

CRENSHAW/LOS ANGELES INTERNATIONAL AIRPORT (LAX) TRANSIT CORRIDOR PROJECT



TRANSPORTATION
INFRASTRUCTURE FINANCE
AND INNOVATION ACT
(TIFIA)

FIRST AMENDMENT TO
TIFIA LOAN AGREEMENT

FIRST AMENDMENT TO
DIRECT AGREEMENT

FIRST AMENDMENT TO
FUNDING AGREEMENT

Los Angeles County Metropolitan
Transportation Authority
(Metro)

Crenshaw Project Corporation
(CPC)

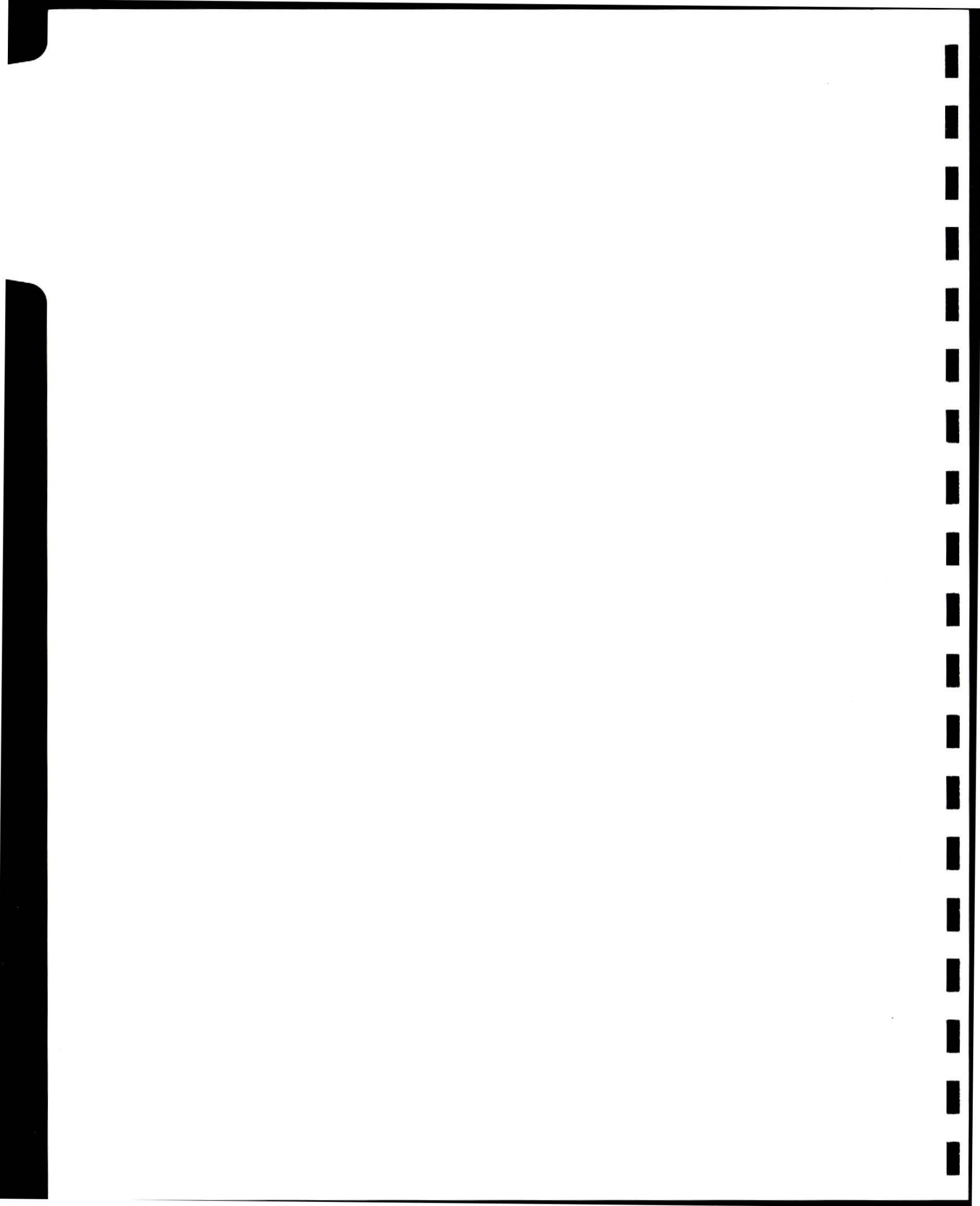


FEBRUARY 20, 2014









**UNITED STATES
DEPARTMENT OF TRANSPORTATION**

**FIRST AMENDMENT TO
TIFIA LOAN AGREEMENT**

FOR UP TO \$545,900,000

With

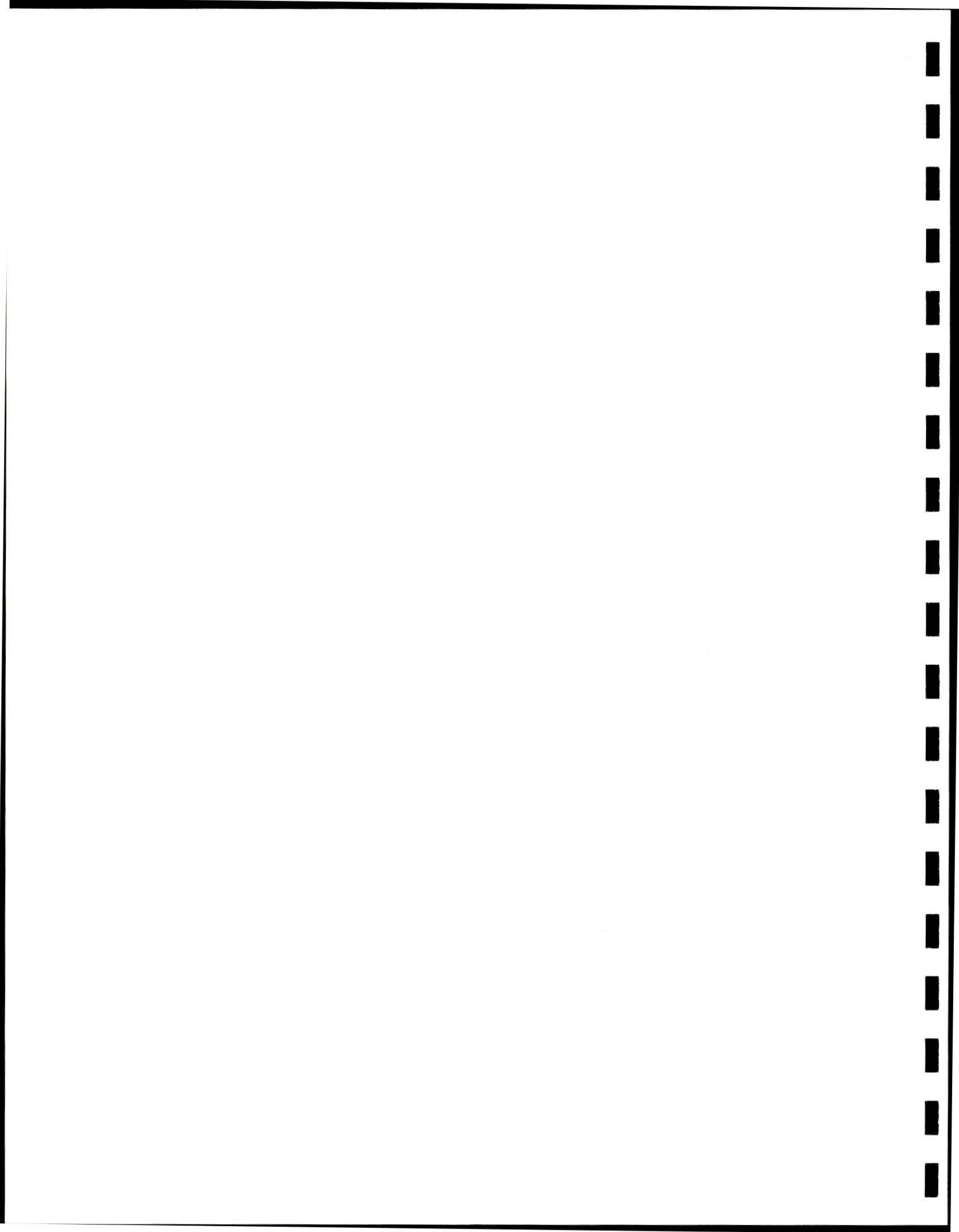
CRENSHAW PROJECT CORPORATION

For the

CRENSHAW/LAX TRANSIT CORRIDOR PROJECT

(TIFIA 2011-1005A)

DATED AS OF FEBRUARY 20, 2014



FIRST AMENDMENT TO TIFIA LOAN AGREEMENT

THIS FIRST AMENDMENT TO TIFIA LOAN AGREEMENT, dated as of February 20, 2014 (this "First Amendment"), amending the TIFIA LOAN AGREEMENT dated as of September 28, 2012 (the "Original Loan Agreement" and, together with this First Amendment, the "TIFIA Loan Agreement"), by and between CRENSHAW PROJECT CORPORATION, a California nonprofit mutual benefit corporation (the "Borrower"), borrowing on behalf of LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a county transportation commission duly organized and existing pursuant to Section 130050.2 of the California Public Utilities Code ("LACMTA"), and the UNITED STATES DEPARTMENT OF TRANSPORTATION ("USDOT"), acting by and through the Federal Highway Administrator (the "TIFIA Lender"), is made by and among the Borrower, LACMTA and the TIFIA Lender.

RECITALS:

WHEREAS, the Congress of the United States of America has found that a well-developed system of transportation infrastructure is critical to the economic well-being, health, and welfare of the people of the United States and, in furtherance thereof, has enacted the Transportation Infrastructure Finance and Innovation Act of 1998 ("TIFIA"), §1501 *et seq.* of Public Law 105-178 (as amended by the Public Law 105-26, Public Law 109-59 and Public Law 112-141) (the "Act"), codified as 23 U.S.C. §601 *et seq.*;

WHEREAS, Section 603 of the Act authorizes the TIFIA Lender to enter into agreements with one or more obligors to make secured loans;

WHEREAS, the TIFIA Lender previously entered into the Original Loan Agreement to provide a loan to the Borrower in an amount up to \$545,900,000 for the purpose of funding certain Eligible Project Costs of the Crenshaw/Los Angeles International Airport (LAX) Transit Corridor Project;

WHEREAS, the Borrower, LACMTA and the TIFIA Lender have determined to amend certain terms of the Original Loan Agreement as provided herein, to address certain changes to the Project and the Project Budget and to reflect proposed amendments to the Measure R Trust Agreement in connection with a secured loan under Section 603 of the Act proposed to be made by the TIFIA Lender to LACMTA;

NOW, THEREFORE, the premises being as stated above, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby mutually agreed by and among the Borrower, LACMTA, and the TIFIA Lender as follows:

ARTICLE I

AUTHORITY

Section 1.1 Authority for First Amendment. This First Amendment amends the Original Loan Agreement and is entered into in accordance with Section 28 of the Original Loan Agreement.

ARTICLE II
AMENDMENTS

Section 2.1 Definitions and Amendments Thereto.

(a) Capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in the Original Loan Agreement, as amended.

(b) Amendments to Definitions. The definitions of "Measure R Trust Agreement," "Project Budget" and "Subordinate Trust Agreement" contained in Section 1 of the Original Loan Agreement are hereby deleted in their entirety and the following definitions are substituted therefor:

"FTA Regional Office" means the United States Department of Transportation, Federal Transit Administration, Regional Office IX, Los Angeles Metropolitan Office, 888 S. Figueroa Street, Suite 2170, Los Angeles, California 90017."

"Measure R Trust Agreement" means the Amended and Restated Trust Agreement, dated as of February 1, 2014, between LACMTA and the Senior Trustee, and all supplements and amendments thereto."

"Project Budget" means the budget for the Project in the aggregate amount of \$2,058,000,000 attached to this Agreement as **Schedule I** showing a summary of all Eligible Project Costs and the estimated sources and uses of funds for the Project, as amended from time to time with the approval of the TIFIA Lender."

"Subordinate Trust Agreement" means any trust agreement, supplemental trust agreement, indenture, supplemental indenture or similar instrument providing for the issuance of Subordinate Obligations in accordance with Section 10(o) of the Direct Agreement and Section 3.06 of the Measure R Trust Agreement."

Section 2.2 Amendment to Section 8. Subsection (f) to Section 8 of the Original Loan Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following, and by adding the attached Appendix A as Appendix A to the Original Loan Agreement:

(f) Appendix A to this Agreement describes the order of priority for application of Measure R Sales Tax revenues and LACMTA Pledged Revenues."

Section 2.3 Amendment to Section 15. Subsection (m) of Section 15 of the Original Loan Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

“(m) Annual Rating. The Borrower shall, commencing in 2014, no later than the last Business Day of June of each year over the term of the TIFIA Loan, at no cost to the TIFIA Lender, provide to the TIFIA Lender evidence of the outstanding rating on the TIFIA Loan by a Nationally Recognized Rating Agency.”

Section 2.4 Amendments to Section 20.

(a) Subsection (a) of Section 20 of the Original Loan Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

“(a) The Borrower shall cause LACMTA to provide to the TIFIA Lender and the FTA Regional Office, within 60 days after the Effective Date and annually thereafter not later than 90 days after the beginning of each Borrower Fiscal Year, a Financial Plan. The Financial Plan submitted within 60 days after the Effective Date should be consistent in all respects with the projections, assumptions and other information contained or reflected in the Base Case Financial Model. For the period through the Substantial Completion Date, the Financial Plan shall be accepted by the FTA Regional Office and approved by the TIFIA Lender and FHWA’s Office of Innovative Program Delivery. The FTA Regional Office’s acceptance of the Base Case Financial Model is required prior to the physical commencement of construction of the Project. The Financial Plan shall be prepared in accordance with recognized financial reporting standards, such as those in the “Guide for Prospective Financial Information” of the American Institute of Certified Public Accountants, shall meet the FTA Project Management Oversight Regulations, as amended from time-to-time, and shall be in form and substance satisfactory to the TIFIA Lender and the FTA Regional Office.”

(b) Subsections (c), (d) and (e) of Section 20 of the Original Loan Agreement are hereby amended by replacing “Substantial Completion” with “Substantial Completion Date” in each instance.

(c) Subsection (f) of Section 20 of the Original Loan Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

“(f) For the period through the Substantial Completion Date, the Borrower shall provide the TIFIA Lender and the FTA Regional Office with written notification, 30 days prior to instituting any increase or decrease of the overall Project Costs in an amount equal to or greater than ten percent (10%) of any Standard Cost Category, setting forth the nature of the proposed increase or decrease and estimating the impact of such increase or decrease on the capital costs, operating costs, and the Financial Plan. The Borrower’s notice shall demonstrate that the proposed increase or decrease is consistent with the provisions of this Agreement, is

necessary or beneficial to the Project and does not materially impair the TIFIA Lender's security."

Section 2.5 Amendments to Section 21.

(a) Subsection (b)(i) of Section 21 of the Original Loan Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

"(b)(i) Monthly Construction Progress Report. Monthly, on or before the fifteenth Business Day following the last Business Day of the preceding month during the Construction Period, the Borrower shall provide to the TIFIA Lender and to FTA a report executed by a Borrower's Authorized Representative: (A) of the amount of Project Costs expended since the Effective Date as well as during the preceding month and the amount of Project Costs estimated to be required to complete the Project, including increases or decreases greater than ten percent (10%) of any Standard Cost Category and costs expended and remaining to be expended for assigned and unassigned contingency. The reporting of unassigned contingency shall be made in such a format that it compares easily to percent of project complete; (B) providing an assessment of the overall construction progress of the Project since the date of the last report and since the Effective Date, together with an assessment of how such progress compares to the Construction Schedule. This narrative information shall also be depicted by utilization of a standard construction S curve. The assessment should also include a detailed description of the status of contracts and of the disadvantaged business enterprise goal and progress toward its achievement; (C) specifying the projected respective Substantial Completion Date, and any impediments to its achievement; (D) providing a detailed description of all material problems (including but not limited to actual and anticipated costs incurred by the Borrower, LACMTA, or on behalf of either of the foregoing, and not passed down to the Design-Build Contractor, if any) encountered or anticipated in connection with the construction of the Project since the date of the last report, together with an assessment of how such problems may impact the Construction Schedule and meeting its critical path and a detailed description of the proposed solutions to such problems; (E) specifying the delivery status of major equipment and the effect, if any, that the anticipated delivery dates of such equipment have on the overall Construction Schedule; (F) specifying any proposed or pending change orders greater than \$1,000,000 in value and any potential or pending claims greater than \$1,000,000 in value; (G) specifying any proposed or pending modifications to the original Project scope as outlined in the Application; (H) a discussion or analysis of such other matters related to the Project as the TIFIA Lender or FTA may reasonably request; and (I) based on current projections, sufficient funds, including amounts available hereunder are available to complete the Project. The Borrower shall respond, and use commercially reasonable efforts to cause the Design-Build Contractor to respond to the

TIFIA Lender's and to FTA's inquiries regarding such report, the construction of the Project, and the Design-Build Contractor's performance. Notwithstanding the foregoing or any other provisions of this Agreement, the Borrower shall be subject to any requirements or limitations with respect to change orders set forth in the FTA Compliance Agreement."

(b) Subsection (b)(iv) of Section 21 of the Original Loan Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

"(b)(iv) Recovery Plan. In the event that the monthly construction progress report, the Design-Build Contractor's report or the monthly report issued pursuant to the FTA Project Management Oversight Regulations indicates a failure to maintain the Construction Schedule including a failure to meet the Substantial Completion Date or to maintain the Project Budget within a five percent (5%) variance, or both, then the Borrower shall notify the FTA Regional Office and the TIFIA Lender of such failure and shall, upon request by the FTA Regional Office, provide the FTA Regional Office within thirty (30) days of receipt of such request, a recovery plan for FTA's review and acceptance with a copy to the TIFIA Lender."

Section 2.6 Amendment to Section 35. Section 35 of the Original Loan Agreement is hereby amended by deleting page 45 thereof in its entirety and substituting therefor the following:

"with copies to: United States Department of Transportation
Federal Transit Administration
Regional Office 9
Los Angeles Metropolitan Office
888 S. Figueroa, Suite 2170
Los Angeles, CA 90017
Attention: Administrator
Telephone: (213) 202-3950
Facsimile: (213) 202-3961

And through the Substantial Completion Date, also to:

United States Department of Transportation
Federal Transit Administration – L.A. Metro Office
888 South Figueroa, Suite 2170
Los Angeles, CA 9017-5467
Attention: Ray Tellis
Telephone: (213) 202-3956
Email: ray.tellis@dot.gov

If to the Borrower: Crenshaw Project Corporation
One Gateway Plaza, 25th Floor, MS 99-25-7
Los Angeles, California 90012
Attention: Treasurer
Telephone: (213) 922-4047
Facsimile: (213) 922-4027
Email: treasurydept@metro.net

with a copies to: Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza, 25th Floor, MS 99-25-7
Los Angeles, California 90012
Attention: Treasurer
Telephone: (213) 922-4047
Facsimile: (213) 922-4027
Email: treasurydept@metro.net

and

Office of the County Counsel
One Gateway Plaza, 24th Floor, MS 99-24-28
Los Angeles, California 90012
Attention: Kathleen Dougherty, Esq.
Telephone: (213) 922-2527
Facsimile: (213) 922-2530
E-mail doughertyk@metro.net"

Section 2.7 Amendment to Schedule I. Schedule I is hereby amended by deleting such schedule in its entirety and substituting therefor the Schedule I attached to this First Amendment.

ARTICLE III

MISCELLANEOUS

Section 3.1 Governing Law. This First Amendment shall be governed by the federal laws of the United States if and to the extent such federal laws are applicable and the internal laws of the State of California if and to the extent such federal laws are not applicable.

Section 3.2 Severability. In case any provision in or obligation under this First Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 3.3 Original Loan Agreement to Remain in Effect. Save and except as amended and supplemented by this First Amendment, the Original Loan Agreement shall remain in full force and effect.

Section 3.4 Counterparts. This First Amendment and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of

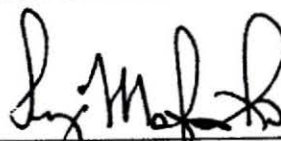
counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

Section 3.5 Effectiveness. This First Amendment shall take effect upon its execution and delivery.

57623871.11

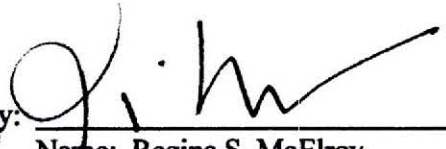
IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

CRENSHAW PROJECT CORPORATION

By: 
Name: Terry Matsumoto
Title: Chief Financial Services Officer

[Signature page to First Amendment to TIFIA Loan Agreement]

UNITED STATES DEPARTMENT OF
TRANSPORTATION, acting by and through
the Federal Highway Administrator

By: 
Name: Regina S. McElroy
Title: Director of Innovative Program
Delivery

[Signature page to First Amendment to TIFIA Loan Agreement]

SCHEDULE I

Project Budget

See attached.

57623871.11

Schedule I

Schedule I-Amendment 1
 Greenview/LAX Transit Corridor Project Budget
 Los Angeles County Metropolitan Transportation Authority
 (\$ in millions)

Line of Funds	Prior	FY 12 Q1	FY 12 Q2	FY 12 Q3	FY 12 Q4	FY 13 Q1	FY 13 Q2	FY 13 Q3	FY 13 Q4	FY 14 Q1	FY 14 Q2	FY 14 Q3	FY 14 Q4	FY 15 Q1	FY 15 Q2
1 Construction and Procurement															
2 10 Guidelines	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 20 Stations															
4 Al-Grate Station															
5 Aerial station, stop, shelter, rail, terminal, platform															
6 Underground station, stop, shelter, rail, terminal, platform															
7 Elevators, escalators															
8 30 Yards and Shops															
9 Light Maintenance Facility															
10 40 Showers & Special Conditions	1,100	0,012	0,004	0,003	0,106	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
11 50 Systems															
12 Subtotal Corrid. & Procurement															
13 60 Right-of-Way					2,200	4,004	1,313	7,405	12,000	12,000	12,000	12,000	12,000	12,000	12,000
14 70 Vehicles															
15 80 Professional Services															
16 Preliminary Engineering	11,775	4,004	0,045	3,025	0,210	1,029	3,078	2,170	4,005	11,052	0,002	0,049	0,049	14,001	14,000
17 Final Design	10,224	3,900	0,040	2,001	3,000	0,040	1,141	0,717	1,106	-	-	-	-	-	-
18 Project Management (PM)															
19 Construction Administration & Management															
20 Legal Permits															
21 Surveys, Testing, Investigation, Inspection															
22 Steel Up															
23 90 Unallocated Contingency															
24 Total Capital Cost	12,999	4,516	0,070	3,026	10,020	0,003	0,008	4,003	12,716	0,104	48,701	0,000	0,000	0,000	0,000
25 Environmental/Facility	26,000	0,001	0,100	0,004	0,003	0,107	0,107	0,107	0,107	0,107	0,107	0,107	0,107	0,107	0,107
26 Total Project Cost	39,000	4,517	0,000	4,012	10,013	0,110	0,115	4,110	12,823	0,211	48,808	0,107	0,107	0,107	0,107
27 Uses - Annual Totals	39,150	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310

Line of Funds	Prior	FY 12 Q1	FY 12 Q2	FY 12 Q3	FY 12 Q4	FY 13 Q1	FY 13 Q2	FY 13 Q3	FY 13 Q4	FY 14 Q1	FY 14 Q2	FY 14 Q3	FY 14 Q4	FY 15 Q1	FY 15 Q2
31 TIPA Proceeds - Annual Totals															
32 Local Funds															
33 Measure R	26,000	2,516	4,000	1,000	0,000	2,071	2,071	2,071	2,071	11,453	10,000	10,000	10,000	10,000	10,000
34 Proposition A															
35 Proposition C	2,782														
36 Other Local															
37 Subtotal Local Funds	28,782	2,516	4,000	1,000	0,000	2,071	2,071	2,071	2,071	11,453	10,000	10,000	10,000	10,000	10,000
38 State Funds															
39 Regional Improvement Program (RIP)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
40 Prop 1B															
41 Other State	0,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
42 Subtotal State Funds	0,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
43 Federal Funds															
44 TIPA Proceeds (Measure R)															
45 CHAC															
46 557P															
47 TIGER II															
48 Alternative Analysis - Station 5200 (CA-00-0000)	1,000														
49 Bus Elevated Station 5200 (CA-04-0004)	7,113														
50 Subtotal Federal Funds	8,113														
51 Total Project Revenue	36,895	3,516	5,000	4,012	10,013	0,211	0,215	4,110	12,823	0,211	48,721	0,107	0,107	0,107	0,107
52 Sources - Annual Totals	36,150	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310	26,310
53 Surplus/Deficit of Revenues to Uses	(0,000)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
54 Annual Totals	(0,000)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000

Schedule I-Amendment 1
 Crenshaw/LAX Transit Corridor Project Budget
 Los Angeles County Metropolitan Transportation Authority
 (\$ in millions)

Line	Use of Funds	FY 15 Q3	FY 15 Q4	FY 16 Q1	FY 16 Q2	FY 16 Q3	FY 16 Q4	FY 17 Q1	FY 17 Q2	FY 17 Q3	FY 17 Q4	FY 18 Q1	FY 18 Q2	FY 18 Q3	FY 18 Q4
1	Construction and Procurement														
2	10 Guidelines	\$ 20,350	\$ 20,350	\$ 20,350	\$ 20,350	\$ 20,350	\$ 20,350	\$ 20,350	\$ 20,350	\$ 20,350	\$ 20,350	\$ 20,350	\$ 20,350	\$ 20,350	\$ 20,350
3	20 Stations	12,647	12,647	26,633	26,633	26,633	26,633	26,633	26,633	26,633	26,633	26,633	26,633	26,633	26,633
4	At-Grade Station	2,681	2,681	2,681	2,681	2,681	2,681	2,681	2,681	2,681	2,681	2,681	2,681	2,681	2,681
5	Aerial station, exp. shelter, rail, terminal, platform	0,278	0,278	0,714	0,714	0,714	0,714	0,714	0,714	0,714	0,714	0,714	0,714	0,714	0,714
6	Underground station, exp. shelter, rail, terminal, platform	11,248	11,248	26,633	26,633	26,633	26,633	26,633	26,633	26,633	26,633	26,633	26,633	26,633	26,633
7	Elevators, escalators	0,860	0,860	0,818	0,818	0,818	0,818	0,818	0,818	0,818	0,818	0,818	0,818	0,818	0,818
8	50 Yards and shops	0,300	0,300	4,443	4,443	4,443	4,443	4,443	4,443	4,443	4,443	4,443	4,443	4,443	4,443
9	Light Maintenance Facility	0,300	0,300	4,443	4,443	4,443	4,443	4,443	4,443	4,443	4,443	4,443	4,443	4,443	4,443
10	40 Signmark & Special Conditions	18,283	18,283	19,807	19,807	19,807	19,807	19,807	19,807	19,807	19,807	19,807	19,807	19,807	19,807
11	80 Systems	0,029	0,029	0,940	0,940	0,940	0,940	0,940	0,940	0,940	0,940	0,940	0,940	0,940	0,940
12	Subtotal Const. & Procurement	15,000	15,000	32,700	32,700	32,700	32,700	32,700	32,700	32,700	32,700	32,700	32,700	32,700	32,700
13	80 Right-of-Way	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	70 Vehicles	-	-	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
15	90 Professional Services	14,850	14,848	9,948	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194
16	Professional Engineering	9,878	9,877	4,729	4,729	4,729	4,729	4,729	4,729	4,729	4,729	4,729	4,729	4,729	4,729
17	Fixed Design	5,199	5,199	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990
18	Project Management (PM)	1,829	1,829	1,164	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069
19	Construction Administration & Management	0,153	0,153	0,015	0,015	0,015	0,015	0,015	0,015	0,015	0,015	0,015	0,015	0,015	0,015
20	Legal; Permits	0,500	0,500	0,190	0,190	0,190	0,190	0,190	0,190	0,190	0,190	0,190	0,190	0,190	0,190
21	Surveys, Testing, Investigation, Inspection	0,250	0,250	0,250	0,250	0,250	0,250	0,250	0,250	0,250	0,250	0,250	0,250	0,250	0,250
22	Start up	0,750	0,750	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
23	90 Unallocated Contingency	93,909	93,948	109,261	109,197	109,197	109,197	109,197	109,197	109,197	109,197	109,197	109,197	109,197	109,197
24	Total Capital Cost	\$ 92,909	\$ 92,948	\$ 109,261	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197
25	Environmental/Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Total Project Cost	\$ 92,909	\$ 92,948	\$ 109,261	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197
27	Less - Annual Totals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Net	\$ 92,909	\$ 92,948	\$ 109,261	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197

Line	Source of Funds	FY 15 Q3	FY 15 Q4	FY 16 Q1	FY 16 Q2	FY 16 Q3	FY 16 Q4	FY 17 Q1	FY 17 Q2	FY 17 Q3	FY 17 Q4	FY 18 Q1	FY 18 Q2	FY 18 Q3	FY 18 Q4
29	TPRA Proceeds - Annual Totals														
30	Level Funds														
31	Measure R	\$ 37,817	\$ 38,254	\$ 11,561	\$ 11,497	\$ 11,497	\$ 12,147	\$ 45,097	\$ 40,439	\$ 40,028	\$ 26,107	\$ 50,098	\$ 50,153	\$ 50,153	\$ 50,153
32	Proposition A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Proposition C	2,778	2,778	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100
34	Other Local	11,262	11,262	5,290	5,290	5,290	5,290	5,000	5,000	5,000	5,000	4,750	4,750	4,750	4,750
35	Subtotal Local Funds	\$ 51,857	\$ 52,294	\$ 24,951	\$ 24,887	\$ 24,887	\$ 29,467	\$ 57,197	\$ 52,539	\$ 52,128	\$ 42,907	\$ 61,948	\$ 62,003	\$ 62,003	\$ 62,003
36	State Funds														
37	Regional Improvement Program (RIP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Prep 1B	34,581	34,581	-	-	-	-	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
39	Subtotal State Funds	\$ 34,581	\$ 34,581	\$ -	\$ -	\$ -	\$ -	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000
40	Federal Funds														
41	TPRA Proceeds (Measure R)	-	-	84,360	84,360	84,360	84,360	84,360	84,360	84,360	84,360	84,360	84,360	84,360	84,360
42	CMAC	6,009	6,009	-	-	-	-	-	-	-	-	-	-	-	-
43	RIP	1,478	1,478	-	-	-	-	-	-	-	-	-	-	-	-
44	TIGER II	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Alternative Analysis - Section 6530 (CA-04-0004)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Bus Earmark Section 6530 (CA-04-0004)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Subtotal Federal Funds	\$ 7,478	\$ 7,478	\$ 84,360	\$ 84,360	\$ 84,360	\$ 84,360	\$ 84,360	\$ 84,360	\$ 84,360	\$ 84,360	\$ 84,360	\$ 84,360	\$ 84,360	\$ 84,360
48	Total Project Sources	\$ 92,909	\$ 92,948	\$ 109,261	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197
49	Less - Annual Totals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Net	\$ 92,909	\$ 92,948	\$ 109,261	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197	\$ 109,197

Line	Surplus/Deficit of Sources to Uses	FY 15 Q3	FY 15 Q4	FY 16 Q1	FY 16 Q2	FY 16 Q3	FY 16 Q4	FY 17 Q1	FY 17 Q2	FY 17 Q3	FY 17 Q4	FY 18 Q1	FY 18 Q2	FY 18 Q3	FY 18 Q4
51	Surplus/Deficit of Sources to Uses	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000
52	Annual Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

APPENDIX A

FLOW OF FUNDS

[The flow of funds below, although accurate as of the date of this First Amendment, is provided for illustrative purposes only. The italicized provisions identified as Section 5.02(A) and (B) below are subject to amendment from time to time, through an amendment or supplement to the Measure R Trust Agreement, pursuant to and in accordance with the terms of the Measure R Trust Agreement. Any capitalized term used and not defined in the TIFIA Loan Agreement shall have the meaning assigned to it in the Measure R Trust Agreement.]

Revenues from the Measure R Sales Tax shall be applied, pursuant to the Funding Agreement, in the following order of priority not later than the last day of each calendar month. Initially, the State Board of Equalization shall transfer amounts collected on account of the Measure R Sales Tax, net of its administrative fee and the Local Return, directly to the Senior Trustee.

Section 5.02 Allocation of Pledged Tax Revenues.

(A) So long as any Senior Bonds are Outstanding and all other amounts payable under the Measure R Trust Agreement remain unpaid, the Senior Trustee shall set aside in each month following receipt of the Pledged Tax Revenues the moneys in the Revenue Fund in the following respective funds (each of which the Senior Trustee shall establish, maintain and hold in trust for the benefit of the Holders of the Senior Bonds) in the following amounts, in the following order of priority, the requirements of each such fund (including the making up of any deficiencies in any such fund resulting from lack of Pledged Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any fund subsequent in priority; provided that on a parity with such deposits the Senior Trustee may set aside or transfer amounts with respect to any outstanding Parity Obligations as provided in the proceedings for such Parity Obligations delivered to the Senior Trustee pursuant to Section 3.05 of the Measure R Trust Agreement (which shall be proportionate in the event such amounts are insufficient to provide for all deposits required as of any date to be made with respect to the Senior Bonds and such Parity Obligations relate); provided further that payments on Interest Rate Swap Agreements that are payable on a parity with the Senior Bonds shall be payable from the Interest Fund and the required deposits below shall be adjusted to include payments on such Interest Rate Swap Agreements in accordance with Section 5.10 of the Measure R Trust Agreement:

(1) Interest Fund. Following receipt of the Pledged Tax Revenues in each month, the Senior Trustee shall deposit in the Interest Fund as soon as practicable in such month an amount equal to (a) one-sixth of the aggregate half-yearly amount of interest becoming due and payable on the Outstanding Current Interest Bonds (except for Senior Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) during the next ensuing six months (excluding any interest for which there are moneys deposited in the Interest Fund from the proceeds of any Series of Senior Bonds or other source and reserved as capitalized interest to pay such interest during said next ensuing six months), until the requisite half-yearly amount of interest on

all such Outstanding Current Interest Bonds (except for Senior Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) is on deposit in such fund; provided that from the date of delivery of a Series of Current Interest Bonds until the first Interest Payment Date with respect to such Series of Senior Bonds the amounts set aside in such fund with respect to such Series of Senior Bonds shall be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on said Interest Payment Date with respect to such Series of Senior Bonds, plus (b) the aggregate amount of interest to accrue during that month on Outstanding Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified in writing by LACMTA, or if LACMTA shall not have specified an interest rate in writing, calculated at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to the month of deposit plus 100 basis points (provided, however, that the amount of such deposit into the Interest Fund for any month may be reduced by the amount by which the deposit in the prior month exceeded the actual amount of interest accrued and paid during that month on said Outstanding Variable Rate Indebtedness and provided further that the amount of such deposit into the Interest Fund for any month shall be increased by the amount by which the deposit in the prior month was less than the actual amount of interest accruing during that month on said Outstanding Variable Rate Indebtedness). No deposit need be made into the Interest Fund if the amount contained therein is at least equal to the interest to become due and payable on the Interest Payment Dates falling within the next six months upon all of the Senior Bonds issued under the Measure R Trust Agreement and then Outstanding, and on June 1 and December 1 of each year any excess amounts in the Interest Fund not needed to pay interest on such date (and not held to pay interest on Senior Bonds having Interest Payment Dates other than June 1 and December 1) shall be transferred to LACMTA (but excluding, in each case, any moneys on deposit in the Interest Fund from the proceeds of any Series of Senior Bonds or other source and reserved as capitalized interest to pay interest on any future Interest Payment Dates following such Interest Payment Dates). All Swap Revenues received by LACMTA with respect to Interest Rate Swap Agreements that are Parity Obligations shall be transferred by LACMTA to the Senior Trustee and deposited in the Interest Fund and credited to the above required deposits.

(2) Principal Fund; Sinking Accounts. *Following receipt of the Pledged Tax Revenues in each month, the Senior Trustee shall deposit in the Principal Fund as soon as practicable in such month an amount equal to at least (a) one-sixth of the aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding serial Senior Bonds of all Series having semiannual maturity dates within the next six months, plus (b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding serial Senior Bonds of all Series having annual maturity dates within the next twelve months, plus (c) one-sixth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the term Senior Bonds of all Series for which Sinking Accounts have been created and for which semiannual mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next twelve-month period into the respective Sinking Accounts for the term Senior Bonds of all Series for which*

Sinking Accounts shall have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided that if LACMTA certifies to the Senior Trustee that any principal payments due on or prior to January 1, 2036 are expected to be refunded on or prior to their respective due dates, no amounts need be set aside towards such principal to be so refunded, except for amounts in any month to pay principal becoming due and payable in such month. All of the aforesaid deposits made in connection with future Mandatory Sinking Account Payments shall be made without priority of any payment into anyone such Sinking Account over any other such payment.

In the event that the Pledged Tax Revenues shall not be sufficient to make the required deposits so that moneys in the Principal Fund on any principal or mandatory redemption date are equal to the amount of Bond Obligation to become due and payable on the Outstanding serial Senior Bonds of all Series plus the Bond Obligation amount of and redemption premium on the Outstanding term Senior Bonds required to be redeemed or paid at maturity on such date, then such moneys shall be applied on a Proportionate Basis and in such proportion as said serial Senior Bonds and said term Senior Bonds shall bear to each other, after first deducting for such purposes from said term Senior Bonds any of said term Senior Bonds required to be redeemed annually as shall have been redeemed or purchased during the preceding twelve-month period and any of said term Senior Bonds required to be redeemed semiannually as shall have been redeemed or purchased during the six-month period ending on such date or the immediately preceding six-month period. In the event that the Pledged Tax Revenues shall not be sufficient to pay in full all Mandatory Sinking Account Payments required to be paid at any one time into all such Sinking Accounts, then payments into all such Sinking Accounts shall be made on a Proportionate Basis, in proportion that the respective Mandatory Sinking Account Payments required to be made into each Sinking Account during the then current twelve-month period bear to the aggregate of all of the Mandatory Sinking Account Payments required to be made into all such Sinking Accounts during such twelve-month period. No deposit need be made into the Principal Fund so long as there shall be in such fund (i) moneys sufficient to pay the Bond Obligation of all serial Senior Bonds then Outstanding and maturing by their terms within the next 12 months plus (ii) the aggregate of all Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the Principal Fund during such 12-month period and theretofore paid from the Principal Fund to redeem or purchase term Senior Bonds during such 12-month period; provided that if LACMTA certifies to the Senior Trustee that any principal payments in the following 12-month period are expected to be paid from amounts on deposit in a Reserve Fund that would be in excess of the Reserve Requirement applicable to such Reserve Fund upon such payment, no deposit need be made into the Principal Fund with respect to such principal payments. At the beginning of each Fiscal Year and in any event not later than June 1 of each year, the Senior Trustee shall request from LACMTA a Certificate of LACMTA setting forth the principal payments for which deposits will not be necessary pursuant to the preceding sentence and the reason therefor. On June 1 of each year or as soon as practicable thereafter any excess amounts in the Principal Fund not needed to pay principal on such date (and not held to pay principal on Senior Bonds having principal payment dates other than June 1) shall be transferred to LACMTA.

(3) Reserve Fund. Upon the occurrence of any deficiency in any Reserve Fund, the Senior Trustee shall make such deposit to such Reserve Fund as is required pursuant to Section 5.05(D) of the Measure R Trust Agreement, each such deposit to be made as soon as possible in each month, until the balance therein is at least equal to the applicable Reserve Requirement.

(4) Subordinate Obligations Fund. The Senior Trustee shall establish, maintain and hold in trust a separate fund designated as the "Subordinate Obligations Fund." As long as any Subordinate Obligations remain unpaid, any Pledged Revenues remaining in the Revenue Fund after the deposits described in (1), (2) and (3) above have been made shall be transferred on the same Business Day to the Subordinate Obligations Fund. After the Senior Trustee has made any deposit or payment of Pledged Revenues as in the current month required by the instrument or instruments creating the Subordinate Obligations, the Senior Trustee shall transfer any remaining Pledged Revenues back to the Revenue Fund.

(5) Fees and Expenses Fund. The Senior Trustee shall establish, maintain and hold in trust a separate fund designated as the "Fees and Expenses Fund." At the direction of LACMTA, after the deposits described in (1), (2), (3) and (4) above have been made, the Senior Trustee shall deposit as soon as practicable in each month in the Fees and Expenses Fund (i) amounts necessary for payment of fees, expenses and similar charges (including fees, expenses and similar charges relating to any Liquidity Facility or Credit Enhancement for the Senior Obligations; provided, however, that Swap Termination Payments shall not constitute Senior Obligations or Subordinate Obligations and shall be payable on a basis subordinate to Junior Subordinate Obligations) owing in such month or the following month by LACMTA in connection with the Senior Obligations and (ii) amounts necessary for payment of fees, expenses and similar charges owing in such month or the following month by LACMTA in connection with Subordinate Obligations (including fees, expenses and similar charges relating to any Liquidity Facility or Credit Enhancement for Subordinate Obligations). LACMTA shall inform the Senior Trustee of such amounts, in writing, on or prior to the first Business Day of each month.

(6) Junior Subordinate Obligations Fund. The Senior Trustee shall establish, maintain and hold in trust a separate fund designated as the "Junior Subordinate Obligations Fund." Within the Junior Subordinate Obligations Fund the Trustee shall establish, maintain and hold in trust, in the following separate accounts designated as the "Junior Subordinate Debt Service Account," the "Junior Subordinate Debt Service Reserve Account," the "TIFIA Debt Service Account" (as defined in the Measure R Trust Agreement), the "TIFIA Debt Service Reserve Account" (as defined in the Measure R Trust Agreement) and the "TIFIA Fees and Expenses Account." As long as any Junior Subordinate Obligations remain outstanding, any Pledged Revenues remaining in the Revenue Fund after the deposits described in (1), (2), (3), (4) and (5) above have been made shall be transferred on the same Business Day to the Junior Subordinate Obligations Fund. After the Senior Trustee has made any deposit or payment of Pledged Revenues as in the current month required by the instrument or instruments creating

Junior Subordinate Obligations, the Senior Trustee shall transfer any remaining Pledged Revenues back to the Revenue Fund.

(B) Any Pledged Revenues remaining in the Revenue Fund after the foregoing deposits described in (1), (2), (3), (4), (5), and (6) of subsection (A) above shall be transferred to the Borrower Fiscal Agent on the same Business Day or as soon as practicable thereafter.

Thereafter, beginning not later than the date of initial disbursement of TIFIA Loan proceeds:

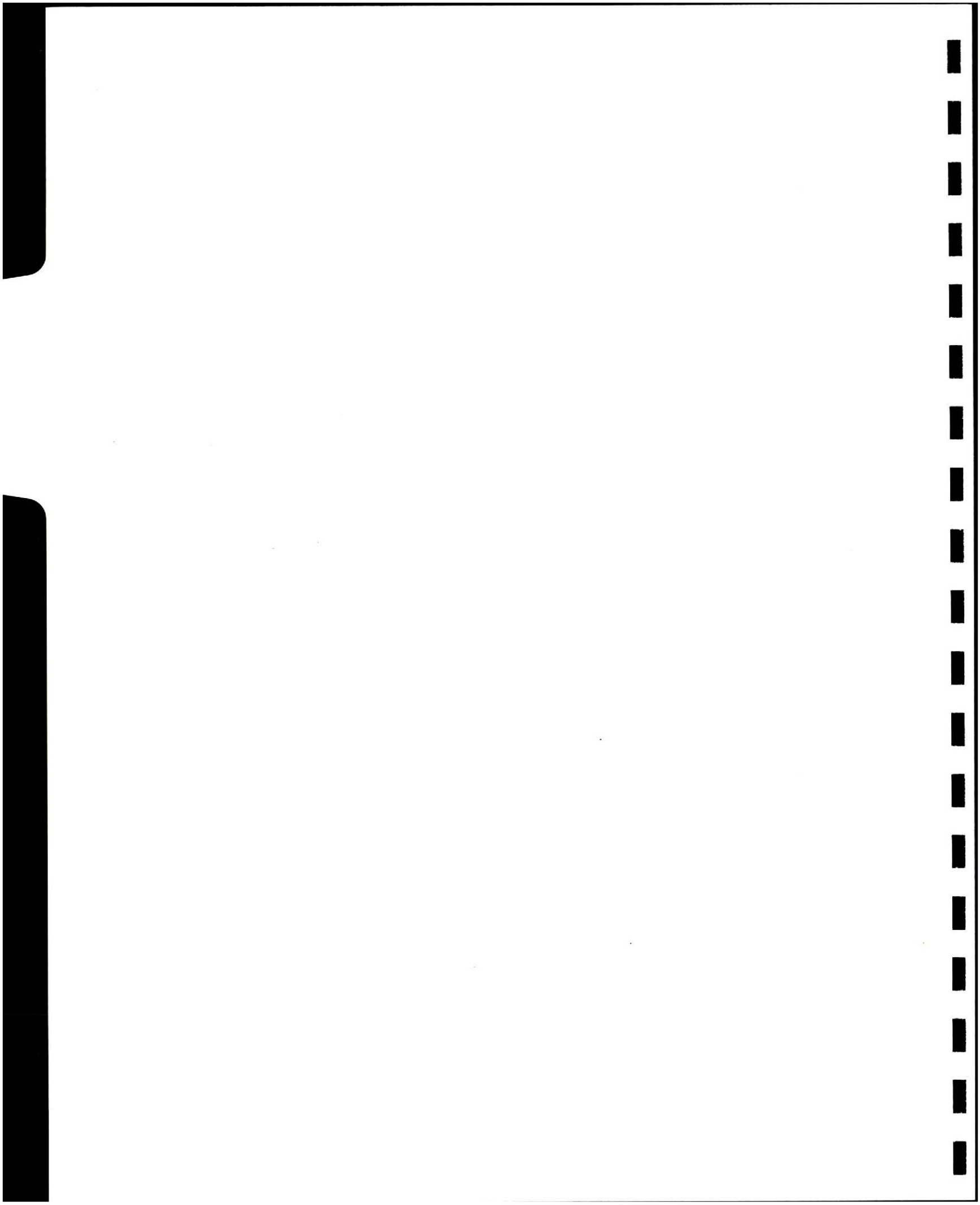
(i) *first*, the Senior Trustee transfers the LACMTA Pledged Revenues to the Borrower Fiscal Agent;

(ii) *second*, the Borrower Fiscal Agent applies Crenshaw Pledged Revenues to pay TIFIA Debt Service by transferring to the TIFIA Fiscal Agent for deposit into the TIFIA Debt Service Account 1.25 times 1/6 of the interest and 1/12 of the principal components of TIFIA Debt Service next becoming due;

(iii) *third*, if so directed by CPC, the Borrower Fiscal Agent applies Crenshaw Pledged Revenues (A) to fund the TIFIA Debt Service Reserve Account by transferring to the TIFIA Fiscal Agent such amounts as directed by CPC for deposit into the TIFIA Debt Service Reserve Account and (B) to pay other obligations owed by CPC to the TIFIA Lender under the TIFIA Loan Agreement;

(iv) *fourth*, after making all required transfers and payments described in paragraphs (i) and (iii) above, all remaining LACMTA Pledged Revenues held by the Borrower Fiscal Agent are transferred to LACMTA; and

(v) *fifth*, excess amounts of Crenshaw Pledged Revenues remaining in the TIFIA Debt Service Account after (A) each payment of TIFIA Debt Service, (B) the replenishment of the TIFIA Debt Service Reserve Account up to the TIFIA Debt Service Reserve Required Balance, if necessary, and (C) withholding for any other amounts currently due and payable to the TIFIA Lender, shall be transferred promptly by the TIFIA Fiscal Agent to the Borrower Fiscal Agent.



FIRST AMENDMENT TO DIRECT AGREEMENT

This FIRST AMENDMENT TO DIRECT AGREEMENT, dated as of February 20, 2014 (this "First Amendment"), amending the DIRECT AGREEMENT dated as of September 28, 2012, (the "Original Direct Agreement" and, together with this First Amendment, the "Direct Agreement"), by and among the (i) CRENSHAW PROJECT CORPORATION, a California nonprofit mutual benefit corporation (the "Borrower"), (ii) LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a public agency established pursuant to California Public Utilities Code Section 130050.2 ("LACMTA"), and (iii) UNITED STATES DEPARTMENT OF TRANSPORTATION ("USDOT"), acting by and through the Federal Highway Administrator (the "TIFIA Lender"), is made by and among the Borrower, LACMTA and the TIFIA Lender. All capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the TIFIA Loan Agreement or, if not defined therein, in the Funding Agreement (each as defined in the Original Direct Agreement).

PRELIMINARY STATEMENTS

WHEREAS, LACMTA is constructing the Project and LACMTA requested, pursuant to the Application, that the TIFIA Lender make a secured loan to the Borrower to finance certain Eligible Project Costs; and

WHEREAS, it was a condition under the TIFIA Loan Agreement that LACMTA and the Borrower enter into the Original Direct Agreement to provide certain assurances and agreements in connection with the Project Agreements and the transactions contemplated thereby; and

WHEREAS, the Borrower, LACMTA and the TIFIA Lender have determined to amend certain terms of the Original Direct Agreement as provided herein, to address certain changes to the Project and the Project Budget and to reflect proposed amendments to the Measure R Trust Agreement in connection with a secured loan proposed to be made by the TIFIA Lender to LACMTA;

NOW, THEREFORE, the premises being stated above, in consideration of the foregoing and, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

AUTHORITY

Section 1.1 Authority for First Amendment. This First Amendment amends the Original Direct Agreement and is entered into in accordance with Section 20 of the Original Direct Agreement.

ARTICLE II

AMENDMENTS

Section 2.1 Amendment to Section 1. Section 1 of the Original Direct Agreement is hereby amended by deleting such section in its entirety and substituting therefor the following:

“All capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the TIFIA Loan Agreement or, if not defined therein, in the Funding Agreement.”

Section 2.2 Amendment to Section 10.

(a) Subsection (c) of Section 10 of the Original Direct Agreement is hereby amended by deleting from the second and third lines thereof the phrase “an asset management plan, a facility management plan and an equipment management plan” and substituting therefor “a facilities and equipment maintenance program”.

(b) Subsection (o)(i) of Section 10 of the Original Direct Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

“(i) In order to issue any additional Bonds, Parity Obligations or Subordinate Obligations under the Measure R Trust Agreement, LACMTA shall, prior to the issuance of thereof: (A) provide to the Borrower Fiscal Agent (or to the Senior Trustee, if the Borrower Fiscal Agency Agreement is not yet in effect) and the TIFIA Lender with a certificate prepared by a Consultant (as defined in the Measure R Trust Agreement), showing that, upon the issuance of such Bonds, Parity Obligations or Subordinate Obligations, Projected LACMTA Pledged Revenues are projected to be at least 1.25 times annual TIFIA Debt Service in each Borrower Fiscal Year during the life of the TIFIA Loan, (B) solely in the case of Senior Bonds and Parity Obligations, certify to the Borrower Fiscal Agent (or to the Senior Trustee, if the Borrower Fiscal Agency Agreement is not yet in effect) and the TIFIA Lender that it has complied with the requirements for issuance of additional Senior Bonds or Parity Obligations set forth in Section 3.02(D) or 3.04, as applicable, of the Measure R Trust Agreement; and (C) certify to the Borrower Fiscal Agent (or to the Senior Trustee, if the Borrower Fiscal Agency Agreement is not yet in effect) and the TIFIA Lender that in each Borrower Fiscal Year that any Bond, Parity Obligation or Subordinate Obligation is outstanding, the portion of projected Measure R Sales Tax revenues attributable to any expenditure allocation category described in the Ordinance, as determined by LACMTA, divided by the Debt Service (as defined in the Measure R Trust Agreement and treating indebtedness secured directly or indirectly by Measure R Sales Tax revenues on a basis junior to obligations issued under the provisions of Article III of the Trust Agreement as Obligations in the definition of “Debt Service” for purposes of this certificate) attributable to all indebtedness secured directly or

indirectly by the Measure R Sales Tax for such expenditure allocation category, is not less than 110%. Each certificate provided pursuant to this paragraph (i) shall also set forth the computations upon which such certificate is based.”

(c) Subsection (o)(ii) of Section 10 of the Original Direct Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor “[reserved]”.

Section 2.3 Amendment to Section 13.

(a) Subsection (a) of Section 13 of the Original Direct Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

“(a) LACMTA shall provide to the TIFIA Lender and the FTA Regional Office, within 60 days after the Effective Date and annually thereafter not later than 90 days after the beginning of each Fiscal Year, a Financial Plan. The Financial Plan submitted within 60 days after the Effective Date should be consistent in all respects with the projections, assumptions and other information contained or reflected in the Base Case Financial Model. For the period through the Substantial Completion Date, the Financial Plan shall be accepted by the FTA Regional Office and approved by the TIFIA Lender and FHWA’s Office of Innovative Program Delivery. The FTA Regional Office’s acceptance of the Base Case Financial Model (as defined in the TIFIA Loan Agreement) is required prior to the physical commencement of construction of the Project. The Financial Plan shall be prepared in accordance with recognized financial reporting standards, such as those in the “Guide for Prospective Financial Information” of the American Institute of Certified Public Accountants, shall meet the FTA Project Management Oversight Regulations, as amended from time-to-time, and shall be in form and substance satisfactory to the TIFIA Lender and the FTA Regional Office.”

(b) Subsection (c) of Section 13 of the Original Direct Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

“(c) For the period through the Substantial Completion Date, the Financial Plan shall: (i) provide the current estimate of the total cost of the Project and the remaining cost to complete the Project, identify any significant cost changes since the previous Financial Plan, discuss the reasons for, and the implications of, the cost changes, and include a summary table showing the history of Project Costs by major activity or category since the Base Case Financial Model and the preceding Financial Plan, (ii) provide the current schedule and implementation plan for completing the Project, including the Substantial Completion Date and projected final draw date of the TIFIA Loan, identify major milestones for each phase of the Project and compare current milestone dates with milestone dates in the Base Case Financial Model and the preceding Financial Plan, and discuss reasons for changes in Project milestones, (iii) provide current estimates of sources and uses of funds for the

Project, identify any significant funding changes since the preceding Financial Model, discuss the reasons for, and the implications of, the funding changes, and include a summary table showing the history of Project funding since the Base Case Financial Model and the preceding Financial Plan, (iv) provide an updated cash flow schedule showing annual cash needs versus available revenue and funding to meet those needs and identify any potential revenue and funding shortfalls and addressing contingency measures that will or may be taken to address any shortfalls, (v) based on the updated cash flow schedule, provide projected debt service coverage ratios for the TIFIA Loan through the Final Maturity Date, (vi) provide cost containment strategies and risk mitigation plans that have been or may be implemented to address factors that are affecting or could affect the scheduled completion or financial viability of the Project, (vii) provide the total value of approved changes in Project design or scope, and provide a listing of each individual change setting forth the rationale or need for the proposed change, describing the impact of such change on the Project, certifying that no Standard Cost Category (as defined in the TIFIA Loan Agreement) will be eliminated as a result of such change, (viii) contain, in form and substance satisfactory to the TIFIA Lender, a written narrative report on the progress of design, permitting, acquisition and construction of the Project since the Base Case Financial Model and the preceding Financial Plan, describing in reasonable detail all significant activities concerning Project status including any material matters that may affect the future performance of LACMTA's obligations under this Direct Agreement and the causes thereof and (ix) comply in all respects with FTA Project Management Oversight Regulations."

(c) Subsection (d) of Section 13 of the Original Direct Agreement is hereby amended by replacing "Substantial Completion" with "Substantial Completion Date."

(d) Subsection (e) of Section 13 of the Original Direct Agreement is hereby amended (i) by replacing "Substantial Completion" with "Substantial Completion Date" and (ii) by replacing "Total Debt Service Coverage Ratio" with "TIFIA Debt Service Coverage Ratio."

(e) Subsection (f) of Section 13 of the Original Direct Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

"(f) For the period through the Substantial Completion Date, LACMTA shall provide the TIFIA Lender and the FTA Regional Office with written notification, 30 days prior to instituting any increase or decrease of the overall Project Costs in an amount equal to or greater than ten percent (10%) of any Standard Cost Category, setting forth the nature of the proposed increase or decrease and estimating the impact of such increase or decrease on the capital costs, operating costs, and the Financial Plan. LACMTA's notice shall demonstrate that the proposed increase or decrease is consistent with the provisions of this Direct Agreement, is necessary or beneficial to the Project and does not materially impair the TIFIA Lender's security."

Section 2.4 Amendment to Section 14.

(a) Subsection (b)(i) of Section 14 of the Original Direct Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

“(b)(i) Monthly Construction Progress Report. Monthly, on or before the fifteenth Business Day following the last Business Day of the preceding month during the Construction Period, LACMTA shall provide to the TIFIA Lender and FTA a report executed by a LACMTA Authorized Representative and the Borrower’s Authorized Representative (as defined in the TIFIA Loan Agreement): (A) of the amount of Project Costs expended since the Effective Date as well as during the preceding month and the amount of Project Costs estimated to be required to complete the Project, including increases or decreases greater than ten percent (10%) of any Standard Cost Category and costs expended and remaining to be expended for assigned and unassigned contingency. The reporting of unassigned contingency shall be made in such a format that it compares easily to percent of project complete; (B) providing an assessment of the overall construction progress of the Project since the date of the last report and since the Effective Date, together with an assessment of how such progress compares to the Construction Schedule. This narrative information shall also be depicted by utilization of a standard construction S curve. The assessment should also include a detailed description of the status of contracts and of the disadvantaged business enterprise goal and progress toward its achievement; (C) specifying the projected respective Substantial Completion Date, and any impediments to its achievement; (D) providing a detailed description of all material problems (including but not limited to actual and anticipated costs incurred by the Borrower, LACMTA, or on behalf of either of the foregoing, and not passed down to the Design-Build Contractor, if any) encountered or anticipated in connection with the construction of the Project since the date of the last report, together with an assessment of how such problems may impact the Construction Schedule and meeting its critical path and a detailed description of the proposed solutions to such problems; (E) specifying the delivery status of major equipment and the effect, if any, that the anticipated delivery dates of such equipment have on the overall Construction Schedule; (F) specifying any proposed or pending change orders greater than \$1,000,000 in value and any potential or pending claims greater than \$1,000,000 in value; (G) specifying any proposed or pending modifications to the original Project scope as outlined in the Application; (H) specifying the currently expected date of the final draw of TIFIA Loan proceeds, (I) a discussion or analysis of such other matters related to the Project as the TIFIA Lender or FTA may reasonably request; and (J) based on current projections, sufficient funds, including amounts available hereunder are available to complete the Project. LACMTA shall respond, and use commercially reasonable efforts to cause the Design-Build Contractor to respond to the TIFIA Lender’s and to FTA’s inquiries regarding such report, the design and construction of the Project, and the Design-Build Contractor’s performance. Notwithstanding the foregoing or any other

provisions of this Direct Agreement, LACMTA shall be subject to any requirements or limitations with respect to change orders set forth in the FTA Compliance Agreement.”

(b) Subsection (b)(iv) of Section 14 of the Original Direct Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

“(b)(iv) Recovery Plan. In the event that the monthly construction progress report, the Design-Build Contractor’s report or the monthly report issued pursuant to the FTA Project Management Oversight Regulations indicates a failure to maintain the Construction Schedule including a failure to meet the Substantial Completion Date or to maintain the Project Budget within a five percent (5%) variance, or both, then LACMTA shall notify the FTA Regional Office and the TIFIA Lender of such failure and shall, upon request by the FTA Regional Office, provide the FTA Regional Office within thirty (30) days of receipt of such request a recovery plan for FTA’s review and acceptance with a copy to the TIFIA Lender.”

Section 2.5 Amendment to Section 15. Section 15 of the Original Direct Agreement is hereby amended by deleting “solely by any third party (excluding the Borrower or any assignee thereof).”

Section 2.6 Amendment to Section 27. Section 27 of the Original Direct Agreement is hereby amended (i) by replacing “date of Substantial Completion” with “Substantial Completion Date” and (ii) by deleting “If to the TIFIA Lender:” and the related “with a copies to:,” “If to the Borrower:” and the related “with a copy to:” and “If to LACMTA:” and the related “with a copy to:” and the corresponding addresses in their entirety and substituting therefor the following:

“If to the TIFIA Lender: TIFIA Joint Program Office (HITJ-1)
Federal Highway Administration
1200 New Jersey Avenue, S.E., Room E64-301
Washington, DC 20590
Attention: Director
Telephone: (202) 366-9644
Facsimile: (202) 9366-2908

with a copies to: United States Department of Transportation
Federal Transit Administration
Regional Office 9
Los Angeles Metropolitan Office
888 S. Figueroa, Suite 2170
Los Angeles, CA 90017
Attention: Administrator
Telephone: (213) 202-3950
Facsimile: (213) 202-3961

And through the Substantial Completion Date, also to:

United States Department of Transportation
Federal Transit Administration – L.A. Metro Office
888 South Figueroa, Suite 2170
Los Angeles, CA 90017-5467
Attention: Ray Tellis
Telephone: (213) 202-3956
Email: ray.tellis@dot.gov

"If to the Borrower:

Crenshaw Project Corporation
One Gateway Plaza, 25th Floor, MS 99-25-7
Los Angeles, California 90012
Attention: Treasurer
Telephone: (213) 922-4047
Facsimile: (213) 922-4027
Email: treasurydept@metro.net

with a copy to:

Office of the County Counsel
One Gateway Plaza, 24th Floor, MS 99-24-28
Los Angeles, California 90012
Attention: Kathleen Dougherty, Esq.
Telephone: (213) 922-2527
Facsimile: (213) 922-2530
E-mail doughertyk@metro.net

If to LACMTA:

Los Angeles County Metropolitan Transportation
Authority
One Gateway Plaza, 25th Floor, MS 99-25-7
Los Angeles, California 90012
Attention: Treasurer
Telephone: (213) 922-4047
Facsimile: (213) 922-4027
Email: treasurydept@metro.net

with a copy to:

Office of the County Counsel
One Gateway Plaza, 24th Floor, MS 99-24-28
Los Angeles, California 90012
Attention: Kathleen Dougherty, Esq.
Telephone: (213) 922-2527
Facsimile: (213) 922-2530
E-mail doughertyk@metro.net"

ARTICLE III

MISCELLANEOUS

Section 3.1 Severability. In case any provision in or obligation under this First Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 3.2 Governing Law. This First Amendment shall be governed by the federal laws of the United States if and to the extent such federal laws are applicable and the internal laws of the State of California if and to the extent such federal laws are not applicable.

Section 3.3 Original Direct Agreement to Remain in Effect. Save and except as amended and supplemented by this First Amendment, the Original Direct Agreement shall remain in full force and effect.

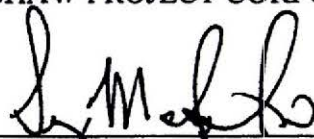
Section 3.4 Counterparts. This First Amendment and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by different Parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

Section 3.5 Effectiveness. This First Amendment shall take effect upon its execution and delivery.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the day and year first above written.

BORROWER:

CRENSHAW PROJECT CORPORATION

By  _____

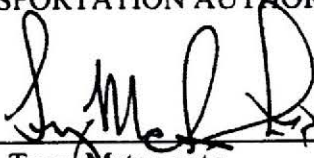
Name: Terry Matsumoto

Title: Chief Financial Services Officer

[Signature page to First Amendment to Direct Agreement]

LACMTA:

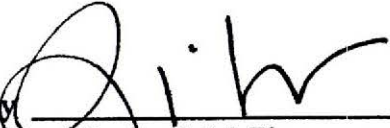
**LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY**

By 
Name: Terry Matsumoto
Title: Chief Financial Services Officer

[Signature page to First Amendment to Direct Agreement]

TIFIA LENDER:

UNITED STATES DEPARTMENT OF
TRANSPORTATION

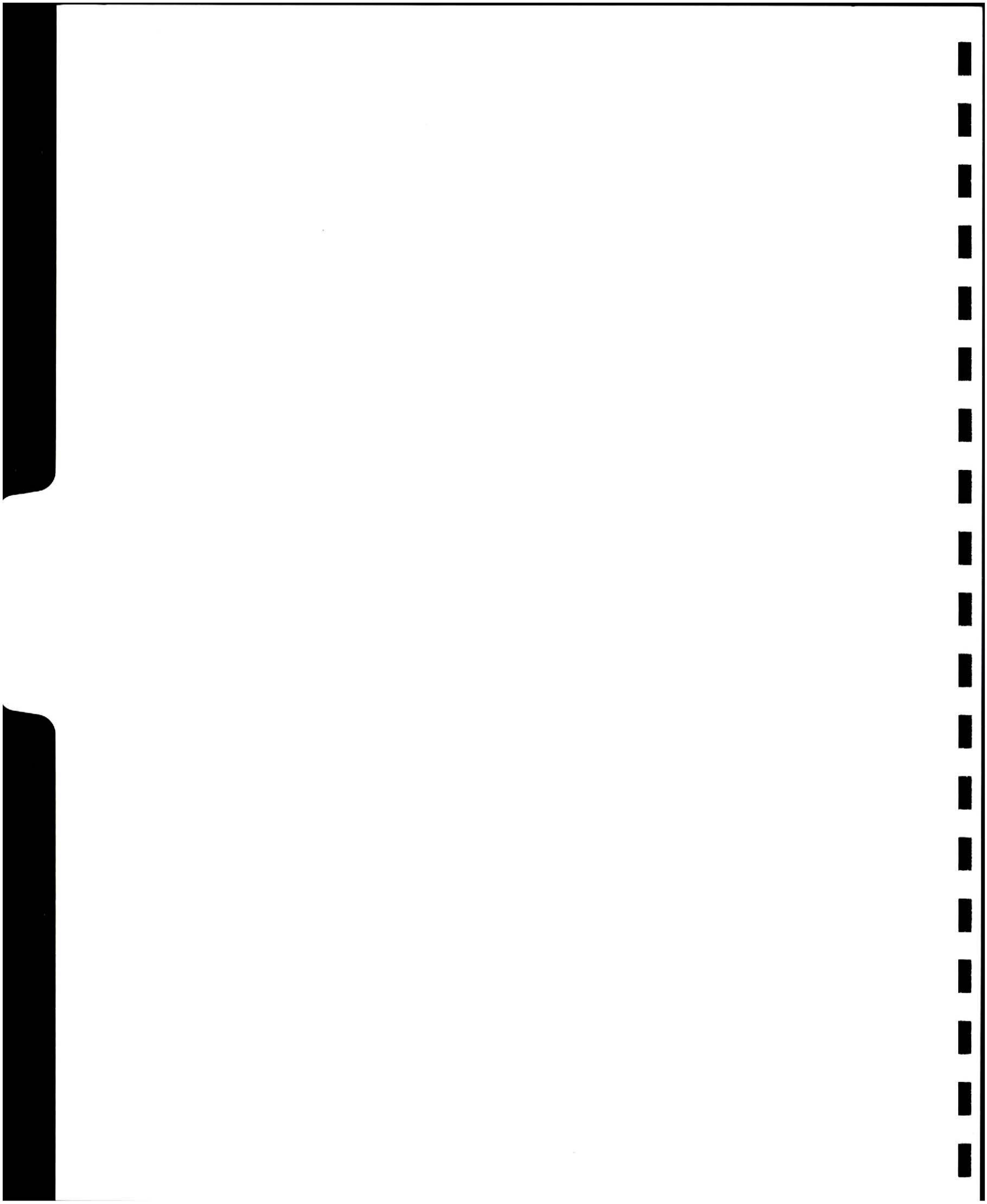
By 
Name: Regina S. McElroy
Title: Director of Innovative Program
Delivery

[Signature page to First Amendment to Direct Agreement]



**1st Amendment
Funding Agreement**





**FIRST AMENDMENT TO
FUNDING AGREEMENT FOR THE CRENSHAW/LAX TRANSIT
CORRIDOR PROJECT**

This FIRST AMENDMENT TO FUNDING AGREEMENT FOR THE CRENSHAW/LAX TRANSIT CORRIDOR PROJECT, dated as of February 20, 2014 (this "First Amendment"), amending the FUNDING AGREEMENT FOR THE CRENSHAW/LAX TRANSIT CORRIDOR PROJECT, entered into on September 28, 2012 (the "Original Funding Agreement" and, together with this First Amendment, the "Funding Agreement"), by and between the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a public agency established pursuant to California Public Utilities Code Section 130050.2 ("LACMTA"), and CRENSHAW PROJECT CORPORATION, a California nonprofit mutual benefit corporation ("CPC" or the "Borrower"), is made by and between LACMTA and the Borrower.

RECITALS

WHEREAS, CPC is the borrower under a Transportation Infrastructure Finance and Innovation Act (TIFIA) secured (direct) loan of up to \$545.9 million (the "TIFIA Loan") made by the United States Department of Transportation ("USDOT" or the "TIFIA Lender"), providing a portion of the financing for the Crenshaw/Los Angeles International Airport (LAX) Transit Corridor Project (the "Project"), which consists of the construction of a light rail transit line, stations, park and ride lots, a maintenance and storage facility and other facilities and the procurement of rail vehicles at an estimated total cost of \$2,058,000,000;

WHEREAS, LACMTA is the Project sponsor and applicant for the TIFIA Loan;

WHEREAS, LACMTA has agreed under the Original Funding Agreement to fund the full amount of the payment obligations of CPC under the TIFIA Loan; and

WHEREAS, LACMTA and CPC have determined to amend certain terms of the Original Funding Agreement as provided herein, to address certain changes to the Project and the Project Budget and to reflect proposed amendments to the Measure R Trust Agreement in connection with a secured loan under Section 603 of the Act proposed to be made by the TIFIA Lender to LACMTA;

NOW, THEREFORE, the premises being as stated above, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, LACMTA and CPC hereby agree as follows:

ARTICLE I

AUTHORITY

Section 1.1 Authority for First Amendment. This First Amendment amends the Original Funding Agreement and is entered into in accordance with Section 10.4 of the Original Funding Agreement.

ARTICLE II
AMENDMENTS

Section 2.1 Definitions.

(a) Capitalized terms used herein and not defined herein shall have the definitions ascribed to such terms in Section 1 of the Original Funding Agreement, as amended hereby.

(b) Amendment to Definitions. The definitions of "Projected LACMTA Pledged Revenues" and "Subordinate Trust Agreement" contained in Section 1 of the Original Funding Agreement are hereby deleted in their entirety and the following definitions are substituted therefor:

"Projected LACMTA Pledged Revenues" means LACMTA Pledged Revenues in each Fiscal Year that Debt Service is payable on any outstanding Bonds and Subordinate Obligations (each as defined in the Measure R Trust Agreement); provided, that future LACMTA Pledged Revenues are calculated in each Fiscal Year using the greater of: (a) Measure R Sales Tax receipts for the most recently completed fiscal year increased or decreased at a rate equal to the average annual percentage change in Measure R Sales Tax receipts for the prior five full Fiscal Years or (b) the amount of Measure R Sales Tax receipts during 12 consecutive calendar months specified by LACMTA within the most recent 18 calendar months immediately preceding the date of calculation; provided, however, that with respect to the issuance of any additional Senior Bonds or other obligations secured directly or indirectly by Measure R Sales Tax revenues, the calculation of Projected LACMTA Pledged Revenues under (a) and (b) above shall be adjusted to reflect the amount of LACMTA Pledged Revenues that would have been available to pay TIFIA Debt Service after taking into account all such obligations currently outstanding and the additional Senior Bonds or other obligations proposed to be issued, as if such additional Senior Bonds or other obligations had been outstanding during said periods; provided, however, that if there are not at least five prior years of Measure R Sales Tax receipts, then LACMTA shall instead use Proposition A Sales Tax receipts for the prior five years, in place of Measure R Sales Tax receipts, in the calculation of Projected LACMTA Pledged Revenues."

"Subordinate Trust Agreement" means any trust agreement, supplemental trust agreement, indenture, supplemental indenture or similar instrument providing for the issuance of Subordinate Obligations in accordance with Section 10(o) of the Direct Agreement and Section 3.06 of the Measure R Trust Agreement."

(c) Additional Definition. Section 1 of the Original Funding Agreement is hereby amended by adding the following definition:

“Fiscal Year” means (a) as of the Effective Date, a fiscal year of LACMTA commencing on July 1 of any calendar year and ending on June 30 of the immediately succeeding calendar year or (ii) such other fiscal year as LACMTA may hereafter adopt with prior written notice to the TIFIA Lender.”

Section 2.2 Amendment to Section 3.

(a) Subsection (a) of Section 3 of the Original Funding Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

“(a) In order to issue any additional Bonds, Parity Obligations or Subordinate Obligations under the Measure R Trust Agreement, LACMTA shall, prior to the issuance thereof: (A) provide to the Borrower Fiscal Agent (or to the Senior Trustee, if the Borrower Fiscal Agency Agreement is not yet in effect a certificate prepared by a Consultant (as defined in the Measure R Trust Agreement), showing that, upon the issuance of such Bonds, Parity Obligations or Subordinate Obligations, Projected LACMTA Pledged Revenues are projected to be at least 1.25 times annual TIFIA Debt Service in each Borrower Fiscal Year during the life of the TIFIA Loan, (B) solely in the case of Senior Bonds and Parity Obligations, certify to the Borrower Fiscal Agent (or to the Senior Trustee, if the Borrower Fiscal Agency Agreement is not yet in effect) and the TIFIA Lender that it has complied with the requirements for issuance of additional Senior Bonds or Parity Obligations set forth in Section 3.02(D) or 3.04, as applicable, of the Measure R Trust Agreement; and (C) certify to the Borrower Fiscal Agent (or to the Senior Trustee, if the Borrower Fiscal Agency Agreement is not yet in effect) and the TIFIA Lender that in each Borrower Fiscal Year that any Bond, Parity Obligation or Subordinate Obligation is outstanding, the portion of projected Measure R Sales Tax revenues attributable to any expenditure allocation category described in the Ordinance, as determined by LACMTA, divided by the Debt Service (as defined in the Measure R Trust Agreement and treating indebtedness secured directly or indirectly by Measure R Sales Tax revenues on a basis junior to obligations issued under the provisions of Article III of the Trust Agreement as Obligations in the definition of “Debt Service” for purposes of this certificate) attributable to all indebtedness secured directly or indirectly by the Measure R Sales Tax for such expenditure allocation category, is not less than 110%. Each certificate provided pursuant to this paragraph (a) shall also set forth the computations upon which such certificate is based.”

(b) Subsection (b) of Section 3 of the Original Funding Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor “[reserved]”.

Section 2.3 Amendment to Section 7. Section 7 of the Original Funding Agreement is hereby amended by deleting such section in its entirety and substituting therefor the following and by adding the attached Appendix A to the Funding Agreement:

“Section 7. LACMTA Pledged Revenues Flow of Funds. Appendix A to this Funding Agreement describes the order of priority for application of Measure R Sales Tax revenues and LACMTA Pledged Revenues.”

Section 2.4 Amendment to Section 10.7. Section 10.7 of the Original Funding Agreement is hereby amended by deleting "If to CPC:" and the related "with a copy to:" "If to LACMTA:" and the related "with a copy to:" and "If to the TIFIA Lender:" and the related "with a copy to FTA:" and the corresponding addresses in their entirety and substituting therefor the following:

"If to the CPC: Crenshaw Project Corporation
One Gateway Plaza, 25th Floor, MS 99-25-7
Los Angeles, California 90012
Attention: Treasurer
Telephone: (213) 922-4047
Facsimile: (213) 922-4027
Email: treasurydept@metro.net

with a copy to: Office of the County Counsel
One Gateway Plaza, 24th Floor, MS 99-24-28
Los Angeles, California 90012
Attention: Kathleen Dougherty, Esq.
Telephone: (213) 922-2527
Facsimile: (213) 922-2530
E-mail doughertyk@metro.net

If to LACMTA: Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza, 25th Floor, MS 99-25-7
Los Angeles, California 90012
Attention: Treasurer
Telephone: (213) 922-4047
Facsimile: (213) 922-4027
Email: treasurydept@metro.net

with a copy to: Office of the County Counsel
One Gateway Plaza, 24th Floor, MS 99-24-28
Los Angeles, California 90012
Attention: Kathleen Dougherty, Esq.
Telephone: (213) 922-2527
Facsimile: (213) 922-2530
E-mail doughertyk@metro.net

If to the TIFIA Lender: TIFIA Joint Program Office (HITJ-1)
Federal Highway Administration
1200 New Jersey Avenue, S.E., Room E64-301
Washington, DC 20590
Attention: Director
Telephone: (202) 366-9644
Facsimile: (202) 9366-2908

With a copy to FTA: United States Department of Transportation
Federal Transit Administration
Regional Office 9
Los Angeles Metropolitan Office
888 S. Figueroa, Suite 2170
Los Angeles, California 90017
Attention: Ray Tellis
Telephone: (213) 202-3950
Facsimile: (213) 202-3961"

ARTICLE III

MISCELLANEOUS

Section 3.1 Governing Law and Jurisdiction. This First Amendment shall be governed by and construed in accordance with the laws of the State of California, and the courts of California shall have exclusive jurisdiction in respect of all disputes concerning or arising out of this First Amendment. Any arbitration or litigation concerning the subject of this First Amendment shall be adjudicated in Los Angeles County.

Section 3.2 Section Headings. The headings of the several articles, sections and paragraphs of this First Amendment are inserted solely for convenience of reference and are not intended to govern, limit or aid in the construction of any term or provision hereof. Unless otherwise explicitly provided, all references to "Sections" are respectively to Sections of this First Amendment.

Section 3.3 Original Funding Agreement to Remain in Effect. Save and except as amended and supplemented by this First Amendment, the Original Funding Agreement shall remain in full force and effect.

Section 3.4 Counterparts. Any fully executed copy of this First Amendment shall be deemed an original for all purposes. This First Amendment may be fully executed in one or more counterparts, each of which shall be an original, and all of which together shall constitute a single instrument.

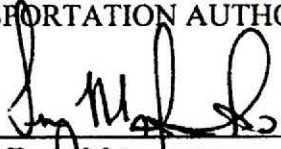
Section 3.5 Severability. If (a) any provision of this First Amendment is held by a court of competent jurisdiction to be invalid, void or unenforceable and (b) the invalidity or unenforceability of such a provision does not deny a party the material benefit of this First Amendment, then the remainder of this First Amendment which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.

Section 3.6 Effectiveness. This First Amendment shall take effect upon its execution and delivery.

[SIGNATURES ON FOLLOWING PAGE]

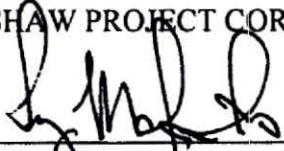
IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have executed this First Amendment as of the dated date hereof.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By 
Name: Terry Matsumoto
Title: Chief Financial Services Officer

[Signature page to First Amendment to Funding Agreement]

CRENSHAW PROJECT CORPORATION

By 
Name: Terry Matsumoto
Title: Chief Financial Services Officer

[Signature page to First Amendment to Funding Agreement]

ACKNOWLEDGED AND AGREED:

UNITED STATES DEPARTMENT OF
TRANSPORTATION

By 

Name: Regina S. McElroy _____

Title: Director of Innovative Program Delivery

[Signature page to First Amendment to Funding Agreement]

APPENDIX A

FLOW OF FUNDS

[The flow of funds below, although accurate as of the date of this First Amendment, is provided for illustrative purposes only. The italicized provisions identified as Section 5.02(A) and (B) below are subject to amendment from time to time, through an amendment or supplement to the Measure R Trust Agreement, pursuant to and in accordance with the terms of the Measure R Trust Agreement. Any capitalized term used and not defined in the TIFIA Loan Agreement shall have the meaning assigned to it in the Measure R Trust Agreement.]

Revenues from the Measure R Sales Tax shall be applied, pursuant to the Funding Agreement, in the following order of priority not later than the last day of each calendar month. Initially, the State Board of Equalization shall transfer amounts collected on account of the Measure R Sales Tax, net of its administrative fee and the Local Return, directly to the Senior Trustee.

Section 5.02 Allocation of Pledged Tax Revenues.

(A) *So long as any Senior Bonds are Outstanding and all other amounts payable under the Measure R Trust Agreement remain unpaid, the Senior Trustee shall set aside in each month following receipt of the Pledged Tax Revenues the moneys in the Revenue Fund in the following respective funds (each of which the Senior Trustee shall establish, maintain and hold in trust for the benefit of the Holders of the Senior Bonds) in the following amounts, in the following order of priority, the requirements of each such fund (including the making up of any deficiencies in any such fund resulting from lack of Pledged Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any fund subsequent in priority; provided that on a parity with such deposits the Senior Trustee may set aside or transfer amounts with respect to any outstanding Parity Obligations as provided in the proceedings for such Parity Obligations delivered to the Senior Trustee pursuant to Section 3.05 of the Measure R Trust Agreement (which shall be proportionate in the event such amounts are insufficient to provide for all deposits required as of any date to be made with respect to the Senior Bonds and such Parity Obligations relate); provided further that payments on Interest Rate Swap Agreements that are payable on a parity with the Senior Bonds shall be payable from the Interest Fund and the required deposits below shall be adjusted to include payments on such Interest Rate Swap Agreements in accordance with Section 5.10 of the Measure R Trust Agreement:*

(1) *Interest Fund. Following receipt of the Pledged Tax Revenues in each month, the Senior Trustee shall deposit in the Interest Fund as soon as practicable in such month an amount equal to (a) one-sixth of the aggregate half-yearly amount of interest becoming due and payable on the Outstanding Current Interest Bonds (except for Senior Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) during the next ensuing six months (excluding any interest for which there are moneys deposited in the Interest Fund from the proceeds of any Series of Senior Bonds or other source and reserved as capitalized interest to pay such interest during said next ensuing six months), until the requisite half-yearly amount of interest on*

all such Outstanding Current Interest Bonds (except for Senior Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) is on deposit in such fund; provided that from the date of delivery of a Series of Current Interest Bonds until the first Interest Payment Date with respect to such Series of Senior Bonds the amounts set aside in such fund with respect to such Series of Senior Bonds shall be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on said Interest Payment Date with respect to such Series of Senior Bonds, plus (b) the aggregate amount of interest to accrue during that month on Outstanding Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified in writing by LACMTA, or if LACMTA shall not have specified an interest rate in writing, calculated at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to the month of deposit plus 100 basis points (provided, however, that the amount of such deposit into the Interest Fund for any month may be reduced by the amount by which the deposit in the prior month exceeded the actual amount of interest accrued and paid during that month on said Outstanding Variable Rate Indebtedness and provided further that the amount of such deposit into the Interest Fund for any month shall be increased by the amount by which the deposit in the prior month was less than the actual amount of interest accruing during that month on said Outstanding Variable Rate Indebtedness). No deposit need be made into the Interest Fund if the amount contained therein is at least equal to the interest to become due and payable on the Interest Payment Dates falling within the next six months upon all of the Senior Bonds issued under the Measure R Trust Agreement and then Outstanding, and on June 1 and December 1 of each year any excess amounts in the Interest Fund not needed to pay interest on such date (and not held to pay interest on Senior Bonds having Interest Payment Dates other than June 1 and December 1) shall be transferred to LACMTA (but excluding, in each case, any moneys on deposit in the Interest Fund from the proceeds of any Series of Senior Bonds or other source and reserved as capitalized interest to pay interest on any future Interest Payment Dates following such Interest Payment Dates). All Swap Revenues received by LACMTA with respect to Interest Rate Swap Agreements that are Parity Obligations shall be transferred by LACMTA to the Senior Trustee and deposited in the Interest Fund and credited to the above required deposits.

(2) Principal Fund; Sinking Accounts. Following receipt of the Pledged Tax Revenues in each month, the Senior Trustee shall deposit in the Principal Fund as soon as practicable in such month an amount equal to at least (a) one-sixth of the aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding serial Senior Bonds of all Series having semiannual maturity dates within the next six months, plus (b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding serial Senior Bonds of all Series having annual maturity dates within the next twelve months, plus (c) one-sixth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the term Senior Bonds of all Series for which Sinking Accounts have been created and for which semiannual mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next twelve-month period into the respective Sinking Accounts for the term Senior Bonds of all Series for which

Sinking Accounts shall have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided that if LACMTA certifies to the Senior Trustee that any principal payments due on or prior to January 1, 2036 are expected to be refunded on or prior to their respective due dates, no amounts need be set aside towards such principal to be so refunded, except for amounts in any month to pay principal becoming due and payable in such month. All of the aforesaid deposits made in connection with future Mandatory Sinking Account Payments shall be made without priority of any payment into anyone such Sinking Account over any other such payment.

In the event that the Pledged Tax Revenues shall not be sufficient to make the required deposits so that moneys in the Principal Fund on any principal or mandatory redemption date are equal to the amount of Bond Obligation to become due and payable on the Outstanding serial Senior Bonds of all Series plus the Bond Obligation amount of and redemption premium on the Outstanding term Senior Bonds required to be redeemed or paid at maturity on such date, then such moneys shall be applied on a Proportionate Basis and in such proportion as said serial Senior Bonds and said term Senior Bonds shall bear to each other, after first deducting for such purposes from said term Senior Bonds any of said term Senior Bonds required to be redeemed annually as shall have been redeemed or purchased during the preceding twelve-month period and any of said term Senior Bonds required to be redeemed semiannually as shall have been redeemed or purchased during the six-month period ending on such date or the immediately preceding six-month period. In the event that the Pledged Tax Revenues shall not be sufficient to pay in full all Mandatory Sinking Account Payments required to be paid at any one time into all such Sinking Accounts, then payments into all such Sinking Accounts shall be made on a Proportionate Basis, in proportion that the respective Mandatory Sinking Account Payments required to be made into each Sinking Account during the then current twelve-month period bear to the aggregate of all of the Mandatory Sinking Account Payments required to be made into all such Sinking Accounts during such twelve-month period. No deposit need be made into the Principal Fund so long as there shall be in such fund (i) moneys sufficient to pay the Bond Obligation of all serial Senior Bonds then Outstanding and maturing by their terms within the next 12 months plus (ii) the aggregate of all Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the Principal Fund during such 12-month period and theretofore paid from the Principal Fund to redeem or purchase term Senior Bonds during such 12-month period; provided that if LACMTA certifies to the Senior Trustee that any principal payments in the following 12-month period are expected to be paid from amounts on deposit in a Reserve Fund that would be in excess of the Reserve Requirement applicable to such Reserve Fund upon such payment, no deposit need be made into the Principal Fund with respect to such principal payments. At the beginning of each Fiscal Year and in any event not later than June 1 of each year, the Senior Trustee shall request from LACMTA a Certificate of LACMTA setting forth the principal payments for which deposits will not be necessary pursuant to the preceding sentence and the reason therefor. On June 1 of each year or as soon as practicable thereafter any excess amounts in the Principal Fund not needed to pay principal on such date (and not held to pay principal on Senior Bonds having principal payment dates other than June 1) shall be transferred to LACMTA.

(3) Reserve Fund. Upon the occurrence of any deficiency in any Reserve Fund, the Senior Trustee shall make such deposit to such Reserve Fund as is required pursuant to Section 5.05(D) of the Measure R Trust Agreement, each such deposit to be made as soon as possible in each month, until the balance therein is at least equal to the applicable Reserve Requirement.

(4) Subordinate Obligations Fund. The Senior Trustee shall establish, maintain and hold in trust a separate fund designated as the "Subordinate Obligations Fund." As long as any Subordinate Obligations remain unpaid, any Pledged Revenues remaining in the Revenue Fund after the deposits described in (1), (2) and (3) above have been made shall be transferred on the same Business Day to the Subordinate Obligations Fund. After the Senior Trustee has made any deposit or payment of Pledged Revenues as in the current month required by the instrument or instruments creating the Subordinate Obligations, the Senior Trustee shall transfer any remaining Pledged Revenues back to the Revenue Fund.

(5) Fees and Expenses Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Fees and Expenses Fund." At the direction of the Borrower, after the deposits described in (1), (2), (3) and (4) above have been made, the Trustee shall deposit as soon as practicable in each month in the Fees and Expenses Fund (i) amounts necessary for payment of fees, expenses and similar charges (including fees, expenses and similar charges relating to any Liquidity Facility or Credit Enhancement for the Senior Obligations; provided, however, that Swap Termination Payments shall not constitute Senior Obligations or Subordinate Obligations and shall be payable on a basis subordinate to Junior Subordinate Obligations) owing in such month or the following month by the Borrower in connection with the Senior Obligations and (ii) amounts necessary for payment of fees, expenses and similar charges owing in such month or the following month by the Borrower in connection with Subordinate Obligations (including fees, expenses and similar charges relating to any Liquidity Facility or Credit Enhancement for Subordinate Obligations). The Borrower shall inform the Trustee of such amounts, in writing, on or prior to the first Business Day of each month.

(6) Junior Subordinate Obligations Fund. The Senior Trustee shall establish, maintain and hold in trust a separate fund designated as the "Junior Subordinate Obligations Fund." Within the Junior Subordinate Obligations Fund the Trustee shall establish, maintain and hold in trust, in the following separate accounts designated as the "Junior Subordinate Debt Service Account," the "Junior Subordinate Debt Service Reserve Account," the "TIFIA Debt Service Account" (as defined in the Measure R Trust Agreement), the "TIFIA Debt Service Reserve Account" (as defined in the Measure R Trust Agreement) and the "TIFIA Fees and Expenses Account." As long as any Junior Subordinate Obligations remain outstanding, any Pledged Revenues remaining in the Revenue Fund after the deposits described in (1), (2), (3), (4) and (5) above have been made shall be transferred on the same Business Day to the Junior Subordinate Obligations Fund. After the Senior Trustee has made any deposit or payment of Pledged Revenues as in the current month required by the instrument or instruments creating

Junior Subordinate Obligations, the Senior Trustee shall transfer any remaining Pledged Revenues back to the Revenue Fund.

(B) Any Pledged Revenues remaining in the Revenue Fund after the foregoing deposits described in (1), (2), (3), (4), (5), and (6) of subsection (A) above shall be transferred to the Borrower Fiscal Agent on the same Business Day or as soon as practicable thereafter.

Thereafter, beginning not later than the date of initial disbursement of TIFIA Loan proceeds:

(i) first, the Senior Trustee transfers the LACMTA Pledged Revenues to the Borrower Fiscal Agent;

(ii) second, the Borrower Fiscal Agent applies Crenshaw Pledged Revenues to pay TIFIA Debt Service by transferring to the TIFIA Fiscal Agent for deposit into the TIFIA Debt Service Account 1.25 times 1/6 of the interest and 1/12 of the principal components of TIFIA Debt Service next becoming due;

(iii) third, if so directed by CPC, the Borrower Fiscal Agent applies Crenshaw Pledged Revenues (A) to fund the TIFIA Debt Service Reserve Account by transferring to the TIFIA Fiscal Agent such amounts as directed by CPC for deposit into the TIFIA Debt Service Reserve Account and (B) to pay other obligations owed by CPC to the TIFIA Lender under the TIFIA Loan Agreement;

(iv) fourth, after making all required transfers and payments described in paragraphs (i) and (iii) above, all remaining LACMTA Pledged Revenues held by the Borrower Fiscal Agent are transferred to LACMTA; and

(v) fifth, excess amounts of Crenshaw Pledged Revenues remaining in the TIFIA Debt Service Account after (A) each payment of TIFIA Debt Service, (B) the replenishment of the TIFIA Debt Service Reserve Account up to the TIFIA Debt Service Reserve Required Balance, if necessary, and (C) withholding for any other amounts currently due and payable to the TIFIA Lender, shall be transferred promptly by the TIFIA Fiscal Agent to the Borrower Fiscal Agent.

