (the “Trust Agreement”), by and between LACMTA and U.S. Bank National Association, as trustee (the “Trustee”). In connection with the issuance of the Series 2021-A Bonds, LACMTA will enter into the Thirty-Second Supplemental Trust Agreement, to be dated as of [April] 1, 2021 (the “Thirty-Second Supplemental Agreement”), by and between LACMTA and the Trustee, to provide for the terms of the Series 2021-A Bonds and related matters. The Trust Agreement, as supplemented by the Thirty-Second Supplemental Agreement, is referred to in this Official Statement as the “Agreement.”

The Series 2021-A Bonds will be issued in registered form, in denominations of \$5,000 or any integral multiple thereof. The Series 2021-A Bonds will be dated their initial date of delivery and will mature on the dates and in the principal amounts and will bear interest at the rates per annum as shown on the inside cover page hereof, computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2021-A Bonds will be delivered in book-entry-only form and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2021-A Bonds. See “APPENDIX G—BOOK-ENTRY-ONLY SYSTEM.”

Security and Sources of Payment for the Series 2021-A Bonds

The Series 2021-A Bonds are limited obligations of LACMTA payable solely from and secured by a first lien on and pledge of “Pledged Revenues,” which are moneys collected as a result of the imposition of the Proposition C Sales Tax (the imposition of which is not limited in duration), less 20% thereof which is allocated to local jurisdictions for public transit, paratransit and related services (the “Local Allocation”), and less an administrative fee paid to the California Department of Tax and Fee Administration (formerly the California State Board of Equalization) (“CDTFA”) in connection with the collection and disbursement of the Proposition C Sales Tax (the “Pledged Tax”), plus interest, profits and other income received from the investment of such amounts held by the Trustee (other than amounts in the Rebate Fund). In addition, the Series 2021-A Bonds are secured by all other amounts held by the Trustee under the Agreement except for amounts held in any debt service reserve fund, the Rebate Fund and the Redemption Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS” and “PROPOSITION C SALES TAX AND COLLECTIONS.”

Proposition C Sales Tax Obligations

Under the Agreement, LACMTA may issue Senior Bonds and incur debt and other obligations payable on a parity with Senior Bonds (“Senior Parity Debt,” described in greater detail in APPENDIX D), which are secured by a first lien on and pledge of Pledged Revenues. Senior Bonds and Senior Parity Debt are referred to collectively in this Official Statement as “Senior Obligations.” The Series 2021-A Bonds are Senior Bonds and are payable on a parity with all other Senior Bonds and any Senior Parity Debt. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Proposition C Sales Tax Obligations.”

As of March 1, 2021, LACMTA had Senior Bonds outstanding in the aggregate principal amount of \$1,649,695,000. See “PROPOSITION C SALES TAX OBLIGATIONS.” LACMTA presently does not have any Senior Parity Debt outstanding.

LACMTA may issue additional Senior Bonds and incur additional Senior Parity Debt upon the satisfaction of certain additional bonds tests contained in the Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Proposition C Sales Tax Obligations—*Senior Obligations.*” The Short Range Financial Forecast assumes the issuance of approximately \$1.6 billion in additional Senior Bonds (including the Series 2021-A Bonds) from Fiscal Year 2021 through Fiscal Year 2030. For further discussion of the Short Range Financial Forecast, see “FUTURE TRANSPORTATION IMPROVEMENTS—Capital Planning” in APPENDIX A.

LACMTA has covenanted in the Trust Agreement not to issue or incur any obligations with a pledge of or lien on Pledged Revenues prior or superior to that of the Senior Bonds (including the Series 2021-A Bonds) and any Senior Parity Debt.

Under the Agreement, LACMTA also may issue Subordinate Lien Obligations that are secured by a pledge of Pledged Revenues that is junior and subordinate in all respects to the Senior Obligations (including the Series 2021-A Bonds) as to the lien on and source and security for payment from the Pledged Revenues. See “PROPOSITION C SALES TAX OBLIGATIONS—Subordinate Lien Obligations” for a description of LACMTA’s outstanding Subordinate Lien Obligations. See also “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Proposition C Sales Tax Obligations—*Subordinate Lien Obligations.*”

In addition, LACMTA has incurred other obligations which are secured by the Proposition C Sales Tax revenues that remain after the payment of Senior Bonds, Senior Parity Debt and Subordinate Lien Obligations. See “PROPOSITION C SALES TAX OBLIGATIONS—Other Obligations.”

The Series 2021-A Bonds Are Limited Obligations of LACMTA Only

Neither the faith and credit nor the taxing power of the County, the State of California (the “State”) or any political subdivision or public agency thereof, other than LACMTA to the extent of the Pledged Revenues and certain other amounts held by the Trustee under the Agreement, is pledged to the payment of the principal of or interest on the Series 2021-A Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2021-A Bonds.

The Series 2021-A Bonds are limited obligations of LACMTA and are payable, as to both principal and interest, solely from and secured by a first lien on and pledge of Pledged Revenues and certain other amounts held by the Trustee under the Agreement. Other than Pledged Revenues and such other amounts held by the Trustee under the Agreement, the general fund of LACMTA is not liable, and neither the credit

nor the taxing power of LACMTA is pledged, to the payment of the principal of or interest on the Series 2021-A Bonds.

No Reserve Fund for the Series 2021-A Bonds

Prior to 2019, all of the Senior Bonds were supported by a reserve fund established by the Agreement (the “Reserve Fund”), and the outstanding Senior Bonds issued on or prior to June 15, 2016 are secured by the Reserve Fund. However, the Series 2021-A Bonds will not be secured by the Reserve Fund or any other debt service reserve fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—The Series 2021-A Bonds Are Not Secured by Any Debt Service Reserve Fund.”

Continuing Disclosure

In connection with the issuance of the Series 2021-A Bonds, for purposes of assisting the Winning Bidder (as defined under “SALE OF SERIES 2021-A BONDS”) in complying with Rule 15c2-12 (the “Rule”) promulgated by the U.S. Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as amended, LACMTA will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (the “EMMA System”), certain annual financial information and operating data relating to LACMTA and notice of certain enumerated events. See “CONTINUING DISCLOSURE” and “APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Impact of Global COVID-19 Outbreak

[Additional updates to come]

As a part of the State’s response to the global outbreak of a novel coronavirus (together with variants thereof, “COVID-19”), the Governor of the State (the “Governor”) declared a state of emergency in the State on March 4, 2020. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic, and on March 13, 2020, the President of the United States declared a national state of emergency.

On March 12, 2020, the Governor issued Executive Order N-25-20, requiring CDTFA, which administers sales and use taxes in the State, to use its administrative powers where appropriate to provide extensions for filing, payment, audits, billing, notices, assessments, claims for refund, and relief from subsequent penalties and interest to individuals and businesses impacted by complying with a state or local public health official’s imposition or recommendation of social distancing measures related to COVID-19. On March 30, 2020, the Governor issued Executive Order N-40-20, which provided a three-month extension for tax returns and tax payments for all businesses filing a return for less than \$1,000,000 in taxes. This Order also extended the statute of limitations to file a claim for refund for taxes and fees administered by CDTFA, and it extends the timeframe to file for appeal with CDTFA. On April 2, 2020, the Governor announced a one-year reprieve on the payment of sales and use taxes for small businesses allowing them to request to defer payment on up to \$50,000 of sales and use tax liability.

The State, the City of Los Angeles, and the County imposed significant restrictions on economic and other activity within the County beginning in March 2020. While some of those restrictions have been lifted, some have been reimposed. It is unknown when and whether restrictions will continue to be eased or will be reinstated or enhanced.

The economic shut-down caused by the COVID-19 pandemic and related government restrictions on activity materially reduced spending and sales tax revenues collected in the County in the fourth quarter of Fiscal Year 2020. Furthermore, government restrictions and possible future restrictions may affect the collection and administration of sales taxes in the State. Some of the negative impacts that LACMTA has identified include:

- LACMTA expects declines and delays in sales tax revenues in Fiscal Year 2021 due to required business shutdowns and the impact of COVID-19 on the economy, but LACMTA does not know the full fiscal impact that COVID-19 will have on its sales tax revenues.
- As a result of the Governor’s executive orders, LACMTA currently expects that the amounts of prepayments and transfers of sales tax revenues from CDTFA will decline and be delayed. Since the Governor’s executive order only covers businesses that have sales tax liabilities below specified thresholds, LACMTA has received and expects it will continue to receive some amounts of monthly prepayments and transfers of sales tax revenues from CDTFA but is unable to predict what those amounts will be.
- LACMTA currently believes that despite the negative impacts of COVID-19 on collection of sales tax revenues in the County, there will be sufficient sales tax revenues to pay debt service on all of LACMTA’s outstanding sales tax revenue bonds, including the Series 2021-A Bonds.
- LACMTA has several major transit projects under construction throughout the County. There is currently no impact on the ability to continue construction on these major projects.

Because the full impact of COVID-19 cannot be predicted with any degree of certainty, LACMTA is planning for the future using financial scenarios that it has prepared, in April 2020, based on estimates. Given the ongoing uncertainty, LACMTA management may revise the scenarios in the future. LACMTA used a “bottoms up” approach and estimated impacts on sales tax revenues from major economic sectors. Percentage declines in sales tax revenues were estimated for the major economic sectors based on the information collected and assumptions about how safer-at-home orders, non-essential business closures and other economic changes would impact each respective major economic sector. These scenarios were not based on any actual economic data but represented efforts to estimate the economic impact without the benefit of any prior historical precedents. LACMTA’s scenarios all assumed economic contraction in the last two quarters of Fiscal Year 2020 and the first quarter of Fiscal Year 2021 and gradual recovery from the second quarter through the end of the fourth quarter of Fiscal Year 2021. These scenarios assumed Proposition C Sales Tax revenues for Fiscal Year 2020 to be between 4.5% (low-loss) and 7.7% (high-loss) lower than Proposition C Sales Tax revenues shown in the 2019 Financial Statements. The scenarios also assumed Proposition C Sales Tax revenues for Fiscal Year 2021 to be between 2.1% (low-loss) and 8.1% (high-loss) lower than Proposition C Sales Tax revenues shown in the 2019 Financial Statements. LACMTA’s scenarios also included significant reductions in farebox revenues, toll revenues and other system-generated revenues.

Proposition C Sales Tax revenues for Fiscal Year 2020 were \$824.6 million compared to \$846.5 million for Fiscal Year 2019, a 2.6% decrease, which was less than the low-loss scenario of a 4.5% decrease. Additionally, Proposition C Sales Tax receipts received during the first six months of Fiscal Year 2021 (July 2020 through December 2020) were approximately \$424.0 million compared to \$442.4 million received during the first six months of Fiscal Year 2020 (July 2019 through December 2019), a 4.2% decrease. See “PROPOSITION C SALES TAX AND COLLECTIONS—Historical Proposition C Sales Tax Collections.”

In addition, ridership on LACMTA's bus and rail systems has declined significantly as a result of COVID-19. Average weekday ridership for the first six months of Fiscal Year 2021 (July 2020 through December 2020) was approximately 570,000 compared to 1.17 million during the first six months of Fiscal Year 2020 (July 2019 through December 2019), a 51.3% decrease. The Series 2021-A Bonds are limited obligations of LACMTA payable from Pledged Revenues, which consist primarily of proceeds of the Proposition C Sales Tax, and are not payable from farebox revenues collected from riders of LACMTA's bus and rail systems or other revenues of LACMTA.

LACMTA received \$862 million in funding under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act in Fiscal Year 2020 and Fiscal Year 2021 to partially offset losses in sales tax revenues and other operational and capital costs. Management is also taking various actions to prioritize and reduce costs in addition to seeking other federal and State funding as it becomes available. LACMTA continues to mitigate the risks of all its patrons and employees through the use of personal protective equipment and strengthened cleaning regimes on all vehicles, stations, and terminals.

The COVID-19 outbreak is ongoing, and its dynamic nature leads to uncertainties, including (i) the geographic spread of the virus; (ii) the severity of the disease; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate the outbreak; (v) the development of medical therapeutics or vaccinations; (vi) the impact of the outbreak on the local, national or global economy; and (vii) the impact of the outbreak and actions taken in response to the outbreak on LACMTA's revenues, expenses and financial condition.]

Additional Information

Brief descriptions of the Series 2021-A Bonds, the Agreement and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, report or other instrument. The information herein is subject to change without notice, and the delivery of this Official Statement will under no circumstances create any implication that there has been no change in the affairs of LACMTA since the date hereof. This Official Statement is not to be construed as a contract or agreement between LACMTA and the purchasers or Owners of any of the Series 2021-A Bonds. LACMTA maintains a website, an investor relations page through a third-party, and social media accounts, the information on which is not part of this Official Statement, has not and is not incorporated by reference herein, and should not be relied upon in deciding whether to invest in the Series 2021-A Bonds.

Copies of the Agreement may be obtained from LACMTA at One Gateway Plaza, 21st Floor, Treasury Department, Los Angeles, California 90012, or by emailing TreasuryDept@metro.net, or by calling (213) 922-2554.

PLAN OF FINANCE AND APPLICATION OF THE SERIES 2021-A BOND PROCEEDS

Use of Proceeds; Plan of Refunding

LACMTA will use the proceeds of the Series 2021-A Bonds to (a) finance or refinance (through the repayment of approximately \$105 million in aggregate principal amount of Proposition C Revolving Obligations), or reimburse LACMTA for, the development and construction of certain projects of the rail transit system, and (b) pay the costs of issuance of the Series 2021-A Bonds.

The projects expected to be financed or refinanced with the proceeds of the Series 2021-A consist of improvements to the rail, bus and highway transit system, including [●].

Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2021-A Bonds.

Sources

Principal Amount
Original Issue Premium/(Discount)
Total Sources

Uses

Deposit to Construction Fund
Repayment of Proposition C
Revolving Obligations
Costs of Issuance¹
Uses

¹ Includes underwriters' discount, legal fees, rating agency fees, municipal advisor fees, printer costs, and other costs of issuance.

RISK FACTORS

The following factors, together with all other information provided in this Official Statement, should be considered by potential investors in evaluating the purchase of the Series 2021-A Bonds. The discussion below does not purport to be, nor should it be construed to be, complete nor a summary of all factors which may affect LACMTA, the Proposition C Sales Tax revenues, or the Series 2021-A Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Economic Factors May Cause Declines in Proposition C Sales Tax Revenues

The Series 2021-A Bonds are limited obligations of LACMTA payable solely from and secured by a first lien on and pledge of Pledged Revenues, consisting primarily of certain revenues of the Proposition C Sales Tax and other amounts that are held by the Trustee under the Agreement. The level of Proposition C Sales Tax revenues collected depends on the level of taxable sales transactions within the County, which, in turn, depends on the level of general economic activity in the County. In Fiscal Years 2009 and 2010, the national economic recession and regional general economic conditions resulted in reductions in economic activity and taxable sales within the County, and correspondingly Proposition C Sales Tax revenues received by LACMTA declined. Proposition C Sales Tax revenues increased in Fiscal Years 2011 through 2019.

Proposition C Sales Tax revenues have been and will likely continue to be affected by COVID-19. LACMTA has experienced and continues to experience declines and delays in Proposition C Sales Tax revenues in Fiscal Years 2020 and 2021 due to the required business shutdowns and the impact of COVID-19 on economy. "INTRODUCTION—Impact of Global COVID-19 Outbreak." Additionally, Proposition C Sales Tax revenues could decline in the future, reducing amounts available to pay the principal of and interest on the Series 2021-A Bonds.

To project future Proposition C Sales Tax revenues for budgetary purposes, LACMTA incorporates actual long-term experience combined with forecasts from local economists and other publicly available sources of data. LACMTA does not itself develop forecasts of current or future economic conditions. Furthermore, CDTFA does not provide LACMTA with any forecasts of Proposition C Sales Tax revenues for future periods. Therefore, LACMTA is unable to predict with certainty future levels of Proposition C Sales Tax revenues. In addition, the County is located in a seismically active region. A major earthquake, pandemic, epidemic or other natural disaster could adversely affect the economy of the County and the amount of Proposition C Sales Tax revenues. Future significant declines in the amount of Proposition C Sales Tax revenues could ultimately impair the ability of LACMTA to pay principal of and interest on the Series 2021-A Bonds. See “PROPOSITION C SALES TAX AND COLLECTIONS—Historical Proposition C Sales Tax Collections.” Also see “APPENDIX C—LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION.” Also see “INTRODUCTION—Impact of Global COVID-19 Outbreak.”

California State Legislature or Electorate or Federal Law May Change Items Subject to Proposition C Sales Tax

With limited exceptions, the Proposition C Sales Tax is imposed on the same transactions and items subject to the general sales tax levied throughout the State. In the past, the California State Legislature and the California State electorate have made changes to the transactions and items subject to the State’s general sales tax and, therefore, the Proposition C Sales Tax. In 1991, the California State Legislature enacted legislation which expanded the transactions and items subject to the general statewide sales tax to include fuel for aviation and shipping, bottled water, rental equipment and newspapers and magazines. In 1992, the California State electorate approved an initiative which eliminated candy, gum, bottled water and confectionery items as items subject to the California State’s general sales tax. In each case, the same changes were made to transactions or items subject to the Proposition C Sales Tax. In the future, the California State Legislature or the California State electorate could further change the transactions and items upon which the statewide general sales tax and the Proposition C Sales Tax are imposed. Such a change could either increase or decrease Proposition C Sales Tax revenues depending on the nature of the change. See “PROPOSITION C SALES TAX AND COLLECTIONS.”

Federal law may also cause transactions and items to be excluded from the State’s general sales tax, and, therefore, the Proposition C Sales Tax. For example, under federal law, local taxes on aviation fuel (except taxes in effect on December 30, 1987) must be used for airport-related purposes, as a condition for receiving federal funding for airports. On November 7, 2014, the Federal Aviation Administration (the “FAA”) adopted an amendment to its “Policy and Procedures Concerning the Use of Airport Revenue” (the “FAA Policy”), which clarifies that local sales taxes derived from aviation fuel are subject to the airport use restriction and must be used for airport-related purposes. The FAA definition of local sales tax includes the Proposition C Sales Tax, as well as the Measure R Sales Tax and the Measure M Sales Tax (see “PROPOSITION C SALES TAX AND COLLECTIONS—The Proposition C Sales Tax” for descriptions of these sales taxes). While LACMTA cannot be certain of the overall impact that the FAA Policy will have on Proposition C Sales Tax revenues, it does not expect that Proposition C Sales Tax revenues will be reduced as a result of the FAA Policy since the amount of revenues that LACMTA expends on airport-related purposes exceeds the amount of local taxes, including Proposition C Sales Tax revenues, it derives from aviation fuel. However, LACMTA cannot guarantee that Proposition C Sales Tax revenues will not be adversely affected by the FAA Policy. The FAA Policy is illustrative of federal laws that may affect which transactions and items are subject to the State’s general sales tax.

Increases in Sales Tax Rate May Cause Declines in Proposition C Sales Tax Revenues

Increases in sales tax rates, whether by the electorate of a municipality within the County, the County or the State or by the State Legislature, may affect consumer spending decisions and as a result adversely impact sales transactions in the County and, thereby, reduce Proposition C Sales Tax revenues. Several increases in sales tax rates have occurred in recent years.

In November 2008, County voters approved Measure R, which increased the sales tax rate within the County by $\frac{1}{2}$ of 1% for a period of 30 years to fund LACMTA transportation projects and operations. Collection of the additional sales tax rate (known as the Measure R Sales Tax) commenced in July 1, 2009.

In November 2012, the voters of the State approved an additional $\frac{1}{4}$ of 1% State general sales tax, which became effective on January 1, 2013 and expired on December 31, 2016.

At the election held on November 8, 2016, more than two-thirds of the electors of the County voting on the issue approved an additional transportation and use tax (known as the Measure M Sales Tax) to improve transportation and ease traffic congestion. The Measure M Sales Tax is a new one-half cent sales tax that started on July 1, 2017 that increases to one cent in 2039 when the Measure R Sales Tax expires. The Measure M Sales Tax does not have a scheduled expiration date. Proposition A Sales Tax revenues, Measure R Sales Tax revenues and Measure M Sales Tax revenues are separate from Proposition C Sales Tax revenues and do not secure the Senior Bonds, including the Series 2021-A Bonds, or Senior Parity Debt.

On March 7, 2017, County voters approved a $\frac{1}{4}$ of 1% sales tax increase known as the Measure H Sales Tax for Homeless Services and Prevention to fund programs to assist the County's homeless population. The Measure H Sales Tax went into effect in October, 2017 and such tax expires in 2027. See "PROPOSITION C SALES TAX AND COLLECTIONS—The Proposition C Sales Tax" for further discussion of Measure H and other current sales taxes in the County.

Additional increases in sales tax rates that will impact the County, while not currently pending, can be expected to be proposed and imposed, from time to time.

Increased Internet Use May Reduce Proposition C Sales Tax Revenues

The increasing use of the Internet to conduct electronic commerce may affect the levels of Proposition C Sales Tax revenues. Internet sales of physical products by businesses located in the State, and Internet sales of physical products delivered to the State by businesses located outside of the State are generally subject to the retail transactions and use tax imposed by Proposition C. Legislation passed as part of the California Budget Act of 2011 imposes a use tax collection responsibility for certain out-of-state, and particularly Internet, retailers that meet certain criteria. The new responsibility took effect in September 2012.

Further, the Supreme Court of the United States (the "Supreme Court") decided a case on June 21, 2018 (*South Dakota v. Wayfair Inc., et al*) concerning out of jurisdiction collection of sales taxes. The Supreme Court ruled that state and local governments have the authority to require out-of-state vendors with no local physical presence in a state to collect and remit sales taxes to state and local governments. Since April 1, 2019, retailers located outside of California have been required to register with CDTFA, collect the California use tax, and pay the tax to CDTFA based on the amount of their sales into California, even if they do not have a physical presence in the state, with exceptions for retailers with California sales below certain volume and dollar amount thresholds. Effective October 1, 2019, marketplace facilitators (such as Internet shopping websites) are treated as retailers for purposes of determining whether such

thresholds are met, and marketplace facilitators are required to collect and remit sales and use tax on the sale of tangible personal property sold through their marketplace for delivery to California customers if they meet certain volume and dollar amount thresholds. LACMTA believes that some Internet transactions currently avoid taxation and in the future may continue to avoid taxation, and this potentially reduces the amount of Proposition C Sales Tax revenues.

No Acceleration of the Series 2021-A Bonds

In the event of a default by LACMTA, the Agreement does not contain a provision allowing for the acceleration of the principal of and interest due on the Series 2021-A Bonds. In the event of a default by LACMTA, each Owner of the Series 2021-A Bonds will have the right to exercise the remedies, subject to the limitations thereon, set forth in the Agreement. See “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—TRUST AGREEMENT—Events of Default and Remedies.”

No Reserve Fund for the Series 2021-A Bonds

The Series 2021-A Bonds will not be secured by a debt service reserve fund.

Additional Senior Bonds

LACMTA expects to issue additional debt secured by Proposition C Sales Tax revenues, including additional Senior Bonds. The Short Range Financial Forecast assumes the issuance of approximately \$1.6 billion in additional Senior Bonds (including the Series 2021-A Bonds) from Fiscal Year 2021 through Fiscal Year 2030. For further discussion of the Short Range Financial Forecast, see “APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—FUTURE TRANSPORTATION IMPROVEMENTS—Capital Planning.” LACMTA has several major transit projects under construction and has future plans for additional major capital projects. LACMTA may ultimately issue more Senior Bonds to finance these projects than its current plans presently anticipate, particularly if costs of completing projects are higher than expected or other funding sources are not available as planned. In addition, LACMTA is likely to undertake additional capital projects in the future, and additional Senior Bonds may be issued to finance these projects. LACMTA may issue additional Senior Bonds only if the additional bonds tests described under “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Proposition C Sales Tax Obligations—*Senior Obligations*” are satisfied.

Impact of Bankruptcy of LACMTA

As a municipal entity, LACMTA may be authorized to file a petition for relief under Chapter 9 of the United States Bankruptcy Code (“Chapter 9”) under certain circumstances. Should LACMTA file for bankruptcy relief, there could be adverse effects on the holders of the Series 2021-A Bonds.

If the Pledged Tax constitutes “special revenues” under the Bankruptcy Code, then Pledged Tax collected before and after the date of the bankruptcy filing should be subject to the lien of the Agreement. “Special revenues” are defined to include taxes specifically levied to finance one or more projects or systems, and also to include receipts from the ownership, operation, or disposition of projects or systems that are primarily used or intended to be used primarily to provide transportation, utility or other services, as well as other revenues or receipts derived from particular functions of the debtor, but the Bankruptcy Code excludes receipts from general property, sales, or income taxes levied to finance the general purposes of the governmental entity.

The results of Chapter 9 bankruptcy proceedings are difficult to predict. If a court determined that the Proposition C Sales Tax was levied to finance the general purposes of LACMTA rather than specific projects, then the Pledged Tax would not be special revenues. No assurance can be given that a court would hold that the Pledged Tax constitutes special revenues or that the Series 2021-A Bonds are of a type protected by the “special revenues” provisions of the Bankruptcy Code. If a bankruptcy court were to determine that the Pledged Tax were not “special revenues,” then Pledged Tax collected after the commencement of the bankruptcy case would likely not be subject to the lien of the Agreement. If a bankruptcy court were to so hold, the owners of the Senior Bonds (including the Series 2021-A Bonds) would no longer be entitled to any special priority to the Pledged Tax and could be treated as general unsecured creditors of LACMTA without a lien as to the Pledged Tax.

If the revenues pledged under the Agreement are determined to be special revenues, the Bankruptcy Code provides (in order to maintain the revenue-generating capacity of the municipal entity) that a special revenues lien is subject to the necessary operating expenses of the project or system from which the special revenues are derived, which expenses are to be paid before other obligations (including to bondholders). This rule applies regardless of the provisions of the transaction documents. The law is not clear, however, (i) as to whether, or to what extent, the Pledged Tax would be considered to be “derived” from a project or system, or (ii) precisely which expenses would constitute necessary operating expenses. To the extent that the Pledged Tax is determined to be derived from a project or system, LACMTA may be able to use Pledged Tax to pay necessary operating expenses, before the remaining Pledged Tax is turned over to the Trustee to pay amounts owed to the holders of the Series 2021-A Bonds.

If LACMTA files for relief under Chapter 9, the parties (including the Trustee and the holders of the Series 2021-A Bonds) may be prohibited from taking any action to collect any amount from LACMTA or to enforce any obligation of LACMTA, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Series 2021-A Bonds from funds in the Trustee’s possession. In addition, the procedure pursuant to which the Pledged Tax is paid directly to the Trustee by CDTFA may no longer be enforceable, and LACMTA may be able to require that the Pledged Tax be paid directly to it by CDTFA.

If LACMTA has possession of Pledged Tax (whether collected before or after commencement of the bankruptcy case) and if LACMTA does not voluntarily pay such moneys to the Trustee, it is not entirely clear what procedures the Trustee or the holders of the Series 2021-A Bonds would have to follow to attempt to obtain possession of such Pledged Tax, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

The obligations of LACMTA under the Agreement, including its obligations to pay principal of and interest on the Series 2021-A Bonds, are limited obligations and are payable solely from the Pledged Revenues and certain other amounts held by the Trustee under the Agreement. Accordingly, if LACMTA filed for relief under Chapter 9, the owners of the Series 2021-A Bonds may not have any recourse to any assets or revenues of LACMTA other than the Pledged Revenues and other amounts.

In the event of a LACMTA bankruptcy filing, LACMTA may be able to borrow additional money that is secured by a lien on any of its property (including the Pledged Revenues), which lien could have priority over the lien of the Agreement, as long as the bankruptcy court determines that the rights of the owners of the Series 2021-A Bonds will be adequately protected. LACMTA may also be able to cause some of the Pledged Revenues to be released to it, free and clear of lien of the Agreement, as long as the bankruptcy court determines that the rights of the Trustee and the owners of the Series 2021-A Bonds will be adequately protected.

Through a Chapter 9 proceeding LACMTA may also be able, without the consent and over the objection of the Trustee and the owners of the Series 2021-A Bonds, to alter the priority, principal amount, interest rate, payment terms, collateral, maturity date, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Agreement and the Series 2021-A Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

As noted in its 2020 Financial Statements (as defined under “FINANCIAL STATEMENTS”), (see “Note III—DETAILED NOTES ON ALL FUNDS—I. Employees’ Retirement Plans” in the Notes to the Financial Statements and the related Required Supplementary Schedules in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020”), LACMTA has been informed that it has unfunded pension plan actuarial accrued liabilities. In a bankruptcy of LACMTA, the amounts of current and, if any, accrued (unpaid) contributions owed to the California Public Employees’ Retirement System (“CalPERS”), the LACMTA-administered plans, or to any other pension system (collectively the “Pension Systems”), as well as future material increases in required contributions, could create additional uncertainty as to LACMTA’s ability to pay debt service on the Series 2021-A Bonds. Given that municipal pension systems in California are usually administered pursuant to state constitutional provisions and, as applicable, other state and/or municipal law, the Pension Systems may take the position, among other possible arguments, that their claims enjoy a higher priority than all other claims, that Pension Systems are instrumentalities of the State and have the right to enforce payment by injunction or other proceedings outside of a LACMTA bankruptcy case, and that Pension System claims cannot be the subject of adjustment or other impairment under the Bankruptcy Code because that would purportedly constitute a violation of state statutory, constitutional and/or municipal law. It is uncertain how a bankruptcy judge in a bankruptcy of LACMTA would rule on these matters. In addition, this area of law is presently very unsettled. This is because, though the issues of pension underfunding claim priority, pension contribution enforcement, and related bankruptcy plan treatment of such claims (among other pension-related matters) have been the subject of litigation in the Chapter 9 cases of several California municipalities, including Stockton and San Bernardino, the relevant disputes have not been litigated to decision in the Federal circuit appellate courts, and thus there are no rulings from which definitive guidance can be taken on pension matters in Chapter 9.

There may be delays in payments on the Series 2021-A Bonds while the court considers any of these issues, and any of these issues could result in delays or reductions in payments on the Series 2021-A Bonds. There may be other possible effects of a bankruptcy of LACMTA that could result in delays or reductions in payments on the Series 2021-A Bonds, or result in losses to the holders of the Series 2021-A Bonds. Regardless of any specific adverse determinations in a LACMTA bankruptcy proceeding, the fact of a LACMTA bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Series 2021-A Bonds.

Liability for CalPERS Retirement Funding

LACMTA participates in CalPERS, and is a member of the Southern California Regional Rail Authority (“Metrolink”), a joint powers authority that participates in CalPERS. Participants in CalPERS may terminate their participation, and CalPERS may, following notice and cure periods, terminate participants that fail to make required contributions or provide required information or no longer exist. California law provides that a terminated agency is liable to CalPERS for any deficit in funding for earned benefits, plus interest and collection costs, and that CalPERS will have a lien on assets of the terminated participant, subject only to a prior lien for wages, for such deficit, interest and costs. Similar provisions impose liability and liens on members of joint powers authorities for the retirement obligations of the joint powers authority. As of June 30, 2020, LACMTA’s net pension liability with respect to the CalPERS administered plan in which LACMTA participates was approximately \$[175] million according to

LACMTA's audited financial statements (see APPENDIX B) and as of June 30, 2020, Metrolink's net pension liability was approximately \$[•] million, according to Metrolink's audited financial statements. While LACMTA expects to make its required contributions to CalPERS and to strive to ensure that no funding deficit exists in the event of the termination or dissolution of Metrolink or any other joint powers authority of which it becomes a member (or if a funding deficit does exist, to make alternate arrangements to address it), it is possible that a lien could be placed on all of LACMTA's assets, including the Proposition C Sales Tax Revenues, in the amount of any funding deficit, plus interest and collection costs, and any such lien on Proposition C Sales Tax Revenues would be senior to that securing the Senior Bonds. Also see "— Impact of Bankruptcy of LACMTA."

Voter Initiatives and California State Legislative Action May Impair Proposition C Sales Tax

Voters have the right to place measures before the electorate in the County or the State and the California State Legislature may take actions to limit the collection and use of the Proposition C Sales Tax. Such initiatives or actions may impact various aspects of the security, source of payment and other credit aspects of the Series 2021-A Bonds. See "PROPOSITION C SALES TAX AND COLLECTIONS— Initiatives and Changes to Proposition C Sales Tax."

DESCRIPTION OF THE SERIES 2021-A BONDS

General

The Series 2021-A Bonds are limited obligations of LACMTA to be issued pursuant to and secured under the Agreement. In connection with the issuance of the Series 2021-A Bonds, LACMTA will enter into the Thirty-Second Supplemental Agreement to provide the terms of the Series 2021-A Bonds and related matters.

The Series 2021-A Bonds will bear interest at the rates and mature in the principal amounts and on the dates shown on the inside cover of this Official Statement. LACMTA will pay interest on each January 1 and July 1, beginning January 1, 2022. Interest on the Series 2021-A Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2021-A Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. Upon initial issuance, the Series 2021-A Bonds will be registered in the name of Cede & Co. as registered owner and nominee of DTC. As long as the Series 2021-A Bonds are registered in such name or in the name of a successor nominee, the ownership of the Series 2021-A Bonds will be evidenced by book-entry as described in "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM." Purchasers will not receive certificated Series 2021-A Bonds. So long as Cede & Co. is the registered owner of the Series 2021-A Bonds, reference herein to the Bondholders or registered owners will mean Cede & Co. as aforesaid and will not mean the Beneficial Owners of the Series 2021-A Bonds.

So long as Cede & Co. is the registered owner of the Series 2021-A Bonds, principal and redemption price of and interest on the Series 2021-A Bonds are payable by wire transfer of funds by the Trustee to Cede & Co., as nominee of DTC. DTC is obligated, in turn, to remit such amounts to its participants as described herein for subsequent disbursement to the Beneficial Owners. If the Series 2021-A Bonds cease to be held by DTC or by a successor securities depository, the principal and redemption price of the Series 2021-A Bonds will be payable at maturity or earlier redemption upon presentation and surrender of the Series 2021-A Bonds at the corporate trust office or agency of the Trustee, and interest on the Series 2021-A Bonds will be payable by check mailed by first-class mail on each Interest Payment Date to the Owners of the Series 2021-A Bonds as of the Record Date; provided, that Owners of \$1,000,000 or more in aggregate principal amount of Series 2021-A Bonds may arrange for payment by wire transfer of

immediately available funds upon written request given to the Trustee at least 15 days prior to an Interest Payment Date.

Redemption

Optional Redemption. The Series 2021-A Bonds maturing on or before July 1, 20__ are not subject to optional redemption prior to their stated maturities. The Series 2021-A Bonds maturing on and after July 1, 20__ are subject to redemption at the option of LACMTA on or after July 1, 20__, in whole or in part in Authorized Denominations at any time, from any moneys that may be provided for such purpose and at a redemption price of 100% of the principal amount of such Series 2021-A Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2021-A Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption in the amount of the principal thereof, without premium, plus accrued interest thereon to the redemption date from amounts in the Senior Bond Principal Account of the Debt Service Fund, to be paid on July 1 of the years and in the principal amounts set forth below

<u>July 1 of the Year</u>	<u>Principal Amount</u>
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† Final Maturity

On or before the forty-fifth day prior to any mandatory sinking fund redemption date, the Trustee will proceed to select for redemption (by lot in such manner as the Trustee may determine), from the Series 2021-A Bonds subject to such redemption, an aggregate principal amount of such Series 2021-A Bonds equal to the amount for such year as set forth in the applicable table above and will call such Series 2021-A Bonds or portions thereof (in Authorized Denominations) for redemption and give notice of such redemption in accordance with the terms of the Agreement.

At the option of LACMTA, to be exercised on or before the 60th day next preceding any mandatory sinking fund redemption date, it may (a) deliver to the Trustee for cancellation any Series 2021-A Bonds or portions thereof (in Authorized Denominations) of the stated maturity subject to such mandatory sinking fund redemption purchased in the open market or otherwise acquired by LACMTA or (b) specify a principal amount of such Series 2021-A Bonds or portions thereof (in Authorized Denominations) subject to mandatory sinking fund redemption which prior to said date have been purchased or redeemed (other than pursuant to mandatory sinking fund redemption) and previously cancelled by the Trustee at the request of LACMTA and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2021-A Bond or portion thereof so delivered or previously purchased or redeemed will be credited by the Trustee at 100% of the principal amount thereof against the obligation of LACMTA on such mandatory sinking fund redemption date.

Selection of Series 2021-A Bonds to Be Redeemed; Notice of Redemption. The Series 2021-A Bonds are subject to optional redemption in such order of maturity as LACMTA may direct and by lot, selected in such manner as the Trustee deems appropriate, within a maturity, provided that for so long as the Series 2021-A Bonds are held by DTC, the interests of the Participants in the particular Series 2021-A Bonds or portions thereof to be redeemed within a maturity will be selected by lot by DTC in such manner

as DTC and the Participants may determine. See also “APPENDIX G—BOOK-ENTRY-ONLY SYSTEM.”

The Trustee is required to give notice of redemption to the registered owners affected by such redemption at least 20 days but not more than 60 days before each redemption date, and to send such notice of redemption by first-class mail (or, with respect to Series 2021-A Bonds held by DTC, via electronic means or by an express delivery service for delivery on the next following Business Day). Each notice of redemption will specify the Series 2021-A Bonds to be redeemed; the redemption date; the CUSIP numbers of the Series 2021-A Bonds to be redeemed; the redemption price; the place or places where amounts due upon such redemption will be payable; if less than all of the Series 2021-A Bonds of a maturity date are to be redeemed, the numbers of the Series 2021-A Bonds and the portions of Series 2021-A Bonds to be redeemed; any conditions to the redemption; and that on the redemption date, and upon the satisfaction of any such condition, the Series 2021-A Bonds to be redeemed will cease to bear interest.

If at the time of mailing of notice of an optional redemption there has not been deposited with the Trustee moneys sufficient to redeem all the Series 2021-A Bonds called for redemption, such notice may, at the election of LACMTA, state that it is conditional, that is, subject to the deposit of the redemption moneys with the Trustee not later than the opening of business one Business Day prior to the scheduled redemption date, and such notice will be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption will be canceled and on such cancellation date notice will be mailed to the holders of such Series 2021-A Bonds that were to be redeemed.

Failure to give any required notice of redemption or any defect therein will not affect the validity of the call for redemption of any Series 2021-A Bond in respect of which no failure or defect occurs. Any notice sent as provided above will be conclusively presumed to have been given whether or not actually received by the addressee.

Effect of Redemption. If notice is given as described above under “—*Selection of Series 2021-A Bonds to be Redeemed; Notice of Redemption*” and the moneys for payment of the redemption price are on deposit with the Trustee, the Series 2021-A Bonds called for redemption will be due and payable on the redemption date, interest on such Series 2021-A Bonds will cease to accrue after such date, such Series 2021-A Bonds will cease to be entitled to any lien, benefit or security under the Agreement, and the registered owners of the redeemed Series 2021-A Bonds will have no rights under the Agreement after the redemption date other than the right to receive the redemption price for such Series 2021-A Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS

Security for the Series 2021-A Bonds

The Series 2021-A Bonds are limited obligations of LACMTA payable from and secured by a first lien on and pledge of the “Pledged Revenues,” which consist of Pledged Tax plus interest, profits and other income received from the investment of such amounts held by the Trustee (other than amounts in the Rebate Fund). “Pledged Tax” consists of moneys collected as a result of the imposition of the Proposition C Sales Tax, less 20% thereof which constitutes the Local Allocation, less an administrative fee paid to CDTFB in connection with the collection and disbursement of the Proposition C Sales Tax. In addition, the Series 2021-A Bonds are secured by all other amounts held by the Trustee under the Agreement except for amounts held in any debt service reserve fund, the Rebate Fund and the Redemption Fund. Additionally, the Agreement provides that Pledged Tax also includes any Local Allocation that a local jurisdiction authorizes to be pledged to secure the Series 2021-A Bonds, plus such additional sources of revenue, if any, which are hereafter pledged to pay the Series 2021-A Bonds under a subsequent supplemental trust agreement. As of the date of this Official Statement, no local jurisdiction has authorized to be pledged any

of its Local Allocation to secure any Senior Bonds, including the Series 2021-A Bonds. Pledged Revenues do not include any Proposition C Sales Tax revenues that are released by the Trustee to (a) the payment of the Proposition C Revolving Obligations (as defined under “PROPOSITION C SALES TAX OBLIGATIONS—Subordinate Lien Obligations”) or any other Subordinate Lien Obligations; (b) LACMTA for the payment, if necessary, of the General Revenue Bonds (as defined under “PROPOSITION C SALES TAX OBLIGATIONS—Other Obligations”); or (c) LACMTA for any other lawful purposes of LACMTA. LACMTA is not obligated to make payments of principal of and interest on the Series 2021-A Bonds from any other source of funds. The Series 2021-A Bonds are payable from and secured by Pledged Revenues on a parity with LACMTA’s outstanding Senior Bonds and additional Senior Bonds and Senior Parity Debt that may be issued in the future. See “—Proposition C Sales Tax Obligations—Senior Obligations” and “PROPOSITION C SALES TAX OBLIGATIONS—Senior Bonds and Senior Parity Debt.” For a description of the Proposition C Sales Tax and collections related thereto, see “PROPOSITION C SALES TAX AND COLLECTIONS.”

Neither the faith and credit nor the taxing power of the County, the State or any political subdivision or public agency thereof, other than LACMTA to the extent of the Pledged Revenues and certain other amounts held by the Trustee under the Agreement, is pledged to the payment of the principal of or interest on the Series 2021-A Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2021-A Bonds.

The Series 2021-A Bonds are limited obligations of LACMTA and are payable, as to both principal and interest, solely from a first lien on and pledge of the Pledged Revenues and certain other amounts held by the Trustee under the Agreement. Other than Pledged Revenues and such other amounts held by the Trustee under the Agreement, the general fund of LACMTA is not liable, and neither the credit nor the taxing power of LACMTA is pledged, to the payment of the principal of or interest on the Series 2021-A Bonds.

Proposition C Sales Tax Obligations

Under the Agreement, LACMTA may issue Senior Bonds and incur Senior Parity Debt, which are secured by a first lien on and pledge of Pledged Revenues. The Series 2021-A Bonds are Senior Bonds. See “—*Senior Obligations*” below.

Pursuant to the Trust Agreement, LACMTA has covenanted and agreed not to issue or incur any obligations that would have a lien on Pledged Revenues senior to the Senior Bonds (including the Series 2021-A Bonds) or any Senior Parity Debt.

Under the Agreement, LACMTA also may issue Subordinate Lien Obligations that are secured by a pledge of Pledged Revenues that is junior and subordinate in all respects to the Senior Obligations (including the Series 2021-A Bonds) as to the lien on and source and security for payment from the Pledged Revenues. Pursuant to the Subordinate Trust Agreement, dated as of June 1, 1993, as amended and supplemented (the “Subordinate Trust Agreement”), by and between LACMTA and U.S. Bank National Association, as trustee, LACMTA has issued Subordinate Lien Obligations which are payable from and secured by Pledged Revenues remaining after the payment of the principal of and interest on the Senior Obligations and any Pledged Revenues required to fund a debt service reserve fund for the Senior Bonds (collectively, the “Net Pledged Revenues”). See “—*Subordinate Lien Obligations and Other Obligations*” below.

Senior Obligations. Pursuant to the Agreement, LACMTA may issue additional Senior Bonds or incur Senior Parity Debt, which would be payable from and secured by a first lien on and pledge of Pledged Revenues on a parity basis with the Series 2021-A Bonds, if LACMTA delivers to the Trustee a certificate

prepared by a Consultant showing that the Pledged Tax collected for any 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of such Senior Bonds or incurrence of Senior Parity Debt, as applicable, was at least equal to 130% of Maximum Annual Debt Service for all Senior Bonds and Senior Parity Debt which will be Outstanding immediately after the proposed issuance of Senior Bonds or incurrence of Senior Parity Debt. This certificate need not be delivered if the Senior Bonds or Senior Parity Debt are being issued or incurred for the purpose of refunding Outstanding Senior Bonds or Senior Parity Debt and certain conditions are met as described in “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—TRUST AGREEMENT—Additional Senior Bonds.” For a description of the Senior Bonds currently outstanding, see “PROPOSITION C SALES TAX OBLIGATIONS—Senior Bonds and Senior Parity Debt.”

Under the Trust Agreement, “Maximum Annual Debt Service” generally means the greatest amount of principal and interest becoming due and payable on all Senior Bonds and Senior Parity Debt in the Fiscal Year in which the calculation is made or in any subsequent Fiscal Year. For the full definition of Maximum Annual Debt Service, including additional details regarding the process for calculation, see “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS.”

Subordinate Lien Obligations and Other Obligations. Under the Agreement and the Subordinate Trust Agreement, LACMTA may issue additional Subordinate Lien Obligations secured by Net Pledged Revenues. See “PROPOSITION C SALES TAX OBLIGATIONS—Subordinate Lien Obligations.”

In addition, LACMTA has other outstanding obligations which are secured by certain “remaining” Proposition C Sales Tax cash receipts. See “PROPOSITION C SALES TAX OBLIGATIONS—Other Obligations.”

Flow of Funds

Pursuant to an agreement between LACMTA and CDTFA, CDTFA is required to remit the Proposition C Sale Tax receipts directly to the Trustee monthly after deducting CDTFA’s costs of administering the Proposition C Sales Tax. The Trustee immediately transfers the Local Allocation (20% of net Proposition C Sales Tax cash receipts) to LACMTA for disbursement. Under the Agreement, the Trustee is required to deposit into the Revenue Fund and to apply the remaining moneys received from CDTFA (80% of net Proposition C Sales Tax cash receipts), as needed, taking into consideration any other funds previously deposited or applied in such month for such purposes, as follows:

FIRST, to the credit of the Senior Bond Interest Account, an amount equal to the Aggregate Accrued Senior Interest for the current calendar month (which, in general, is equal to 1/6 of the interest coming due on the next Interest Payment Date (see “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS”)) less any Senior Excess Deposit made with respect to the last preceding calendar month plus any Senior Deficiency existing on the first day of the calendar month plus any amount of interest which has become due and has not been paid and for which there are insufficient funds in the Senior Bond Interest Account or another special account to be used to make such payment;

SECOND, to the credit of the Senior Bond Principal Account, an amount equal to the Aggregate Accrued Senior Principal for the current calendar month (which, in general, is equal to 1/12 of the principal maturing within the next year (see “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS”)) less any Senior Excess Deposit made with respect to the last preceding calendar month plus any Accrued Senior Premium and any Senior Deficiency existing on the first day of such calendar month plus any amount of principal which has become due and has not been paid and for which there are insufficient funds in the Senior Bond Principal Account or another special account to be used to make such payment;

THIRD, to the credit of the Reserve Fund and any other Debt Service Reserve Funds such portion of the balance, if any, remaining after making the deposits to the Senior Bond Interest Account and the Senior Bond Principal Account as described above, to increase the amount on deposit in the Reserve Fund and such other Debt Service Reserve Funds to an amount equal to the Reserve Fund Requirement for all Reserve Fund Participating Bonds Outstanding and the applicable Debt Service Reserve Fund Requirements, respectively (including such amounts required to reimburse draws on any Reserve Fund Insurance Policy), or if the entire balance is less than the amount necessary, then the entire balance is to be deposited into the Reserve Fund and the Debt Service Reserve Funds on a pro-rata basis with respect to the Outstanding principal amounts of the applicable Senior Bonds secured by the Reserve Fund and the other Debt Service Reserve Funds, and such amounts are to be used to reimburse draws on the applicable Reserve Fund Insurance Policy prior to replenishing the cash or Permitted Investments formerly on deposit therein (The Series 2021-A Bonds are not secured by the Reserve Fund or any other Debt Service Reserve Fund. See “—The Series 2021-A Bonds Are Not Secured by Any Debt Service Reserve Fund”); and

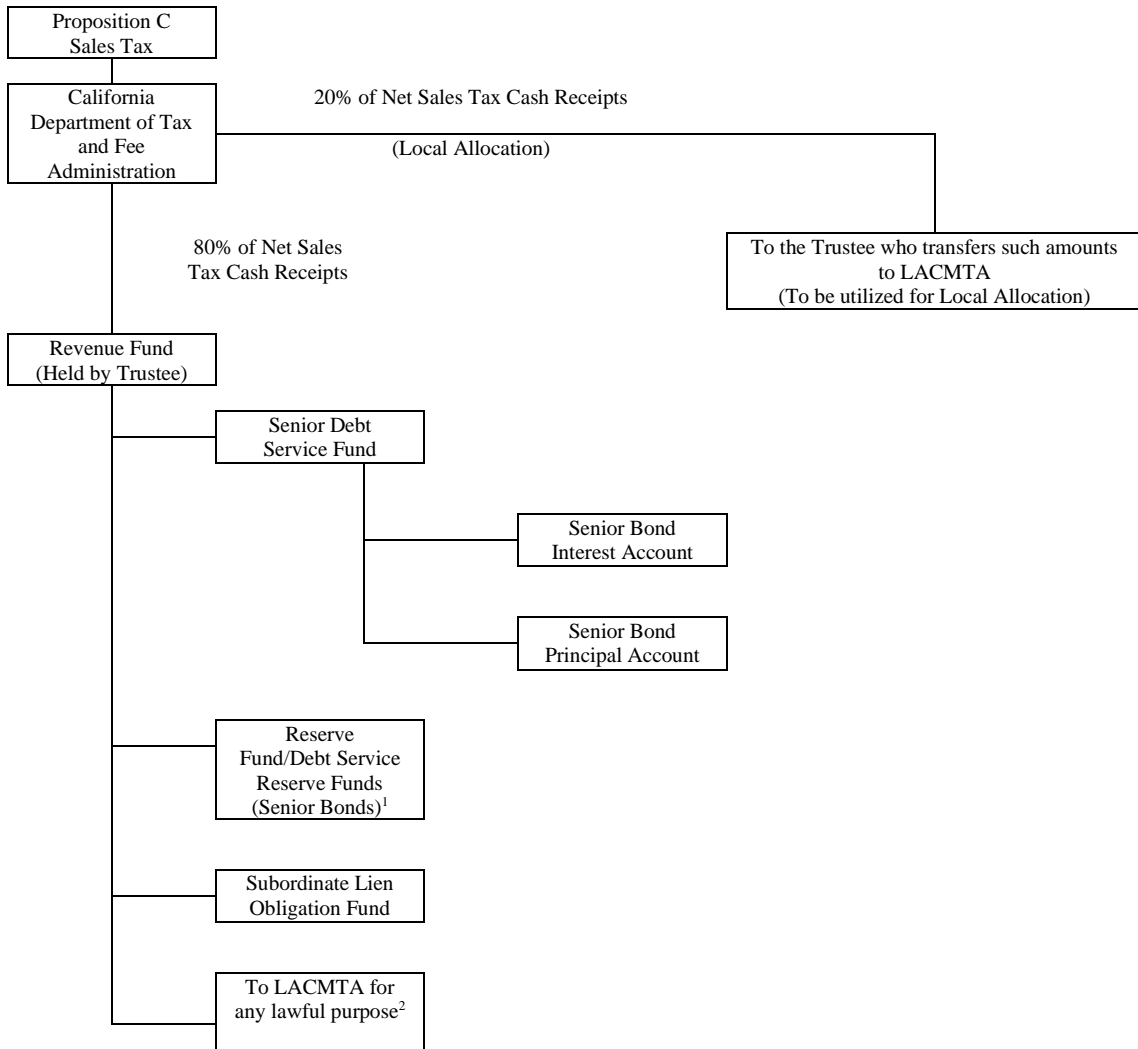
FOURTH, to the accounts in the Subordinate Lien Obligation Fund, amounts sufficient to pay the Subordinate Lien Obligations as further described in the Agreement. Notwithstanding the foregoing, however, if there are insufficient Pledged Revenues in any Fiscal Year to make all of the foregoing deposits, such Pledged Revenues will be allocated to the accounts within the Subordinate Lien Obligation Fund on a pro rata basis based on the amounts required to be deposited therein during such Fiscal Year among all such Subordinate Lien Obligations issued or entered into on a parity basis and in accordance with the rank of the pledge created by such Subordinate Lien Obligations.

After setting aside amounts to be deposited in the Rebate Fund, any remaining funds will then be transferred to LACMTA and will be available to be used for any lawful purpose (including the payment of General Revenue Bonds), and will no longer be pledged to pay debt service on the Senior Bonds.

For additional information regarding withdrawals from the Revenue Fund, see “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—TRUST AGREEMENT—Funds and Accounts.”

The following table provides a graphic presentation of the flow of funds for Proposition C Sales Tax cash receipts as of the date of issuance of the Series 2021-A Bonds.

**TABLE 1
Proposition C Sales Tax
Flow of Funds**



¹ The Series 2021-A Bonds are not secured by the Reserve Fund or any other Debt Service Reserve Fund. See “—The Series 2021-A Bonds Are Not Secured by Any Debt Service Reserve Fund.”

² All remaining funds are transferred to LACMTA, are released from the lien established under the Trust Agreement, and are thereafter no longer Pledged Revenues under the Trust Agreement.

The Series 2021-A Bonds Are Not Secured by Any Debt Service Reserve Fund

The Series 2021-A Bonds are not secured by the Reserve Fund or any other Debt Service Reserve Fund. At the time of issuance of the Series 2021-A Bonds, only the outstanding Senior Bonds issued on or before June 15, 2016 will be secured by the Reserve Fund. See Table 5 under “PROPOSITION C SALES TAX OBLIGATIONS—Senior Bonds and Senior Parity Debt” for additional information on the Senior Bond secured by the Reserve Fund.

PROPOSITION C SALES TAX AND COLLECTIONS

The Proposition C Sales Tax

Under the California Public Utilities Code, LACMTA is authorized to adopt retail transactions and use tax ordinances applicable in the incorporated and unincorporated territory of the County in accordance with California's Transaction and Use Tax Law (California Revenue and Taxation Code Section 7251 et seq.), upon authorization by a specified percentage of the electors voting on the issue. In accordance with the County Transportation Commissions Act (Section 130000 et seq. of the California Public Utilities Code (the "Transportation Commissions Act")), the Commission, the predecessor to LACMTA, on August 8, 1990, adopted Ordinance No. 49 ("Ordinance No. 49") which imposed a retail transactions and use tax for public transit purposes. Ordinance No. 49 was submitted to the electors of the County in the form of Proposition C ("Proposition C") and approved at an election held on November 6, 1990. Ordinance No. 49 imposes a tax, effective April 1, 1991, of ½ of 1% of the gross receipts of retailers from the sale of tangible personal property sold at retail in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions. The retail transactions and use tax imposed by Ordinance No. 49 and approved by the voters with the passage of Proposition C is referred to in this Official Statement as the "Proposition C Sales Tax." As approved by the voters, the Proposition C Sales Tax is not limited in duration. The validity of the Proposition C Sales Tax was upheld in 1992 by the California Court of Appeal in *Vernon v. State Board of Equalization*. See "LITIGATION." See also "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—LITIGATION."

Collection of the Proposition C Sales Tax is administered by CDTFA, which imposes a charge for administration. Such charge is based on the actual costs incurred by CDTFA in connection with the administration of the collection of the Proposition C Sales Tax. In accordance with Ordinance No. 49, LACMTA is required to allocate the proceeds of the Proposition C Sales Tax as follows:

TABLE 2
Allocation of Proposition C Sales Tax

<u>Uses</u>	<u>Percentage</u>
To local jurisdictions for local transit based on population (Local Allocation)	20%
To LACMTA for construction and operation of the bus transit and rail system ¹	40
To LACMTA to expand rail and bus security	5
To LACMTA for commuter rail, construction of transit centers, park and ride lots and freeway bus stops	10
To LACMTA for transit-related improvements to freeways and state highways	<u>25</u>
Total	<u>100%</u> ²

¹ Pursuant to the Act of 1998 (as defined below) LACMTA is prohibited from spending Proposition C Sales Tax revenues on the costs of planning, design, construction or operation of any New Subway (as defined below), including debt service on bonds, notes or other evidences of indebtedness issued for such purposes after March 30, 1998. See “—Initiatives and Changes to Proposition C Sales Tax—The Act of 1998” below. The Act of 1998 does not prohibit the use of Measure R Sales Tax or Measure M Sales Tax to pay costs of planning, design, construction or operation of a New Subway.

² Up to 1.5% of the non-Local Allocation portion of the Proposition C Sales Tax revenues received by LACMTA may be used by LACMTA to pay administrative costs. Administrative costs are payable only from Proposition C Sales Tax revenues that have been released to LACMTA and are no longer Pledged Revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Flow of Funds” above.

Source: LACMTA

CDTFA has agreed to remit the Proposition C Sale Tax receipts directly to the Trustee monthly after deducting CDTFA’s costs of administering the Proposition C Sales Tax. The Trustee immediately transfers the Local Allocation (20% of net Proposition C Sales Tax cash receipts) to LACMTA for disbursement. After application of the remaining amounts received from CDTFA (80% of net Proposition C Sales Tax receipts) to certain funds and accounts related to the Senior Bonds in accordance with the Agreement, the Trustee is required to transfer the remaining unapplied Proposition C Sales Tax revenues for deposit to the funds and accounts established and maintained for the Subordinate Lien Obligations. Any Proposition C Sales Tax revenues remaining after the deposits described above are released to LACMTA are to be used by LACMTA first, if necessary, to pay debt service on the General Revenue Bonds, and second, for any lawful purposes (subject to the allocation requirements set forth in Ordinance No. 49). The Senior Bonds do not have a lien on and are not secured by any Proposition C Sales Tax revenues that are released by the Trustee and deposited to the funds and accounts established and maintained for the Subordinate Lien Obligations, or the General Revenue Bonds or transferred to LACMTA to be used for any lawful purposes of LACMTA.

The amount retained by CDTFA from collections of Proposition C Sales Tax is based on the total local entity cost reflected in the annual budget of the State, and includes direct, shared and central agency costs incurred by CDTFA. The amount retained by CDTFA is adjusted to account for the difference between CDTFA’s recovered costs and its actual costs during the prior two Fiscal Years. For Fiscal Years 2016 through 2020, CDTFA’s fee for administering the Proposition C Sales Tax was as follows:

Fiscal Year Ended (June 30)	Fee (\$'s in millions)	Percentage of Proposition C Sales Tax Receipts
2016	\$9.2	1.2%
2017	9.2	1.2
2018	8.7	1.1
2019	8.9	1.0
2020	9.2	1.1

Source: LACMTA

CDTFA has advised LACMTA that its fee for Fiscal Year 2021 is estimated to be \$7.4 million. LACMTA assumes that the CDTFA fee may increase incrementally each year. CDTFA can change the fee at its discretion in the future.

Under the Agreement, LACMTA covenants that (a) it will not take any action which will have a material adverse effect upon the Pledged Revenues or the pledge thereof under the Agreement, or the rights of the Owners of the Senior Bonds, including the Series 2021-A Bonds; and (b) it will be unconditionally and irrevocably obligated, so long as any of the Senior Bonds, including the Series 2021-A Bonds, are outstanding and unpaid, to take all lawful action necessary or required to continue to entitle LACMTA to receive the Pledged Revenues at the same rates as provided by law (as of October 1, 1992), to pay from the Pledged Revenues the principal of and interest on the Senior Bonds and to make the other payments provided for in the Agreement.

Under the Act, the State pledges to, and agrees with, the holders of any bonds issued under the Act and with those parties who may enter into contracts with LACMTA pursuant to the Act that the State will not limit or alter the rights vested by the Act in LACMTA until such bonds, together with the interest thereon, are fully met and discharged and the contracts are fully performed on the part of LACMTA. However, the State is not precluded from limiting or altering rights if and when adequate provision has been made by law for the protection of the bondholders or those entering into contracts with LACMTA. Further, such pledge and agreement does not preclude the State from changing the transactions and items subject to the statewide general sales tax and concurrently thereby altering the amount of Proposition C Sales Tax collected. See “RISK FACTORS—California State Legislature or Electorate or Federal Law May Change Items Subject to Proposition C Sales Tax.”

The ½ of 1% Proposition C Sales Tax imposed by LACMTA in the County is in addition to the general sales tax levied statewide by the State (currently 7.25%), the ½ of 1% sales tax imposed by LACMTA pursuant to Ordinance No. 16 of the Commission known as “Proposition A” (such sales tax is referred to herein as the “Proposition A Sales Tax”), the 30-year ½ of 1% sales tax approved by County voters in November 2008 to fund LACMTA transportation projects and operations known as the “Measure R Sales Tax,” the ½ of 1% (increasing to 1% upon the expiration of the Measure R Sales Tax) sales tax approved by County voters in November 2016 to fund LACMTA transportation projects and operations known as the “Measure M Sales Tax,” the 10-year ¼ of 1% sales tax approved by County voters in March 2017 to fund programs to assist the County’s homeless population known as “Measure H Sales Tax,” and the taxes that apply only within certain cities in the County. The cities of Avalon, Commerce, Downey, El Monte, Inglewood, La Puente, San Fernando, and South El Monte in the County have each enacted a sales tax of ½ of 1% applicable to transactions within their respective city limits, and the cities of Arcadia, Burbank, Covina, Cudahy, Culver City, Glendale, Glendora, Hawthorne, Huntington Park, Lawndale, Pasadena, and Pomona in the County have each enacted a sales tax of ¾ of 1% applicable to transactions

within their respective city limits. The cities of Compton, Long Beach, Lynwood, Pico Rivera, Santa Fe Springs Santa Monica, and South Gate in the County have each enacted a sales tax of 1% applicable to transactions within the city's limits. The combined various sales taxes described above results in (a) transactions within the County, and outside the cities of Arcadia, Avalon, Burbank, Commerce, Compton, Covina, Cudahy, Culver City, Downey, El Monte, Glendale, Glendora, Hawthorne, Huntington Park, Inglewood, La Puente, Lawndale, Long Beach, Lynwood, Pasadena, Pico Rivera, Pomona, San Fernando, Santa Monica, South El Monte, South Gate, and Santa Fe Springs, currently being taxed at an effective rate of 9.50%, (b) transactions within the cities of Avalon, Commerce, Downey, El Monte, Inglewood, La Puente, San Fernando, and South El Monte currently being taxed at an effective rate of 10.00%, (c) transactions within the cities of Arcadia, Burbank, Compton, Covina, Cudahy, Culver City, Glendale, Glendora, Hawthorne, Huntington Park, Lawndale, Long Beach, Lynwood, Pasadena, Pico Rivera, Pomona, Santa Monica, and South Gate currently being taxed at an effective rate of 10.25%, and (d) transactions within the city of Santa Fe Springs currently being taxed at an effective rate of 10.50% (the Measure H Sales Tax does not apply to transactions in Compton, Long Beach, Lynwood, Pico Rivera, Santa Monica and South Gate because in those cities the sales tax is already at the maximum allowed by law). These tax rates and the items subject to the Proposition C Sales Tax are subject to change. See "RISK FACTORS—California State Legislature or Electorate or Federal Law May Change Items Subject to Proposition C Sales Tax" and "—Increases in Sales Tax Rate May Cause Declines in Proposition C Sales Tax Revenues." See also "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—OUTSTANDING DEBT."

Initiatives and Changes to Proposition C Sales Tax

Proposition 218. In 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 added Articles XIIC and XIID to the California State Constitution. Among other things, Article XIIC removes limitations, if any, that exist on the initiative power in matters of local taxes, assessments, fees and charges. Even though LACMTA's enabling legislation did not limit the initiative power of the electorate prior to Proposition 218, Proposition 218 has affirmed the right of the voters to propose initiatives that could impact the Proposition C Sales Tax.

The Act of 1998. One such initiative was approved by the voters of the County in 1998 in the form of the "Metropolitan Transportation Authority Reform and Accountability Act of 1998" (the "Act of 1998"). The Act of 1998 prohibits the use of Proposition C Sales Tax and Proposition A Sales Tax (but not the use of Measure R Sales Tax or Measure M Sales Tax) to pay any costs of planning, design, construction or operation of any "New Subway," including debt service on bonds, notes or other evidences of indebtedness issued for such purposes after March 30, 1998. "New Subway" is defined in the Act of 1998 to mean any rail line which is in a tunnel below the grade level of the earth's surface (including any extension or operating segment thereof), except for Segment 1, Segment 2 and Segment 3 (North Hollywood) of the Red Line. The Act of 1998 does not limit the use of Proposition C Sales Tax or Proposition A Sales Tax revenues to provide public mass transit improvements to railroad right of ways. The Act of 1998 does not limit in any way the collection of the Proposition C Sales Tax or the Proposition A Sales Tax; it only limits the uses of such taxes. LACMTA believes that the proceeds of all obligations previously issued by LACMTA which are secured by the Proposition C Sales Tax and/or the Proposition A Sales Tax have been used for permitted purposes under the Act of 1998. **Therefore, the Act of 1998 has no effect on LACMTA's ability to continue to use the Proposition C Sales Tax or the Proposition A Sales Tax to secure payment of its outstanding obligations secured by the Proposition C Sales Tax or the Proposition A Sales Tax. Additionally, LACMTA will covenant not to use the proceeds of the Series 2021-A Bonds in a manner inconsistent with the provisions of the Act of 1998, and the Act of 1998 will not limit the ability of LACMTA to secure payment of the Series 2021-A Bonds with a pledge of the Proposition C Sales Tax.**

As required by the Act of 1998, LACMTA contracted with an independent auditor to complete an audit with respect to the receipt and expenditure of Proposition A Sales Tax and Proposition C Sales Tax between the effective dates of Proposition A and Proposition C and June 30, 1998. The independent auditor completed the audit in November 1999. The Act of 1998 further requires LACMTA to contract for an independent audit each subsequent Fiscal Year to determine LACMTA's compliance with the provisions of Proposition A, Proposition C and the Act of 1998 relating to the receipt and expenditure of Proposition A Sales Tax revenues and Proposition C Sales Tax revenues. For Fiscal Years 1999 through 2020, the independent auditors determined that LACMTA was in compliance with Proposition A, Proposition C and the Act of 1998 for each such respective Fiscal Year (the "Annual Act of 1998 Audit").

In connection with each Annual Act of 1998 Audit, the independent auditor annually audits how LACMTA spends Proposition C Sales Tax revenues during the related Fiscal Year to ensure that it spends those revenues for the categories of use set forth in Proposition C. See "—The Proposition C Sales Tax" above. Each Fiscal Year, a substantial portion of the Proposition C Sales Tax revenues are spent on the payment of principal of and interest on the Senior Bonds. See "COMBINED SENIOR BONDS DEBT SERVICE SCHEDULE." For purposes of determining LACMTA's compliance with the categories of use set forth in Proposition C, LACMTA allocates the annual payments of principal and interest with respect to each series of Senior Bonds to the categories of use for which such series of Senior Bonds financed or refinanced.

The Act of 1998 also established the "Independent Citizens' Advisory and Oversight Committee" (the "Committee") whose responsibilities include reviewing LACMTA's annual audit of its receipt and expenditure of Proposition C Sales Tax and Proposition A Sales Tax, the holding of public hearings regarding the annual audit and issuing reports based upon those audits and public hearings. The Committee is made up of five members, of which one member is appointed by the chair of the Los Angeles County Board of Supervisors, one member is appointed by the chair of the Board, one member is appointed by the Mayor of the City of Los Angeles, one member is appointed by the Mayor of the City of Long Beach, and one member is appointed by the Mayor of the City of Pasadena.

Historical Proposition C Sales Tax Collections

The following table presents, among other things, collections of net Proposition C Sales Tax revenues and corresponding Pledged Revenues and Senior Bonds debt service coverage ratios for the Fiscal Years ended June 30, 2011 through June 30, 2020.

TABLE 3
Historical Net Proposition C Sales Tax Revenues,
Local Allocations, Pledged Revenues and Debt Service Coverage
(Dollars in Millions)¹

Fiscal Year Ended June 30	Net Sales Tax Revenue	Annual Percentage Change	Allocations to Local Governments	Pledged Revenues²	Senior Bonds Debt Service Coverage³
2011	\$601.9	6.39%	\$120.4	\$481.5	4.28x
2012	648.8	7.78	129.8	519.0	4.62
2013	687.3	5.94	137.5	549.9	4.81
2014 ⁴	717.2	4.34	143.4	573.7	4.46
2015	745.6	3.96	149.1	596.5	4.40
2016	763.6	2.41	152.7	610.9	4.52
2017	789.3	3.37	157.9	631.4	4.44
2018	836.5	5.98	167.3	669.2	4.06 ⁵
2019	846.5	1.20	169.3	677.2	4.06
2020	824.6	(2.59)	164.9	659.7	3.58

¹ Reflects Proposition C Sales Tax revenues, reported according to accrual basis accounting, as presented in LACMTA's audited financial statements, less the administrative fee paid to CDTFa but before required allocations to local governments for transit purposes. Rounded to the closest \$100,000.

² Proposition C Sales Tax receipts for the Fiscal Years shown, reported according to accrual basis accounting, less required allocations to local governments for transit purposes and less the administrative fee paid to CDTFa.

³ Based on Senior Bonds debt service for the 12 months ending the immediately following July 1.

⁴ LACMTA's Fiscal Year 2014 audited financial statements include an increase in Proposition C Sales Tax revenues and Pledged Revenues of \$61.4 million due to an accounting accrual adjustment resulting in a one-time increase to the reported amount. Amounts shown for Fiscal Year 2014 in this Table 3 are reported and calculated excluding the \$61.4 million accounting accrual adjustment.

⁵ Decrease in coverage from Fiscal Year 2017 reflects the issuance of \$454.8 million of LACMTA's Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2017-A in Fiscal Year 2017.

Source: LACMTA

The following table sets forth the amount of Proposition C Sales Tax receipts, on a cash basis, received for the most recent nine quarters and the changes in such amounts from the corresponding period in the prior year. Proposition C Sales Tax receipts, on a cash basis for a quarterly period, are determined by Proposition C Sales Tax revenues generated by sales activity generally occurring in the previous quarter, less any amount previously advanced, plus an advance for the first month of the next quarter. For example, for the quarter ending December 31, 2020, reported according to cash basis accounting, Proposition C Sales Tax receipts were approximately \$211.4 million, which receipts generally represented sales activity occurring in July, August and September 2020, less the advances previously received for those quarterly sales, plus an advance for October 2020 sales (received in December).

TABLE 4
Selected Actual Proposition C Sales Tax Receipts Information
 (values are cash basis)

Quarter Ended	Quarterly Receipts (\$ millions)	Change from Same Period of Prior Year	Rolling 12 Months Receipts (\$ millions)	Change from Same Period of Prior Year
December 31, 2020	\$211.4	(5.0)%	\$818.3	(5.8)%
September 30, 2020	212.6	(3.3)	829.4	(3.7)
June 30, 2020	161.3	(20.3)	836.7	(3.4)
March 31, 2020	233.0	3.9	877.9	3.0
December 31, 2019	222.5	3.9	869.1	4.1
September 30, 2019	219.9	(2.3)	860.8	4.2
June 30, 2019	202.5	7.2	865.9	7.6
March 31, 2019	224.2	8.6	852.3	5.6
December 31, 2018	214.2	4.1	834.6	4.5

Source: LACMTA

Proposition C Sales Tax receipts fluctuate based on general economic conditions within the County. To project future Proposition C Sales Tax receipts for budgetary purposes, LACMTA relies on reports from local economists and other publicly available sources of data. LACMTA does not itself develop forecasts of current or future economic conditions. Furthermore, CDTFA does not provide LACMTA with any forecasts of Proposition C Sales Tax receipts for future periods. Therefore, LACMTA is unable to predict with certainty future levels of Proposition C Sales Tax receipts. See “RISK FACTORS—Economic Factors May Cause Declines in Proposition C Sales Tax Revenues” above. Also see “INTRODUCTION—Impact of Global COVID-19 Outbreak.”

PROPOSITION C SALES TAX OBLIGATIONS

General

LACMTA has two priority levels of obligations secured by the Proposition C Sales Tax: its Senior Bonds (which includes the Series 2021-A Bonds) and Senior Parity Debt, and its Subordinate Lien Obligations. In addition, LACMTA has incurred other obligations, which are secured by certain “remaining” Proposition C Sales Tax cash receipts. See “—Other Obligations” below.

Senior Bonds and Senior Parity Debt

Senior Bonds. LACMTA had the following Senior Bonds outstanding as of March 1, 2021, all of which are fixed rate bonds:

TABLE 5
Los Angeles County Metropolitan Transportation Authority
Proposition C Sales Tax Revenue Bonds, Senior Bonds
(Outstanding as of March 1, 2021)

Senior Bonds	Outstanding Principal Amount
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2020-A	\$ 28,265,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2019-A (Green Bonds)	418,575,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2019-B	126,425,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2019-C	42,370,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2018-A	54,650,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2017-A	424,805,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2016-A ¹	67,610,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2014-A ¹	61,180,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-A ¹	48,635,000
Sales Tax Revenue Bonds, Senior Bonds, Series 2013-B ¹	262,335,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2013-C ¹	36,470,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2012-A ¹	14,635,000
Sales Tax Revenue Refunding Bonds, Senior Bonds, Series 2012-B ¹	<u>63,740,000</u>
Total	<u>\$1,649,695,000</u>

¹ Secured by Reserve Fund.
Source: LACMTA

LACMTA may issue additional Senior Bonds upon the satisfaction of certain conditions contained in the Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Proposition C Sales Tax Obligations—*Senior Obligations*.” The Short Range Financial Forecast assumes the issuance of approximately \$1.6 billion in additional Senior Bonds (including the Series 2021-A Bonds) from Fiscal Year 2021 through Fiscal Year 2030. For further discussion of the Short Range Financial Forecast, see “FUTURE TRANSPORTATION IMPROVEMENTS—Capital Planning” in APPENDIX A.

Senior Parity Debt. “Senior Parity Debt” would consist of indebtedness, installment sale obligations, lease obligations or other obligations for borrowed money, or payment obligations under interest swaps or other arrangements having an equal lien and charge upon Pledged Revenues and payable on parity with the Senior Bonds. LACMTA currently has no Senior Parity Debt outstanding. LACMTA may incur Senior Parity Debt upon the satisfaction of certain additional bonds tests. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Proposition C Sales Tax Obligations—*Senior Obligations*.” Also see “APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—THE TRUST AGREEMENT—Additional Senior Bonds.”

Subordinate Lien Obligations

Proposition C Revolving Obligations. On June 9, 1993, the Board of Directors of LACMTA authorized the issuance of Subordinate Lien Obligations (in the form of bonds, commercial paper notes and other obligations) that may be outstanding, at any one time, in a principal amount not to exceed \$150,000,000. The Subordinate Lien Obligations are payable from and secured by Net Pledged Revenues.

See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Proposition C Sales Tax Obligations—*Subordinate Lien Obligations*.” LACMTA is currently authorized to issue, from time to time, and have outstanding, at any one time, up to \$150,000,000 in aggregate principal amount of Subordinate Lien Obligations in the form of Subordinate Proposition C Sales Tax Revenue Revolving Obligations (the “Proposition C Revolving Obligations”). As of March 1, 2021, LACMTA had \$150 million in aggregate principal amount of the Proposition C Revolving Obligations outstanding. LACMTA expects to use a portion of the proceeds of the Series 2021-A Bonds to pay \$105 million aggregate principal amount of the Proposition C Revolving Obligations. See “PLAN OF FINANCE AND APPLICATION OF THE SERIES 2021-A BOND PROCEEDS.” LACMTA expects to issue additional Proposition C Revolving Obligations in the future.

All Proposition C Revolving Obligations issued by LACMTA are purchased by Wells Fargo Bank, National Association, in accordance with the terms of a revolving credit agreement (the “Proposition C Revolving Credit Agreement”). The Proposition C Revolving Obligations bear interest at variable rates determined pursuant to the terms of the Proposition C Revolving Credit Agreement.

The following table sets forth certain terms of the Proposition C Revolving Obligations.

Proposition C Revolving Obligations	
Revolving Obligations Bank	Wells Fargo Bank, National Association
Principal Amount	\$150,000,000
Expiration/Maturity Date	April 24, 2022 ¹

¹ Can be converted to a term loan payable in equal quarterly installments beginning nine months after the Expiration/Maturity Date and ending five years after the Expiration/Maturity Date if specified conditions are satisfied.

Other Obligations

General Revenue Bonds. As of March 1, 2021, there was \$64,770,000 aggregate principal amount of LACMTA’s General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015 (the “Series 2015 General Revenue Bonds”) outstanding, and \$5,250,000 aggregate principal amount of LACMTA’s General Revenue Refunding Bonds (Union Station Gateway Project), Series 2010-A (the “Series 2010-A General Revenue Bonds,” and together with the Series 2015 General Revenue Bonds, the “General Revenue Bonds”) outstanding. The General Revenue Bonds are secured by a pledge of farebox revenues, fee and advertising revenues (collectively, “General Revenues”) and Proposition A Sales Tax and Proposition C Sales Tax revenues that remain after the application of those revenues to the payment of principal and interest on certain Proposition A Sales Tax-secured obligations, in the case of the Proposition A Sales Tax, and the Senior Bonds (including the Series 2021-A Bonds), any Senior Parity Debt and the Subordinate Lien Obligations (including the Proposition C Revolving Obligations), in the case of the Proposition C Sales Tax. LACMTA’s obligation to pay principal of and interest on the General Revenue Bonds is secured by a lien on Proposition C Sales Tax that is junior and subordinate to the Senior Bonds (including the Series 2021-A Bonds), any Senior Parity Debt and the Subordinate Lien Obligations (including the Proposition C Revolving Obligations) as to the lien on and source and security for payment from Pledged Revenues. See “APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—TRANSPORTATION SERVICES—Fareless System Initiative” for a discussion of the establishment of a taskforce to study the idea of eliminating the collection of fares on LACMTA’s bus and rail transit system, either for all riders or for specified subgroups.

Policy Limits on Additional Bonds

Besides the limitations of the additional bonds test noted above under “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Proposition C Sales Tax Obligations—Senior Obligations,” the Board-adopted debt policy sets additional limits on the amount of debt secured by the Proposition C Sales Tax that can be issued. This debt policy is reviewed periodically, and sets limits on debt service as a percentage of the use of sales tax revenues for certain allocations of expenditures as set forth in Ordinance No. 49, which levied the tax. These limits are intended to ensure that LACMTA will be able to continue providing essential operational services while planning for replacement, rehabilitation and expansion of capital investments. Under its current debt policy, debt service on LACMTA obligations is limited to 43.75% of its share of Proposition C Sales Tax revenues, which would require a minimum of 2.28 times coverage of debt service. LACMTA annually monitors its compliance with its debt policy limits. LACMTA’s Board is not obligated to maintain its current debt policy and may modify it to allow the issuance of a greater amount of debt secured by the Proposition C Sales Tax in the future.

COMBINED SENIOR BONDS DEBT SERVICE SCHEDULE

The following table shows the combined debt service requirements on LACMTA’s Senior Bonds.

TABLE 6
Los Angeles County Metropolitan Transportation Authority
Combined Proposition C Debt Service Schedule
Senior Bonds¹

Bond Years Ending July 1	Previously Issued Senior Bonds Debt Service	Series 2021-A Bonds Debt Service			Combined Total Debt Service Senior Bonds
		Principal	Interest	Total Debt Service	
2021	\$ 172,492,305				
2022	172,452,825				
2023	171,234,825				
2024	138,814,825				
2025	138,771,375				
2026	123,847,875				
2027	123,903,875				
2028	123,902,575				
2029	116,201,794				
2030	114,729,044				
2031	106,341,694				
2032	106,848,694				
2033	106,854,694				
2034	106,855,694				
2035	97,383,694				
2036	97,383,694				
2037	96,871,694				
2038	96,872,225				
2039	74,665,250				
2040	74,666,000				
2041	74,661,250				
2042	74,664,000				
2043	42,391,250				
2044	42,393,750				
2045	—				
2046	—				
Total	<u>\$2,595,204,899</u>				

¹ Totals may not add due to rounding.

Source: LACMTA and KNN Public Finance LLC

LITIGATION

There is no litigation pending or, to the knowledge of LACMTA, threatened, against LACMTA in any way questioning or affecting the validity of the Series 2021-A Bonds, the imposition and collection of the Proposition C Sales Tax or the pledge of the Pledged Revenues. On March 3, 1992, the California Court of Appeal, in *Vernon v. State Board of Equalization*, upheld the validity of the Proposition C Sales Tax. Various claims of other types have been asserted against LACMTA. In the opinion of LACMTA,

none of such pending claims will materially or adversely affect LACMTA's ability to pay the principal of and interest on the Series 2021-A Bonds. See "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—LITIGATION"

LEGAL MATTERS

The validity of the Series 2021-A Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to LACMTA. The proposed form of the opinion to be delivered by Bond Counsel is attached hereto as APPENDIX E. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. The Los Angeles County Counsel, as General Counsel to LACMTA, and Kutak Rock LLP, as Disclosure Counsel, will pass on certain legal matters for LACMTA.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to LACMTA, based on an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2021-A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2021-A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E.

To the extent the issue price of any maturity of the Series 2021-A Bonds is less than the amount to be paid at maturity of such Series 2021-A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2021-A Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2021-A Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2021-A Bonds is the first price at which a substantial amount of such maturity of the Series 2021-A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2021-A Bonds accrues daily over the term to maturity of such Series 2021-A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2021-A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2021-A Bonds. Beneficial Owners of the Series 2021-A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2021-A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2021-A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2021-A Bonds is sold to the public.

Series 2021-A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their

own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2021-A Bonds. LACMTA has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2021-A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2021-A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2021-A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2021-A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2021-A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2021-A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2021-A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2021-A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from State income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2021-A Bonds. Prospective purchasers of the Series 2021-A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2021-A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of LACMTA, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. LACMTA has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2021-A Bonds ends with the issuance of the Series 2021-A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend LACMTA or the Beneficial Owners regarding the tax-exempt status of the Series 2021-A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than LACMTA and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which LACMTA legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection

of the Series 2021-A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues, may affect the market price for, or the marketability of, the Series 2021-A Bonds, and may cause LACMTA or Beneficial Owners to incur significant expense.

MUNICIPAL ADVISOR

LACMTA has retained KNN Public Finance LLC, as Municipal Advisor (the “Municipal Advisor”) for the sale of the Series 2021-A Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

FINANCIAL STATEMENTS

The financial statements of LACMTA for the Fiscal Year ended June 30, 2020 and the Management’s Discussion and Analysis and certain supplementary information, and the Independent Auditors’ Report of Crowe LLP, independent accountants, dated December 17, 2020 (collectively, the “2020 Financial Statements”) are included as “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.” The 2020 Financial Statements, included in this Official Statement, have been audited by Crowe LLP, independent accountants, as stated in their Report appearing in APPENDIX B. LACMTA has not requested, nor has Crowe LLP given, Crowe LLP’s consent to the inclusion in APPENDIX B of its Report on such 2020 Financial Statements. In addition, Crowe LLP has not performed any post-audit review of the financial condition of LACMTA and has not reviewed this Official Statement.

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION

Certain economic and demographic information about the County is included in “APPENDIX C—LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION.” The economic and demographic information provided has been collected from sources that LACMTA considers to be reliable. Because it is difficult to obtain timely economic and demographic information, the economic condition of the County may not be fully apparent in all of the publicly available local and regional economic statistics provided herein. In particular, the economic statistics provided herein may not fully capture the impact of current economic conditions.

CONTINUING DISCLOSURE

At the time of issuance of the Series 2021-A Bonds, LACMTA will execute a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), which will provide for disclosure obligations on the part of LACMTA. Under the Continuing Disclosure Certificate, LACMTA will covenant for the benefit of Owners and Beneficial Owners of the Series 2021-A Bonds to provide certain financial information and operating data relating to LACMTA (the “Annual Reports”) by not later than 195 days after the end of the prior Fiscal Year (January 11), and to provide notices of the occurrence of certain enumerated events (the “Listed Events”). The Annual Reports and the notices of Listed Events will be filed with the MSRB through its EMMA System. See “APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE.” LACMTA has become aware that some information that was made available in a timely manner on the EMMA System pursuant to LACMTA’s continuing disclosure obligations was not linked to the CUSIP numbers for all affected series of bonds. LACMTA has corrected this issue. In addition, LACMTA has also become aware that the Trustee did not file a notice with respect to a defeasance that occurred in 2018 until 24 days after the defeasance occurred. Lastly, LACMTA has

become aware that in a few instances, notices of changes in ratings on some of its bonds were not filed in a timely manner. LACMTA has made corrective filings regarding these ratings changes.

SALE OF SERIES 2021-A BONDS

The Series 2021-A Bonds were sold at competitive sale on April [●], 2021 and awarded to _____ (the “Winning Bidder”) at a purchase price of \$_____ (consisting of the par amount of the Series 2021-A Bonds, plus an original issue premium of \$_____, and less an amount retained by the Winning Bidder as compensation (i.e., underwriter’s discount) of \$_____). The Winning Bidder will purchase all of the Series 2021-A Bonds, subject to certain terms and conditions set forth in the Notice Inviting Bids, dated March [●], 2021 (the “Notice Inviting Bids”), the approval of certain legal matters by counsel, and certain other conditions.

RATINGS

S&P Global Ratings (“S&P”) has assigned a rating of “[●]” ([●] outlook), and Moody’s Investors Service, Inc. (“Moody’s”) has assigned a rating of “[●]” ([●] outlook) to the Series 2021-A Bonds. Such credit ratings reflect only the views of such organizations and any desired explanation of the meaning and significance of such credit ratings, including the methodology used and any outlook thereon, should be obtained from the rating agency furnishing the same, at the following addresses: S&P, 55 Water Street, New York, New York 10041, and Moody’s, 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007. Other Senior Bonds have received ratings from other rating agencies. Generally, a rating agency bases its credit rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the ratings will remain in effect for any given period of time or that any such rating will not be revised, either downward or upward, or withdrawn entirely, or a positive, negative or stable outlook announced, by the applicable rating agency, if, in its judgment, circumstances so warrant. LACMTA undertakes no responsibility to bring to the attention of the Owners of the Series 2021-A Bonds any announcement regarding the outlook of any rating agency with respect to the Series 2021-A Bonds. Any downward revision or withdrawal or announcement of negative outlook could have an adverse effect on the market price of the Series 2021-A Bonds. Maintenance of ratings will require periodic review of current financial data and other updating information by assigning agencies.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Treasurer of the Los Angeles County Metropolitan Transportation Authority, One Gateway Plaza, Los Angeles, California 90012, Attention: Treasury Department, Email: TreasuryDept@metro.net, Telephone: (213) 922-2554, or from LACMTA’s Municipal Advisor, KNN Public Finance LLC, 2054 University Avenue, Suite 300, Berkeley, California 94704, Telephone: (510) [●]. LACMTA maintains a website at <http://www.metro.net>. Information on such website is not part of this Official Statement and such information has not been incorporated by reference in this Official Statement and should not be relied upon in deciding whether to invest in the Series 2021-A Bonds.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By _____
[Treasurer]

APPENDIX A

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

GENERAL

Prospective purchasers of the Series 2021-A Bonds should be aware that the following discussion of the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) is intended as general information only. The Series 2021-A Bonds are limited obligations of LACMTA payable from Pledged Revenues, which consist primarily of proceeds of the Proposition C Sales Tax. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS” in the front part of this Official Statement.

Establishment; Jurisdiction

LACMTA is the largest public transit operator west of Chicago. As the principal transit provider in the southern California region, LACMTA serves about 75% of all transit trips within its 1,433 square mile service area, carrying an estimated 450,000 passengers per weekday on buses and nearly 127,000 passengers on rail for the quarter ended December 31, 2020. See “INTRODUCTION—Impact of Global COVID-19 Outbreak” in the front part of this Official Statement. LACMTA operates four light rail lines, serving 80 stations along 80 miles of track and two heavy rail lines that serve 16 stations along 17.4 miles of track. In addition to the transit services provided by LACMTA, it also provides funding to 40 other municipal operators that offer fixed route service and more than 100 other local return and non-profit agencies that provide community-based transportation. LACMTA also provides highway construction funding and traffic flow management.

LACMTA was established in 1993 pursuant to the provisions of Section 130050.2 et seq. of the California Public Utilities Code (the “LACMTA Act”). LACMTA is the consolidated successor entity to both the Southern California Rapid Transit District (the “District”) and the Los Angeles County Transportation Commission (the “Commission”). As the consolidated successor entity, LACMTA succeeded to all powers, duties, rights, obligations, liabilities, indebtedness, bonded or otherwise, immunities and exemptions of the Commission and the District, including the Commission’s responsibility for planning, engineering and constructing a county-wide rail transit system. The Commission was authorized, subject to approval by the electorate of the County of Los Angeles (the “County”), to adopt a retail transactions and use tax ordinance, with the revenues of such tax to be used for public transit purposes. On November 6, 1990, the voters of the County approved the Proposition C Sales Tax pursuant to Ordinance No. 49. The Proposition C Sales Tax is in addition to a ½ of 1 percent sales tax imposed by LACMTA beginning in 1980 known as “Proposition A Sales Tax,” a 30-year ½ of 1 percent sales tax imposed by LACMTA beginning in 2009 known as the “Measure R Sales Tax,” and a ½ of 1 percent sales tax imposed by LACMTA beginning in 2017 known as “Measure M Sales Tax.”

Board of Directors

LACMTA is governed by a 14-member Board of Directors (the “Board”). The Board is composed of the five members of the County Board of Supervisors, the Mayor of the City of Los Angeles, two public members and one member of the City Council of the City of Los Angeles appointed by the Mayor of the City of Los Angeles, four members who are either a mayor or a member of a city council of a city in the County (other than the City of Los Angeles) and who have been appointed by the Los Angeles County City Selection Committee (comprised of individuals appointed by the Mayors of each city in the County), and a non-voting member appointed by the Governor.

The Board of LACMTA exclusively exercises and discharges the following powers and responsibilities: (a) establishment of overall goals and objectives, (b) adoption of the aggregate budget for all of its organizational units, (c) designation of additional municipal bus operators under criteria enumerated in the LACMTA Act, (d) approval of all final rail corridor selections, (e) final approval of labor contracts covering employees of LACMTA and its organizational units, (f) establishment of LACMTA's organizational structure, (g) conducting hearings and setting fares for the operating organizational units, (h) approval of transportation zones, (i) approval of any debt instrument with a maturity date exceeding the end of the Fiscal Year in which it is issued, (j) approval of benefit assessment districts and assessment rates and (k) approval of contracts for construction and transit equipment acquisition which exceed \$5,000,000 and making findings in connection with certain procurement decisions.

The current members of the Board and a brief biography of each member are provided below. [There is currently one vacancy on the Board.]

Eric Garcetti, Chair. Mr. Garcetti was elected Mayor of Los Angeles in 2013 and reelected in 2017. From 2001 until taking office as Mayor, Mr. Garcetti served on the Los Angeles City Council representing the Thirteenth District and was elected to serve as President of the Los Angeles City Council four times from 2006 to 2012. Mr. Garcetti earned his B.A. and M.A. from Columbia University. He has also studied as a Rhodes Scholar at Oxford and the London School of Economics and taught at Occidental College and University of Southern California.

Hilda L. Solis, First Vice-Chair. Ms. Solis was elected to the Board representing the First Supervisorial District in 2014. Prior to her election to the Board, Ms. Solis was confirmed as U.S. Secretary of Labor on February 24, 2009, becoming the first Latina to serve in the United States Cabinet. Prior to confirmation as Secretary of Labor, Secretary Solis represented the 32nd Congressional District in California, a position she held from 2001 to 2009. Solis graduated from California State Polytechnic University, Pomona, and earned a Master of Public Administration from the University of Southern California. A former federal employee, she worked in the Carter White House Office of Hispanic Affairs and was later appointed as a management analyst with the Office of Management and Budget in the Civil Rights Division.

Ara Najarian, Second Vice-Chair. Mr. Najarian was elected to the Glendale City Council in April of 2005 and re-elected in 2009, 2013 and 2017; he served as Mayor from 2007 to 2008 and 2010 to 2011. He was selected to the Board in 2006 by the Los Angeles County City Selection Committee to represent the North County/San Fernando Valley Sector. He served as LACMTA Chairman from 2009-2010. He is past Chair of the Glendale Housing Authority and previously served as Chair of the Glendale Redevelopment Agency. He was elected to serve on the Glendale Community College Board of Trustees from 2003 to 2005. Mr. Najarian was Chair of the Glendale Transportation and Parking Commission. Mr. Najarian also serves on Metrolink's Board of Directors. Mr. Najarian has been an attorney in private practice in Glendale for over 25 years. He attended Occidental College where he received a Bachelor of Arts in Economics and later earned his Juris Doctor from University of Southern California School of Law.

Kathryn Barger. Ms. Barger was elected to the Los Angeles County Board of Supervisors representing the Fifth Supervisorial District in November 2016. Ms. Barger began her career in public service as a student intern in the office of Supervisor Michael D. Antonovich while earning her B.A. in Communications from Ohio Wesleyan University. She became his Chief Deputy Supervisor in 2001, and served in this role until her election in November 2016. During the course of her county career as chief policy advisor on Health, Mental Health, Social Service and Children's issues, Ms. Barger provided leadership to deliver efficient and effective services and programs that have significantly improved the quality of life for foster children, seniors, veterans, the disabled and the mentally ill. She has worked with

state and federal leaders along with the Los Angeles County District Attorney's office, Sheriff, and other law enforcement agencies to implement tough laws and vital public safety initiatives.

Mike Bonin. Mr. Bonin was elected to Los Angeles City Council in July 2013 and reelected in March 2017 to represent the Eleventh District. He was appointed to the Board by Mayor Garcetti in July 2013 and acts as Chair of the City Council's Transportation Committee and as Vice Chair of the Metro Exposition Line Construction Authority. Previously, Mr. Bonin served as chief deputy to former Councilmember Bill Rosendahl. In that role, he was an alternate member on the Board of the Metro Exposition Line Construction Authority and a Co-Chair of the North Runway Safety Advisory Committee. He has also served as district director for U.S. Congresswoman Jane Harman and deputy chief of staff for Councilmember Ruth Galanter and is co-founder and program director of Camp Courage, a training program for LGBT community organizers. Mr. Bonin received his B.A. in U.S. History from Harvard University.

James T. Butts, Jr. Mr. Butts was elected as Mayor of the City of Inglewood on January 11, 2011 and reelected in November 2014 and November 2018. Mr. Butts has more than 44 years of public safety and municipal government experience. He has held the rank of general manager or assistant general manager of large and complex municipal organizations for the past 27 years. He served 19 years in the Inglewood Police Department rising to the rank of Deputy Chief, 15 years as the Chief of Police for the City of Santa Monica, and 5 years as an Assistant General Manager for the Los Angeles World Airport system in charge of Public Safety and Counter-Terrorism. Mr. Butts received a Bachelor of Science degree in Business Administration from California State University, Los Angeles and a master's degree in Business Administration from California Polytechnic University in Pomona.

Jacquelyn Dupont-Walker. Ms. Dupont-Walker is the founding President of Ward Economic Development Corporation, a faith-based community development organization, and is chair of the USC Master Plan Advisory Committee where she represents the residents of the West Adams district. She was appointed to the Board by Mayor Garcetti in July 2013 and is involved in numerous other civic organizations. She serves as the AME Church International Social Action Officer and as the Social Action Chair of Delta Sigma Theta Century City.

Janice Hahn. Ms. Hahn serves on the Los Angeles County Board of Supervisors representing the Fourth Supervisorial District, having been elected in November 2016. She previously served in Congress as the representative for California's 44th congressional district (2013-2016) and 36th congressional district (2011-2012). Before she was elected to Congress in 2011, Ms. Hahn served eight years on the Los Angeles City Council representing the Harbor Area, District 15. Prior to her career in public service, Hahn worked in the private sector. She attended Abilene Christian University in Texas, earning a Bachelor of Science in education in 1974. She taught at the Good News Academy, a private school in Westchester from 1974 to 1978. Her other work in the private sector has included Public Affairs Region Manager at Southern California Edison from 1995 to 2000, Vice President for Prudential Securities in Public Finance, Director of Community Outreach for Western Waste Industries, and Director of Marketing for the Alexander Haagen Company.

Paul Krekorian. Mr. Krekorian was elected to the Los Angeles City Council to represent the Second District in 2009 and was re-elected in 2011 and 2015. He was appointed to the Board by Mayor Garcetti in July 2013. Prior to his election to the Los Angeles City Council, he represented California's 43rd Assembly District in the California State Assembly for three years. Prior to being elected to public office, Mr. Krekorian served as President of the Burbank Board of Education and practiced law. He attended the University of Southern California and received his Juris Doctor from the University of California, Berkeley, School of Law.

Sheila Kuehl. Ms. Kuehl was elected to the Board representing the Third Supervisorial District in 2014. Ms. Kuehl served eight years in the State Senate and six years in the State Assembly, and, in 2008, left the legislature under California's term limits statute. She served as Founding Director of the Public Policy Institute at Santa Monica College. In 2012, she was appointed Regents' Professor of Public Policy at UCLA. Prior to her election to the Legislature, Ms. Kuehl was a law professor at Loyola, UCLA and USC Law Schools and co-founded and served as managing attorney of the California Women's Law Center. She graduated from Harvard Law School in 1978. She served on the Harvard University Board of Overseers from 1998 to 2005.

Holly Mitchell. Ms. Mitchell serves on the Los Angeles County Board of Supervisors representing the Second Supervisorial District, having been elected in November 2020. Ms. Mitchell previously represented the 54th District for three years as State Assembly Member and later served seven years as a State Senator for the 30th District. As State Senator, she served as Chair of the Senate Budget and Fiscal Review Committee. Prior to serving in elected office, Ms. Mitchell was CEO of Crystal Stairs, California's largest nonprofit dedicated to child and family development. She holds a bachelor's degree from the University of California, Riverside.

Tim Sandoval. [Bio to come]

Tony Tavares, Ex-Officio Member. Mr. Tavares was appointed as Director of the California Department of Transportation ("Caltrans") District 7 in November 2020. Most recently, he served as Caltrans Bay Area Director of District 4. Mr. Tavares also served on several boards of regional transportation planning agencies, joint powers authorities and transit development. From 2010 to 2018, Mr. Tavares served as the statewide Division Chief for Maintenance. He holds a bachelor's degree in civil engineering from the University of California, Davis.

Management

General. The management of LACMTA is carried out under the direction of its Chief Executive Officer, who performs any duties delegated to him or her by the Board. The Board also appoints a General Counsel, Inspector General, Chief Ethics Officer and Board Secretary. The Chief Executive Officer serves at the pleasure of the Board, as do the General Counsel, Inspector General, Chief Ethics Officer and Board Secretary. Certain of LACMTA's executives and a brief biography of each executive are provided below.

Chief Executive Officer. Phillip A. Washington became Chief Executive Officer in May 2015. Prior to his appointment as Chief Executive Officer, Mr. Washington served as General Manager of the Denver Regional Transportation District ("RTD"). Mr. Washington served in that position since December 2009, with previous service as Interim General Manager since June 2009 and Assistant General Manager, Administration since 2000. Mr. Washington is credited with completing the Eagle P3 project, a \$2.2 billion public-private partnership that built RTD's East Rail Line, a commuter rail from Denver International Airport to downtown Denver. Mr. Washington was a highly decorated 24-year military professional, having attained the highest military noncommissioned officer rank, that of Command Sergeant Major, E-9, before retiring from service in June 2000. He began his military career in Air Defense Artillery units and served in virtually every noncommissioned officer leadership role. He has also been a distinguished project manager, strategic planner, contract representative, human resource director, trainer and budget technician. Mr. Washington received a Bachelor of Arts degree in Business Administration from Columbia College and a master's degree in Management from Webster University.

Mr. Washington has announced that he will not seek a renewal of his contract with LACMTA when it expires in May 2021. [LACMTA is currently searching for a replacement for Mr. Washington to serve as LACMTA's Chief Executive Officer.]

Chief Financial Officer. Nalini Ahuja was appointed as Executive Director, Finance and Budget in February 2014 (renamed Chief Financial Officer in July 2016). Prior to her appointment as Executive Director, Finance and Budget, Ms. Ahuja served as LACMTA's Executive Director, Office of Management, Budget & Local Programming from 2010 to 2012, at which point her duties were expanded to include oversight of LACMTA's Transit Access Pass ("TAP") operations. As Chief Financial Officer, she is responsible for oversight of LACMTA's Office of Management, Budget, Local Programming & TAP operations and the agency's Financial Services including accounting and treasury functions. She has also served LACMTA as Director, Countywide Planning; Transportation Manager V, Local Programming; Acting Budget Director, Office of Management & Budget; and Project Manager, South Bay Area Team. Ms. Ahuja began her career with LACMTA's predecessor, the Los Angeles County Transportation Commission, in 1986, as a technical and administrative analyst, which led to her position as Project Manager with the South Bay Area Team in 1990. Ms. Ahuja earned a bachelor's degree in Economics from Miranda House, University of Delhi as well as a master's degree in Economics from Delhi School of Economics and a master's degree in Urban Planning from UCLA.

Treasurer. Donna R. Mills was appointed Treasurer in July 2013, following her appointment to Interim Treasurer in January 2013. Ms. Mills previously served LACMTA as Assistant Treasurer beginning in April 2001, and as Senior Investment Manager beginning in December 1995. As Treasurer, she is responsible for directing LACMTA's investment management and debt management programs. Prior to joining LACMTA, Ms. Mills served as a Financial Planning Administrator and as Cash Manager for Pacific Enterprises. She also worked as a Banking Analyst and as a Research Assistant for the Federal Reserve Bank of Philadelphia. Ms. Mills received a Bachelor of Arts in Economics and Sociology from the University of Pennsylvania and an MBA from the University of California, Berkeley.

Ms. Mills has announced that she will be retiring from LACMTA on March 31, 2021. [LACMTA is currently searching for a replacement for Ms. Mills serve as LACMTA's Treasurer.]

Public Transportation Services Corporation

In December 1996, LACMTA created the Public Transportation Services Corporation ("PTSC"), a nonprofit public benefit corporation organized under the laws of the State. PTSC was created in order to transfer certain functions, then performed by LACMTA, and the employees related to those functions, to this new corporation. The purpose of PTSC is to conduct essential public transportation activities including but not limited to the following: (a) to coordinate multimodal multi-jurisdictional transportation planning; (b) to program federal, State and local funds for transportation projects County-wide within the County; (c) to oversee construction; (d) to provide certain administrative services to the Los Angeles County Service Authority for Freeway Emergencies and the Southern California Regional Rail Authority; (e) to provide administrative support and security services for the foregoing and to the operation of LACMTA's bus and rail system; and (f) such other activities and services as it deems necessary. One advantage of PTSC is that it allows its employees, including those transferred from LACMTA, to participate in the California Public Employees Retirement System.

TRANSPORTATION SERVICES

LACMTA is a multi-faceted transportation agency responsible for the coordination of transportation policy, funding and planning within the County as well as the development and operation of bus, light rail and heavy rail within the greater Los Angeles region. This breadth of services distinguishes LACMTA from other transportation agencies across the country.

The information about ridership provided below does not reflect the full impact of COVID-19 and surrounding events, which have caused LACMTA to experience declines in ridership on its bus and rail

systems. For further discussion, see “INTRODUCTION—Impact of Global COVID-19 Outbreak” in the front part of this Official Statement.

Bus System

LACMTA operates the second largest bus system in the United States. LACMTA provides bus service within its service area in the County and to portions of Orange and Ventura Counties, operating a vehicle fleet of approximately 2,300 buses. LACMTA’s bus system covers over 160 routes and serves approximately 14,000 bus stops, including two premium bus rapid transit dedicated busways. System-wide, LACMTA buses provide approximately 6.4 million revenue service hours annually with an average of approximately 430,000 boardings per weekday on a system-wide basis for the fiscal quarter ended December 31, 2020 and total boardings of 36.0 million for the fiscal quarter ended December 31, 2020. In addition, LACMTA contracts with outside service providers, with an average of approximately 19,000 boardings per weekday for the fiscal quarter ended December 31, 2020 and total boardings of 1.6 million for the fiscal quarter ended December 31, 2020. Virtually all of LACMTA’s bus fleet is composed of compressed-natural gas (“CNG”) powered buses. As of February 2, 2021, the average age of LACMTA’s bus fleet was approximately 7.9 years. In July 2017, the LACMTA Board approved the purchase of approximately 95 electric buses to be added to its fleet and committed to converting the entire fleet to zero emission vehicles by 2030.

Metro Rapid Bus. In June 2000, LACMTA launched the Metro Rapid Demonstration Program (“Metro Rapid”). The Metro Rapid Program provides fast, frequent regional bus service throughout the County. Key features of the Metro Rapid Program include simple route layouts, frequent service, fewer stops, low-floor buses to facilitate boarding and alighting, color-coded buses and stations, and traffic signal priority. Initially, Metro Rapid consisted of two lines—one along Ventura Boulevard in the San Fernando Valley and the other along the Wilshire/Whittier transit corridor. Today, 25 Metro Rapid corridors are operating, covering approximately 400 miles in the City of Los Angeles, the County and 34 other cities. In addition to LACMTA, Santa Monica’s Big Blue Bus, Culver City Bus and Torrance Transit operate Metro Rapid.

Metro Orange Line. The Metro Orange Line is a 18-mile Bus Rapid Transit service that operates along an exclusive right-of way and transports thousands of commuters between Warner Center in the west San Fernando Valley to the Metro Red Line subway station in North Hollywood. The Metro Orange Line buses operate in exclusive lanes along a 13-mile stretch of LACMTA-owned right-of-way and one mile in mixed flow traffic on public streets. The Metro Orange Line has 18 stations, each located roughly one mile apart, with park and ride facilities at seven stations providing approximately 4,700 parking spaces. The Metro Orange Line Extension Project, which opened in June 2012, extended the Orange Line four-miles north from the Canoga park-and-ride lot to the Chatsworth Amtrak/Metrolink Station.

Highway/ExpressLanes System

The ExpressLanes Program is a cooperative effort between Caltrans and LACMTA, and was originally funded through a combination of federal, State and local resources. As part of a congestion reduction demonstration program, LACMTA converted I-10 and I-110 High Occupancy Vehicle (“HOV”) Lanes to Express Lanes and provided the choice for drivers of single occupant vehicles to pay to travel in a high occupancy lane, based on dynamic congestion pricing. The general-purpose lanes on these highways are not tolled. Current funding is provided by toll revenues generated by the Express Lanes. This program also includes improvements to the transit service along the freeways, and has funded transit facility and roadway improvements and provided funding to enhance system connectivity. In early 2017, the LACMTA Board approved a plan to convert additional existing HOV lanes to ExpressLanes in phases over the next 30 years.

Rail System

General. In 1992, the Commission developed a comprehensive rail rapid transit system development plan (the “Rail System”) which has been revised from time to time. The Rail System currently consists of four light rail lines: the Metro Blue Line, the Metro Green Line, the Metro Gold Line (including the Gold Line Eastside Extension) and the Exposition Line; and two heavy rail lines: Metro Red Line and the Metro Purple Line. The Rail System covers 98 miles and serves 93 stations, with weekday estimated ridership of approximately 127,000 for the fiscal quarter ended December 31, 2020.

Metro Blue Line (A Line). The Metro Blue Line is an approximately 22 mile light rail line that extends from downtown Los Angeles, where it links to the Metro Red Line, to the City of Long Beach. The Metro Blue Line passes through portions of the cities of Los Angeles, Long Beach, Compton, Carson and other cities, and certain unincorporated areas of the County. The Metro Blue Line consists of a dual-track line with 22 stations, with a fleet of 54 articulated rail cars and a primary maintenance facility (which also supports vehicles from the Metro Green Line) and yard located in Long Beach adjacent to the Long Beach Freeway with a storage and maintenance capacity of 89 vehicles. Passenger service began in July 1990. The Metro Blue Line had estimated ridership of approximately 2.0 million for the fiscal quarter ended December 31, 2020.

Metro Green Line (C Line). The Metro Green Line is a 19.5-mile light rail line linking the El Segundo employment area near the Los Angeles International Airport to the City of Norwalk near the San Gabriel River Freeway. The Metro Green Line has 14 stations including a station that intersects the Metro Blue Line and one that provides passenger connections to the Harbor Freeway Transitway, an elevated busway developed by Caltrans. The Metro Green Line began operations in August 1995, and had estimated ridership of approximately 940,000 for the fiscal quarter ended December 31, 2020.

Metro Gold Line (L Line). The Metro Gold Line is a 13.7-mile light rail line which extends from downtown Los Angeles (where it links to the Metro Red Line) to the City of Pasadena. The Metro Gold Line consists of a dual-track line with 13 stations. The Metro Gold Line began operations in July 2003. The Gold Line Eastside Extension, which opened in November 2009, is a six-mile, dual track light rail system with eight new stations and one station modification. The system originates at Union Station in downtown Los Angeles, where it connects with the Metro Gold Line, traveling generally east to the intersection of Pomona Boulevard and Atlantic Boulevard through one of the most densely populated areas of the County. In March 2016, service began on an 11-mile extension of the Gold Line from Pasadena to Azusa. Estimated ridership for the entire Metro Gold Line was approximately 1.1 million for the fiscal quarter ended December 31, 2020.

The Metro Gold Line is being further extended as discussed below under “FUTURE TRANSPORTATION PROJECTS—Transit Projects—*Gold Line Foothill Extension.*”

Exposition Line (E Line). The Exposition Line is an approximately 13.1 mile long light rail line that runs from downtown Los Angeles to Santa Monica along the Exposition Boulevard corridor. The first portion of the Exposition Line opened in June 2012 and extended approximately 8.6 miles from downtown Los Angeles to Culver City. The second portion, which began revenue operations in May 2016, extends 6.6 miles westward from Culver City to downtown Santa Monica and added seven stations to the Exposition Line. Estimated ridership for the Exposition Line was more than 1.5 million for the fiscal quarter ended December 31, 2020.

Metro Red Line (B Line) and Metro Purple Line (D Line). The Metro Red Line and Metro Purple Line were designed as state-of-the-art, modern heavy rail subway lines comparable to transit systems in San Francisco, Atlanta and Washington, DC. The Metro Red Line and Metro Purple Line are dual-rail

steel-wheeled, high speed rapid subway systems that originally were to consist of a 19.7 mile 18-station line that was to connect the Los Angeles central business district to the San Fernando Valley, through the Wilshire Corridor and Hollywood, and to East Los Angeles through Union Station. However, due to the “Metropolitan Transportation Authority Reform and Accountability Act of 1998” (the “Act of 1998”) and federal and State funding shortfalls, the development of the Metro Red Line and the Metro Purple Line were significantly reduced, including the indefinite suspension of certain extensions. The Act of 1998 prohibits LACMTA from utilizing any of the Proposition A Sales Tax or the Proposition C Sales Tax revenues for the costs of planning, design, construction or operation of any new subway, including debt service on any obligations issued for such purposes after March 30, 1998. However, the Act of 1998 did not prohibit LACMTA from continuing the construction of the Metro Red Line and the Metro Purple Line as long as such design, construction and operation are paid from other sources.

The Metro Red Line was constructed in segments. Segment 1 from Union Station to Alvarado Street opened in January 1993. Segment 2 extended west from Alvarado Street to Vermont Avenue where it branches north to Hollywood Boulevard/Vine Street and west to Wilshire Boulevard/Western Avenue. The west branch became operational in July 1996 and was renamed the Purple Line in August 2006. Segment 3 extending the north branch from Hollywood/Vine to North Hollywood opened in June 2000. The Red Line is 14.9 miles long with 14 stations. LACMTA is in the process of extending the Metro Purple Line from its current terminus at Wilshire/Western to the westside of Los Angeles. This project is described under “FUTURE TRANSPORTATION IMPROVEMENTS—Transit Projects” below. Estimated ridership for the entire Metro Red and Purple Lines was approximately 4.9 million for the fiscal quarter ended December 31, 2020.

Commuter Rail. The Southern California Regional Rail Authority (“SCRRA”) oversees commuter rail services in the region that includes Los Angeles, Riverside, Ventura, Orange, San Bernardino and San Diego Counties. SCRRA operates the Metrolink system, which consists of seven lines totaling 538 miles and 61 stations and is primarily geared toward providing commuter rail service from outlying communities to downtown Los Angeles. LACMTA is the Los Angeles County participant in SCRRA and contributes funds to SCRRA. Other participants include the Orange County Transportation Authority, the Riverside County Transportation Commission, the San Bernardino Association of Governments and the Ventura County Transportation Authority.

Transit System Enterprise Fund

LACMTA accounts for the revenues and expenses of its transit system as an enterprise fund, separate from accounting of its governmental funds, such as the Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues. See “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.” As indicated in APPENDIX B and as is generally true with large transit systems, the operating expenses for LACMTA’s transit system greatly exceed operating revenues. The Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues are a primary source of funding for the transit system. Additionally, LACMTA relies heavily on other local, State and federal sources to pay for operating expenses and capital improvements. LACMTA is currently undertaking future transit improvements to the transit system, which require substantial investment and increase operating costs. As the system expands, LACMTA is committed to looking for additional revenue sources, to re-prioritize existing and new programs, and to regularly reassessing the service provided to minimize duplication and improve efficiency. Proposition C Sales Tax revenues are available to pay operating expenses only after debt service on the Senior Bonds and certain other amounts are paid. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Flow of Funds” in the front part of this Official Statement.

Fareless System Initiative

In September 2020, LACMTA established a taskforce to study the idea of eliminating the collection of fares on its bus and rail transit system, either for all riders or for specified subgroups. For the fiscal years ended June 30, 2020 and 2019, LACMTA collected approximately \$184.6 million and \$265.2 million of fares from riders of its bus and rail transit system, respectively. In addition to the loss of farebox revenues, if LACMTA were to eliminate the collection of fares, it expects that operating and maintenance costs would increase because more people would ride the buses, light rail and subways which would result in additional costs for cleaning, security and maintenance of the bus and rail transit system. None of the Proposition C Sales Tax Obligations (including the Series 2021-A Bonds), the Proposition A Sales Tax Obligations or the Measure R Sales Tax Obligations are secured by or payable from farebox revenues. However, the General Revenue Bonds are secured by and are payable from the farebox revenues. Additionally, the General Revenue Bonds are secured by “remaining” Proposition C Sales Tax revenues and remaining Proposition A Sales Tax revenues in the event of a shortage of farebox revenues and certain other revenues pledged to the payment of the General Revenue Bonds. See “PROPOSITION C SALES TAX OBLIGATIONS—Other Obligations—*General Revenue Bonds*” in the front of this Official Statement. Farebox revenues, along with Proposition C Sales Tax revenues, Proposition A Sales Tax revenues and Measure R Sales Tax revenues also are used to pay for certain operating and maintenance costs of LACMTA. In the event of the elimination or reduction of farebox revenues, additional Proposition C Sales Tax revenues, Proposition A Sales Tax revenues and Measure R Sales Tax revenues would need to be used to pay the operation and maintenance expenses of LACMTA. Such uses of Proposition C Sales Tax revenues, Proposition A Sales Tax revenues and Measure R Sales Tax revenues are subordinate to the payment of debt service on the Proposition C Sales Tax Obligations (including the Series 2021-A Bonds), the Proposition A Sales Tax Obligations and the Measure R Sales Tax Obligations.

In February 2021, the taskforce proposed instituting an eighteen month pilot program starting in January 2022 and running through June 2023 to further study the initiative. The pilot program would allow low-income riders (which make up approximately 70% of the riders on LACMTA’s bus and rail transit system) to ride for free starting in January 2022 and K-12 students to ride for free starting in August 2022. As of the date of this Official Statement, LACMTA cannot predict if it will move forward with the pilot program or eventually, permanently cease collecting fares from all or a portion of the riders using its bus and rail transit system. The taskforce is currently reviewing various federal, state and local funding sources that would be could be used by LACMTA to pay for the pilot program.

FUTURE TRANSPORTATION IMPROVEMENTS

LACMTA, as the State-designated planning and programming agency for the County, identifies future transportation needs and transportation funding and construction priorities in the County. LACMTA prepares a Long Range Transportation Plan that identifies the costs of major transportation projects and the anticipated funding sources. See “RISK FACTORS—Additional Senior Bonds” in the front part of this Official Statement.

Capital Planning

In September 2020, the Board approved the 2020 Long Range Transportation Plan (“2020 LRTP”) which updates the prior 2009 Long Range Transportation Plan. LACMTA’s capital program is built on two major planning documents, the Long Range Transportation Plan, which has a 40-year vision and a financial forecast component, most recently updated for the 2020 LRTP (as updated, the “LRTP Financial Forecast”), and the Short Range Financial Forecast, a fifteen-year plan last updated for the Board in November 2019 that guides capital investment through 2034. These plans incorporate the mix of projects approved by voters in concert with the four sales tax measures that fund a large share of LACMTA’s

operations and capital programs, and are amended as needed to reflect ongoing changes to project costs, revenue and expense projections, and actual financial results. Annually, LACMTA's Office of Management and Budget reviews the active projects called for in the LRTP Financial Forecast and the Short Range Financial Forecast, and prepares a proposed budget recommending project appropriations as part of the annual Capital Program, which is incorporated within LACMTA's overall annual budget.

The LRTP Financial Forecast reflects LACMTA's plans to build, operate, maintain and partner with third parties for improved mobility (as determined in the 2020 LRTP), and incorporates both the Measure R and Measure M "Expenditure Plans," which identify the projects and programs to be pursued, and the amount and timing of sales tax expenditures.

The Short Range Financial Forecast, a fifteen-year component of the LRTP Financial Forecast, reflects LACMTA's financial plan for operations and capital investments into the transit system and identifies a funding strategy from future transportation revenues. The Short Range Financial Forecast includes a financial baseline that addresses LACMTA's current and known future operations, maintenance and capital financial commitment under a set of growth assumptions. The Short Range Financial Forecast will be updated in the fall 2021 as part of the 2021 Short Range Transportation Plan, which is an action plan for the 2020 LRTP that recommends near-term implementation steps over a fifteen-year timeframe (2022 to 2036) and reflects needed recalibrations due to the current COVID-19 pandemic.

The LRTP Financial Forecast and the Short Range Financial Forecast are the guiding policies behind funding decisions on subsequent transportation projects and programs in the County and guide the programming of funds in the federally-mandated transportation improvement program ("TIP"). The TIP includes a listing of all transportation-related projects that require federal funding or other approval by the federal transportation agencies of USDOT. The TIP also lists non-federal, "regionally significant" projects for informational and air quality modeling purposes. Major capital projects and programs that are identified in the LRTP Financial Forecast and Short Range Financial Forecast have priority for future programming of funds, subject to the funding restrictions in the Expenditure Plans and Board-adopted funding policies. While these projects and programs require further Board approval at various stages of their development, they are priorities for further planning, design, construction and the pursuit of additional funding.

The Short Range Financial Forecast includes projections of debt financing by LACMTA composed of a combination of Proposition A, Proposition C, Measure R and Measure M secured debt. The Short Range Financial Forecast updates the assumptions about debt issuance and assumes approximately \$12.4 billion in new long-term debt financing from Fiscal Year 2021 through Fiscal Year 2030, not including capital grant receipt revenue debt or toll revenue debt. The Short Range Financial Forecast assumes the issuance of approximately \$924.5 million of Proposition A First Tier Senior Lien Bonds, \$1.6 billion of Proposition C Senior Bonds (including the Series 2021-A Bonds), \$2.7 billion of Measure R Senior Bonds, and \$7.2 billion of Measure M Senior Bonds from Fiscal Year 2021 through Fiscal Year 2030.

The LRTP, the LRTP Financial Forecast and the Short Range Financial Forecast are planning tools and therefore the timing and amount of any debt issuance is likely to change. The actual amount and timing of any debt issuance depends on a number of factors including the actual scope, timing and cost of transportation projects, the ability to obtain funding from other sources and the amount of Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues available to fund the projects in the LRTP Financial Forecast and the Short Range Financial Forecast.

Transit Projects

LACMTA has several major transit projects in planning and under construction, including the Crenshaw/LAX Transit Project, the Regional Connector, the Westside Purple Line Extension and the

Goldline Foothill Extension. These projects currently have a total budget of approximately \$12.9 billion. The costs of the projects are expected to be paid from Proposition A Sales Tax revenues (including the proceeds of Proposition A secured debt), Proposition C Sales Tax revenues (including the proceeds of Proposition C secured debt), Measure R Sales Tax revenues (including the proceeds of Measure R secured debt), Measure M Sales Tax revenues (including the proceeds of Measure M secured debt), other local sources, and federal and State sources, as applicable.

Crenshaw/LAX Transit Project. The Crenshaw/LAX Transit Project is a north/south corridor that serves the cities of Los Angeles, Inglewood, Hawthorne and El Segundo as well as portions of unincorporated Los Angeles County. The line extends 8.5 miles, from the intersection of Crenshaw and Exposition Boulevards to a connection with the Metro Green Line at the Aviation/LAX Station. The total project budget is currently \$2.15 billion. The costs of the project are expected to be paid from Measure R Sales Tax revenues, Proposition A Sales Tax revenues, Proposition C Sales Tax revenues, other local sources, and federal and State sources.

Regional Connector Transit Corridor Project. The Regional Connector is a 1.9-mile light rail line with three underground stations in downtown Los Angeles. The Project will provide a direct connection from the 7th/Metro Center Station to the existing Metro Gold Line tracks to the north and east of 1st and Alameda. This connection will provide through service between the Metro Blue Line, Metro Gold Line and Metro Exposition Line corridors. The total project budget is currently \$1.82 billion. LACMTA has been awarded a \$669.9 million federal grant for the Regional Connector project. The remaining project costs are expected to be paid from Measure R Sales Tax revenues and federal, State and local sources (other than Proposition C Sales Tax Revenues).

Westside Purple Line Extension. The Westside Purple Line Extension (the “Purple Line Extension”) is an extension of the Metro Purple Line from its current terminus at Wilshire/Western to the westside of Los Angeles. The Board has certified the Final Environmental Impact Report and has adopted the project definition for the nine-mile Purple Line Extension. The Purple Line Extension is being constructed in three sections.

Section 1 of the Purple Line Extension is currently under construction and extends the existing Metro Purple Line by 3.92 miles beginning at the Wilshire/Western Station to the City of Beverly Hills and adds three stations, at Wilshire/La Brea, Wilshire/Fairfax and the Phase 1 terminus at Wilshire/La Cienega. The total budget for Section 1 of the Purple Line Extension is \$2.53 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a \$1.25 billion federal grant for Section 1 of the Purple Line Extension. The remaining project costs for Section 1 are expected to be paid from Measure R Sales Tax revenues, State sources and other local sources (other than Proposition C Sales Tax Revenues).

Section 2 of the Purple Line Extension is currently under construction and extends the Metro Purple Line by 2.59 miles beginning at the future Section 1 Wilshire/La Cienega Station to Century City and adds two new stations, at Wilshire/Rodeo and the Phase 2 terminus at Century City/Constellation. The total budget for Section 2 of the Purple Line Extension is \$2.28 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a \$1.187 billion federal grant for Section 2 of the Purple Line Extension. The remaining project costs for Section 2 are expected to be paid from Measure R Sales Tax revenues, other Federal sources, and State sources.

Section 3 of the Purple Line Extension is currently under construction and extends the Metro Purple Line by 2.56 miles beginning at the future Section 2 Century City/Constellation Station to the Westwood VA Hospital and adds two new stations at Westwood/UCLA and the Phase 3 terminus at Westwood/VA Hospital. The budget for Section 3 of the Purple Line Extension is \$2.75 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a \$1.3 billion federal grant for Section 3 of the

Purple Line Extension. The remaining project costs for Section 3 are expected to be paid from Measure R and Measure M Sales Tax Revenues, other Federal sources, State sources, and other local sources (other than Proposition C Sales Tax revenues).

Gold Line Foothill Extension. The Metro Gold Line Phase 2B Project proposed extending the Metro Gold Line light rail system east from Azusa to Claremont, and potentially extending the line to Montclair. However, the project is now expected to build out to an interim terminus at Pomona. LACMTA is working with the Gold Line Foothill Extension Construction Authority (“GLFECA”), an independent transportation planning and construction agency created in 1999 and tasked with designing and constructing the line. Once built, LACMTA will operate it in conjunction with existing LACMTA rail services. The total project budget for the phase 1 extension to Claremont is \$1.4 billion. Project costs are expected to be paid primarily from Measure M Sales Tax Revenues and State sources. LACMTA staff is working with the GLFECA to seek funding to extend the project to Claremont. LACMTA will also coordinate with the GLFECA and San Bernardino County to support their development of an option to Montclair.

LABOR RELATIONS

General

As of March 1, 2021, LACMTA had approximately 9,433 employees, of which approximately 83% are covered by labor agreements. Full and part-time LACMTA bus and train operators are represented by the Sheet Metal, Air, Rail, Transportation, Transportation Division (formerly United Transportation Union) (“SMART-TD”); LACMTA mechanics and service attendants are members of the Amalgamated Transit Union (“ATU”); LACMTA clerks are members of the Transportation Communications Union (“TCU”); bus and rail transportation and maintenance supervisors are members of the American Federation of State County and Municipal Employees (“AFSCME”); and LACMTA security guards are members of the Teamsters Union. The following table summarizes the number of employees covered by the labor agreements of LACMTA with each of its employee bargaining units as of March 1, 2021 and the current expiration dates of the labor agreements. In July 2017, LACMTA signed five new contracts with its labor unions, the longest contracts in LACMTA’s history. Most of these contracts provide for annual salary increases of 4.2% over the five-year life of the contracts.

<u>Employee Bargaining Unit</u>	<u>Number of Employees</u>	<u>Contract Expiration Date</u>
Sheet Metal, Air, Rail and Transportation Division	3,714	06/30/22
Amalgamated Transit Union	2,342	06/30/22
Transportation Communications Union	883	06/30/22
Am. Fed. of State, County and Municipal Employees	766	06/30/22
Teamsters Union	137	06/30/22

Defined Benefit Pension Plan

LACMTA has a single-employer public employee retirement system that includes five defined benefit plans (the “Plans”) that cover substantially all employees (except PTSC employees) and provides retirement, disability, and death benefits. The benefit provisions and all other requirements are established by State statute, ordinance, collective bargaining agreements or Board actions. Four of the Plans are restricted to specific union members, while the fifth provides benefits to non-represented employees and to members of the Teamsters Union. In addition, LACMTA provides pension benefits to most PTSC employees through a defined benefit plan administered by the California Public Employees’ Retirement System (“PERS”), a multiple-employer pension system. PERS provides retirement and disability benefits,

annual cost-of-living adjustments and death benefits to plan members and beneficiaries. For a description of these defined benefit plans and LACMTA’s obligations to make contributions to these plans, see “Note III—DETAILED NOTES ON ALL FUNDS—I. Employees’ Retirement Plans” in the Notes to the Financial Statements and related Required Supplementary Schedules in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.”

Other Post-Employment Benefits

LACMTA provides post-employment health care and life insurance benefits for retired employees and their families. Pursuant to Governmental Accounting Standards Board Pronouncement No. 74 and No. 75, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans” and “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions” respectively, LACMTA is required to account for its expenses and a portion of the present value of future expenses related to these benefits. For a description of these benefits, LACMTA’s obligations to account for certain projected future costs of these benefits and other matters regarding these benefits, see “Note III—DETAILED NOTES ON ALL FUNDS—J. Other Postemployment Benefits (OPEB)” in the Notes to the Financial Statements and the related Required Supplementary Schedules in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.”

Public Transportation Services Corporation

In December 1996, LACMTA created the Public Transportation Services Corporation (“PTSC”), a nonprofit public benefit corporation organized under the laws of the State. PTSC was created in order to transfer certain functions, then performed by LACMTA, and the employees related to those functions, to this new corporation. As of March 1, 2021, approximately [2,000] employees of LACMTA belong to PTSC. The purpose of PTSC is to conduct essential public transportation activities including but not limited to the following: (a) to coordinate multimodal multi-jurisdictional transportation planning; (b) to program federal, State and local funds for transportation projects County-wide within the County; (c) to oversee construction; (d) to provide certain administrative services to the Los Angeles County Service Authority for Freeway Emergencies and the Southern California Regional Rail Authority; (e) to provide administrative support and security services for the foregoing and to the operation of LACMTA’s bus and rail system; and (f) such other activities and services as it deems necessary. One advantage of PTSC is that it allows its employees, including those transferred from LACMTA, to participate in the California Public Employees Retirement System.

OUTSTANDING DEBT

General

In addition to obligations issued by LACMTA that are secured by Proposition C Sales Tax, LACMTA has issued debt secured by the Proposition A Sales Tax, the Measure R Sales Tax, and other revenues of LACMTA, and may issue additional obligations so secured upon satisfaction of certain additional bonds tests in the applicable trust agreements providing for the issuance of such debt. The Series 2021-A Bonds are secured by and payable from the Proposition C Sales Tax, and are not secured by or payable from the Measure R Sales Tax, the Proposition A Sales Tax or any other revenues of LACMTA. See “FUTURE TRANSPORTATION IMPROVEMENTS—Capital Planning” above. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS” in the front part of this Official Statement for a discussion of obligations secured by the Proposition C Sales Tax.

Debt and Interest Rate Swap Policies

In March 2018, the Board approved an updated Debt Policy for LACMTA (the “Debt Policy”). The Debt Policy sets forth guidelines for the issuance and management of LACMTA’s debt. Among other things, the Debt Policy sets forth allowable uses of debt and debt policy maximums. It requires LACMTA to develop a capital improvement plan which includes the capital projects LACMTA plans to undertake in future years. The Debt Policy also sets forth guidance on the type of debt that may be incurred by LACMTA (e.g., long-term versus short-term), the source of payment for such debt, and other factors to be considered when incurring debt.

In April 2015, the Board approved an updated Interest Rate Swap Policy for LACMTA (the “Swap Policy”). The Swap Policy includes guidelines to be used by LACMTA when entering into interest rate swaps and management practices that address the special risks associated with interest rate swaps. The Swap Policy requires that LACMTA evaluate the risks, on an ongoing basis, of existing interest rate swaps. As of the date of this Official Statement, LACMTA has no interest rate swaps.

Proposition A Sales Tax Obligations

General. Obligations of LACMTA payable from the Proposition A Sales Tax consist of sales tax revenue bonds, commercial paper notes and other agreements. LACMTA has three priority levels of obligations for Proposition A Sales Tax revenues: its First Tier Senior Lien Bonds, its Second Tier Obligations (there are no Second Tier Obligations outstanding) and its Third Tier Obligations (which include the Proposition A Commercial Paper Notes). LACMTA has incurred other obligations which are secured by certain “remaining” Proposition A Sales Tax cash receipts.

Proposition A First Tier Senior Lien Bonds. LACMTA had the following Proposition A First Tier Senior Lien Bonds outstanding as of March 1, 2021. The Proposition A First Tier Senior Lien Bonds are payable from, and secured by a prior first lien on, Proposition A Sales Tax revenue.

Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Bonds (Outstanding as of March 1, 2021)

<u>Proposition A First Tier Senior Sales Tax Revenue Bonds</u>	<u>Outstanding Principal Amount</u>
Senior Sales Tax Revenue Refunding Bonds, Series 2019-A	\$ 49,740,000
Senior Sales Tax Revenue Refunding Bonds, Series 2018-A	12,390,000
Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds)	471,395,000
Senior Sales Tax Revenue Refunding Bonds, Series 2017-B	85,455,000
Senior Sales Tax Revenue Refunding Bonds, Series 2016-A	131,575,000
Senior Sales Tax Revenue Refunding Bonds, Series 2015-A	20,415,000
Senior Sales Tax Revenue Refunding Bonds, Series 2014-A	104,465,000
Senior Sales Tax Revenue Refunding Bonds, Series 2013-A	40,700,000
Senior Sales Tax Revenue Refunding Bonds, Series 2012-A	40,255,000
Total	<u>\$956,390,000</u>

Source: LACMTA.

Proposition A Second Tier Obligations. There are no Proposition A Second Tier Obligations outstanding, nor are any additional Second Tier Obligations currently expected to be issued.

Proposition A Third Tier Obligations. LACMTA is authorized to issue and have outstanding, at any one time, up to \$350,000,000 aggregate principal amount of its Proposition A commercial paper notes (the “Proposition A Commercial Paper Notes”). As of March 1, 2021, \$100 million aggregate principal amount of Proposition A Commercial Paper Notes were outstanding. The Proposition A Commercial Paper Notes are payable from Proposition A Sales Tax revenues on a subordinate basis to the Proposition A First Tier Senior Lien Bonds and the Proposition A Second Tier Obligations. The Proposition A Commercial Paper Notes can only be issued and outstanding if they are supported by a letter of credit.

The Proposition A Commercial Paper Notes are supported by a letter of credit (the “Proposition A CP Letter of Credit”) issued by Barclays Bank PLC. LACMTA’s reimbursement obligations with respect to the Proposition A CP Letter of Credit are payable from Proposition A Sales Tax revenues on parity with the Proposition A Commercial Paper Notes and on a subordinate basis to the Proposition A First Tier Senior Lien Bonds and the Proposition A Second Tier Obligations. The following table sets forth certain terms of the Proposition A CP Letter of Credit.

Proposition A CP Letter of Credit			
Letter of Credit Provider	Amount of Letter of Credit	Issuance Date	Expiration Date
Barclays Bank PLC	\$199,999,988*	April 25, 2019	April 22, 2022

* Supports \$183,694,000 of principal and \$16,305,988 of interest.
Source: LACMTA

The Proposition A Commercial Paper Notes and the reimbursement obligations with respect to the Proposition A CP Letter of Credit constitute “Proposition A Third Tier Obligations,” and are payable from Proposition A Sales Tax revenues on a subordinate basis to the Proposition A First Tier Senior Lien Bonds and the Proposition A Second Tier Obligations described above.

Measure R Sales Tax Obligations

General. LACMTA has three priority levels of obligations secured by the Measure R Sales Tax: the senior lien (which currently secures its Measure R Senior Sales Tax Revenue Bonds), the subordinate lien (which currently secures its Measure R Subordinate Obligations), and the junior subordinate lien (which currently secures its Measure R Junior Subordinate Obligations).

Measure R Senior Sales Tax Revenue Bonds. LACMTA had the following Measure R Senior Sales Tax Revenue Bonds outstanding as of March 1, 2021. The Measure R Senior Sales Tax Revenue Bonds are payable from, and secured by a prior first lien on, Measure R Sales Tax revenue.

Los Angeles County Metropolitan Transportation Authority
Measure R Senior Sales Tax Revenue Bonds
(Outstanding as of March 1, 2021)

Measure R Senior Sales Tax Revenue Bonds	Outstanding Principal Amount
Senior Sales Tax Revenue Bonds, Series 2016-A	\$ 470,720,000
Senior Sales Tax Revenue Bonds, Series 2010-A	573,950,000
Total	\$1,044,670,000

Source: LACMTA.

Measure R Subordinate Obligations. On May 28, 2015, LACMTA received authorization to establish a short-term borrowing program (the “Measure R Short-Term Borrowing Program”) secured by the Measure R Sales Tax and in an aggregate principal amount not to exceed \$300,000,000. The obligations issued under the Measure R Short-Term Borrowing program are payable from the Measure R Sales Tax revenues on a subordinate basis to the Measure R Senior Sales Tax Revenue Bonds but senior to the Junior Subordinate Obligations.

Under the Measure R Short-Term Borrowing Program, LACMTA is authorized to issue and have outstanding, at any one time, up to \$300,000,000 aggregate principal amount of its Measure R commercial paper notes (the “Measure R Commercial Paper Notes”). As of March 1, 2021, \$106 million aggregate principal amount of Measure R Commercial Paper Notes were outstanding. The Measure R Commercial Paper Notes are payable from Measure R Sales Tax revenues on a subordinate basis to the Measure R Senior Sales Tax Revenue Bonds. The Measure R Commercial Paper Notes can only be issued and outstanding if they are supported by a letter of credit.

The Measure R Commercial Paper Notes are supported by two letters of credit (the “Measure R CP Letters of Credit”) issued by Bank of America, N.A., and State Street Bank and Trust Company. LACMTA’s reimbursement obligations with respect to the Measure R CP Letters of Credit are payable from Measure R Sales Tax revenues on parity with the Measure R A Commercial Paper Notes and on a subordinate basis to the Measure R Senior Bonds. The following table sets forth certain terms of the Measure R CP Letters of Credit.

Measure R CP Letter of Credit

Letter of Credit Provider	Amount of Letter of Credit	Issuance Date	Expiration Date
Bank of America, N.A.	\$ 97,989,042 ¹	October 28, 2020	October 27, 2022
State Street Bank and Trust Company	108,876,713 ²	October 28, 2020	October 27, 2022

¹ Supports \$90,000,000 of principal and \$7,989,042 of interest.

² Supports \$100,000,000 of principal and \$8,876,713 of interest.

Source: LACMTA

The Measure R Commercial Paper Notes and the reimbursement obligations with respect to the Measure R CP Letters of Credit constitute “Measure R Subordinate Obligations,” and are payable from Measure R Sales Tax revenues on a subordinate basis to the Measure R Senior Sales Tax Revenue Bonds described above.

Measure R Junior Subordinate Obligations and Other Obligations. On August 27, 2020, LACMTA issued \$1,356,095,000 aggregate principal amount of its Measure R Junior Subordinate Sales Tax Revenue Refunding Bonds, Series 2020-A (Green Bonds) (the “Series 2020 Measure R Junior Subordinate Bonds”) to repay and retire its obligations under four Transportation Infrastructure Finance and Innovation Act loan agreements and to finance certain rail projects. As of March 1, 2021, LACMTA had \$1,356,095,000 aggregate principal amount of the Series 2020 Measure R Junior Subordinate Bonds outstanding. The Series 2020 Measure R Junior Subordinate Bonds are payable from the Measure R Sales Tax revenues on a subordinate basis to the Measure R Senior Sales Tax Revenue Bonds and the Measure R Subordinate Obligations.

In addition, LACMTA has the ability to incur other obligations (the “Other Measure R Obligations”) which are secured by the Measure R Sales tax that remain after the payment of its senior lien obligations (which currently secures its Measure R Senior Bonds), the subordinate lien (which currently secures its Measure R Subordinate Obligations), and the junior subordinate lien (which currently secures its Series 2020 Measure R Junior Subordinate Bonds). As of March 1, 2021, LACMTA did not have any Other Measure R Obligations outstanding.

Measure M Sales Tax Obligations

LACMTA has not issued any debt secured by the Measure M Sales Tax. However, LACMTA anticipates issuing such debt in the future. The Short Range Financial Forecast assumes the issuance of approximately \$7.2 billion of Measure M Senior Bonds through Fiscal Year 2030.

INVESTMENT POLICY

General

Certain features of LACMTA’s Investment Policy are summarized in “Note III—DETAILED NOTES ON ALL FUNDS—A. Cash and Investments” in the Notes to the Financial Statements in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.”

Investment Balances

As of December 31, 2020 (based on unaudited financial information), LACMTA had approximately \$799.0 million in market value deposited in non-discretionary bond proceeds and debt service trust accounts, primarily invested in U.S. Treasury securities, Federal Agencies, money market funds, forward purchase agreements. LACMTA had approximately \$2.8 billion in additional non-discretionary trust accounts, primarily for pension and OPEB.

Additionally, as of December 31, 2020, LACMTA had approximately \$2.3 billion (book value) deposited in discretionary/operating accounts. Such discretionary/operating accounts were invested in the investments summarized in the following table:

Discretionary/Operating Accounts Investments	Percentage of Total Book Value as of December 31, 2020
Local Agency Investment Fund	10%
Bank Deposits	8
Subtotal*	<u>17%</u>
Managed Investments	
Federal Agencies	24
U.S. Treasuries	20
Money Market Funds	19
Corporate Notes	11
Municipal securities	3
Commercial Paper	2
Asset Backed Securities	2
Medium Term Notes	1
Subtotal Managed Investments*	<u>83%</u>
Total Cash and Investments*	<u>100%</u>

* Numbers may not add due to rounding.
Source: LACMTA

As of December 31, 2020 the liquid reserve of the discretionary accounts, which totaled approximately \$1.01 billion in market value, was managed internally by LACMTA and had an average maturity of 11 days. LACMTA’s Investment Policy prohibits investing in reverse repurchase agreements.

Moneys released to LACMTA pursuant to the Agreement, including moneys in the discretionary/operating accounts, do not secure the Senior Bonds and LACMTA is not obligated to use such amounts to pay debt service on the Senior Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Flow of Funds.”

Additional information regarding LACMTA’s investments are included in “Note III—DETAILED NOTES ON ALL FUNDS—A. Cash and Investments” in the Notes to the Financial Statements in “APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.”

LITIGATION

Sales Tax Litigation

On April 30, 1982, the California Supreme Court, in *Los Angeles County Transportation Commission v. Richmond*, upheld the constitutionality of the Proposition A Sales Tax. On March 3, 1992, the California Court of Appeal, in *Vernon v. State Board of Equalization*, upheld the validity of the Proposition C Sales Tax.

On September 28, 1995, the California Supreme Court affirmed the California Court of Appeal’s ruling in *Santa Clara County Local Transportation Authority v. Guardino*, which invalidated a half cent sales tax by the Santa Clara County Local Transportation Authority. LACMTA does not believe such decision has any effect on the validity of LACMTA’s Proposition C Sales Tax.

Other Litigation

In addition to the matters described herein, various other claims have been asserted against LACMTA. To the knowledge of LACMTA, none of such pending claims will materially and adversely affect LACMTA's ability to pay the principal of and interest on any of its debt obligations.

CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013

In 2012, the State Legislature adopted and the Governor signed into law the Public Employees' Pension Reform Act of 2013, Cal. Gov't Code §7522, et seq. ("PEPRA"), which limits pension benefits and increases the retirement age for public employees, requires public employees hired after December 31, 2012 to pay for half of their pension costs, and stops abusive pension practices. Following enactment of PEPRA, several unions representing public transit employees in the State (including employees of LACMTA) asserted to the U.S. Department of Labor ("USDOL") that PEPRA was inconsistent with collective bargaining rights that are protected under Section 13(c) of the Federal Transit Act. Section 13(c) requires the preservation of employees' bargained for rights and continuation of these rights. Before a local government agency receives federal funds for a particular transit system, USDOL must certify that employees' bargained for rights are preserved and their collective bargaining rights continue.

Soon after PEPRA's passage, USDOL refused to certify federal grants to California transit agencies, including LACMTA, based on union objections that PEPRA violated Section 13(c) protections. On behalf of two affected transit agencies, the State successfully challenged USDOL's decisions under the Administrative Procedure Act in federal court in 2013, and the court remanded the matter to USDOL for reconsideration. The State had enacted a temporary suspension of PEPRA while the litigation was in process. The temporary suspension allowed federal funds to flow during that period but ended on December 30, 2014 with the court's ruling. In 2015, USDOL on remand again refused to certify the Federal Transportation Administration ("FTA") grants at issue. Again the State sought relief in federal court. Meanwhile, USDOL began certifying the FTA grants to LACMTA later in 2015 subject to new certification provisions requiring grantees to restore pre-PEPRA pension benefits or refund the amount of the grants received since January 1, 2015 in the event USDOL's decisions were ultimately upheld by the court.

On January 24, 2018, the court resolved the dispute in favor of the State and enjoined USDOL from relying on PEPRA to deny transit funding to the two transit agencies whose federal grants were at issue in the litigation. However, the court declined the State's request to enjoin USDOL from using PEPRA to deny Section 13(c) certification to *any other* California transit agency grantee. On March 8, 2019, USDOL represented to the court in a joint status report that it fully intends to comply with the court's order.

In April 2019, a union representing LACMTA employees objected to certification of a \$2.5 million grant on the basis that PEPRA precludes LACMTA from continuing collective bargaining rights as required by Section 13(c). In light of the court's decisions, USDOL reexamined its earlier determinations denying certification of FTA grants to LACMTA because of PEPRA's impact on transit employees. Based on that reexamination, USDOL concluded on June 14, 2019 that PEPRA does not present a bar to certification under Section 13(c).

On August 22, 2019, the union whose objections were rejected by USDOL brought an action against USDOL in the U.S. District Court, District of Columbia, contending that the issuance of grant certifications to California transit agencies, over the union's objections is contrary to law and in excess of USDOL's statutory authority because PEPRA diminishes the collective bargaining rights of California transit employees. The State intervened and asked the court to transfer the case to the U.S. District Court for the Eastern District of California, where the prior proceedings concerning USDOL's authority to issue

grant certifications in light of PEPRA have taken place. The court granted the State’s motion and transferred the case to the Eastern District of California where it is currently pending trial. [status?]

FTA grants are a significant source of funding for LACMTA. LACMTA expects to apply for an additional [\$1.8 billion of FTA grants through December 2020] which includes CARES Act funding. Assuming the court in the Eastern District of California reaffirms and adheres to its earlier determination that the application of PEPRA to transit employee pension plans does not preclude certification of FTA grants under Section 13(c), LACMTA expects to receive these grants. However, it is possible, though unlikely, that USDOL and/or the court may reverse their most recent determinations, in which case LACMTA may have to potentially delay or cancel projects or use alternate funding sources for projects, possibly including additional Senior Bonds or Senior Parity Debt. Senior Bonds and Senior Parity Debt may be issued only if the additional bonds tests described under “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021-A BONDS—Proposition C Sales Tax Obligations—*Senior Obligations*” in the front part of this Official Statement are satisfied.

LACMTA’s collection of Proposition C Sales Tax revenues to pay debt service on the Senior Bonds, including the Series 2021-A Bonds, is not affected by the receipt of FTA grants.

APPENDIX B

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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APPENDIX C

LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

The Proposition C Sales Tax derives from a retail transaction and use tax applicable to all taxable sales throughout Los Angeles County. As such, sales tax revenues reflect a number of economic factors that influence taxable transactions, including population, employment and income. Some of those factors are described below.

The economic and demographic information provided below has been collected from sources that LACMTA considers to be reliable. Because it is difficult to obtain timely economic and demographic information, the economic condition of Los Angeles County may not be fully apparent in all of the publicly available local and regional economic statistics provided herein. In particular, the economic statistics provided herein may not fully capture the impact of current economic conditions. The information in this Appendix is historic in nature and generally predates the COVID-19 pandemic. It is not possible to predict whether the trends shown below will continue in the future. See “INTRODUCTION—Impact of Global COVID-19 Outbreak” in the front part of this Official Statement.

Los Angeles County

As of January 1, 2020, the County had an estimated population of over 10.1 million. Los Angeles County is the largest County in the country by population, and includes over a quarter of the State of California’s (the “State”) population. The County covers 4,084 square miles, and includes 88 incorporated cities, with over 9.2 million residents, as well as unincorporated communities with over one million residents.

Population

The table below summarizes the populations of the County and State, estimated as of January 1 of each year, except for the years 2000 and 2010 which are reported as of April 1 of such years. The population estimates for 2010 and later incorporate 2010 Census counts as the benchmark.

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**Table C-1
COUNTY AND STATE POPULATION STATISTICS**

	County of Los Angeles	Annual Growth Rate¹	State of California	Annual Growth Rate¹
2000	9,519,330	–	33,873,086	–
2005	9,816,153	0.62%	35,869,173	1.15%
2010	9,818,605	0.00	37,253,956	0.76
2011	9,879,298	0.61	37,561,624	0.83
2012	9,956,882	0.78	37,924,661	0.97
2013	10,025,712	0.69	38,269,864	0.91
2014	10,078,930	0.53	38,556,731	0.75
2015	10,126,423	0.47	38,870,150	0.81
2016	10,158,196	0.31	39,131,307	0.67
2017	10,193,753	0.35	39,398,702	0.68
2018	10,209,676	0.16	39,586,646	0.48
2019	10,184,378	(0.25)	39,695,376	0.27
2020	10,172,951	(0.11)	39,782,870	0.22

¹ For five-year time series, figures represent average annual growth rate for each of the five years.

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2010, with 2000 and 2010 Census Counts, Sacramento, California, November 2012. State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2020, with 2010 Census Benchmark. Sacramento, California, May 2020.

Industry and Employment

The following table summarizes the average number of employed and unemployed residents of the County, based on the annual “benchmark,” an annual revision process in which monthly labor force and payroll employment data, which are based on estimates, are updated based on detailed tax records.

The California Employment Development Department has reported final unemployment figures for December 2020 of 9.0% statewide (seasonally adjusted) and 11.0% for Los Angeles County (seasonally adjusted). The U.S. Bureau of Labor, Department of Labor Statistics, has reported final unemployment figures for December 2020 of 6.7% nationwide (seasonally adjusted).

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Table C-2
ESTIMATED AVERAGE ANNUAL EMPLOYMENT AND
UNEMPLOYMENT OF RESIDENT LABOR FORCE

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Civilian Labor Force					
<u>County of Los Angeles</u>					
Employed	4,659,700	4,776,700	4,853,800	4,896,500	4,894,300
Unemployed	330,100	264,800	242,700	239,800	227,300
Total	4,989,800	5,041,400	5,096,500	5,136,000	5,121,600
Unemployment Rates					
County	6.6%	5.3%	4.8%	4.7%	4.4%
State	6.2	5.5	4.8	4.2	4.0
United States	5.3	4.9	4.4	3.9	3.7

Source: California Employment Development Department, Labor Market Information Division for the State and County; U.S. Bureau of Labor, Department of Labor Statistics for the U.S. Items may not add to totals due to rounding.

The table below summarizes the California Employment Development Department's most recent estimated average annual employment for the County, which includes full-time and part-time workers who receive wages, salaries, commissions, tips, payment in kind, or piece rates. Percentages indicate the percentage of the total employment for each type of employment for the given year. For purposes of comparison, the most recent annual employment data for the State is also summarized.

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Table C-3
LOS ANGELES COUNTY
ESTIMATED 2019 INDUSTRY EMPLOYMENT¹

	County		State of California	
	Number of Employees	% of Total	Number of Employees	% of Total
Total Farm	4,500	0.1%	424,100	2.4%
Mining and Logging	1,900	0.0	22,500	0.1
Construction	149,300	3.3	882,600	4.9
Manufacturing	339,200	7.4	1,322,500	7.4
Trade, Transportation and Utilities	851,500	18.6	3,051,900	17.1
Information	217,300	4.8	562,600	3.2
Financial Activities	223,900	4.9	841,200	4.7
Professional and Business Services	642,800	14.1	2,721,100	15.2
Educational and Health Services	843,600	18.5	2,803,400	15.7
Leisure and Hospitality	544,700	11.9	2,033,200	11.4
Other Services	158,400	3.5	576,100	3.2
Government	594,200	13.0	2,608,000	14.6
Total ²	4,571,400	100.0%	17,849,200	100.0%

¹ The California Economic Development Department has converted employer records from the Standard Industrial Classification coding system to the North American Industry Classification System.

² Total may not equal sum of parts due to independent rounding.

Note: Based on surveys distributed to employers; not directly comparable to Civilian Labor Force data reported in Table C-2.

Source: California Employment Development Department, Labor Market Information Division. Based on March 2019 Benchmark report released March 27, 2020.

Personal Income

The U.S. Census Bureau defines personal income as the income received by all persons from all sources, and is the sum of “net earnings,” rental income, dividend income, interest income, and transfer receipts. “Net earnings” is defined as wages and salaries, supplements to wages and salaries, and proprietors’ income, less contributions for government social insurance, before deduction of personal income and other taxes.

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The following table sets forth the estimates of personal income and per capita personal income for the County, the State and the United States for 2015 through 2019.

**Table C-4
COUNTY, STATE AND U.S.
PERSONAL INCOME**

<u>Year and Area</u>	<u>Personal Income¹ (thousands of dollars)</u>	<u>Per Capita Personal Income¹ (dollars)</u>
2015		
County ²	\$ 560,530,772	\$55,578
State ³	2,172,930,200	55,833
United States ³	15,717,140,000	49,019
2016		
County ²	\$ 581,458,264	\$57,538
State ³	2,273,557,500	58,048
United States ³	16,151,881,000	50,015
2017		
County ²	\$ 602,431,122	\$59,625
State ³	2,383,130,500	60,549
United States ³	16,937,582,000	52,118
2018		
County ²	\$627,608,360	\$62,300
State ³	2,514,503,400	63,720
United States ³	17,839,255,000	54,606
2019		
County ²	\$ 653,482,910	\$65,094
State ³	2,632,279,800	66,619
United States ³	18,599,062,400	56,490

¹ Per capita personal income was computed using Census Bureau midyear population estimates. Per capita personal income is total personal income divided by total midyear population.

² Last updated: November 17, 2020 - new statistics for 2019; revised statistics for 2015-2018. Source: U.S. Bureau of Economic Analysis, "Table CAINC1 - Personal Income Summary" (accessed February 18, 2021).

³ Last updated: September 24, 2020 - revised statistics for 2015-2019. Source: U.S. Bureau of Economic Analysis, "Table SAINC1 - Personal Income Summary" (accessed February 18, 2021).

Retail Sales

The following table sets forth taxable sales for the County for calendar years 2015 through 2019. Calendar year 2020 data has not yet been released by the California Department of Tax and Fee Administration.

Table C-5
COUNTY OF LOS ANGELES
TAXABLE SALES
(in thousands)

	2015	2016	2017	2018	2019
Motor Vehicle and Parts Dealers	\$18,058,173	\$18,502,763	\$18,564,128	\$18,935,861	\$18,954,470
Home Furnishings and Appliance Stores	7,832,717	7,842,401	7,608,577	7,536,953	7,308,501
Building Material & Garden Equipment & Supplies Dealers	7,402,869	7,688,704	8,033,659	8,446,279	8,698,495
Food and Beverage Stores	6,522,672	6,696,653	6,922,446	7,106,527	7,255,361
Gasoline Stations	11,635,839	10,137,302	10,962,033	12,553,326	12,491,790
Clothing and Clothing Accessories Stores	10,974,322	11,413,847	11,554,711	12,258,410	12,536,982
General Merchandise Stores	11,860,519	11,852,121	12,268,162	12,583,909	12,910,844
Food Services and Drinking Places	20,605,855	22,002,191	23,199,041	24,016,431	25,097,944
Other Retail Group	14,202,014	14,808,367	15,185,803	15,707,358	17,190,290
Total Retail and Food Services	109,094,980	110,944,351	114,298,560	119,145,054	122,444,678
All Other Outlets ¹	42,886,760	44,211,290	45,981,570	46,878,742	49,868,925
TOTAL ALL OUTLETS²	\$151,981,740	\$155,155,641	\$160,280,130	\$166,023,796	\$172,313,603

¹ Primarily manufacturing and wholesale businesses.

² Items may not add to totals due to rounding.

Source: California Department of Tax and Fee Administration, Research and Statistics Division.

APPENDIX D

SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS

APPENDIX E

FORM OF BOND COUNSEL APPROVING OPINION

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by the Los Angeles County Metropolitan Transportation Authority (the “Authority”) in connection with the issuance of its \$_____ Proposition C Sales Tax Revenue Bonds, Senior Bonds, Series 2021-A (the “Series 2021-A Bonds”) pursuant to the terms of the Agreement (as defined herein). The Authority covenants and agrees as follows:

Section 1. Definitions.

“*Agreement*” means, collectively, the Amended and Restated Trust Agreement, dated as of January 1, 2010, as amended, by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), and the Thirty-Second Supplemental Trust Agreement, dated as of April 1, 2021, by and between the Authority and the Trustee.

“*Annual Information*” means the information specified in Section 4 hereof.

“*EMMA System*” means the MSRB’s Electronic Municipal Market Access system or any successor nationally recognized municipal securities information repositories recognized by the Securities and Exchange Commission for the purposes referred to in Rule 15c2-12.

“*Financial Obligation*” means (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“*Holder*” means any registered owner of Series 2021-A Bonds and any beneficial owner of Series 2021-A Bonds within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

“*Listed Events*” means any of the events listed in Section 5 hereof.

“*MSRB*” means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“*Official Statement*” means the Official Statement, dated _____, 2021, prepared and distributed in connection with the initial sale of the Series 2021-A Bonds.

“*Rule 15c2-12*” means Rule 15c2-12, as amended through the date of this Certificate, as promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

Section 2. Purpose of the Certificate. This Certificate is being executed and delivered by the Authority pursuant to Rule 15c2-12 for the benefit of the Holders of the Series 2021-A Bonds in order to assist the participating underwriters in complying with Rule 15c2-12.

Section 3. Provision of Annual Information.

(a) The Authority shall, not later than 195 days (January 11) following the end of each Fiscal Year of the Authority (which Fiscal Year currently ends on June 30), commencing with the report for Fiscal Year ended June 30, 2021, provide to the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, the Annual Information relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 hereof, which Annual Information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 hereof; provided that any audited financial statements may be submitted separately from the balance of the Annual Information and later than the date required above for the filing of the Annual Information if they are not available by that date. If the Fiscal Year for the Authority changes, the Authority shall give notice of such change in the same manner as for a Listed Event under Section 5(e) hereof.

(b) If in any year, the Authority does not provide the Annual Information to the MSRB by the time specified above, the Authority shall instead timely file a notice to the MSRB through the EMMA System stating that the Annual Information has not been timely completed and, if known, stating the date by which the Authority expects to file the Annual Information.

Section 4. Content of Annual Information. The Annual Information shall contain or incorporate by reference the following:

(a) The audited financial statements of the Authority for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as in effect from time to time and as applied to governmental units. If the Authority's audited financial statements are not available by the time the Annual Information is required to be filed pursuant to Section 3(a) hereof, the Annual Information shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Information when they become available.

(b) Updated historical information of the type set forth in "TABLE 3—Historical Net Proposition C Sales Tax Revenues, Local Allocations, Pledged Revenues and Debt Service Coverage" of the Official Statement; and

(c) Updated information of the type set forth in "TABLE 6—Los Angeles County Metropolitan Transportation Authority, Combined Proposition C Debt Service Schedule Senior Bonds" of the Official Statement, but only the information in the column entitled "Total Debt Service" and the information under the column entitled "Combined Total Debt Service Senior Bonds" and only to the extent the information in these columns has changed.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, that have been submitted to the MSRB through the EMMA System.

Section 5. Reporting of Listed Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2021-A Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions with respect to the tax status of the Series 2021-A Bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Series 2021-A Bonds;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the Authority; or

Note: For the purposes of the event identified in subparagraph (a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2021-A Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2021-A Bonds or other material events affecting the tax status of the Series 2021-A Bonds;
2. Modifications to rights of the Owners of the Series 2021-A Bonds;
3. Optional, unscheduled or contingent bond calls;
4. Release, substitution or sale of property securing repayment of the Series 2021-A Bonds;

5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. Appointment of a successor or additional trustee or the change of name of a trustee; or
8. Incurrence of a Financial Obligation of the Authority, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders.

(c) The Authority shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a) hereof, as provided in Section 3 hereof.

(d) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the Authority shall determine if such event would be material under applicable federal securities laws.

(e) If the Authority learns of an occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the Authority shall within ten business days of occurrence file a notice of such occurrence with the MSRB through the EMMA System in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2021-A Bonds pursuant to the Agreement.

Section 6. Remedies. If the Authority shall fail to comply with any provision of this Certificate, then any Holder may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding in law or in equity, this Certificate against the Authority and any of the officers, agents and employees of the Authority, and may compel the Authority or any such officers, agents or employees to perform and carry out their duties under this Certificate; provided that the sole and exclusive remedy for breach of this Certificate shall be an action to compel specific performance of the obligations of the Authority hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and, provided further, that any challenge to the adequacy of any information provided pursuant to Section 4 or 5 hereof may be brought only by the Holders of 25% in aggregate principal amount of the Series 2021-A Bonds at the time outstanding. A failure by the Authority to comply with the provisions of this Certificate shall not constitute an Event of Default under the Agreement.

Section 7. Parties in Interest. This Certificate is executed and delivered solely for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 8. Amendment. Without the consent of any Holders of Series 2021-A Bonds, the Authority at any time and from time to time may enter into any amendments or changes to this Certificate for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 or any authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Authority and the assumption by any such successor of the covenants of the Authority hereunder;

(d) to add to the covenants of the Authority for the benefit of the Holders, or to surrender any right or power herein conferred upon the Authority; or

(e) to modify the contents, presentation and format of the Annual Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Authority, or type of business conducted; provided that (i) the certificate, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the offering of the Series 2021-A Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances; and (ii) the amendment or change does not materially impair the interests of Holders, as determined either by a party unaffiliated with the Authority (such as bond counsel), or by the vote or consent of Holders of a majority in outstanding principal amount of the Series 2021-A Bonds on or prior to the time of such amendment or change.

Section 9. Termination of Obligation. This Certificate shall remain in full force and effect until such time as all principal of and interest on the Series 2021-A Bonds shall have been paid in full or legally defeased pursuant to the Agreement. Upon any such legal defeasance, the Authority shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Series 2021-A Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 10. Governing Law. THIS CERTIFICATE SHALL BE GOVERNED BY THE LAWS OF CALIFORNIA DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW.

IN WITNESS WHEREOF, the undersigned has executed this Continuing Disclosure Certificate this ___ day of April, 2021.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By: _____
Name _____
Title _____

APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the subcaption “—General” below has been provided by DTC. LACMTA makes no representations as to the accuracy or completeness of such information. Further, LACMTA undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on DTC’s websites as described under “—General,” including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites. The beneficial owners of the Series 2021-A Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER LACMTA NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2021-A BONDS UNDER THE AGREEMENT; (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2021-A BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT TO THE OWNERS OF THE SERIES 2021-A BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF SERIES 2020-A GREEN BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2021-A Bonds. The Series 2021-A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Series 2021-A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Trustee.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others

such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2021-A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021-A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2021-A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021-A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021-A Bonds, except in the event that use of the book-entry system for the Series 2021-A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021-A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2021-A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021-A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2021-A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021-A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021-A Bonds, such as redemptions, tenders, defaults and proposed amendments to the Series 2021-A Bond documents. For example, Beneficial Owners of Series 2021-A Bonds may wish to ascertain that the nominee holding the Series 2021-A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

While the Series 2021-A Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Series 2021-A Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021-A Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to LACMTA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2021-A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of and interest payments on the Series 2021-A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to

credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from LACMTA or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, LACMTA, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of LACMTA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021-A Bonds at any time by giving reasonable notice to LACMTA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2021-A Bond certificates are required to be printed and delivered.

LACMTA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2021-A Bond certificates will be printed and delivered to DTC.

The information in this APPENDIX G concerning DTC and DTC's book-entry system has been obtained from sources that LACMTA believes to be reliable, but LACMTA takes no responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2021-A BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE PARTICIPANTS.

In the event that the book-entry-only system is discontinued, payments of principal of and interest on the Series 2021-A Bonds will be payable as described in the front part of this Official Statement under the caption "DESCRIPTION OF THE SERIES 2021-A BONDS—General."