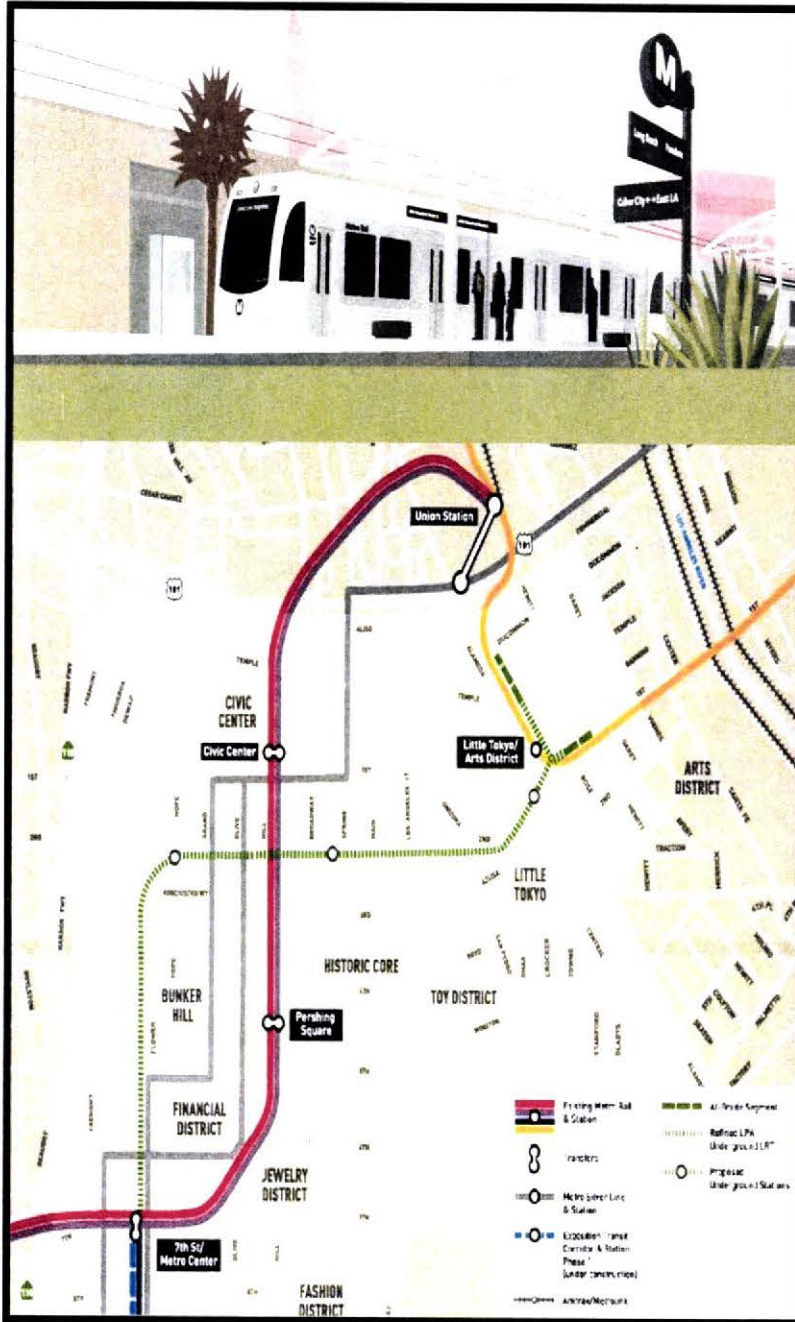


# REGIONAL CONNECTOR TRANSIT CORRIDOR



## TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA)

TIFIA LOAN AGREEMENT

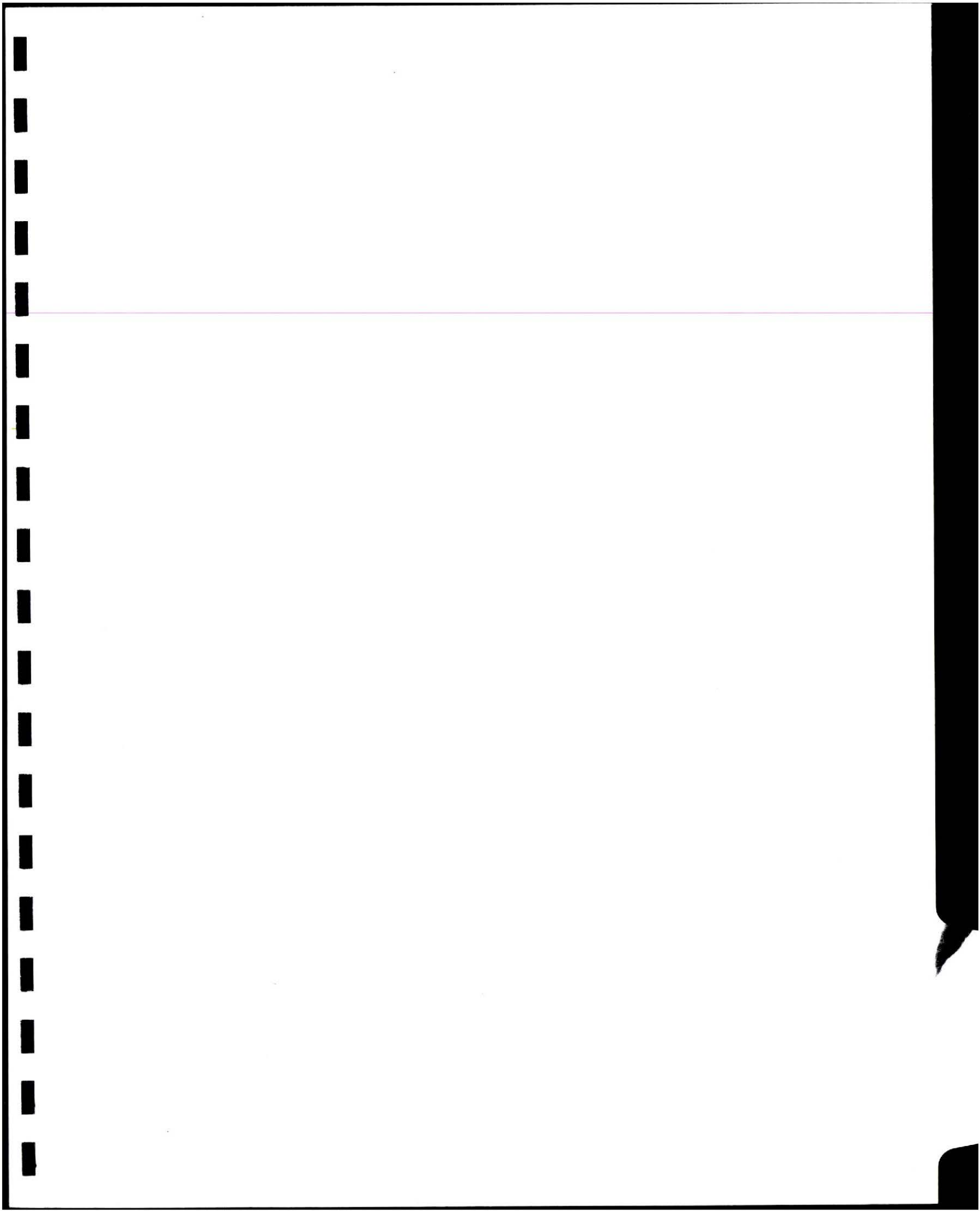
AMENDED & RESTATED  
TRUST AGREEMENT

SECOND SUPPLEMENTAL  
TRUST AGREEMENT

LOS ANGELES COUNTY  
METROPOLITAN  
TRANSPORTATION AUTHORITY  
(METRO)







EXECUTION COPY

UNITED STATES  
DEPARTMENT OF TRANSPORTATION

TIFIA  
LOAN AGREEMENT

NOT TO EXCEED \$160,000,000

With

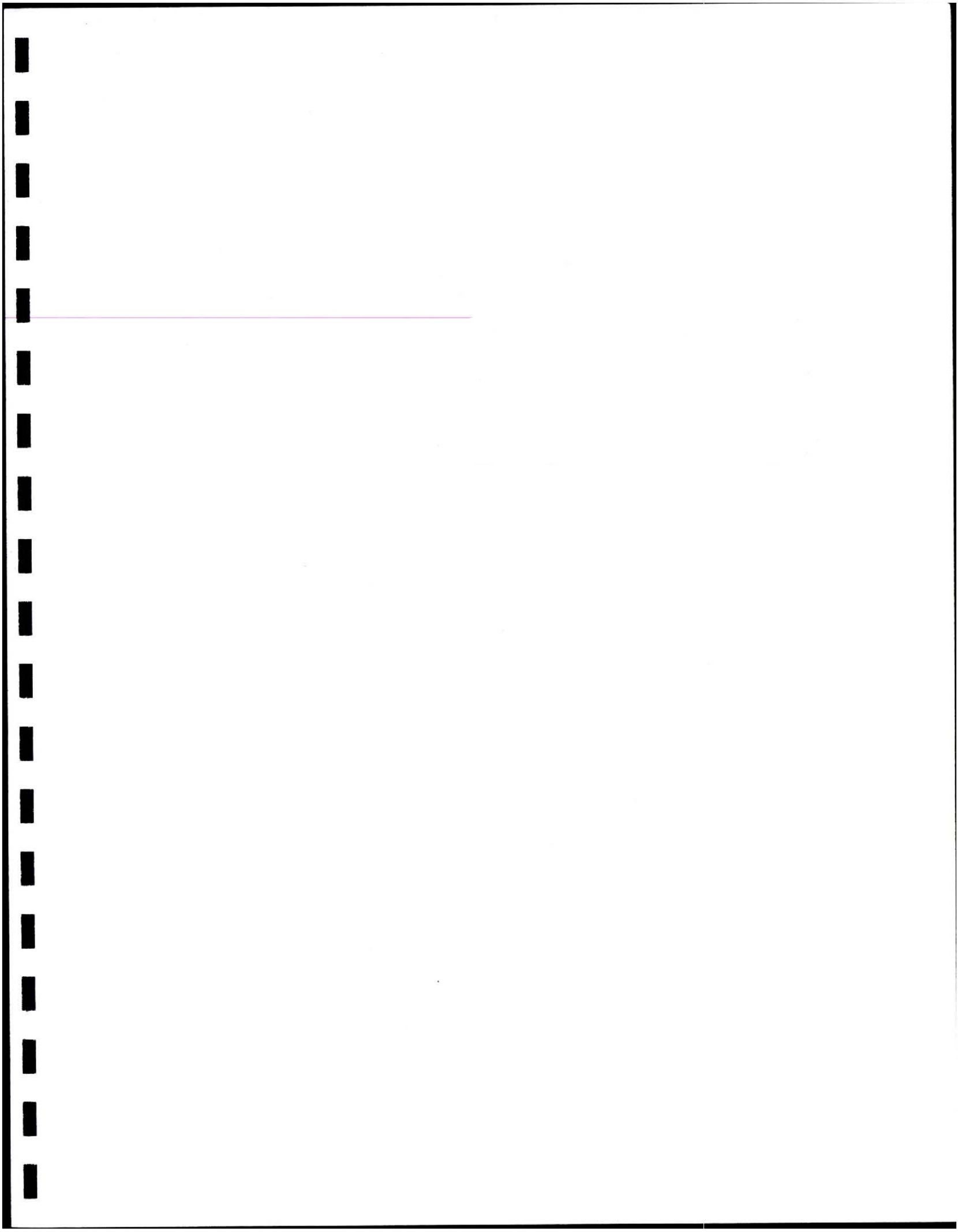
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

For the

REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT

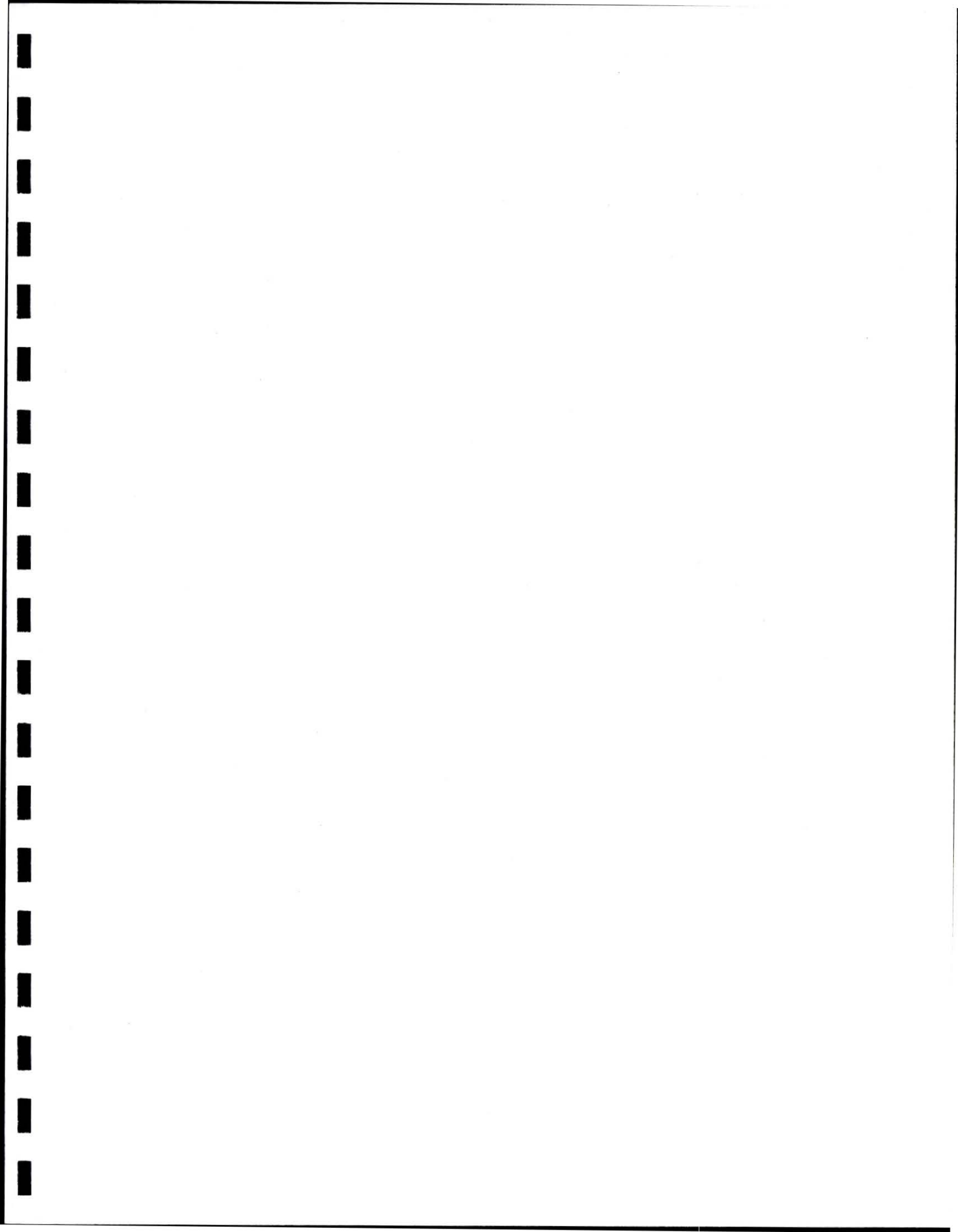
(TIFIA 2013-1008A)

DATED AS OF FEBRUARY 20, 2014



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APPENDIX A – FLOW OF FUNDS

## TIFIA LOAN AGREEMENT

THIS TIFIA LOAN AGREEMENT (this "Agreement"), dated as of February 20, 2014, by and between 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 (the "Borrower"), and the UNITED STATES DEPARTMENT OF TRANSPORTATION ("USDOT"), acting by and through the Federal Highway Administrator (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 105-206, 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 has previously entered into the Crenshaw Loan Agreement (as defined herein) to provide a loan to the Crenshaw Project Corporation, borrowing on behalf of the Borrower, in an amount up to \$545,900,000 for the purpose of funding certain Eligible Project Costs (as defined therein) of the Crenshaw/Los Angeles International Airport (LAX) Transit Corridor Project of the Borrower, which loan is not issued under this Agreement;

WHEREAS, on February 20, 2014, the Federal Transit Administration ("FTA") and the Borrower entered into a Full Funding Grant Agreement pursuant to which the Project (as defined herein) has received a grant in the amount of up to \$669,900,000;

WHEREAS, the Borrower has requested that the TIFIA Lender make a loan in a principal amount not to exceed \$160,000,000 (the "TIFIA Loan") to be used to pay a portion of the Eligible Project Costs (as defined herein) related to the Project pursuant to an application for TIFIA credit assistance dated August 14, 2013 (the "Application");

WHEREAS, on October 28, 2013, the Secretary (as defined herein) approved TIFIA credit assistance for the Project in the form of a direct loan in an aggregate principal amount not to exceed \$160,000,000 and waived the nonsubordination requirements of Section 603(b)(6)(A) of the Act in accordance with Section 603(b)(6)(B) of the Act;

WHEREAS, the TIFIA Lender is prepared to extend credit upon the terms and conditions of this Agreement;

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the TIFIA Bond (as defined herein) in accordance with the terms and provisions of this Agreement and the TIFIA Bond; and

WHEREAS, the TIFIA Lender has entered into this Agreement in reliance upon, among other things, the Base Case Projections (as defined herein) delivered by the Borrower.

NOW, THEREFORE, the premises being as stated above, for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and between the Borrower and the TIFIA Lender as follows:

SECTION 1. Definitions. Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below in this Section 1 or as otherwise defined in this Agreement. Terms used in this Agreement which are defined by reference to any other agreement shall continue to have the meanings specified in that agreement, as any such agreement may be amended from time to time in accordance with its terms, whether or not such agreement remains in effect.

**"Abandon"** means the cessation of construction or operation of the Project for a continuous period of not fewer than thirty (30) days unless such cessation of construction or operation shall occur by reason of an Uncontrollable Force.

**"Act"** means the Act as defined in the Recitals hereto. In addition, the Act includes those sections of law which are codified in Title 23, United States Code.

**"Additional Project Contracts"** means any contract, agreement, letter of intent, understanding or instrument entered into by the Borrower after the execution and delivery of this Agreement, providing for the design, construction, testing, start-up, safety, financial services, or otherwise relating to the Project; provided, however, that a contract or agreement shall not constitute an Additional Project Contract if it (a) is entered into in the ordinary course of business in connection with the furnishing of goods or the performance of services, (b) commits the Borrower to spend, or is reasonably expected to involve expenditures by the Borrower in one contract or a series of related contracts of no more than \$2,500,000 in the aggregate for any such contract or series of related contracts, and (c) is for a term not exceeding two (2) years.

**"Administrator"** means the Administrator of the FHWA.

**"Affiliate"** of a particular Person means, at any time, (a) any other Person directly or indirectly Controlling, Controlled by, or under common Control with, such Person and (b) any Person beneficially owning or holding, directly or indirectly, ten percent (10%) or more of any class of securities having ordinary voting power for the election of directors or other members of the governing body of a corporation or other Person, or ten percent (10%) or more of any partnership or other ownership interests having ordinary voting power for the election of directors or other members of the governing body of a corporation or any other Person.

**"Agreement"** has the meaning set forth in the preamble hereto.

**"Anticipated TIFIA Loan Disbursement Schedule"** means the schedule set forth as Exhibit B to this Agreement reflecting the anticipated disbursement of proceeds of the TIFIA Loan, as such schedule may be amended from time to time pursuant to Section 4.

**"Authorized Representative"** means the Borrower's Authorized Representative or the TIFIA Lender's Authorized Representative, as applicable.

**"Bank Secrecy Act"** means the Bank Secrecy Act of 1970, as amended, and the regulations promulgated thereunder.

**"Bankruptcy Related Event"** means (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its debts, or of a substantial part of the assets of the Borrower, under any Insolvency Law, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower for a substantial part of the assets of the Borrower, and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; or (b) the Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of the assets of the Borrower, or (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, or (v) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, or (vi) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (vii) take any action for the purpose of effecting any of the foregoing.

**"Base Case Financial Model"** means the financial model, prepared by or on behalf of the Borrower, forecasting the cash flows and the availability of Measure R Sales Tax collections for time periods through the Final Maturity Date and based upon assumptions and methodology provided by the Borrower and acceptable to the TIFIA Lender, which shall be provided to the TIFIA Lender as a fully functional Microsoft Excel-based financial model.

**"Base Case Projections"** means the initial financial forecast for Measure R Sales Tax collections, including the Pledged Revenues, prepared as of the Effective Date using the Base Case Financial Model.

**"Bonds"** means Senior Bonds, Junior Subordinate Obligations and all other indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes and other obligations issued under the provisions of Article III of the Trust Agreement; provided, however, that "Bond" or "Bonds" shall not include any Parity Obligations or Subordinate Obligations incurred by the Borrower in accordance with Section 3.06 of the Trust Agreement.

**"Borrower"** has the meaning set forth in the preamble hereto.

**"Borrower Fiscal Year"** means (a) as of the Effective Date, a fiscal year of the Borrower 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 the Borrower may hereafter adopt with prior written notice to the TIFIA Lender.

**"Borrower's Authorized Representative"** means any Person who shall be designated as such pursuant to Section 24.

**"Business Day"** means any day other than a Saturday, a Sunday or a day on which the offices of the Government or the offices of the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, Washington, D.C. or Los Angeles, California.

**"Capitalized Interest Period"** means the period from (and including) the Effective Date to (but excluding) the first day of the initial Payment Period.

**"Certificate"** of the Borrower means a written certificate signed in the name of the Borrower by an Authorized Representative. If and to the extent required by the Trust Agreement, such certificate shall include the statements provided for in the Trust Agreement.

**"Construction Period"** means the period from the delivery of the notice to proceed by the Borrower to the Design-Build Contractor under the Design-Build Contract to the Substantial Completion Date.

**"Construction Schedule"** means the construction schedule in the Financial Plan.

**"Consultant"** means any accountant, attorney, consultant, financial advisor or investment banker, or firm thereof, retained by the Borrower to perform acts and carry out the duties provided for such Consultant in the Trust Agreement. Such accountant, attorney, consultant, financial advisor or investment banker, or firm thereof, shall (a) be nationally recognized within its profession for work of the character required, and (b) not be an Affiliate of the Borrower or the Trustee.

**"Counterparty"** means an entity which has entered into an Interest Rate Swap Agreement with the Borrower.

**"Covenant Default"** has the meaning set forth in Section 18(a)(v)(B).

**"Crenshaw Direct Agreement"** means the Direct Agreement dated as of September 28, 2012, among the Crenshaw Project Corporation, the Borrower and the TIFIA Lender in connection with the Crenshaw Loan, as amended from time to time.

**"Crenshaw Funding Agreement"** means the Funding Agreement for the Crenshaw/Los Angeles International Airport (LAX) Transit Corridor Project dated as of September 28, 2012, between the Crenshaw Project Corporation and the Borrower in connection with the Crenshaw Loan, as amended from time to time.

**"Crenshaw Loan"** means the secured loan from the TIFIA Lender to the Crenshaw Project Corporation for the purpose of funding certain project eligible costs of the Crenshaw/ Los Angeles International Airport (LAX) Transit Corridor Project.

**"Crenshaw Loan Agreement"** means the Loan Agreement dated as of September 28, 2012, between the TIFIA Lender and the Crenshaw Project Corporation in connection with the Crenshaw Loan, as amended from time to time.

**"Debt Service"** when used with respect to any Senior Obligations, Subordinate Obligations or Junior Subordinate Obligations and any other obligations secured by Pledged Revenue under the Trust Agreement (for purposes of this definition of "Debt Service," all such obligations are herein collectively referred to as "Obligations"), means, as of any date of calculation and with respect to any Borrower Fiscal Year, the sum of (a) the interest becoming due and payable on such Obligations during such Borrower Fiscal Year and (b) the principal or Mandatory Sinking Account Payments (as defined in the Trust Agreement) required with respect to such Obligations during such Borrower Fiscal Year; computed on the assumption that no portion of such Obligations shall cease to be outstanding during such Borrower Fiscal Year except by reason of the application of such scheduled payments; provided, however, that for purposes of such computation:

(i) Excluded Principal Payments (as defined in the Trust Agreement) (and the interest related thereto provided such interest is being paid from the same source as the Excluded Principal Payments) shall be excluded from such calculation and Assumed Debt Service (as defined in the Trust Agreement) shall be included in such calculation;

(ii) in determining the principal amount due in each Borrower Fiscal Year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made in accordance with any amortization schedule established for such Obligations, including any Mandatory Sinking Account Payments or any scheduled redemption or payment of Obligations on the basis of Accreted Value (as defined in the Trust Agreement), and for such purpose, the redemption payment or payment of Accreted Value shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Bond (as defined in the Trust Agreement);

(iii) if any Obligations bear, or if any Obligations proposed to be issued will bear, interest at a variable interest rate, including but not limited to commercial paper, for which an Interest Rate Swap Agreement is not in place and the interest on which is intended to be excluded from gross income for federal income tax purposes, the interest rate on such Obligations for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to the Maximum Interest Rate;

(iv) if any Obligations bear, or if any Obligations proposed to be issued will bear, interest at a variable interest rate, including but not limited to commercial paper, for which an Interest Rate Swap Agreement is not in place and the interest on which is intended to be included in gross income for federal income tax purposes, the interest rate on such Obligations shall be calculated at an interest rate equal to the Maximum Interest Rate;

(v) with respect to any Obligations bearing interest, or expected to bear interest, at a variable interest rate for which an Interest Rate Swap Agreement is in place providing for a fixed rate of interest to maturity or for a specific term with respect to such Obligations, the interest rate

on such Obligations shall be assumed to be the synthetic fixed interest rate specified in such Interest Rate Swap Agreement for such term; provided that if, pursuant to a Certificate of the Borrower filed with the Trustee in connection with the issuance of an additional series of Obligations or any calculation of the Reserve Requirement (as defined in the Trust Agreement), the sum of (i) interest payable on such Obligations, plus (ii) amounts payable by the Borrower under such Interest Rate Swap Agreement, less (iii) amounts receivable by the Borrower under such Interest Rate Swap Agreement, is expected to be greater than the interest payable on the obligations to which such Interest Rate Swap Agreement relates (i.e., if such Interest Rate Swap Agreement is an "off-market" Interest Rate Swap Agreement), then, in such instance, such excess amounts expected to be payable by the Borrower under such Interest Rate Swap Agreement or in connection with such Obligations shall be included in the calculation of Debt Service;

(vi) with respect to any Obligations bearing interest, or expected to bear interest, at a fixed interest rate for which an Interest Rate Swap Agreement is in place providing for a net variable interest rate with respect to such Obligations for a specific term, the interest rate on such Obligations shall be assumed to be equal for such term to the sum of (i) the fixed interest rate or rates to be paid on the Obligations, minus (ii) the fixed interest rate receivable by the Borrower under such Interest Rate Swap Agreement, plus (iii) the Maximum Interest Rate;

(vii) if any Obligations feature an option on the part of the owners or an obligation under the terms of such Obligations, to tender all or a portion of such Obligations to the Borrower, the Trustee or other fiduciary or agent, and requires that such Obligations or portion thereof be purchased if properly presented, then for purposes of determining the amounts of principal and interest due in any Borrower Fiscal Year on such Obligations, the options or obligations of the owners of such Obligations to tender the same for purchase or payment prior to the stated maturity or maturities shall be ignored and not treated as a principal maturity;

(viii) principal and interest payments on Obligations shall be excluded to the extent such payments are to be paid from Pledged Revenues then held on deposit by the Trustee or from other amounts on deposit with the Trustee or other fiduciary in escrow specifically therefor and interest payments shall be excluded to the extent that such interest payments are to be paid from the proceeds of Obligations held by the Trustee or other fiduciary as capitalized interest specifically to pay such interest;

(ix) with respect to Obligations bearing interest that is subject to a federal subsidy and such subsidy is not included as Pledged Revenues but instead is applied directly to offset the interest due on such Obligations, the interest rate on such Obligations shall be assumed to be the rate net of such subsidy; provided, however, that if the amount of the federal subsidy is reduced, the interest rate on such Obligations shall be assumed to be the rate net of the subsidy taking into account such reduction, and if the amount of the federal subsidy is eliminated, the interest rate on such Obligations shall be assumed to be the actual interest rate such Obligations bear, without adjustment; and

(x) if the Obligations are Paired Obligations (as defined in the Trust Agreement), the interest rate on such Obligations shall be the resulting linked rate or effective fixed interest rate to be paid by the Borrower with respect to such Paired Obligations.

“**Default Rate**” has the meaning set forth in Section 6.

“**Design-Build Contract**” means the Design-Build Contract relating to the Project, as it may be amended or supplemented from time to time, to be entered into between the Borrower and the Design-Build Contractor.

“**Design-Build Contractor**” means the contractor who both designs and constructs the Project as selected by the Borrower.

“**Development Default**” has the meaning set forth in Section 15(f).

“**Effective Date**” means February 20, 2014, the date of this Agreement.

“**Eligible Project Costs**” means amounts identified as Eligible Project Costs in the Project Budget attached to this Agreement as Schedule I, substantially all of which are paid by or for the account of the Borrower in connection with the Project, all of which shall arise from the following:

(a) development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;

(b) construction, reconstruction, rehabilitation, replacement, and acquisition of real property (including land related to the Project and improvements to land), environmental mitigation, construction contingencies, and acquisition of equipment; or

(c) capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction;

provided, however, that Eligible Project Costs must be consistent with 23 U.S.C. § 601 *et seq.*, 49 U.S.C. § 5302(3), the Standard Cost Categories (SCC) described in Schedule II, and all other applicable federal law.

“**Event of Default**” has the meaning set forth in Section 18.

“**Fees and Expenses**” means those fees and expenses payable from the Fees and Expenses Fund in accordance with Sections 5.02(A)(5) and 5.07 of the Trust Agreement.

“**Fees and Expenses Fund**” means the fund of that name established and created under the Trust Agreement.

“**FFY**” means a federal fiscal year, which begins October 1 and ends September 30 of the subsequent calendar year.

“**FHWA**” means the Federal Highway Administration, an agency of USDOT.

“**Final Maturity Date**” means June 1, 2036.



**"Financial Plan"** means (a) the financial plan to be delivered within sixty (60) days after the Effective Date in accordance with Section 20(a) and (b) any updates thereto required pursuant to Section 20(a).

**"Financial Statements"** has the meaning set forth in Section 13(s).

**"FTA"** means FTA as defined in the recitals hereto.

**"FTA Project Management Oversight Regulations"** means the FTA Project Management Oversight regulations, the requirements and conditions set forth in 49 U.S.C. § 5327 and in 49 C.F.R. Part 633 for project management oversight procedures.

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

**"Full Funding Grant Agreement"** means Grant Agreement Number CA-03-0825, relating to the Project, entered into as of February 20, 2014, by and between the FTA and the Borrower.

**"GAAP"** means generally accepted accounting principles for state and local governments, which are the uniform minimum standards of and guidelines for financial accounting and reporting prescribed by the Governmental Accounting Standards Board.

**"Government"** means the United States of America and its departments and agencies.

**"Government Obligations"** means (a) direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the Government, (b) bonds, debentures or notes issued by any of the following federal agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association or Federal Land Banks, (c) obligations issued or guaranteed by an agency of the United States of America or Person controlled or supervised by and acting as an instrumentality of the United States of America pursuant to authority granted by the Congress, and (d) evidences of ownership of proportionate interests in future interest or principal payments on obligations specified in clauses (a), (b) and (c) of this definition held by a bank or trust company as custodian and which underlying obligations are not available to satisfy any claim of the custodian or any Person claiming through the custodian or to whom the custodian may be obligated.

**"Governmental Approval"** means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority.

**"Governmental Authority"** means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including, without limitation, the State and its counties and municipalities, and their

respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts "on behalf of" any of the foregoing.

**"Insolvency Laws"** means the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership or similar law now or hereafter in effect.

**"Interest Rate Swap Agreement"** means an interest rate swap, cap, collar, option, floor, forward, derivative, or other hedging agreement, arrangement or security, however denominated, entered into between the Borrower and a Counterparty, in connection with or incidental to, the issuance or carrying of Bonds and Subordinate Obligations, including, without limitation, an interest rate swap, cap, collar, option, floor, forward, derivative, or other hedging agreement, arrangement or security entered into in advance of the issuance of Bonds and Subordinate Obligations and designated by the Borrower in a Certificate or Supplemental Trust Agreement as a Parity Obligation or a Subordinate Obligation; provided, however, that the notional amount of any such Interest Rate Swap Agreement shall not be greater than, or lesser than, the outstanding principal amount of any Bonds and/or Subordinate Obligations covered by such Interest Rate Swap Agreement.

**"Junior Subordinate Obligations"** means the TIFIA Bond and any other Bonds of the Borrower issued or incurred in accordance with Section 3.07 of the Trust Agreement and secured by a lien and charge on Pledged Revenues that is (a) subordinate to the liens and charges on Pledged Revenues that secure the Senior Obligations, the Subordinate Obligations and the obligation to pay Fees and Expenses, but is (b) senior to the lien and charge on Pledged Revenues that secure Swap Termination Payments.

**"Junior Subordinate Obligations Fund"** means the fund of that name established and created pursuant to the Trust Agreement.

**"Junior Subordinate Obligation Holder,"** whenever used herein with respect to Junior Subordinate Obligations, means the person in whose name such Junior Subordinate Obligation is registered.

**"Levels of Service"** means the hours of operation for the Project at the Revenue Service Date. At the Revenue Service Date, the hours of operation of the Project will be 5:00 a.m. to 12:00 a.m. (midnight) Sunday through Saturday using three car trains consists the peak period. The service headways will be 2.5 minutes during peak periods and 5 minutes during off-peak periods.

**"Lien"** means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement of any kind or nature whatsoever, including, without limitation, any sale-leaseback arrangement, any conditional sale or other title retention agreement, any financing lease having substantially the same effect as any of the foregoing, and the filing of any financing statement or similar instrument under applicable law.

**"Liquidity Facility"** means, with respect to a series of Bonds or Subordinate Obligations, a line of credit, letter of credit, standby purchase agreement or similar liquidity facility securing

or guaranteeing the payment of purchase price of such series of Bonds or Subordinate Obligations and issued by a commercial bank, insurance company, pension fund or other financial institution, and delivered or made available to the Trustee, as from time to time supplemented or amended pursuant to its terms.

**"Liquidity Facility Bonds"** means any Bonds or Subordinate Obligations purchased with moneys drawn under (or otherwise obtained pursuant to the terms of) a Liquidity Facility, but excluding any Bonds or Subordinate Obligations no longer considered to be Liquidity Facility Bonds in accordance with the terms of the applicable Liquidity Facility.

**"Liquidity Facility Rate"** means, with respect to a series of Bonds or Subordinate Obligations, the interest rate per annum, if any, specified as applicable to Liquidity Facility Bonds in the Liquidity Facility delivered in connection with such series of Bonds or Subordinate Obligations, provided that such rate shall not exceed the maximum fixed rate set forth in the Liquidity Facility.

**"Liquidity Provider"** means, with respect to a series of Bonds or Subordinate Obligations, the commercial bank, insurance company, pension fund or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Liquidity Facility then in effect with respect to such series of Bonds or Subordinate Obligations.

**"Loan Amortization Schedule"** means the Loan Amortization Schedule attached as Appendix Two to the TIFIA Bond delivered pursuant to Section 9(f), as amended from time to time in accordance with Section 7 and Section 9.

**"Local Return"** means 15% of the Measure R Sales Tax (net of refunds and the administrative fee of the State Board of Equalization and net of the Borrower's administrative costs permitted under the Ordinance), which 15% is, under the Ordinance, allocated to local jurisdictions for street improvements and transit purposes.

**"Material Adverse Effect"** means (a) a material adverse change in (i) the Project or the business, property or financial condition of the Borrower, (ii) the Pledged Revenues, (iii) the ability of the Borrower to perform or comply with any of its material obligations under this Agreement, the TIFIA Bond or any Related Documents to which it is a party, (iv) the validity, perfection or priority of the TIFIA Lien on the Pledged Revenues, or (v) the TIFIA Lender's rights or remedies available under this Agreement, the TIFIA Bond or the Trust Agreement; provided, however, that no such material adverse change shall be deemed to occur as a result of the Borrower's issuance of additional Permitted Indebtedness pursuant to Section 15(b); or (b) the occurrence and continuance of an uncured and unwaived default by the Design Build Contractor under the Design-Build Contract.

**"Maximum Interest Rate"** means, (a) with respect to all Bonds and Subordinate Obligations other than Bonds and Subordinate Obligations supported by a Liquidity Facility, the lesser of (i) 12% per annum and (ii) the maximum rate of interest that may legally be paid on the Bonds and Subordinate Obligations, from time to time, and (b) with respect to Bonds or Subordinate Obligations supported by a Liquidity Facility, the maximum fixed rate of interest

that may be paid from time to time on such Bonds or Subordinate Obligations as set forth in such Liquidity Facility or other agreement between the Borrower and the related Liquidity Provider.

**"Measure R Sales Tax"** means the retail transactions and use tax imposed by the Ordinance and approved by a vote of more than two-thirds of the electors of the County of Los Angeles at an election held November 4, 2008.

**"Misrepresentation Default"** has the meaning set forth in Section 18(a)(v)(B).

**"Nationally Recognized Rating Agency"** means Standard & Poor's Financial Services LLC, Moody's Investors Services, Inc., Fitch Ratings or any other nationally recognized statistical rating organization identified as such by the Securities and Exchange Commission.

**"Obligations"** has the meaning set forth in the definition of Debt Service.

**"OFAC"** means the Office of Foreign Assets Control of the United States Department of the Treasury and its successors.

**"Ordinance"** means Ordinance No. 08-01 adopted by the Borrower on July 24, 2008, and any amendments or extensions thereto, together with any future ordinance that is duly adopted pursuant to applicable law from time to time and that is designated as the "Ordinance" hereunder, as such future ordinance may be amended or extended pursuant to applicable law.

**"Other Loan Documents"** has the meaning set forth in Section 18(a)(v)(B).

**"Other Material Indebtedness"** has the meaning set forth in Section 18(a)(v)(B).

**"Outstanding TIFIA Loan Balance"** means the aggregate principal amount drawn by the Borrower and then outstanding (including capitalized interest) with respect to the TIFIA Loan, as determined in accordance with Section 7.

**"Parity Obligations"** means (i) any indebtedness, installment sale obligation, lease obligation or other obligations of the Borrower for borrowed money or (ii) any Interest Rate Swap Agreement (excluding fees and expenses and Swap Termination Payments on Interest Rate Swap Agreements, which fees and expenses and Swap Termination Payments shall be secured by a lien and charge on the Pledged Revenues subordinate to the lien and charge upon Pledged Revenues that secures the Senior Obligations and payment of principal of and interest on any Subordinate Obligations and which Swap Termination Payments shall be secured by a lien and charge on the Pledged Revenues subordinate to the lien and charge upon Pledged Revenues that secures Junior Subordinate Obligations) entered into in connection with a series of Senior Bonds, in each case having an equal lien and charge upon the Pledged Revenues and therefore being payable on a parity with the Senior Bonds to which such Interest Rate Swap Agreement relates (whether or not any Senior Bonds are outstanding).

**"Patriot Act"** means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, and all regulations promulgated thereunder.

**“Payment Date”** means each Semi-Annual Payment Date.

**“Payment Default”** has the meaning set forth in Section 18(a)(i).

**“Payment Period”** means any period of six months that ends on a Semi-Annual Payment Date, commencing with the six-month period ending on the TIFIA Debt Service Payment Commencement Date.

**“Permitted Indebtedness”** means (a) any bond, note, certificate, warrant, lease, contract or other financial obligation or security of the Borrower that is not secured, in whole or in part, by Pledged Revenues, and (b) the following obligations that are secured by Pledged Revenues:

- (i) Series 2010 Bonds outstanding as of the Effective Date;
- (ii) any additional Bonds, Parity Obligations or Subordinate Obligations issued in accordance with Sections 3.02, 3.04, 3.05, 3.06 or 3.07 of the Trust Agreement and issued in compliance with the limitations in Section 15(b) of this Agreement; and
- (iii) the TIFIA Loan, as evidenced by the TIFIA Bond.

**“Permitted Investments”** means:

- (a) Government Obligations;
- (b) certificates of deposit where the certificates are collaterally secured by securities of the type described in item (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, but this collateral is not required to the extent the certificates of deposit are insured by an agency of the Government;
- (c) repurchase agreements when collateralized by securities of the type described in item (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the repurchase agreement so collateralized, including interest;
- (d) money market funds that invest solely in obligations of the United States, its agencies and instrumentalities, and having a rating, at the time such agreement or contract is entered into, in one of the two (2) highest rating categories for comparable types of obligations by any Nationally Recognized Rating Agency; and
- (e) collateralized investment agreement or other contractual agreements with corporations, financial institutions or national associations within the United States, provided that the senior long-term debt of such corporations, institutions or associations is rated, at the time such agreement or contract is entered into, in one of the two (2) highest rating categories for comparable types of obligations by any Nationally Recognized Rating Agency.

**“Permitted Liens”** means (a) Liens permitted under the terms of the TIFIA Loan Documents, (b) Liens imposed by law for taxes, assessments or governmental charges that are not yet due or are being contested in compliance with Section 15(v), (c) judgment liens in respect

of judgments that do not constitute an Event of Default under Section 18(a)(vi), (d) any right of title retention in connection with the acquisition of assets in the ordinary course of business, (e) licenses or sublicenses of intellectual property granted in the ordinary course of business, and (f) Liens on the proceeds of the Full Funding Grant Agreement securing grant anticipation notes and other obligations issued by the Borrower but in principal amounts not exceeding the full amount of the Full Funding Grant Agreement minus the funds received thereunder at the time of the issuance of such obligations.

**“Person”** means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority.

**“Pledged Revenues”** means (a) all Pledged Tax Revenues and (b) all Swap Revenues; provided, however, that after making the required monthly deposits of Pledged Revenues from the Revenue Fund pursuant to Section 5.02 of the Trust Agreement, any remaining amounts transferred to the Borrower pursuant to Section 5.02(B) of the Trust Agreement, shall be released from the lien of the Trust Agreement and shall no longer constitute Pledged Revenues under the Trust Agreement.

**“Pledged Tax Revenues”** means the amounts collected on account of the Measure R Sales Tax, (a) less any refunds and the administrative fee deducted by the State Board of Equalization and (b) less the Local Return.

**“Principal Project Contracts”** means the Design-Build Contract.

**“Project”** means the Regional Connector Transit Corridor Project, which will consist of the design and construction of a 1.9-mile double track light rail transit line in downtown Los Angeles with three new stations. The Project will create an underground trunk line, connecting the existing Metro Gold Line, Metro Blue Line, and Metro Exposition Line light rail transit (LRT) systems through downtown Los Angeles. The existing Gold Line operates through north downtown, in the Little Tokyo area, and the existing Blue and Exposition Lines converge and terminate in south downtown, at the existing 7th/Metro underground Station. There is no LRT service through downtown. The Project trunk line will reconfigure the regional LRT systems, creating one North/South line, from Long Beach to Azusa, and one East/West line, from Santa Monica to East Los Angeles. Both lines will operate in a single trunk through downtown, and split in north downtown. The Project will start at the existing 7th/Metro Station and then extend the trunk north to 2nd Street and Hope Street. The alignment will then turn east, travelling under 2nd Street to Central Avenue. The tracks will cross under the intersection of 1st Street and Alameda Street into a new underground rail junction, splitting the single trunk into two sets of tracks. Following the junction, one set of tracks will proceed north, adjacent to Alameda Street, and one set will proceed east, beneath 1st Street. The north set of tracks will connect to existing Gold Line tracks to Union Station. The set will emerge from the tunnel and transition to an existing Gold Line aerial structure in a Los Angeles Department of Water and Power (DWP) maintenance yard. The east set of tracks will connect to existing Gold Line tracks to East Los Angeles, emerging through a portal in 1st Street, near Hewitt Street, and connect to existing at-grade Gold Line tracks. The Project will include three new underground stations: 2nd/Hope, 2nd/Broadway, and 1st/Central Avenue. The Borrower will acquire four LRT vehicles for the

Project. The Project will also include train control and signals, traffic controls, communications, traction power supply and distribution, and fare collection systems and equipment. The Project schedule includes split pre-revenue operations, testing, and startup of East/West and North/South service. The East/West portion of the reconfigured LRT system, connecting the former Exposition Line and former Gold Line to Pico/Aliso station, will open first in December 2020. The North/South portion, connecting the former Blue Line and former Gold Line to Union Station, will open later in May 2021.

**“Project Budget”** means the budget for the Project in the aggregate amount of \$1,399,470,333 attached to this Agreement as **Schedule I** showing a summary of all Eligible Project Costs by Standard Cost Category and the estimated sources and uses of funds for the Project, as amended from time to time with the approval of the TIFIA Lender.

**“Project Costs”** means the (a) costs paid or incurred (to the extent paid, such costs shall be reimbursed to the Person who paid such costs) or to be paid or incurred by the Borrower in connection with or incidental to the acquisition, design, construction rehabilitation, equipping, operations and maintenance of the Project, including legal, administrative, engineering, planning, design, insurance, due diligence development and financing costs; (b) payments when due (whether at the maturity of principal, the due date of interest, or upon optional prepayment) on any indebtedness of the Borrower incurred for the Project; (c) costs of equipment and supplies and initial working capital and reserves required by the Borrower for the commencement of operation of the Project, including general administrative expenses and overhead of the Borrower other than to the extent such amounts constitute direct or indirect costs unallowable to the Borrower under 49 C.F.R. Part 18 and its contractors under 18 C.F.R. Part 31; and (d) repayments of obligations incurred by the Borrower, the proceeds of which were used to pay items (a) through (c) of this definition.

**“Projected TIFIA Pledged Revenues”** means TIFIA Pledged Revenues in each Borrower Fiscal Year that Debt Service is payable on any outstanding Bonds and Subordinate Obligations; provided, that future TIFIA Pledged Revenues are calculated in each Borrower Fiscal Year using the greater of: (a) Measure R Sales Tax receipts for the most recently completed Borrower 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 Borrower Fiscal Years, or (b) the amount of Measure R Sales Tax receipts during 12 consecutive calendar months specified by the Borrower within the most recent 18 calendar months immediately preceding the date of calculation, and deducting from such Measure R Sales Tax receipts, (x) any refunds and the administrative fee deducted by the State Board of Equalization, (y) the Local Return, and (z) any Pledged Revenues required to pay Debt Service on Senior Bonds, Subordinate Obligations and fees and expenses required to be paid from amounts in the Fees and Expenses Fund; provided, however, that with respect to the issuance of any additional Bonds or Subordinate Obligations pursuant to Section 15(b), the calculation of Projected TIFIA Pledged Revenues under (a) and (b) above shall be adjusted to reflect the amount of TIFIA Pledged Revenues that would have been available to pay TIFIA Debt Service on the TIFIA Bond and Debt Service on all other Junior Subordinate Obligations to be outstanding after payment of Debt Service on all Bonds and Subordinate Obligations issued under the Trust Agreement which are required by the Trust Agreement to be paid prior to Debt Service on Junior Subordinate Obligations, including Debt Service on the additional Bonds or Subordinate Obligations proposed to be issued, as if

such additional Bonds and Subordinate Obligations had been outstanding during said periods; and provided, further, that if there are not at least such five prior years of Measure R Sales Tax receipts, then the Borrower shall instead use Proposition A Sales Tax receipts for such prior five years in place of Measure R Sales Tax receipts, in the calculation of Projected TIFIA Pledged Revenues.

**“Proposition A Sales Tax”** means the retail and transactions and use tax imposed by Ordinance No. 16 of the Los Angeles County Transportation Commission and approved by the electors of the County of Los Angeles at an election held November 4, 1980.

**“Rating Category”** or **“Categories”** means one of the generic rating categories of a Nationally Recognized Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

**“Record of Decision”** means, collectively, the Records of Decision issued by FTA on June 29, 2012 and the Approval of Project for Future Consideration of Funding issued by the State on June 27, 2012.

**“Related Documents”** means the TIFIA Loan Documents, the Principal Project Contracts, the Crenshaw Loan Agreement, the Crenshaw Direct Agreement, the Crenshaw Funding Agreement and the Borrower’s Sales Tax Administration Agreement with the State Board of Equalization.

**“Revenue Fund”** means the fund of that name established and created pursuant to the Trust Agreement.

**“Revenue Service Date”** means May 29, 2021.

**“Secretary”** means the United States Secretary of Transportation.

**“Semi-Annual Payment Date”** means each June 1 and December 1 or if such day is not a Business Day, then the Business Day immediately succeeding such June 1 or December 1.

**“Senior Bonds”** means the Series 2010 Bonds and any indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes and other obligations issued under the provisions of Article III of the Trust Agreement payable from and secured by Pledged Revenues on a parity with the Series 2010 Bonds, but shall not include any Subordinate Obligations or Junior Subordinate Obligations incurred by the Borrower as permitted by Sections 3.05(D), 3.05(F) or 3.05(G).

**“Senior Obligations”** means, collectively, Senior Bonds and Parity Obligations.

**“Series 2010 Bonds”** means the Borrower’s Measure R Senior Sales Tax Revenue Bonds, Series 2010-A and Series 2010-B, issued and outstanding under the Trust Agreement.

**“Servicer”** means such entity or entities as the TIFIA Lender shall designate from time to time to perform, or assist the TIFIA Lender in performing, certain duties hereunder.



“**Standard Cost Category**” means each of the categories set forth on **Schedule II** hereto.

“**State**” means the State of California.

“**State Board of Equalization**” means the California State Board of Equalization, which collects the Measure R Sales Tax.

“**Subordinate Obligations**” means any obligations of the Borrower issued or incurred as Subordinate Obligations under the Trust Agreement, and secured, in one or more tiers, by a lien and charge on Pledged Revenues subordinate to the lien and charge on Pledged Revenues that secures Senior Bonds and Parity Obligations and senior to the lien and charge on Pledged Revenues that secures the Junior Subordinate Obligations.

“**Substantial Completion**” means the opening of the Project to passenger traffic.

“**Substantial Completion Date**” means the date upon which the Project has achieved Substantial Completion, as such date may be revised in accordance with Section 20(c).

“**Supplemental Trust Agreement**” means any supplemental trust agreement hereafter duly executed and delivered, supplementing, modifying or amending the Trust Agreement, but only if and to the extent that such supplemental trust agreement is authorized specifically under the Trust Agreement.

“**Swap Revenues**” means all regularly-scheduled amounts (but not Swap Termination Payments) owed or paid to the Borrower by any counterparty under any Interest Rate Swap Agreement after offset for the regularly-scheduled amounts (but not Swap Termination Payments) owed or paid by the Borrower to such counterparty under such Interest Rate Swap Agreement.

“**Swap Termination Payments**” means the aggregate amount payable to the Counterparty by the Borrower upon the termination prior to stated maturity of all or a portion of the Interest Rate Swap Agreement, net of all amounts payable to the Borrower by such Counterparty upon early unwind of all or a portion of such Interest Rate Swap Agreement. For the avoidance of doubt, all calculations of such amounts payable under the Interest Rate Swap Agreements shall be made in accordance with the terms of the applicable Interest Rate Swap Agreement.

“**TIFIA Bond**” means the Bond issued by the Borrower to the TIFIA Lender pursuant to the Trust Agreement, in substantially the form of **Exhibit A**, to evidence and secure the payment obligations of the Borrower on the TIFIA Loan, which constitutes a Junior Subordinate Obligation for purposes of the Trust Agreement.

“**TIFIA Debt Service**” means, with respect to any Payment Date occurring on or after the TIFIA Debt Service Payment Commencement Date, the principal and/or interest required to be paid on the TIFIA Loan on such Payment Date in accordance with the provisions of Section 9, as shown on Exhibit F.

**"TIFIA Debt Service Account"** means the debt service account established and created under the Junior Subordinate Obligations Fund pursuant to the Trust Agreement.

**"TIFIA Debt Service Coverage Ratio"** means the ratio, computed for each Borrower Fiscal Year commencing with the Borrower Fiscal Year ending after the Effective Date and ending on the last Borrower Fiscal Year in which the TIFIA Bond is outstanding or is scheduled to be outstanding, of (a) Projected TIFIA Pledged Revenues which would be available to be transferred by the Trustee pursuant to the terms of the Trust Agreement for deposit into the Junior Subordinate Obligations Fund, to (b) Debt Service on all Junior Subordinate Obligations outstanding or scheduled to be outstanding.

**"TIFIA Debt Service Payment Commencement Date"** means December 1, 2019, or if such date is not a Business Day, then the Business Day immediately succeeding such date.

**"TIFIA Debt Service Reserve Account"** means the debt service reserve account established and created under the Junior Subordinate Obligations Fund pursuant to the Trust Agreement.

**"TIFIA Debt Service Reserve Required Balance"** means five percent (5%) of the principal amount of the TIFIA Loan at any time outstanding, which shall be funded, at the Borrower's discretion, through semi-annual or annual payments by the Borrower from the Pledged Revenues on deposit in the Revenue Fund pursuant to the Trust Agreement; provided, however, that, initially, the TIFIA Debt Service Reserve Account must be fully funded at the TIFIA Debt Service Reserve Required Balance prior to the TIFIA Debt Service Payment Commencement Date and the TIFIA Debt Service Reserve Account must be fully funded at the TIFIA Debt Service Reserve Required Balance on or before each subsequent Payment Date.

**"TIFIA Fees and Expense Account"** means the TIFIA Fees and Expense Account established and created under the Junior Subordinate Obligation Fund pursuant to the Trust Agreement.

**"TIFIA Lender"** means USDOT, acting by and through the Administrator, and its successors and assigns, which shall be a Junior Subordinate Obligation Holder of the TIFIA Bond for purposes of the Trust Agreement.

**"TIFIA Lender's Authorized Representative"** means any Person who shall be designated as such pursuant to Section 25, including the Administrator.

**"TIFIA Lien"** means the right, pledge, charge, preference and priority with respect to Pledged Revenues granted by the Borrower under the Trust Agreement to secure the TIFIA Bond and the TIFIA Loan and created without physical delivery, filing or any other act.

**"TIFIA Loan"** means the secured loan made by the TIFIA Lender to the Borrower hereunder, pursuant to the Act, in an aggregate principal amount not to exceed \$160,000,000 (excluding capitalized interest) to be used to pay Eligible Project Costs.

**"TIFIA Loan Documents"** means this Agreement, the TIFIA Bond, the Trust Agreement, the Full Funding Grant Agreement, and any and all other agreements, instruments,

government approvals or other documents evidencing, securing, governing or otherwise executed in connection with and effecting in any material respects the TIFIA Loan or the TIFIA Bond, including, without limitation all amendments and/or restatements of the foregoing.

**"TIFIA Pledged Revenues"** means all Pledged Revenues less (a) Debt Service and other amounts due and payable by the Borrower with respect to Senior Obligations and Subordinate Obligations outstanding under the Trust Agreement and (b) amounts required to be deposited in the Fees and Expenses Fund under the Trust Agreement, which amount remaining after (a) and (b) shall be available to pay Debt Service on all outstanding Junior Subordinate Obligations, including the TIFIA Bond.

**"Trust Agreement"** means the Amended and Restated Trust Agreement, dated as of February 1, 2014, between the Borrower and the Trustee, as amended and supplemented from time to time.

**"Trustee"** means U.S. Bank National Association, as trustee under the Trust Agreement, and any successor thereunder.

**"Uncontrollable Force"** means any cause beyond the control of the Borrower, including but not limited to: (a) a tornado, flood or similar occurrence, landslide, earthquake, fire or other casualty, strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, or sabotage; provided that the Borrower shall not be required to settle any strike or labor disturbance in which it may be involved or (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Borrower and the Borrower does not control the administrative agency or governmental officer or body; provided that the diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the Borrower.

**"USDOT"** has the meaning set forth in the preamble hereto.

**SECTION 2. Interpretation.** Unless the context shall otherwise require, the words "hereto", "herein", "hereof" and other words of similar import refer to this Agreement as a whole. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". Whenever the Borrower's knowledge is implicated in this Agreement or the phrase "to the Borrower's knowledge" or a similar phrase is used in this Agreement, the Borrower's knowledge or such phrase(s) shall be interpreted to mean to the best of the Borrower's knowledge after reasonable and diligent inquiry and investigation. Unless the context shall otherwise require, references to any Person shall be deemed to include such Person's successors and permitted assigns. Unless the context shall otherwise require, references to sections, subsections and provisions are to the applicable sections, subsections and provisions of this Agreement. The headings or titles of this Agreement and its sections, schedules or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or

limit its provisions. Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements to, or modifications or restatements or replacements of, such documents that are approved from time to time in accordance with the terms thereof and hereof. Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 35 and signed by a duly authorized representative of such party.

SECTION 3. TIFIA Loan Amount. The principal amount of the TIFIA Loan disbursed by the TIFIA Lender shall not exceed \$160,000,000; provided, however, in no event shall (a) the maximum principal amount of the TIFIA Loan disbursed by the TIFIA Lender, together with the amount of any other credit assistance provided under the Act, exceed 33% of Eligible Project Costs, or (b) the total federal funding for the Project, inclusive of the maximum principal amount of the TIFIA Loan and all federal direct and indirect grants, exceed eighty percent (80%) of the Eligible Project Costs. For the avoidance of doubt, in determining whether the TIFIA Loan complies with the limitations on principal amount in (a) and (b) above, the amount of any capitalized interest that is included in the principal amount of the TIFIA Loan shall be excluded from such calculation. TIFIA Loan proceeds shall be disbursed from time to time in accordance with Section 4.

SECTION 4. Disbursement Conditions. (a) TIFIA Loan proceeds shall be disbursed solely to pay directly for, or to reimburse the Borrower for the prior payment of, Eligible Project Costs incurred in connection with the Project. Such disbursements shall be made pursuant to requisitions in the form set forth in **Appendix One to Exhibit D** certified and submitted by the Borrower to, and approved by, the TIFIA Lender, all in accordance with the procedures of **Exhibit D** and subject to the conditions set forth therein and in Section 12 hereof, and the additional conditions set forth below in this Section 4. No disbursements of TIFIA Loan proceeds shall be made later than one year after the Substantial Completion Date.

(b) Copies of each requisition shall be delivered to the TIFIA Lender, the FHWA TIFIA Joint Program Office (HITJ), the Servicer, if applicable, the FTA Regional Office and its project management oversight contractor, if applicable, on or before the tenth day of each month, or the next succeeding Business Day if such tenth day is not a Business Day, in which a disbursement is requested. If the TIFIA Lender shall expressly approve such requisition or shall not expressly deny such requisition, disbursements of funds shall be made on the twenty-fifth (25<sup>th</sup>) day of the month or on the next succeeding Business Day if such twenty-fifth (25<sup>th</sup>) day is not a Business Day, in which a disbursement has been requested. Express TIFIA Lender approval or denial shall be substantially in the form annexed hereto as **Appendix Three to Exhibit D**. In no event shall disbursements be made more than once each month, nor shall at the time of any disbursement the sum of all prior disbursements of TIFIA Loan proceeds and the disbursement then to be made exceed the cumulative disbursements through the end of the then-current year set forth in the Anticipated TIFIA Loan Disbursement Schedule attached hereto as **Exhibit B**, as the same may be amended from time to time.

(c) The Borrower may amend the Anticipated TIFIA Loan Disbursement Schedule by submitting a revised version thereof to the TIFIA Lender and the FTA Regional Office, no later

than thirty (30) days prior to the proposed effective date thereof, together with a detailed explanation of the reasons for such revisions. Such revised Anticipated TIFIA Loan Disbursement Schedule shall become effective upon the TIFIA Lender's approval thereof, which approval shall not be unreasonably withheld.

(d) As a condition to each disbursement of the TIFIA Loan, the Borrower shall provide to the TIFIA Lender evidence satisfactory to the TIFIA Lender that prior thereto or simultaneously therewith, a disbursement of other proceeds has occurred such that as of any such TIFIA Loan disbursement, the maximum principal amount of the TIFIA Loan (including such disbursement) shall not exceed the limitations on principal amount set forth in clauses (a) and (b) of Section 3.

SECTION 5. Term. The term of the TIFIA Loan shall extend from the Effective Date to the Final Maturity Date or to such earlier or later date as all amounts due or to become due to the TIFIA Lender hereunder have been paid.

SECTION 6. Interest Rate. The interest rate on the TIFIA Loan shall be 3.50% per annum except that, upon the occurrence and during the continuance of a Payment Default, the interest rate with respect to any overdue principal amount of the TIFIA Bond and the TIFIA Loan shall bear interest at the foregoing rate plus 2.00% (the "Default Rate"). Upon the occurrence of an Event of Default described in Sections 18(a)(iii) or (ix), the interest rate on the Outstanding TIFIA Loan Balance shall be the Default Rate, as of the date of such Event of Default, and shall continue to bear interest at such rate until, with respect to (a) an Event of Default described in Section 18(a)(iii), the Event of Default has been cured and (b) an Event of Default described in Section 18(a)(ix), the TIFIA Loan has been paid in full. Interest (including interest at the Default Rate, if applicable) will be computed on the Outstanding TIFIA Loan Balance (as well as on any past due interest) from time to time on the basis of a 365-or 366-day year, as appropriate, for the actual number of days elapsed and will be compounded semi-annually.

SECTION 7. Outstanding TIFIA Loan Balance and Revisions to the Loan Amortization Schedule.

(a) The Outstanding TIFIA Loan Balance shall be (i) increased on each occasion on which the TIFIA Lender shall disburse loan funds hereunder, by the amount of such disbursement of loan funds, (ii) increased on each occasion on which interest on the TIFIA Loan is capitalized pursuant to the provisions of Section 9 hereof, by the amount of interest so capitalized, (iii) increased on each occasion on which interest on the TIFIA Loan is not paid when due by the Borrower, by the amount of interest not paid and (iv) decreased upon each payment or prepayment of the principal amount of the TIFIA Loan, by the amount of principal so paid. The TIFIA Lender may in its discretion at any time and from time to time or when so requested by the Borrower, advise the Borrower, by written notice of the amount of the Outstanding TIFIA Loan Balance as of the date of such notice, and its determination of such amount in any such notice shall be deemed conclusive absent manifest error. In the event that the Outstanding TIFIA Loan Balance differs from that in **Appendix One** and **Appendix Two** to **Exhibit A** and **Exhibit F**, the TIFIA Lender may make applicable revisions to the Loan Amortization Schedule, including increasing or decreasing the Loan Amortization Schedule in

proportion to the change in the Outstanding TIFIA Loan Balance, or any similar method. Upon any determination of the Outstanding TIFIA Loan Balance, the TIFIA Lender may, but shall not be obligated to, make applicable revisions to the Loan Amortization Schedule pursuant to Section 9 and in such event shall provide the Borrower with a copy of such Loan Amortization Schedule as revised, but no failure to provide or delay in providing the Borrower with such copy shall affect any of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents.

(b) The TIFIA Lender shall make applicable revisions to the Loan Amortization Schedule and **Exhibit F** pursuant to Section 9: (i) as of the TIFIA Debt Service Payment Commencement Date and (ii) upon any prepayment of the TIFIA Loan in accordance with Section 10. Any such adjustments or revisions to the Loan Amortization Schedule as a result of changes in the Outstanding TIFIA Loan Balance will be applied on a pro rata basis to future installments due on such TIFIA Loan and the TIFIA Bond. Upon any such revisions the TIFIA Lender shall provide the Borrower with a copy of such Loan Amortization Schedule and **Exhibit F** as revised, but no failure to provide or delay in providing the Borrower with such copy shall affect any of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents. The Loan Amortization Schedule, as of the date hereof, has been determined based on the Anticipated TIFIA Loan Disbursement Schedule in effect on the Effective Date.

**SECTION 8. Security and Priority; Flow of Funds.**

(a) As security for the TIFIA Loan and payment of the fees and expenses required to be made pursuant to Section 27, the Borrower shall pledge, assign and grant to the TIFIA Lender, under the Trust Agreement, the TIFIA Lien on the Pledged Revenues and all amounts held on deposit in the TIFIA Debt Service Account, TIFIA Debt Service Reserve Account and TIFIA Fees and Expense Account established under the Trust Agreement in accordance with the provisions of the Trust Agreement, which TIFIA Lien shall be (i) subordinate to the liens and charges on Pledged Revenues that secure the Senior Obligations, the Subordinate Obligations and the obligation to pay Fees and Expenses, (ii) on a parity to the liens and charges on Pledged Revenues that secure other Junior Subordinate Obligations, if any, and (iii) senior to all Swap Termination Payments.

(b) Except for (i) Permitted Liens or (ii) liens as may be entitled to priority as a matter of law, the TIFIA Pledged Revenues shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to or of equal rank with the lien on Pledged Revenues securing the TIFIA Loan and the TIFIA Bond created by the Trust Agreement, and all corporate action on the part of the Borrower or any other applicable entity to that end has been duly and validly taken.

(c) The Borrower agrees to pay the principal of and interest on the TIFIA Loan by making payments on the TIFIA Bond in accordance with the provisions therefor contained in this Agreement and in the Trust Agreement and the TIFIA Bond, on each Payment Date and on each other date (including, without limitation, the Final Maturity Date and any date on which payment thereof is due by reason of mandatory prepayment and redemption, or acceleration of the maturity, of the TIFIA Loan) on which payment thereof is required to be made hereunder.

(d) The Borrower shall not use, and shall not direct the Trustee to use, the Pledged Revenues to make any payments or satisfy any obligations other than in accordance with the provisions of this Agreement and the Trust Agreement, nor shall the Borrower apply, or direct the Trustee to apply, any portion of the Pledged Revenues in contravention of this Agreement or the Trust Agreement.

(e) Amounts on deposit in the TIFIA Debt Service Account, the TIFIA Debt Service Reserve Account and the TIFIA Fees and Expense Account shall be held uninvested or invested in Permitted Investments.

(f) **Appendix A** to this Agreement describes the order of priority for application of Pledged Revenues. Notwithstanding **Appendix A**, Swap Termination Payments, if any, will be subordinate to the TIFIA Lien and will be paid after TIFIA Debt Service.

#### SECTION 9. Payment Provisions.

(a) Payment of Principal and Interest. The Borrower agrees to pay, solely from Pledged Revenues, and shall cause the Trustee to pay, the principal of and interest on the TIFIA Loan by making payments on the TIFIA Bond in accordance with the provisions of this Agreement and the Trust Agreement on each Payment Date commencing on the TIFIA Debt Service Payment Commencement Date and on each other date (including, without limitation, the Final Maturity Date and any date on which payment thereof is due by reason of the mandatory prepayment and redemption, or acceleration of the maturity, of the TIFIA Loan) on which payment thereof is required to be made hereunder. Any payment of the TIFIA Bond shall be treated as a payment of the TIFIA Loan and any prepayment of the TIFIA Loan shall be treated as a redemption of the TIFIA Bond.

(b) Capitalized Interest Period. No payment of the principal of or interest on the TIFIA Loan is required to be made during the Capitalized Interest Period. On each Semi-Annual Payment Date, interest accrued in the six month period ending immediately prior to such date on the TIFIA Loan and not paid on such date shall be capitalized and added to the Outstanding TIFIA Loan Balance. Within thirty (30) days after the end of the period during which any interest payable on the TIFIA Loan, if not paid on such Semi-Annual Payment Date, is capitalized, the TIFIA Lender shall give written notice to the Borrower stating the Outstanding TIFIA Loan Balance as of such date, which statement thereof shall be deemed conclusive absent manifest error; provided, however, that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrower hereunder or under any of the other TIFIA Loan Documents.

(c) Payment of TIFIA Debt Service. On each Payment Date occurring on or after the TIFIA Debt Service Payment Commencement Date, the Borrower shall pay, or shall cause the Trustee to pay, solely from Pledged Revenues, TIFIA Debt Service in the amount required pursuant to **Exhibit F**. Such payments shall be made in accordance with this Section 9.

(d) Dates and Amounts of Payment. The Borrower agrees to pay, solely from Pledged Revenues, and shall cause the Trustee to make payments of, TIFIA Debt Service on each Payment Date commencing with the TIFIA Debt Service Payment Commencement Date

and on each other date (including, without limitation, the Final Maturity Date and any date on which payment thereof is due by reason of the mandatory prepayment and redemption, or acceleration of the maturity, of the TIFIA Loan) on which payment thereof is required to be made hereunder. The amount of TIFIA Debt Service due and payable on any Payment Date occurring during any Payment Period shall be equal to the aggregate amount of TIFIA Debt Service for such Payment Period as shown on **Exhibit F**, as the same may be revised as provided in Section 7(b).

(e) Manner of Payment. Payments under this Agreement and the TIFIA Bond shall be made by wire transfer on or before each date payment is due in immediately available funds in accordance with payment instructions provided by a TIFIA Lender's Authorized Representative pursuant to Section 35, as modified in writing from time-to-time by a TIFIA Lender's Authorized Representative.

(f) TIFIA Loan; Adjustments to Loan Amortization Schedule and Exhibit F. As evidence of the Borrower's obligation to repay the TIFIA Loan, the Borrower shall issue and deliver to the TIFIA Lender, on or prior to the Effective Date, a TIFIA Bond substantially in the form of **Exhibit A** hereto having a maximum principal amount of \$160,000,000 (subject to increase or decrease as herein provided) and bearing interest at the rate set forth in Section 6. The TIFIA Lender is hereby authorized to enter on the grid attached to such TIFIA Bond as **Appendix One** the amount of each disbursement made under this Agreement and to amend the Loan Amortization Schedule and **Exhibit F** from time to time to comply with the terms of payment of principal and interest set forth in this Agreement, including the application of capitalized interest as set forth in Section 9(b) and of partial prepayments as set forth in Section 10. Absent manifest error, the TIFIA Lender's determination of such matters as set forth on **Appendix One** to the TIFIA Bond, the Loan Amortization Schedule and **Exhibit F** shall be conclusive evidence thereof.

(g) Payment Obligations Limited to Pledged Revenues. Notwithstanding anything herein to the contrary, all obligations of the Borrower to pay TIFIA Debt Service or to make any other payments hereunder shall be limited in all cases to Pledged Revenues available under the Trust Agreement.

#### SECTION 10. Prepayment and Redemption.

(a) Optional Redemption. The Borrower may prepay the TIFIA Loan by causing the Trustee to optionally redeem the TIFIA Bond in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid shall be determined by the Borrower; provided, however, that such prepayments shall be in principal amounts of \$1,000,000 or any integral multiple of \$1 in excess thereof), at any time or from time to time, without penalty or premium, by paying to the TIFIA Lender such principal amount of the TIFIA Loan to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment. Each prepayment of the TIFIA Loan shall be made on such date and in such principal amount as shall be specified by the Borrower in a written notice delivered to the TIFIA Lender. In the case of any prepayment, such written notice shall be delivered to the TIFIA Lender not less than fifteen (15) days or more than thirty (30) days prior to the date set for prepayment.



(b) Extraordinary Mandatory Redemption. In the event the TIFIA Loan is accelerated in accordance with Section 18(f), the Borrower shall prepay the TIFIA Loan by causing the Trustee to redeem the TIFIA Bond, in whole. To the extent Pledged Revenues are not sufficient to repay the TIFIA Bond in whole, the TIFIA Bond shall be repaid with the last maturity to be redeemed first, until such time as the TIFIA Loan and the TIFIA Bond are no longer outstanding.

(c) General. Notice having been given as provided in Section 10(a), the principal amount of the TIFIA Loan and TIFIA Bond stated in such notice or the whole thereof, as the case may be, shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on the principal amount then being prepaid. The amount of principal and interest due and payable as a result of an optional redemption or extraordinary mandatory redemption shall be paid (i) in case the entire unpaid balance of the principal of the TIFIA Bond is to be prepaid, upon presentation and surrender of such TIFIA Bond evidencing the obligation to repay such TIFIA Loan to the Borrower or the Borrower Authorized Representative at the principal office of TIFIA Lender, and (ii) in case only part of the unpaid balance of principal of such TIFIA Bond is to be prepaid, the TIFIA Lender may make a notation on the TIFIA Bond indicating the amount of principal and interest on such TIFIA Bond then being prepaid. All such partial prepayments of principal shall be applied to future installments due on such TIFIA Bond to reduce any other installments of the principal due on the TIFIA Bond in the inverse order of maturity or as otherwise requested by the Borrower and agreed to by the TIFIA Lender, in its sole discretion, and the TIFIA Lender shall, and is hereby authorized by the Borrower, to make the appropriate notations thereof on **Appendix One** to such TIFIA Bond and to revise the Loan Amortization Schedule and **Exhibit F** in accordance herewith. Absent manifest error such TIFIA Lender notations and revisions shall be conclusive.

SECTION 11. Compliance with Laws. The Borrower agrees to comply with and to require its contractors and subcontractors at all tiers to comply with all applicable federal and State laws. The FTA Regional Office has oversight responsibility for ensuring compliance with all applicable provisions of federal transportation law for project oversight activities, including compliance with the terms of the Full Funding Grant Agreement and applicable federal law. The Borrower agrees to cooperate with the FTA Regional Office, its agents and representatives in carrying out their duties under this Agreement and the Full Funding Grant Agreement. The Borrower agrees that there will be no irreversible or irretrievable commitment of resources, including but not limited to physical construction, before all state and/or federal environmental permits required for commencement of construction are finalized and approved by the appropriate resource agencies. In the event that an environmental permit that has not been obtained is required after construction has begun, the Borrower agrees to take immediate steps to acquire that state and/or federal permit. If the Borrower fails to comply with the foregoing provisions of this Section 11, the Borrower shall assume the risk of any loss associated therewith.

SECTION 12. Conditions Precedent. (a) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective and the TIFIA Lender shall have no obligation to make the initial disbursement of proceeds of the TIFIA Loan to the Borrower until each of the following conditions precedent shall have been satisfied:

(i) The Borrower shall have duly executed and delivered to the TIFIA Lender (A) the TIFIA Bond, (B) certified copies of the Ordinance and all resolutions authorizing the Borrower to issue the TIFIA Bond and to enter into the Related Documents (in effect as of the Effective Date, other than the Design-Build Contract), each in form and substance satisfactory to the TIFIA Lender, and (C) such amendments to the Trust Agreement as the Borrower and the TIFIA Lender may mutually agree.

(ii) The Borrower's in-house counsel and outside counsel shall have rendered to the TIFIA Lender legal opinions (which shall be attached to this Agreement as **Exhibit G**) in form and substance satisfactory to the TIFIA Lender as to the enforceability and validity of its obligations set forth hereunder, in the Trust Agreement and in the TIFIA Bond, the grant, enforceability and lien status of the TIFIA Lien on the TIFIA Pledged Revenues, and other matters required by the TIFIA Lender.

(iii) The Borrower shall have certified as to the absence of debarment or suspension from participation in Government contracts and other matters substantially in the form attached hereto as **Exhibit C**.

(iv) The Borrower shall have provided to the TIFIA Lender and FTA satisfactory evidence of the Project's inclusion as a project by the Borrower in the metropolitan improvement plan and the metropolitan approved transportation improvement program, and by the State in the State transportation plan and the approved State transportation improvement program, in each case to the extent required by the Act.

(v) The Borrower shall have provided evidence of its compliance with 49 U.S.C. § 5333(b) and the regulations promulgated thereunder (such evidence being a certification letter from the Department of Labor acceptable to the FTA).

(vi) The Borrower shall have provided to the TIFIA Lender's satisfaction, not later than fourteen (14) days prior to the Effective Date, evidence of the assignment by at least two (2) Nationally Recognized Rating Agencies of a rating of "A-" or better to the TIFIA Loan.

(vii) The Borrower shall have provided evidence to the TIFIA Lender's satisfaction of its compliance with Section 603(b)(6)(B) of the Act, including that (A) the Borrower is a public agency, (B) the TIFIA Loan is rated "A-" or higher by a Nationally Recognized Rating Agency, and (C) the TIFIA Pledged Revenues are not affected by Project performance.

(viii) The Borrower shall have delivered to the TIFIA Lender a certificate designating the Borrower's Authorized Representative.

(ix) The Borrower shall have provided evidence satisfactory to the TIFIA Lender that all conditions contained in the Related Documents, in effect as of the Effective Date, to the closing of the transactions contemplated hereby and thereby shall have been fulfilled or effectively waived.

(x) The Borrower shall have delivered to the TIFIA Lender a certified Base Case Financial Model acceptable to the TIFIA Lender on or prior to the Effective Date demonstrating that the Projected TIFIA Pledged Revenues shall be sufficient to meet the Loan Amortization Schedule.

(xi) The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that the cash flow forecasted to be available under the Base Case Projections will be sufficient to complete the Project, repay the TIFIA Loan and the TIFIA Bond and satisfy the TIFIA Debt Service Coverage Ratio requirement set forth in Section 15(ff).

(xii) The Borrower shall have provided to the TIFIA Lender and to the FTA Regional Office (A) certified copies of the Related Documents (in effect as of the Effective Date, other than the Design-Build Contract, the Agreement and the TIFIA Bond) and such documents shall be in full force and effect and in form and substance satisfactory to the TIFIA Lender, and (B) solely with respect to the initial disbursement, a certified copy of the Design-Build Contract.

(xiii) At the Effective Date, the Borrower shall have provided to the TIFIA Lender all available evidence of funding commitments referenced in the Financial Plan and, prior to any draw on the TIFIA Loan, the Borrower shall have provided to the TIFIA Lender all reasonably available evidence of funding commitments referenced in the Financial Plan, as well as the status of any such funding commitments not yet received.

(xiv) The Borrower shall have delivered such other agreements, documents, instruments, opinions and other items reasonably required by the TIFIA Lender and FTA, all in form and substance satisfactory to the TIFIA Lender and FTA, including, but not limited to, evidence that all other Project funding requirements required to be made as of the date hereof have been met (including evidence of other funding sources or funding commitments).

(xv) The Record of Decision shall be in full force and effect and shall not have been withdrawn or materially amended.

(xvi) The Borrower shall have delivered a copy of the Record of Decision and any supplements thereto.

(xvii) As set forth on **Exhibit I** hereto, the Borrower shall have demonstrated to the TIFIA Lender's satisfaction and provided adequate evidence of all permits and Governmental Approvals that it has obtained as of the Effective Date, which are necessary to commence construction of the Project (other than those permits and Governmental Approvals that are to be obtained following the issuance of the notice to proceed by the Borrower to the Design-Build Contractor under the Design-Build Contract).

(xviii) The TIFIA Lender shall have delivered its initial TIFIA Lender's Authorized Representative Certificate; provided that the failure to deliver such certificate shall not impair the effectiveness of this Agreement or relieve the TIFIA Lender of its obligation to disburse loan funds hereunder.

(xix) The Borrower shall deliver true and correct copies of all insurance certificates associated with the Project.

(xx) The Borrower shall deliver a final anticipated draw schedule of all sources to fund the acquisition, construction, expansion and renovations of the Project.

(xxi) The Borrower shall have provided certified copies of all Principal Project Contracts and all Additional Project Contracts (including, in each case, any amendment, modification or supplement thereto), to the extent such contracts have been executed.

(xxii) The Borrower shall provide evidence of FTA's acceptance of a disadvantaged business enterprise goal, which includes contracting opportunities related to the Project and is in compliance with 49 C.F.R. Part 26.

(xxiii) The Borrower shall have obtained a Data Universal Number System number from the Federal System for Award Management (formerly the Central Contractor Registry) and a Federal Employer Identification Number.

(xxiv) The representations and warranties of the Borrower set forth in this Agreement (including Section 13) and in each other Related Document shall be true and correct, except to the extent such representations and warranties expressly relate to an earlier date, in which case, such representations and warranties shall be true and correct as of such earlier date.

(xxv) The Borrower shall provide evidence satisfactory to the TIFIA Lender that all conditions to the issuance of additional indebtedness contained in the Trust Agreement, the Crenshaw Loan Agreement, the Crenshaw Direct Agreement and the Crenshaw Funding Agreement, if any, shall have been satisfied with respect to the TIFIA Loan and the TIFIA Bond.

(b) Notwithstanding anything in this Agreement to the contrary, the TIFIA Lender shall have no obligation to make any disbursement of TIFIA Loan proceeds to the Borrower (including the initial disbursement hereunder) until each of the following conditions precedent shall have been satisfied:

(i) The Borrower shall have provided the Financial Plan, or the most recent update thereto, in each case in accordance with Section 20(a).

(ii) To the extent not previously delivered to the TIFIA Lender, the Borrower shall have provided certified copies of all available agreements related to the acquisition or control of any Project right-of-way to be acquired with the proceeds of the TIFIA Loan, all Principal Project Contracts and all Additional Project Contracts (including, in each case, any amendment, modification or supplement thereto).

(iii) The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that it has all permits and Governmental Approvals necessary as of the time of the applicable disbursement for the development, construction, operation and maintenance of the Project.

(iv) The insurance policies obtained by the Borrower in satisfaction of the condition in Section 12(a)(xviii) are in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.

(v) At the time of, and immediately after giving effect to, any disbursement of TIFIA Loan proceeds then currently requested, (A) no Event of Default or event of default under any other Related Document and (B) no event which with the giving of notice or the passage of time or both would constitute an Event of Default or event of default under any Related Document, in each case, shall have occurred and be continuing.

(vi) The representations and warranties of the Borrower set forth in this Agreement (including Section 13) and in each other Related Document shall be true and correct, except to the extent any representations and warranties expressly relate to an earlier date, in which case, such representations and warranties shall be true and correct as of such earlier date.

(vii) No Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, shall have occurred since the date the Borrower submitted the Application to the TIFIA Lender.

(viii) The Borrower shall have delivered to the TIFIA Lender a requisition that complies with the provisions of Section 4, and the TIFIA Lender shall have approved or deemed to have approved in accordance with Section 4(b) such requisition.

(ix) The Borrower shall have satisfied the conditions set forth in Section 4(d).

(x) The Borrower shall have delivered such other agreements, documents, certificates, instruments, opinions and other items required by the TIFIA Lender, all in form and substance satisfactory to the TIFIA Lender.

(xi) Solely with respect to any disbursement occurring on or after the TIFIA Debt Service Payment Commencement Date, the TIFIA Debt Service Reserve Account shall be funded in an amount equal to the TIFIA Debt Service Reserve Required Balance calculated as of the date of such disbursement or, if the date of such disbursement is not a Semi-Annual Payment Date, as of the immediately preceding Semi-Annual Payment Date.

SECTION 13. Representations and Warranties of the Borrower.

The Borrower hereby represents and warrants that (i) as of the Effective Date and (ii) as to each of the representations and warranties below (other than those contained in clauses (b) and (l) of this Section), as of each date on which any disbursement of the TIFIA Loan is made:

(a) The Borrower is duly organized and in good standing under the laws of the State of California. The Borrower has full legal right, power and authority to enter into each TIFIA Loan Document and each other Related Document (with respect to the Design-Build Contract only as of each date on which any disbursement of the TIFIA Loan is made) and to which it is a party and to carry out and consummate all transactions contemplated hereby and thereby and has

duly authorized the execution, delivery and performance of each TIFIA Loan Document and each other Related Document to which it is a party.

(b) As of the Effective Date, persons executing this Agreement and the other Related Documents (with respect to the Design-Build Contract only as of each date on which any disbursement of the TIFIA Loan is made), to which the Borrower is a party, on behalf of the Borrower, are or were duly and properly in office and fully authorized to execute the same on behalf of the Borrower.

(c) Each Related Document has been duly authorized, executed and delivered by the Borrower, constitutes the legal, valid and binding agreement of the Borrower enforceable in accordance with its terms and is in proper legal form under the laws of the State for the enforcement thereof against the Borrower under the laws of such State, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law), and is in full force and effect.

(d) Upon execution and delivery of this Agreement (A) no Event of Default or event of default under any other Related Document and (B) no event which with the giving of notice or the passage of time or both would constitute an Event of Default or event of default under any Related Document, in each case, shall have occurred and be continuing.

(e) The Borrower is a public agency established pursuant to California Public Utilities Code Section 130050.2 and has taken all necessary action authorizing it to execute, deliver and perform its obligations under the Related Documents.

(f) The execution and delivery by the Borrower of the Related Document (with respect to the Design-Build Contract only as of each date on which any disbursement of the TIFIA Loan is made) to which the Borrower is a party, the consummation of the transactions in the Related Documents (with respect to the Design-Build Contract only as of each date on which any disbursement of the TIFIA Loan is made) described and the fulfillment of or compliance with the terms and conditions hereof and thereof will not, in any material respect, conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) by the Borrower of any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or the Pledged Revenues or its other properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower. The Borrower is in material compliance with all laws applicable to the Borrower or its activities in connection with all Related Documents (with respect to the Design-Build Contract only as of each date on which any disbursement of the TIFIA Loan is made).

(g) No consent or approval of any trustee, holder of any indebtedness of the Borrower, or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the

execution and delivery by the Borrower of the Related Documents (with respect to the Design-Build Contract only as of each date on which any disbursement of the TIFIA Loan is made) to which the Borrower is a party, the consummation of any transaction herein and therein (with respect to the Design-Build Contract only as of each date on which any disbursement of the TIFIA Loan is made) described, or the fulfillment of or compliance with the terms and conditions by the Borrower hereof and therein (with respect to the Design-Build Contract only as of each date on which any disbursement of the TIFIA Loan is made), except as have been obtained or made and as are in full force and effect and excluding those which are necessary for a later stage of construction or operation of the Project.

(h) Except as disclosed on **Exhibit H** hereto, there is no action, suit, proceeding, inquiry or investigation, before or by any court or other Governmental Authority, pending, or to the knowledge of the Borrower after reasonable inquiry and investigation, threatened against or affecting the Borrower or the Pledged Revenues, assets, properties or operations of the Borrower which are likely to have a Material Adverse Effect. The Borrower is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any other Governmental Authority, which default would be reasonably likely to have a Material Adverse Effect.

(i) The Trust Agreement establishes for the benefit of the TIFIA Lender, as owner of the TIFIA Bond, the TIFIA Lien which it purports to create; such TIFIA Lien is in full force and effect and is not subordinate or junior to any other liens in respect of the Pledged Revenues except to the extent such other liens constitute Permitted Liens or are otherwise described in this Agreement and the Trust Agreement and to the extent entitled to priority as a matter of law, and the Borrower is not in breach of any covenants set forth in this Agreement or the Trust Agreement with respect thereto.

(j) The rights of the TIFIA Lender to be entitled to the rights of a Junior Subordinate Obligation Holder for all purposes under the Trust Agreement, all as set forth in Article VII of the Trust Agreement, are valid security rights of the TIFIA Lender as provided in the Trust Agreement, enforceable under State law without any further action by the Borrower or any other party.

(k) Neither the Borrower nor its principals (as defined in 2 C.F.R. § 180.995) is debarred or suspended from participation in Government contracts or delinquent on a Government debt as more fully set forth in the certificate delivered in substantially the form of **Exhibit C**.

(l) As of the Effective Date, the representations, warranties and certifications of the Borrower set forth in this Agreement and the other Related Documents and all information provided by the Borrower to the TIFIA Lender in the Application, when taken as a whole and after giving effect to any updates, remain true and accurate in all material respects.

(m) The Project has complied in all material respects with all applicable requirements of the National Environmental Policy Act of 1969 (42 U.S.C. § 4321 *et seq.*) and with respect to the Project, true and accurate copies of the final environmental impact statements (issued

pursuant to 42 U.S.C. § 4332(2)(C)), and the Record of Decision has been provided to the TIFIA Lender.

(n) The Project has been included in the metropolitan approved transportation improvement program of the Southern California Association of Governments, by the State in the State transportation plan and the approved State transportation improvement program, in each case to the extent required by 23 U.S.C. § 602(a)(3).

(o) All authorizations, consents, approvals, licenses, permits and reviews required as of the Effective Date for the commencement of construction of the Project (with respect to those permits and Governmental Approvals that are to be obtained following the issuance of the notice to proceed by the Borrower to the Design-Build Contractor under the Design-Build Contract, only as of each date on which any disbursement of the TIFIA Loan is made) have been obtained or effected and are in full force and effect, and there is no basis for the revocation of any such authorization, consent, commitments or approval and all additional authorizations, consents, approvals, licenses, permits and reviews which are necessary in connection with a later stage of construction or operation of the Project shall be timely obtained or effective.

(p) All Principal Project Contracts that have been executed and delivered are all in full force and effect, the Borrower is not in default under any of such agreements or contracts, and no third party to any of such agreements or contracts is in default thereunder. Based on the Design-Build Contract price, projected funding is sufficient to complete the Project.

(q) Each income statement, balance sheet and statements of operation, changes in member capital and cash flow (collectively, the "Financial Statements") delivered to the TIFIA Lender pursuant to Section 20(g) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of such Person as of the respective dates of the balance sheets included therein and the results of operations of such Person for the respective periods covered by the statements of income included therein. Except as reflected in such Financial Statements, there are no liabilities or obligations of such Person of any nature whatsoever for the period to which such Financial Statements relate that are required to be disclosed in accordance with GAAP.

(r) The Borrower has complied with 49 U.S.C. § 5333(b) and the regulations promulgated thereunder.

(s) To its knowledge, the Borrower is not in violation of (i) any applicable anti-money laundering laws, including those contained in the Bank Secrecy Act, (ii) any applicable economic sanction laws administered by OFAC or by the United States Department of State or (iii) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal.

(t) The Borrower has instituted a disadvantaged business enterprise goal, which includes contracting opportunities related to the Project and is in compliance with 49 C.F.R. Part 26.

(u) The Borrower understands that it is obligated to achieve and maintain the Levels of Service at the Revenue Service Date and for five (5) years thereafter.



(v) To the Borrower's knowledge after due inquiry, there is no proposed or pending legislation that would impair the collection of the Measure R Sales Tax or the receipt thereof by the Borrower.

(w) To the extent the Patriot Act is applicable to any party related to the Borrower, the Borrower, and to the Borrower's actual knowledge, each such related party, has established an anti-money laundering compliance program as required by the Patriot Act.

SECTION 14. Representations and Warranties of TIFIA Lender. The TIFIA Lender represents and warrants that:

(a) The TIFIA Lender has all requisite power and authority to make the TIFIA Loan and to perform all transactions contemplated by this Agreement and the other Related Documents to which it is a party.

(b) This Agreement and the other Related Documents to which it is a party have been duly authorized, executed and delivered by TIFIA Lender, and are legally valid and binding agreements of the TIFIA Lender, enforceable in accordance with their terms.

(c) The officer of the TIFIA Lender executing this Agreement and the other Related Documents to which it is a party is duly and properly in office and fully authorized to execute the same on behalf of the TIFIA Lender.

SECTION 15. Borrower Covenants. The Borrower hereby covenants and agrees that:

(a) Permitted Indebtedness. Except for Permitted Indebtedness, the Borrower shall not, without the prior written consent of the TIFIA Lender, issue or incur indebtedness or other obligations of any kind secured by or payable from Pledged Revenues.

(b) Additional Indebtedness Covenant.

(i) In order to issue any additional Bonds, Parity Obligations or Subordinate Obligations under the Trust Agreement, the Borrower shall, prior to the issuance of thereof: (A) provide the Trustee and the TIFIA Lender with a certificate prepared by a Consultant, showing that, upon issuance of such Bonds, Parity Obligations or Subordinate Obligations, Projected TIFIA Pledged Revenues are projected to be at least 1.25 times annual Debt Service on all outstanding Junior Subordinate Obligations in each Borrower Fiscal Year that the TIFIA Bond is or will be outstanding, (B) solely in the case of Senior Bonds and Parity Obligations, certify to the Trustee and the TIFIA Lender that it has complied with the requirements for issuance of additional Senior Bonds set forth in Section 3.02(D) or 3.04, as applicable, of the Trust Agreement and (C) certify to the Trustee and the TIFIA Lender that in each Borrower Fiscal Year any Bond or Subordinate Obligation is outstanding, the portion of projected Measure R Sales Tax revenues attributable to any expenditure allocation category described in the Measure R Ordinance, as determined by the Borrower, divided by the Debt Service (as defined in the 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 Measure R Sales Tax revenues 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.

(ii) In addition, prior to the issuance of any Bonds, Parity Obligations or Subordinate Obligations (other than Bonds, Parity Obligations or Subordinate Obligations issued or incurred for purposes of refunding in compliance with the requirements for the issuance of refunding bonds set forth in Section 3.04 of the Trust Agreement), the Borrower shall certify to the Trustee and the TIFIA Lender that the issuance of such additional Bonds, Parity Obligations or Subordinate Obligations will not, in and of itself, result in a downgrade or withdrawal of the then-existing credit rating of the TIFIA Bond, as confirmed by the Nationally Recognized Rating Agency that provided the most recent private rating of the TIFIA Bond in accordance with Section 15(p).

(iii) No additional Bonds or Subordinate Obligations shall be issued unless the documents governing their terms provide that: (A) they shall not bear interest at a rate or rates greater than the Maximum Interest Rate, (B) if clause (vi) of the definition of Debt Service is applicable to such Bonds or Subordinate Obligations, the calculation of the payments computed as provided in such clause (vi) shall not exceed the Maximum Interest Rate, and (C) for any Bonds or Subordinate Obligations supported by a Liquidity Facility, the Borrower shall include in the Liquidity Facility or other agreement between the Borrower and the Liquidity Provider a maximum fixed rate of interest that may be paid from time to time on such Bonds or Subordinate Obligations.

(c) Securing Liens. The TIFIA Lender shall have the TIFIA Lien pursuant to the Trust Agreement on the Pledged Revenues, which Lien shall be subordinate only to the Lien in favor of Senior Obligations and Subordinate Obligations issued under the Trust Agreement and to the lien securing the obligation to pay Fees and Expenses, as set forth in the Trust Agreement. The Borrower shall, at any and all times, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, securing and confirming the TIFIA Lien in and to the Pledged Revenues (whether now existing or hereafter arising) granted to the TIFIA Lender and the Pledged Revenues are and will be free and clear of any pledge, lien, charge or encumbrance thereon, other than for Permitted Liens or liens entitled to priority as a matter of law, and all corporate action on the part of the Borrower to that end shall be duly and validly taken at such times. The Borrower shall, at all times, to the extent permitted by law, defend, preserve, and protect such TIFIA Lien granted pursuant to the Trust Agreement on the Pledged Revenues to the TIFIA Lender, as owner of the TIFIA Bond, against all claims and demands of all Persons whomsoever.

(d) Copies of Documents. The Borrower shall furnish to the TIFIA Lender a copy of any offering document and cash flow projections prepared in connection with the incurrence of any Permitted Indebtedness, prior to the incurrence of any such Permitted Indebtedness, as well as copies of any continuing disclosure documents, in each case prepared or filed by the Borrower

in connection with the applicable rules of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, as applicable, or otherwise, in each case promptly following the preparation or filing thereof, but in any case, subject to restrictions imposed by applicable law or written confidentiality undertakings. The Borrower shall provide to the TIFIA Lender, promptly after execution thereof, a copy of each Additional Project Contract that commits the Borrower to spend, or is reasonably expected to involve expenditures by the Borrower of, more than \$2,500,000.

(e) Use of Proceeds. The Borrower shall cause the proceeds of the TIFIA Loan to be applied only to pay, or to reimburse the Borrower for, Eligible Project Costs.

(f) Development Default. The Borrower shall diligently prosecute the work relating to the Project and achieve Substantial Completion in accordance with the schedule as provided in the Financial Plan (as such date may be amended from time to time in accordance with this Agreement), but, in any event, no later than the Revenue Service Date. The failure of the Borrower to comply with the requirements of this Section 15(f) shall constitute a "Development Default."

(g) Operations and Maintenance. The Borrower shall prepare for FTA review and approval, no later than seven (7) days prior to the date of first disbursement of proceeds from the TIFIA Loan, facility and equipment maintenance programs relating to the Project. Within two (2) years of purchase of an asset, the Borrower shall prepare an asset inventory with conditions assessment for the facility and for the equipment funded by the Project. The Borrower shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises and authorizations material to the conduct of its business, and comply in all material respects with all applicable laws, rules, regulations, orders, decrees, judgments or administrative decisions, whether now in effect or hereafter enacted, of any Governmental Authority having jurisdiction over the Borrower or any of its assets or operations (including, without limitation, the National Environmental Policy Act of 1969 (42 U.S.C. § 4321 *et seq.*) and all other federal, state and local laws, rules, regulations, orders, decrees, judgments and administrative decisions relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters).

(h) Levels of Service. The Borrower shall achieve and maintain the Levels of Service at the Revenue Service Date and for five (5) years thereafter and the Borrower acknowledges that failure to do so will constitute a breach of this Agreement.

(i) Public Transportation Purposes. The Borrower shall use the Project solely for public transportation purposes and such incidental uses as approved by FTA and the TIFIA Lender.

(j) Insurance. The Borrower shall at all times, through a combination of insurance policies and self-insurance programs, maintain or cause its contractors to maintain, all insurance necessary and sufficient to protect the Project and the Borrower against accidental loss or damage while under construction and during subsequent periods of operation and maintenance, as is customarily maintained by the Borrower with respect to works and properties of like

character, against accident to, loss of, damage to and liability from such works or properties. All such general liability and excess liability insurance policies maintained by the Borrower or its contractors with respect to the Project shall name the TIFIA Lender as an additional insured.

(k) Notice. The Borrower shall, within five (5) Business Days of learning of the occurrence of any of the following events referred to in (i), (ii) or (iii) below or within five (5) Business Days of receiving any item referred to in (iv) below, give the TIFIA Lender notice or copies of any of the following:

(i) Events of Default: any Event of Default or any event that, given notice or the passage of time or both, would constitute an Event of Default by the Borrower;

(ii) Litigation: the filing of any actual litigation, suit or action, or the delivery to the Borrower of any written claim, that could reasonably be expected to have a Material Adverse Effect upon the Project, the Pledged Revenues, the TIFIA Lien, the Borrower or its performance hereunder;

(iii) Other Adverse Events: the occurrence of any other event or condition, that could reasonably be expected to result in a Material Adverse Effect; and

(iv) Documents: any plans, reports or notices given under the Related Documents by the Borrower or received under the Related Documents from any party thereto unless the TIFIA Lender notifies the Borrower that any of such plans, reports or notices no longer need to be provided.

(l) Remedied Action. Within thirty (30) calendar days after the Borrower learns of the occurrence of an event requiring notice pursuant to Section 15(k), the Borrower's Authorized Representative shall provide a statement to the TIFIA Lender and FTA setting forth the actions the Borrower proposes to take with respect thereto.

(m) No Lien Extinguishment or Adverse Amendments. Other than as expressly permitted or contemplated by the provisions of this Agreement, (i) the Borrower shall not either (A) extinguish the TIFIA Lien, (B) amend, modify or supplement the Trust Agreement in a manner that would reduce or impair the Pledged Revenues available to pay TIFIA Debt Service without the TIFIA Lender's prior written consent, or (C) take any action, or fail to take any action, which would have the effect of reducing the amount of Pledged Revenues available to pay Debt Service which the Borrower will receive, and (ii) the Borrower shall not, without the prior written consent of the TIFIA Lender, (A) amend, modify, supplement or waive any provision in any Related Document in a manner that could reasonably be expected to have a Material Adverse Effect or (B) provide for the acceleration of any Bonds or Subordinate Obligations under the Trust Agreement; provided, however, that the accelerated payment of Liquidity Facility Bonds or reimbursement obligations relating to Liquidity Facility Bonds pursuant to the term-out provisions of any related Liquidity Facility, letter of credit reimbursement agreement or similar agreement between the Borrower and the related Liquidity Facility Provider shall not be considered to be an acceleration for purposes of this Section 15(m)(ii)(B).

Except as otherwise agreed by the TIFIA Lender in writing, the Borrower shall provide to the TIFIA Lender copies of (i) any proposed amendments to, or waiver of, any TIFIA Loan Document or any other Related Document at least thirty (30) days prior to the effective date thereof and (ii) a copy of the executed amendment within thirty (30) days of its effective date.

(n) Maintain Legal Structure. The Borrower shall not affirmatively seek to take, or acquiesce in, any action that could alter its legal structure as a public agency under the laws of the State.

(o) Labor Protection Agreements. The Borrower shall abide by any and all applicable federal and State laws, including, without limitation, all federal labor protection agreements, including 49 U.S.C. § 5333(a), 49 U.S.C. § 5333(b), the Davis-Bacon Act, as amended (40 U.S.C. § 3141 et seq.), and the regulations promulgated thereunder and any letter of certification issued pursuant thereto.

(p) Annual Rating. The Borrower shall, commencing in 2015, 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 private rating on the TIFIA Loan by a Nationally Recognized Rating Agency.

(q) TIFIA Debt Service Reserve Required Balance. On each Semi-Annual Payment Date occurring on or after the TIFIA Debt Service Payment Commencement Date, the TIFIA Debt Service Reserve Account shall be funded in an amount equal to the TIFIA Debt Service Reserve Required Balance, calculated on the Outstanding TIFIA Loan Balance as of such Semi-Annual Payment Date.

(r) No Prohibited Liens. With respect to property assets related to the Project, the Borrower shall not create, incur, assume or permit to exist any Lien on any such property or assets now owned or hereafter acquired or managed by the Borrower or over which the Borrower exercises "continuing control" (as such term is applied under federal transit law), without, in each case, FTA and the TIFIA Lender's written consent, except Permitted Liens.

(s) Copies of Additional Project Contracts. The Borrower shall provide to the TIFIA Lender and the FTA Regional Office, promptly after execution, a copy of each Additional Project Contract entered into after the Effective Date.

(t) Hedging Obligations. Prior to the Borrower entering into any Interest Rate Swap Agreement or any other interest rate protection agreement, interest rate swap transaction, inflation-indexed swap transaction, interest rate "cap" or "collar" transaction, interest rate future, interest rate option or rate lock or any other interest rate hedging transaction relating to Permitted Indebtedness, the terms and conditions of such agreements shall be approved in writing by the TIFIA Lender. In the event the Borrower enters into an Interest Rate Swap Agreement, the notional amount of any such Interest Rate Swap Agreement shall not be greater than, or lesser than, the outstanding principal amount of any Bonds or Subordinate Obligations covered by such Interest Rate Swap Agreement. With respect to Bonds or Subordinate Obligations supported by a Liquidity Facility and related to an Interest Rate Swap Agreement, the Maximum Interest Rate that such Bonds or Subordinate Obligations may bear shall not be increased after the issuance of

such Bonds or Subordinate Obligations unless the Borrower shall first demonstrate to the TIFIA Lender's satisfaction that the requirements of Section 15(b)(iv) have been met based on the increased Maximum Interest Rate.

(u) No Prohibited Sale or Assignment. The Borrower shall not sell or assign its rights in and to the Project or the Related Documents, unless approved in writing by the TIFIA Lender and FTA.

(v) Material Obligations. The Borrower shall pay and discharge promptly all material taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful and material claims for labor, materials and supplies or other claims which, if unpaid, in each case, might give rise to a Lien upon such properties or any part thereof; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested by the Borrower in good faith by appropriate proceedings and so long as the Borrower shall, to the extent required by GAAP on a consistent basis, set aside on its books adequate reserves with respect thereto.

(w) Fiscal Year. The Borrower shall not, at any time, adopt any fiscal year other than the Borrower Fiscal Year, except with prior written notice to the TIFIA Lender.

(x) No Prohibited Business. The Borrower shall not, at any time, engage in any business activity other than authorized by the laws of the State.

(y) No Prohibited Payments. The Borrower shall not at any time make any payments from TIFIA Pledged Revenues to any party prior to satisfying all obligations due and payable to the TIFIA Lender in connection with this Agreement, the Trust Agreement and the TIFIA Bond.

(z) Debarment and Suspension. The Borrower shall cause each of its third party contractors at any tier to comply with the provisions of Executive Orders No. 12549 and 12689, "Debarment and Suspension," 31 U.S.C. § 6101, and applicable regulations on Debarment and Suspension at 49 C.F.R. Part 29, using the same certificate that is attached to this Agreement as **Exhibit C** hereto.

(aa) Design-Build Contract. The Borrower shall provide an execution version of the Design-Build Contract to the TIFIA Lender and the FTA Regional Office sufficiently in advance of the date of execution thereof so as to allow the TIFIA Lender and the FTA Regional Office a reasonable period of time to comment thereon (and the Borrower hereby agrees to use commercially reasonable efforts to incorporate each comment from the TIFIA Lender and the FTA Regional Office into each such agreement prior to the execution thereof). The Borrower, as soon as reasonably practicable, shall cause the Design-Build Contract to be executed pursuant to the process outlined in the preceding sentence and shall deliver a certified copy of the executed version thereof to the TIFIA Lender and the FTA Regional Office.

(bb) OFAC Compliance. The Borrower shall not violate (i) any applicable anti-money laundering laws, including those contained in the Bank Secrecy Act, (ii) any applicable

economic sanction laws administered by OFAC or by the United States Department of State, or (iii) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal.

(cc) Final TIFIA Loan Draw. The Borrower shall request all draws on the TIFIA Loan such that all amounts on any such draws can reasonably be disbursed no later than one year after the Substantial Completion Date.

(dd) Permits. The Borrower shall provide adequate evidence to the TIFIA Lender and FTA of the Borrower's efforts to obtain all permits and Governmental Approvals, which are necessary to the construction of the Project and are scheduled to be obtained by the Borrower after the Effective Date.

(ee) Compliance with Full Funding Grant Agreement and FTA Master Grant Agreement. The Borrower, having received FTA grant funds for the Project, shall at all times abide by the terms and conditions of the Full Funding Grant Agreement and the Fiscal Year 2014 FTA Master Grant Agreement, FTA G-20, dated October 1, 2013, which has no expiration date, and which continues to apply until modified or superseded as outlined therein.

(ff) TIFIA Debt Service Coverage Ratio. The TIFIA Debt Service Coverage Ratio for the Borrower Fiscal Year just ended and for each Borrower Fiscal Year during which the TIFIA Bond is or will be outstanding shall be at least equal to 125%; provided, that satisfaction of such covenant shall be evidenced by a certificate of the Authority to be provided to the TIFIA Lender not later than 90 days after the beginning of each Borrower Fiscal Year. Such certificate shall also set forth the computations upon which such certificate is based.

SECTION 16. Indemnification. The Borrower shall indemnify the TIFIA Lender and any official, employee, agent or representative of the TIFIA Lender (each such Person being herein referred to as an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including, without limitation, the fees, charges and disbursements of any counsel for any Indemnitee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution, delivery and performance of the Related Documents, (ii) the TIFIA Loan or the use of the proceeds thereof or (iii) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. In case any action or proceeding is brought against an Indemnitee by reason of any claim with respect to which such Indemnitee is entitled to indemnification hereunder, the Borrower upon notice from such Indemnitee shall defend the same and such Indemnitee shall cooperate with the Borrower at the expense of the Borrower in connection therewith. Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnitee. To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special,

indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, the Related Documents, the TIFIA Bond and the other transactions contemplated hereby and thereby, or the use of the proceeds thereof. All amounts due to any Indemnitee under this Section shall be payable promptly upon demand therefor. The obligations of the Borrower under this Section shall survive the payment or prepayment in full or transfer of the TIFIA Loan, the enforcement of any provision of the Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower hereunder or thereunder.

SECTION 17. Sale of TIFIA Loan. The TIFIA Lender shall not sell the TIFIA Loan at any time prior to the Substantial Completion Date. After such date, the TIFIA Lender may sell the TIFIA Loan to another entity or reoffer the TIFIA Loan into the capital markets only in accordance with the provisions of this Section. Such sale or reoffering shall be on such terms as the TIFIA Lender shall deem advisable. However, in making such sale or reoffering the TIFIA Lender shall not change the terms and conditions of the TIFIA Loan without the prior written consent of the Borrower, which consent shall not be unreasonably withheld. The TIFIA Lender shall provide (i) at least sixty (60) days prior to any sale or reoffering of the TIFIA Loan, written notice to the Borrower to the effect that the TIFIA Lender is considering the sale or reoffering of the TIFIA Bond and (ii) at least thirty (30) days prior to any sale or reoffering of the TIFIA Loan, written notice to the Borrower confirming TIFIA Lender's intention to consummate such a sale or reoffering; provided, however, that no such notice shall be required during the occurrence and continuation of an Event of Default. The provision of any notice pursuant to this Section shall not obligate the TIFIA Lender to sell nor provide the Borrower with any rights or remedies in the event the TIFIA Lender, for any reason, does not sell the TIFIA Loan.

SECTION 18. Events of Default and Remedies.

(a) An Event of Default shall exist under this Agreement if:

(i) The Borrower shall fail to pay any of the principal amount of or interest on the TIFIA Bond or the TIFIA Loan, including, without limitation, TIFIA Debt Service required to have been paid pursuant to the provisions of Sections 9 and 10 (a "Payment Default"); or

(ii) The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, the TIFIA Bond, or any other TIFIA Loan Document (other than in the case of any Payment Default or any Development Default), and such failure shall not be cured within thirty (30) days after receipt by the Borrower from the TIFIA Lender of written notice thereof; provided, however, that if such failure is capable of cure but cannot reasonably be cured within such 30-day period, then no Event of Default shall be deemed to have occurred or be continuing under this clause (ii) if and so long as within such 30-day period the Borrower shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured, provided such failure must be cured not later than 180 days after the initial date of such failure; or



(iii) A Development Default shall have occurred. For the purposes of this Section 18(a)(iii), the Borrower shall have the right to amend the Construction Schedule to extend the date for Substantial Completion for a period of up to sixty (60) days (unless a longer extension is required due to the occurrence of an Uncontrollable Force) within thirty (30) days of receipt of notice of an alleged Development Default; provided that the Borrower shall provide the TIFIA Lender with (x) a recovery plan with respect to the construction of the Project (a "Recovery Plan") reviewed by a general engineering Consultant satisfactory to the TIFIA Lender and (y) a certificate from such general engineering Consultant concluding that Substantial Completion is likely to occur by the date specified in the Recovery Plan, and the TIFIA Lender approves the Recovery Plan (such approval not to be unreasonably withheld); or

(iv) Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to this Agreement or the other TIFIA Loan Documents shall prove to have been false or misleading in any material respect when made, and such failure shall not be cured within thirty (30) days after receipt by the Borrower from the TIFIA Lender of written notice thereof; or

(v) (A) Any acceleration shall occur of the maturity of any indebtedness or other payment obligations of the Borrower secured by Pledged Revenues that is senior to or on parity with the TIFIA Loan in right of payment or in right of security, or any other indebtedness shall not be paid in full upon the final maturity thereof; provided, however, that the accelerated payment of Liquidity Facility Bonds or reimbursement obligations relating to Liquidity Facility Bonds pursuant to the term-out provisions of any related Liquidity Facility, letter of credit reimbursement agreement or similar agreement between the Borrower and the related Liquidity Facility Provider shall not be considered to be an acceleration for purposes of this paragraph; or

(B) Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the documents (the "Other Loan Documents") under which any other indebtedness of the Borrower that is secured by the Measure R Sales Tax ("Other Material Indebtedness") shall be created or incurred, shall prove to be false or misleading in any material respect (each a "Misrepresentation Default"), or any default shall occur in respect of the performance of any covenant, agreement or obligation of the Borrower under the Other Loan Documents (each a "Covenant Default"), and in either case, such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in the Other Loan Documents (as the case may be) with respect to such default, if the effect of such Misrepresentation Default or Covenant Default shall be to permit the immediate acceleration of the maturity of any or all of the Other Material Indebtedness (as the case may be), and the Borrower shall have failed to cure such Misrepresentation Default or Covenant Default or to obtain an effective written waiver thereof within thirty (30) days after receipt of written notice thereof from the TIFIA Lender; or

(C) The Borrower shall default in the timely performance of any covenant, agreement or obligation under any Related Document or any Related Document shall be terminated prior to its scheduled expiration (unless in any case such default or termination could not reasonably be expected to have a Material Adverse Effect on the Borrower's ability to comply with its obligations under this Agreement, the TIFIA Bond or the other TIFIA Loan Documents), and with respect to such a default, such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in the Related Document, and the Borrower shall have failed to cure such default or to obtain an effective written waiver thereof, or to obtain an effective revocation of such termination (as the case may be), within thirty (30) days after receipt of written notice thereof from the TIFIA Lender; provided, however, that no Event of Default shall be deemed to have occurred or be continuing under this clause if such Related Document is replaced by a replacement agreement between the Borrower and another counterparty (with, in the determination of the TIFIA Lender, similar or greater creditworthiness and experience as the counterparty being replaced) or otherwise reasonably acceptable to the TIFIA Lender on substantially the same terms and conditions as in such Related Document or otherwise reasonably acceptable to the TIFIA Lender; or

(vi) One or more judgments for the payment of money and solely to the extent payable from Pledged Revenues, in an aggregate amount in excess of \$2,000,000 and not otherwise covered by insurance or other reserves shall be rendered against the Borrower and the same shall remain undischarged for a period of ninety (90) consecutive days during which execution shall not be effectively stayed; or

(vii) The Borrower shall fail to maintain its existence as a public agency under the laws of California; or

(viii) A Bankruptcy Related Event shall occur; or

(ix) The Borrower shall Abandon the Project; or

(x) The Borrower shall have breached its obligations to maintain the Project at the specified Levels of Service.

(b) Upon the occurrence of an Event of Default described in clause (iii), (viii), (ix) and (x) of Section 18(a), all obligations of the TIFIA Lender hereunder with respect to the disbursement of any undisbursed proceeds of the TIFIA Loan shall immediately be deemed terminated.

(c) Upon the occurrence of any other Event of Default, the TIFIA Lender, by written notice to the Borrower, may suspend or terminate all of its obligations hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan.

(d) Whenever any Event of Default hereunder shall have occurred and be continuing, the TIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid hereunder or under the TIFIA Bond or

the other TIFIA Loan Documents, and may prosecute any such judgment or final decree against the Borrower and collect in the manner provided by law out of the property of the Borrower the moneys adjudged or decreed to be payable, and the TIFIA Lender may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by the Borrower under this Agreement or the other TIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement or the other TIFIA Loan Documents; provided, however, that any monetary judgment against the Borrower shall be payable solely from TIFIA Pledged Revenues or from any other funds made available by the Borrower, in its discretion.

(e) Whenever any Event of Default hereunder shall have occurred and be continuing, the TIFIA Lender may suspend or debar the Borrower from further participation in any Government program administered by the TIFIA Lender and FTA and to notify other departments and agencies of such default.

(f) Upon the occurrence of an Event of Default described in (i) clause (v)(A) of Section 18(a) or (ii) clause (B) of Section 18(a) resulting from the acceleration of the maturity of any of the Other Material Indebtedness of the Borrower, the TIFIA Lender may declare the unpaid principal amount of the TIFIA Loan to be, and the same shall thereupon forthwith become, immediately due and payable, together with interest accrued thereon and all fees, costs, expenses, indemnities, and other amounts payable under this Agreement or the other TIFIA Loan Documents, all without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived.

(g) No action taken pursuant to this Section shall relieve the Borrower from its obligations pursuant to this Agreement or the other TIFIA Loan Documents, all of which shall survive any such action.

SECTION 19. Accounting and Audit Procedures; Inspections; Reports and Records.

In addition to the covenants and agreements set forth in the Full Funding Grant Agreement, which has its own procedures for accounting, auditing, inspections, reporting and recordkeeping, the Borrower acknowledges and agrees to the following:

(a) The Borrower shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all Project-related transactions (including collection of Measure R Sales Tax, and any other revenues attributable to the Project, and TIFIA Loan requisitions received and disbursements made with regard to the Project), so that audits may be performed to ensure compliance with and enforcement of this Agreement. The Borrower shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the TIFIA Loan, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts outstanding.

(b) So long as the TIFIA Loan or any portion thereof shall remain outstanding and until five years after the TIFIA Loan shall have been paid in full, the TIFIA Lender and FTA shall have the right upon reasonable prior notice to visit and inspect any of the locations or properties of the Borrower, to examine its books of account and records, to make copies and

extracts therefrom at the Borrower's expense, and to discuss the Borrower's affairs, finances and accounts with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the Borrower irrevocably authorizes its independent public accountants to discuss with the TIFIA Lender the affairs, finances and accounts of the Borrower, whether or not any representative of the Borrower is present, it being understood that nothing contained in this Section 19(b) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the TIFIA Lender may desire. The Borrower agrees to pay all out-of-pocket expenses incurred by the TIFIA Lender in connection with the TIFIA Lender's exercise of its rights under this Section 19(b) at any time when an Event of Default shall have occurred and be continuing.

(c) The Borrower shall maintain and retain all files relating to the Project and the TIFIA Loan until five (5) years after the later of the date on which (i) all rights and duties hereunder have been fulfilled and necessary audits have been performed and (ii) any litigation relating to the Project, the TIFIA Loan or this Agreement is finally resolved. The Borrower shall provide the TIFIA Lender in a timely manner all records and documentation relating to the Project that the TIFIA Lender may reasonably request from time to time.

(d) The Borrower shall provide to the TIFIA Lender, promptly after the sending or receipt thereof, copies of (i) all reports or other written materials sent to any Nationally Recognized Rating Agency that has provided, or is being requested to provide, a rating on any indebtedness of the Borrower and (ii) all notices relating to the Design-Build Contract unless the TIFIA Lender or FTA notifies the Borrower that any such reports, notices and/or other written materials no longer need to be provided.

(e) The TIFIA Lender and FTA shall have the right to conduct from time to time independent financial and compliance audits of the Borrower in accordance with the Single Audit Act of 1984, as amended, and the Office of Management and Budget Circular A 133, "Audits of State and Local Governments" (as applicable), or as otherwise requested by the TIFIA Lender. Upon reasonable notice, the Borrower shall cooperate fully in conducting audits and shall provide full access to any books, documents, papers or other records which are pertinent to the Project or the TIFIA Loan, to the Secretary, or the designee thereof, for necessary project or programmatic audits pursuant to 23 U.S.C. § 603, 31 U.S.C. § 603(h) and 31 U.S.C. § 7503(b).

#### SECTION 20. Financial Plan, Statements and Reports.

(a) The Borrower shall provide to the TIFIA Lender and the FTA Regional Office, within sixty (60) days after the Effective Date and annually thereafter not later than ninety (90) days after the beginning of each Borrower Fiscal Year, a Financial Plan. The Financial Plan submitted within sixty (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) The Financial Plan shall include: (i) a certificate signed by the Borrower's Authorized Representative to the effect that the Financial Plan, including the assumptions and supporting documentation, is accurate and reasonable to the "best of the Borrower's knowledge and belief"; (ii) a certificate signed by the Borrower's Authorized Representative demonstrating that annual projected TIFIA Pledged Revenues shall be sufficient to meet the Loan Amortization Schedule, and (iii) an electronic copy of the updated Base Case Financial Model of the operation of the Project for the period from inception thereof through the Final Maturity Date, in substantially the form heretofore provided to the TIFIA Lender, based upon assumptions and projections with respect to the TIFIA Pledged Revenues, expenses and other financial aspects of the Project which shall reflect the prior experience and current status of the Project, and the expectations of management with respect to the Project, as of the most recent practicable date prior to the delivery of such model.

(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, which shall be no later than the Revenue Service Date, 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; (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 the Borrower's obligations under this Agreement and the causes thereof; and (ix) comply in all respects with FTA Project Management Oversight Regulations.

(d) For the period following the Substantial Completion Date until repayment of the TIFIA Loan in full, the Financial Plan shall: (i) provide current and estimated amounts of Pledged Revenues received and the amounts deposited into the TIFIA Debt Service Account, TIFIA Debt Service Reserve Account and TIFIA Fees and Expense Account and the amounts disbursed from such accounts and the balance in each of such accounts; (ii) provide an updated schedule of actual and projected TIFIA Pledged Revenues, showing actual and projected debt service coverage ratios for the TIFIA Pledged Revenues; and (iii) provide a written narrative report explaining any variances in costs or TIFIA Pledged Revenues since the Base Case Financial Model and the preceding Financial Plan and describing in reasonable detail any material matters that may affect the future performance of the Borrower's obligations under this Agreement, including the duty to operate and maintain the transit system of which the Project is an integral part, and third-party transactions, and the causes thereof.

(e) Not later than ninety (90) days following the Substantial Completion Date, the Borrower shall provide the TIFIA Lender and FTA with a final written narrative report, summarizing all significant activities and events, since the Base Case Financial Model, affecting the operation, maintenance, financing, or management of the Project in a form reasonably satisfactory to the TIFIA Lender and FTA. Such report shall include an updated cash flow schedule and currently projected TIFIA Debt Service Coverage Ratio. For the avoidance of doubt, the Borrower must comply with the continued reporting requirements of FTA Project Management Oversight Regulations, as amended from time-to-time.

(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. The written notification shall set forth the nature of the proposed increase or decrease and estimate 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 and the Full Funding Grant Agreement, is necessary or beneficial to the Project and does not materially impair the TIFIA Lender's security.

(g) The Borrower shall furnish to the TIFIA Lender:

(i) As soon as available, but no later than sixty (60) days after the end of the first, second and third quarterly periods of each Borrower Fiscal Year, the unaudited income statement and balance sheet of the Borrower as of the end of such period and the related unaudited statements of operations and changes in cash flow of the Borrower for such period and for the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous period, certified by the chief executive officer or chief financial officer of the Borrower or a Borrower's Authorized Representative as fairly stating in all material respects the financial condition of the Borrower as at the end of such period and the results of its operations and its cash flows for such period (subject to normal year-end audit adjustments); and

(ii) as soon as available, but no later than 180 days after the end of each Borrower Fiscal Year and a copy of the audited income statement and balance sheet of

the Borrower, reflecting the balance sheet and income statement of the Borrower, as of the end of such fiscal year and the related audited statements of operations, changes in cash flow of the Borrower for such fiscal year, setting forth in comparative form the figures for the previous fiscal year, certified without a "going concern" or like qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm of national standing selected by the Borrower and which is reasonably acceptable to the TIFIA Lender and the FTA Regional Office.

(h) All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except for changes approved or required by the independent public accountants certifying such statements and disclosed therein).

(i) The Borrower shall furnish to the TIFIA Lender, together with each delivery of annual audited or interim unaudited financial statements of the Borrower pursuant to this Section 20, a certificate signed by the Chief Financial Services Officer of the Borrower or the Borrower's Authorized Representative, stating whether or not, to the Borrower's knowledge, during the annual or quarterly period (as the case may be) covered by such financial statements, there occurred any Event of Default or event which, with notice or lapse of time or both, would become an Event of Default, and, if any such Event of Default or other event shall have occurred during such period, the nature of such Event of Default or other event and the actions that the Borrower has taken or intends to take in respect thereof.

#### SECTION 21. Project Oversight and Monitoring.

(a) Project Development, Design and Construction. The TIFIA Lender, acting through the FTA, shall have the right in its sole discretion to monitor (or direct its agents to monitor) Project development, including but not limited to environmental mitigation compliance, design, right-of-way acquisition, construction, and testing. Oversight of Project development, environmental mitigation compliance, design and construction monitoring shall be conducted pursuant to the FTA Project Management Oversight Regulations, and related published guidance, all as may be amended from time to time. The Borrower agrees to cooperate in good faith with the TIFIA Lender and FTA in the conduct of such monitoring by promptly providing the TIFIA Lender and FTA with such reports, documentation or other information as shall be requested by the TIFIA Lender, and/or FTA or its agents, including any independent engineer reports, documentation or information. The conduct of such monitoring by the TIFIA Lender and/or FTA shall not interfere in an unreasonable manner with the day-to-day operation of the Borrower and the conduct of the Project by the Borrower.

(b) Reporting. The Borrower shall furnish to the TIFIA Lender and FTA the following during the Construction Period:

(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, 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 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 cost, incurred by the Borrower 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 Full Funding Grant Agreement.

(ii) Design-Build Contractor Reports. During the Construction Period, promptly after receipt thereof, the Borrower shall provide to the TIFIA Lender and to FTA a copy of each report delivered by the Design-Build Contractor to the Borrower pursuant to the Design-Build Contract related to the Project.

(iii) Permits. Promptly after the receipt or filing thereof, as the case may be (but in no event later than thirty (30) days after such receipt or filing), the Borrower shall provide to the TIFIA Lender and to FTA a copy of (A) each Governmental Approval or other consent or approval obtained by the Borrower, or obtained by the Design-Build Contractor and delivered to the Borrower pursuant to the Design-Build Contract after the Effective Date, and (B) each filing made by the Borrower with any Governmental Authority with respect to a Governmental Approval, except such as are routine or ministerial in nature.



(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.

(c) Project Operations. For the Construction Period until repayment in full of the TIFIA Loan, the TIFIA Lender shall have the right, in its sole discretion, to monitor (or direct its agents to monitor) the Project's operations and to require reporting on the operation and management of the Project and to provide copies of any contracts relating to the operation, maintenance and safety services for the Project as may be required from time to time. The TIFIA Lender agrees to consult with FTA prior to requiring reporting on the operation and management of the Project. The Borrower agrees to cooperate in good faith with the TIFIA Lender in the conduct of such monitoring by promptly providing the TIFIA Lender with such reports, documentation, or other information as shall be requested by the TIFIA Lender. In the event that the TIFIA Lender retains a financial oversight advisor under contract with the TIFIA Lender, which decision shall be within the sole discretion of the TIFIA Lender, to carry out the provisions of this Section, the full cost of such monitoring shall be borne by the Borrower. Any costs reasonably incurred by the TIFIA Lender for such monitoring shall be promptly reimbursed by the Borrower upon demand made in the form of an invoice reasonably acceptable to the Borrower.

SECTION 22. No Personal Recourse. No official, employee or agent of the TIFIA Lender or the Borrower or any Person executing this Agreement or any of the other TIFIA Loan Documents shall be personally liable on this Agreement or such other TIFIA Loan Documents by reason of the issuance, delivery or execution hereof or thereof, except that nothing in this Section shall be construed to relieve any member of the Borrower from any liability it may incur under this Agreement or any of the other TIFIA Loan Documents by reason of its status as such member.

SECTION 23. No Third Party Rights. The parties hereby agree that this Agreement creates no third party rights against the Borrower, the United States, the TIFIA Lender or FTA, solely by virtue of the TIFIA Loan, and the Borrower agrees to indemnify and hold the above federal parties harmless, to the extent permitted by law and in accordance with Section 16, from any lawsuit or claim arising in law or equity solely by reason of the TIFIA Loan, and that no third party creditor or creditors of the Borrower shall have any right against the TIFIA Lender with respect to the TIFIA Loan made pursuant to this Agreement.

SECTION 24. Authorized Representative of Borrower. The Borrower shall at all times have appointed a Borrower's Authorized Representative by designating such Person or Persons from time to time to act on the Borrower's behalf pursuant to a written certificate furnished to the TIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

SECTION 25. TIFIA Lender's Authorized Representative.

(a) The TIFIA Lender shall at all times have appointed a TIFIA Lender's Authorized Representative by designating such Person or Persons from time to time to act on the TIFIA Lender's behalf pursuant to a written certificate furnished to the Borrower and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the TIFIA Lender.

(b) Pursuant to a Delegation of Authority dated July 24, 2003, the Administrator delegated the authority to enter into contracts and sign all contractual and funding documents (with the exception of the term sheets and credit agreements) necessary to implement the Act, including entering into technical amendments to, and restatements of, term sheets and credit agreements that do not materially impair the credit quality of the revenues pledged to repay the TIFIA Lender. This authority was delegated to the Associate Administrator for Administration who in turn delegated such authority to the Director of the Office of Innovative Program Delivery on June 15, 2009. Pursuant to these delegations the above named officers, any of whom alone may act, serve as the TIFIA Lender's Authorized Representative under this Agreement, in addition to the Administrator for the purposes set forth herein.

SECTION 26. Servicer. The TIFIA Lender may from time to time designate an entity or entities to perform, or assist the TIFIA Lender in performing, the duties of the Servicer or specified duties of the TIFIA Lender under this Agreement and the TIFIA Bond. The TIFIA Lender shall give the Borrower written notice of the appointment of any successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer. Any references in this Agreement to the TIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the TIFIA Lender shall have delegated to such Servicer. The TIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the TIFIA Bond.

SECTION 27. Fees and Expenses.

(a) Commencing in FFY 2015 and continuing thereafter each year throughout the term of the TIFIA Loan Agreement, the Borrower shall pay, solely from Pledged Revenues, to the TIFIA Lender a loan servicing fee on or before the 15th of November. The TIFIA Lender shall establish the amount of this annual fee, and the Servicer shall notify the Borrower of the amount, at least thirty (30) days before payment is due.

(b) In establishing the amount of the fee, the TIFIA Lender will adjust the previous year's base amount utilizing the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100, or its successor(s), published by the Bureau of Labor Statistics, or its successor(s). For the FFY 2015 calculation, the TIFIA Lender will use the FFY 2014 base amount of \$12,483, which applies to other borrowers under the Act, as the previous year's base amount. The TIFIA Lender shall calculate the percentage change in the CPI-U, before seasonal adjustment, from August of the previous year to August of the current year and shall then adjust the previous year's base amount in proportion to the CPI percentage change. To calculate the amount of the fee, the TIFIA Lender will round the current year's base amount using increments of \$500. Results with the ending integers between 250-499 or between

750-999 shall be rounded upward, and results with the ending integers between 001-249 or between 501-749 shall be rounded downward. The CPI adjustments in the following years shall begin with the base amount, not the rounded fee.

(c) The Borrower shall cooperate and respond to any reasonable request of the Servicer for information, documentation or other items reasonably necessary for the performance by the Servicer of its duties hereunder.

(d) The Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the TIFIA Lender, solely from Pledged Revenues, on demand from time to time on and after the date hereof for any and all fees, costs, charges and expenses incurred by it (including the reasonable fees, costs and expenses of counsel and other advisors) in connection with the negotiation, preparation, execution, delivery, performance or interpretation of this Agreement and the other TIFIA Loan Documents and the transactions hereby and thereby contemplated, including without limitation, all such fees, costs and expenses incurred as a result of or in connection with:

(i) the enforcement of or attempt to enforce any provision of this Agreement or any of the other TIFIA Loan Documents or disputes concerning the interpretation thereof;

(ii) any amendment or requested amendment of, or waiver or consent or requested waiver or consent under or with respect to, this Agreement or any of the other TIFIA Loan Documents, or advice in connection with the administration of this Agreement or any of the other TIFIA Loan Documents or the rights of the TIFIA Lender thereunder; and

(iii) any work-out, restructuring or similar arrangement of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents during the pendency of one or more Events of Default.

(e) The Borrower shall direct the Trustee to deposit Pledged Revenues into the TIFIA Fees and Expense Account in such amounts and at such times so that the Trustee can disburse amounts from such Account to pay fees and expenses owed by Borrower under this Section 27 and make all payments required under this Section from the TIFIA Fees and Expense Account and the obligations of the Borrower to make such payments shall be secured by the TIFIA Lien and payable solely from Pledged Revenues; provided that the Borrower may, in its discretion, make such payments from any available funds.

The obligations of the Borrower under this Section shall survive the payment or prepayment in full or transfer of the TIFIA Loan, the enforcement of any provision of this Agreement or the other TIFIA Loan Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring or similar arrangement.

SECTION 28. Amendments and Waivers. No amendment, modification, termination or waiver of any provision of this Agreement shall in any event be effective without the written consent of the parties hereto.

SECTION 29. Governing Law. This Agreement 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 30. Severability. In case any provision in or obligation under this Agreement 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 31. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the Borrower's rights or obligations hereunder nor any interest therein may be assigned or delegated by the Borrower without the prior written consent of the TIFIA Lender.

SECTION 32. Remedies Not Exclusive. No remedy conferred herein or reserved to the TIFIA Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 33. Delay or Omission Not Waiver. No delay or omission of the TIFIA Lender to exercise any right or remedy provided hereunder upon a default of the Borrower (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such default or acquiescence therein. Every right and remedy given by this Agreement or by law to the TIFIA Lender may be exercised from time to time, and as often as may be deemed expedient by the TIFIA Lender.

SECTION 34. Counterparts. This Agreement 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 35. Notices; Payment Instructions. Notices hereunder shall be effective upon receipt and shall be given by certified mail, return receipt requested, or by other delivery service providing evidence of receipt to:

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

with copies to:

United States Department of Transportation  
Federal Transit Administration  
Regional Office 9  
201 Mission Street, Suite 1650  
San Francisco, CA 94105  
Attention: Administrator  
Telephone: (415) 744-2801  
Facsimile: (415) 744-2726

and through the date of Substantial Completion, 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](mailto:ray.tellis@dot.gov)

If to the Borrower:

Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza, 25<sup>th</sup> Floor, MS 99-25-7  
Los Angeles, CA 90012  
Attention: Treasurer  
Telephone: (213) 922-4047  
Facsimile: (213) 922-4027  
Email: [treasurydept@metro.net](mailto:treasurydept@metro.net)

with a copy to:

Office of the County Counsel  
One Gateway Plaza, 24<sup>th</sup> 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](mailto:doughertyk@metro.net)

Notices required to be provided herein shall be provided to such different addresses or to such further parties as may be designated from time to time by a Borrower's Authorized Representative with respect to notices to the Borrower or by a TIFIA Lender's Authorized Representative with respect to notices to the TIFIA Lender or the Servicer. The Borrower shall make any payments hereunder or under the TIFIA Bond in accordance with the payment instructions hereafter provided by a TIFIA Lender's Authorized Representative, as modified from time to time by a TIFIA Lender's Authorized Representative.

SECTION 36. Effectiveness. This Agreement shall be effective on the Effective Date.

SECTION 37. Termination. This Agreement shall terminate upon payment in full by the Borrower of the TIFIA Loan, provided, however, that the indemnification requirements of Section 16, the reporting and record keeping requirements of Section 19(b) and (c) and the

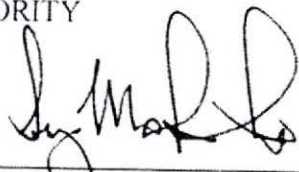
payment requirements of Section 27 shall survive the termination of this Agreement as provided in such sections.

SECTION 38. Integration. This Agreement constitutes the entire contract between the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

[Remainder of Document Intentionally Left Blank]

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

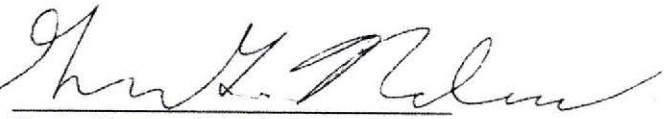
LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION  
AUTHORITY

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

[Signature page to the TIFIA Loan Agreement]

2025 RELEASE UNDER E.O. 14176

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

By: 

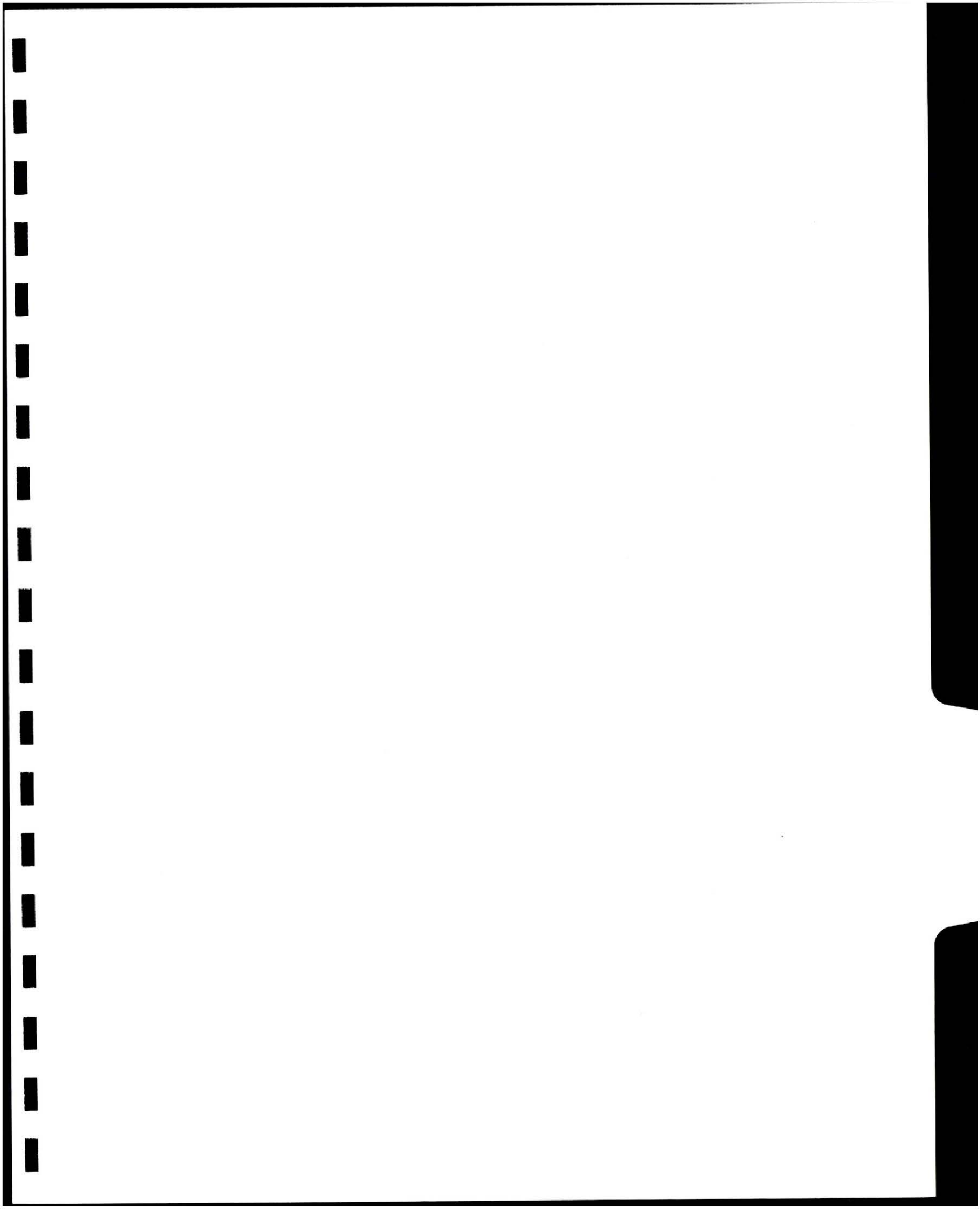
Name: Gregory G. Nadeau  
Title: Deputy Administrator

[Signature page to the TIFIA Loan Agreement]



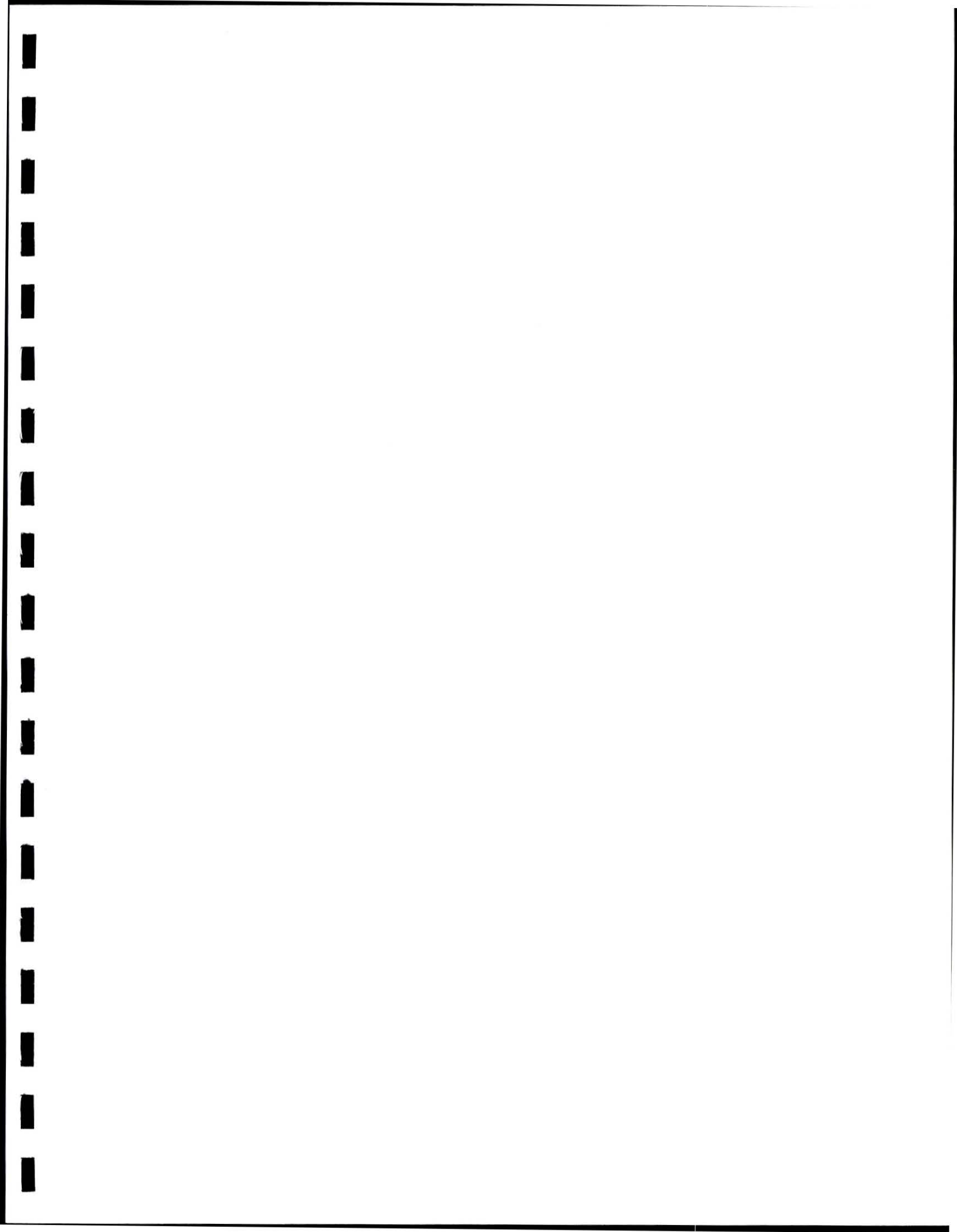
**Schedule I  
PROJECT BUDGET**





**SCHEDULE I**

**Project Budget**



**Schedule I Project Budget (\$ in millions)**  
**Regional Connector Transit Corridor Project**  
 Los Angeles County Metropolitan Transportation Authority

Uses of Funds	Prior	FY 14 Q3	FY 14 Q4	FY 15 Q1	FY 15 Q2	FY 15 Q3	FY 15 Q4	FY 16 Q1	FY 16 Q2	FY 16 Q3	FY 16 Q4
<b>Construction and Procurement</b>											
10 Guideways	\$ 12.834	\$ 6.417	\$ 6.417	\$ 13.283	\$ 13.283	\$ 13.283	\$ 13.283	\$ 13.748	\$ 13.748	\$ 13.748	\$ 13.748
20 Stations	16.202	8.101	8.101	16.769	16.769	16.769	16.769	17.356	17.356	17.356	17.356
Underground station, stop, shelter, mall, terminal, platform	13.577	6.788	6.788	14.052	14.052	14.052	14.052	14.544	14.544	14.544	14.544
Other stations, landings, terminals	1.455	0.728	0.728	1.506	1.506	1.506	1.506	1.559	1.559	1.559	1.559
Elevators, escalators	1.170	0.585	0.585	1.211	1.211	1.211	1.211	1.253	1.253	1.253	1.253
30 Yards and Shops	-	-	-	-	-	-	-	-	-	-	-
Light Maintenance Facility	-	-	-	-	-	-	-	-	-	-	-
40 Sitework & Special Conditions	15.431	7.137	7.137	4.446	4.446	4.446	4.446	4.602	4.602	4.602	4.602
50 Systems	-	-	-	-	-	-	-	4.132	4.132	4.132	4.132
<b>Subtotal Const. &amp; Procurement</b>											
60 Right-of-Way	69.536	23.177	23.177	-	-	-	-	-	-	-	-
70 Vehicles	1.931	0.965	0.965	0.999	0.999	0.999	0.999	1.034	1.034	1.034	1.034
80 Professional Services	63.627	7.296	7.296	8.658	8.658	8.658	8.658	7.663	7.663	7.663	7.663
Preliminary Engineering	39.712	0.058	0.058	-	-	-	-	-	-	-	-
Final Design	6.951	3.476	3.476	3.787	3.787	3.787	3.787	2.823	2.823	2.823	2.823
Project Management (PM)	8.909	1.803	1.803	2.129	2.129	2.129	2.129	2.134	2.134	2.134	2.134
Construction Administration & Management	2.575	1.007	1.007	1.373	1.373	1.373	1.373	1.472	1.472	1.472	1.472
Legal; Permits	1.790	0.445	0.445	0.402	0.402	0.402	0.402	0.242	0.242	0.242	0.242
Surveys, Testing, Investigation, Inspection	-	-	-	0.342	0.342	0.342	0.342	0.367	0.367	0.367	0.367
Start up	3.691	0.507	0.507	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625
90 Unallocated Contingency	9.820	4.910	4.910	5.679	5.679	5.679	5.679	6.497	6.497	6.497	6.497
<b>Total Capital Cost</b>	189.381	58.003	58.003	49.835	49.835	49.835	49.835	55.033	55.033	55.033	55.033
Environmental/Planning	24.109	-	-	-	-	-	-	-	-	-	-
<b>Total Project Cost</b>	\$ 213.490	\$ 58.003	\$ 58.003	\$ 49.835	\$ 49.835	\$ 49.835	\$ 49.835	\$ 55.033	\$ 55.033	\$ 55.033	\$ 55.033
Uses - Annual Totals →	213.490		116.005				199.341				220.130
TIFIA Proceeds - Annual Totals →			\$ -				\$ 61.9				\$ -
<b>Sources of Funds</b>											
<b>Local Funds</b>											
Transportation Development Act (TDA)	0.255	-	-	-	-	-	-	-	-	-	-
Lease Revenues	24.360	2.914	2.914	-	-	-	-	-	-	-	-
State Repayment of Capital Project Loans (Fund 3562)	64.851	0.400	0.400	-	20.221	20.221	(41.643)	8.637	8.637	8.637	8.637
Other Local	-	-	-	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<b>Subtotal Local Funds</b>	89.465	3.314	3.314	1.000	21.221	21.221	(40.643)	9.637	9.637	9.637	9.637
<b>State Funds</b>											
Regional Improvement Program (RIP)	2.590	-	-	-	-	-	-	-	-	-	-
High Speed Rail Bonds	2.285	1.143	1.143	-	-	-	-	16.000	16.000	16.000	16.000
Prop 1B PTMISEA	54.649	21.296	21.296	23.835	3.614	3.614	3.614	4.396	4.396	4.396	4.396
<b>Subtotal State Funds</b>	59.524	22.438	22.438	23.835	3.614	3.614	3.614	20.396	20.396	20.396	20.396
<b>Federal Funds</b>											
TIFIA Proceeds (Measure R)	-	-	-	-	-	-	61.864	-	-	-	-
CMAQ	32.000	16.000	16.000	-	-	-	-	-	-	-	-
New Starts Section 5309	32.500	16.250	16.250	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
<b>Subtotal Federal Funds</b>	64.500	32.250	32.250	25.000	25.000	25.000	86.864	25.000	25.000	25.000	25.000
<b>Total Project Sources</b>	\$ 213.490	\$ 58.003	\$ 58.003	\$ 49.835	\$ 49.835	\$ 49.835	\$ 49.835	\$ 55.033	\$ 55.033	\$ 55.033	\$ 55.033
Sources - Annual Totals →	213.490		116.005				199.341				220.130
Surplus/(Shortfall) 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
Annual Totals →	0.000		\$ -				\$ -				\$ -

- (1) Costs for TIFIA purposes include \$24.109 M planning/environmental costs and do not include \$27.571 M of TIFIA finance charges.  
 (2) Costs for FTA purposes do not include \$24.109 M planning/environmental costs but do include \$27.571 M of TIFIA finance charges.

Schedule I Project Budget (\$ in millions)  
**Regional Connector Transit Corridor Project**  
 Los Angeles County Metropolitan Transportation Authority

Uses of Funds	FY 17 Q1	FY 17 Q2	FY 17 Q3	FY 17 Q4	FY 18 Q1	FY 18 Q2	FY 18 Q3	FY 18 Q4	FY 19 Q1	FY 19 Q2	FY 19 Q3	FY 19 Q4
<b>Construction and Procurement</b>												
10 Guideways	\$ 14,229	\$ 14,229	\$ 14,229	\$ 14,229	\$ 11,046	\$ 11,046	\$ 11,046	\$ 11,046	\$ 11,432	\$ 11,432	\$ 11,432	\$ 11,432
20 Stations	17,964	17,964	17,964	17,964	13,944	13,944	13,944	13,944	14,432	14,432	14,432	14,432
Underground station, stop, shelter, mall, terminal, platform	15,053	15,053	15,053	15,053	11,685	11,685	11,685	11,685	12,094	12,094	12,094	12,094
Other stations, landings, terminals	1,614	1,614	1,614	1,614	1,253	1,253	1,253	1,253	1,296	1,296	1,296	1,296
Elevators, escalators	1,297	1,297	1,297	1,297	1,007	1,007	1,007	1,007	1,042	1,042	1,042	1,042
30 Yards and Shops	-	-	-	-	-	-	-	-	-	-	-	-
Light Maintenance Facility	-	-	-	-	-	-	-	-	-	-	-	-
40 Sitework & Special Conditions	4,763	4,763	4,763	4,763	4,930	4,930	4,930	4,930	7,047	7,047	7,047	7,047
50 Systems	4,277	4,277	4,277	4,277	4,426	4,426	4,426	4,426	4,581	4,581	4,581	4,581
<b>Subtotal Const. &amp; Procurement</b>												
60 Right-of-Way	-	-	-	-	-	-	-	-	-	-	-	-
70 Vehicles	1,070	1,070	1,070	1,070	-	-	-	-	-	-	-	-
80 Professional Services	6,430	6,430	6,430	6,430	6,411	6,411	6,411	6,411	6,804	6,804	6,804	6,804
Preliminary Engineering	-	-	-	-	-	-	-	-	-	-	-	-
Final Design	1,686	1,686	1,686	1,686	1,798	1,798	1,798	1,798	1,882	1,882	1,882	1,882
Project Management (PM)	2,245	2,245	2,245	2,245	2,236	2,236	2,236	2,236	2,317	2,317	2,317	2,317
Construction Administration & Management	1,300	1,300	1,300	1,300	1,519	1,519	1,519	1,519	1,766	1,766	1,766	1,766
Legal; Permits	0,250	0,250	0,250	0,250	0,233	0,233	0,233	0,233	0,214	0,214	0,214	0,214
Surveys, Testing, Investigation, Inspection	0,324	0,324	0,324	0,324	-	-	-	-	-	-	-	-
Start up	0,625	0,625	0,625	0,625	0,625	0,625	0,625	0,625	0,625	0,625	0,625	0,625
90 Unallocated Contingency	6,685	6,685	6,685	6,685	7,310	7,310	7,310	7,310	2,058	2,058	2,058	2,058
<b>Total Capital Cost</b>	<b>55,418</b>	<b>55,418</b>	<b>55,418</b>	<b>55,418</b>	<b>48,067</b>	<b>48,067</b>	<b>48,067</b>	<b>48,067</b>	<b>46,354</b>	<b>46,354</b>	<b>46,354</b>	<b>46,354</b>
Environmental/Planning	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Project Cost</b>	<b>\$ 55,418</b>	<b>\$ 55,418</b>	<b>\$ 55,418</b>	<b>\$ 55,418</b>	<b>\$ 48,067</b>	<b>\$ 48,067</b>	<b>\$ 48,067</b>	<b>\$ 48,067</b>	<b>\$ 46,354</b>	<b>\$ 46,354</b>	<b>\$ 46,354</b>	<b>\$ 46,354</b>
Uses - Annual Totals →				221,671				192,269				185,417
TIFIA Proceeds - Annual Totals →				\$ -				\$ 55.9				\$ 17.9
<b>Sources of Funds</b>	<b>FY 17 Q1</b>	<b>FY 17 Q2</b>	<b>FY 17 Q3</b>	<b>FY 17 Q4</b>	<b>FY 18 Q1</b>	<b>FY 18 Q2</b>	<b>FY 18 Q3</b>	<b>FY 18 Q4</b>	<b>FY 19 Q1</b>	<b>FY 19 Q2</b>	<b>FY 19 Q3</b>	<b>FY 19 Q4</b>
<b>Local Funds</b>												
Transportation Development Act (TDA)	-	-	-	-	-	-	-	-	-	-	-	-
Lease Revenues	9,932	9,932	9,932	9,932	1,705	1,705	1,705	1,705	4,627	4,627	4,627	4,627
State Repayment of Capital Project Loans (Fund 3562)	8,210	8,210	8,210	8,210	20,612	1,966	1,966	1,966	15,789	9,820	9,820	9,820
Other Local	0,700	0,700	0,700	0,700	0,750	0,750	0,750	0,750	0,938	0,938	0,938	0,938
<b>Subtotal Local Funds</b>	<b>18,842</b>	<b>18,842</b>	<b>18,842</b>	<b>18,842</b>	<b>23,067</b>	<b>4,421</b>	<b>4,421</b>	<b>4,421</b>	<b>21,354</b>	<b>15,385</b>	<b>15,385</b>	<b>15,385</b>
<b>State Funds</b>												
Regional Improvement Program (RIP)	-	-	-	-	-	-	-	-	-	-	-	-
High Speed Rail Bonds	11,576	11,576	11,576	11,576	-	-	-	-	-	-	-	-
Prop 1B PTMISEA	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal State Funds</b>	<b>11,576</b>	<b>11,576</b>	<b>11,576</b>	<b>11,576</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Federal Funds</b>												
TIFIA Proceeds (Measure R)	-	-	-	-	-	18,646	18,646	18,646	-	5,969	5,969	5,969
CMAQ	-	-	-	-	-	-	-	-	-	-	-	-
New Starts Section 5309	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>Subtotal Federal Funds</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>43,646</b>	<b>43,646</b>	<b>43,646</b>	<b>25,000</b>	<b>30,969</b>	<b>30,969</b>	<b>30,969</b>
<b>Total Project Sources</b>	<b>\$ 55,418</b>	<b>\$ 55,418</b>	<b>\$ 55,418</b>	<b>\$ 55,418</b>	<b>\$ 48,067</b>	<b>\$ 48,067</b>	<b>\$ 48,067</b>	<b>\$ 48,067</b>	<b>\$ 46,354</b>	<b>\$ 46,354</b>	<b>\$ 46,354</b>	<b>\$ 46,354</b>
Sources - Annual Totals →				221,671				192,269				185,417
Surplus/(Shortfall) 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
Annual Totals →				\$ -				\$ -				\$ -

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**Schedule I Project Budget (\$ in millions)**  
**Regional Connector Transit Corridor Project**  
 Los Angeles County Metropolitan Transportation Authority

Uses of Funds	FY 20 Q1	FY 20 Q2	FY 20 Q3	FY 20 Q4	FY 21 Q1	FY 21 Q2	FY 21 Q3	FY 21 Q4	FY 22 Q1	Total
<b>Construction and Procurement</b>										
10 Guideways	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280.622
20 Stations	-	-	-	-	-	-	-	-	-	354.268
Underground station, stop, shelter, mall, terminal, platform	-	-	-	-	-	-	-	-	-	296.863
Other stations, landings, terminals	-	-	-	-	-	-	-	-	-	31.822
Elevators, escalators	-	-	-	-	-	-	-	-	-	25.583
30 Yards and Shops	-	-	-	-	-	-	-	-	-	-
Light Maintenance Facility	-	-	-	-	-	-	-	-	-	-
40 Sitework & Special Conditions	2.233	2.233	2.233	2.233	-	-	-	-	-	141.785
50 Systems	-	-	-	-	-	-	-	-	-	69.667
<b>Subtotal Const. &amp; Procurement</b>										846.343
60 Right-of-Way	-	-	-	-	-	-	-	-	-	115.889
70 Vehicles	-	-	-	-	-	-	-	-	-	16.275
80 Professional Services	5.315	5.315	5.315	5.315	4.528	4.528	4.528	4.528	-	261.455
Preliminary Engineering	-	-	-	-	-	-	-	-	-	39.828
Final Design	1.064	1.064	1.064	1.064	0.887	0.887	0.887	0.887	-	69.608
Project Management (PM)	1.753	1.753	1.753	1.753	1.568	1.568	1.568	1.568	-	70.040
Construction Administration & Management	1.137	1.137	1.137	1.137	0.750	0.750	0.750	0.750	-	41.857
Legal; Permits	0.055	0.055	0.055	0.055	-	-	-	-	-	8.266
Surveys, Testing, Investigation, Inspection	-	-	-	-	-	-	-	-	-	4.133
Start up	1.306	1.306	1.306	1.306	1.323	1.323	1.323	1.323	-	27.724
90 Unallocated Contingency	0.710	0.710	0.710	0.710	-	-	-	-	-	135.399
<b>Total Capital Cost</b>	8.259	8.259	8.259	8.259	4.528	4.528	4.528	4.528	-	1,375.361
Environmental/Planning	-	-	-	-	-	-	-	-	-	24.109
<b>Total Project Cost</b>	\$ 8.259	\$ 8.259	\$ 8.259	\$ 8.259	\$ 4.528	\$ 4.528	\$ 4.528	\$ 4.528	\$ -	\$ 1,399.470

Uses - Annual Totals →

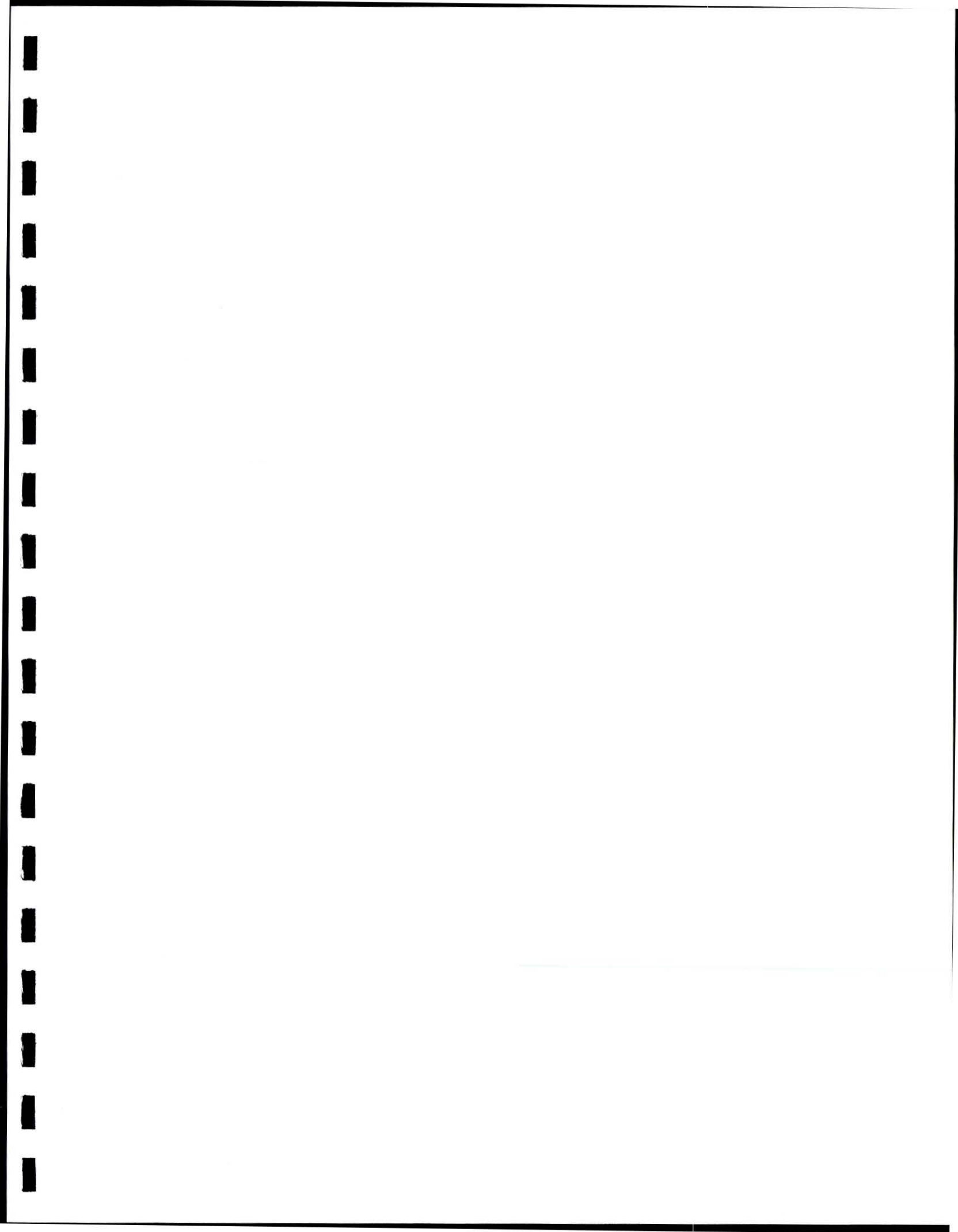
TIFIA Proceeds - Annual Totals → \$ - \$ 2.1 \$ 2.1 \$ 2.1 \$ - \$ 6.0 \$ 6.0 \$ 6.0

Sources of Funds	FY 20 Q1	FY 20 Q1	FY 20 Q1	FY 20 Q1	FY 20 Q1	FY 20 Q1	FY 20 Q1	FY 20 Q1	FY 20 Q1	FY 22 Q1	Total
<b>Local Funds</b>											
Transportation Development Act (TDA)	-	-	-	-	-	-	-	-	-	-	0.255
Lease Revenues	(7.750)	(7.750)	(7.750)	(7.750)	-	-	-	-	-	-	64.247
State Repayment of Capital Project Loans (Fund 3562)	(13.516)	(15.576)	(15.576)	(15.576)	1.890	(4.147)	(4.147)	(4.147)	(0.780)	-	132.024
Other Local	3.300	3.300	3.300	3.300	2.638	2.638	2.638	2.638	0.780	-	42.080
<b>Subtotal Local Funds</b>	(17.966)	(20.026)	(20.026)	(20.026)	4.528	(1.509)	(1.509)	(1.509)	-	-	238.606
<b>State Funds</b>											
Regional Improvement Program (RIP)	-	-	-	-	-	-	-	-	-	-	2.590
High Speed Rail Bonds	-	-	-	-	-	-	-	-	-	-	114.874
Prop 1B PTMISEA	-	-	-	-	-	-	-	-	-	-	149.500
<b>Subtotal State Funds</b>	-	-	-	-	-	-	-	-	-	-	266.964
<b>Federal Funds</b>											
TIFIA Proceeds (Measure R)	-	2.059	2.059	2.059	-	6.037	6.037	6.037	-	-	160.000
CMAQ	-	-	-	-	-	-	-	-	-	-	64.000
New Starts Section 5309	26.225	26.225	26.225	26.225	-	-	-	-	-	-	669.900
<b>Subtotal Federal Funds</b>	26.225	28.284	28.284	28.284	-	6.037	6.037	6.037	-	-	893.900
<b>Total Project Sources</b>	\$ 8.259	\$ 8.259	\$ 8.259	\$ 8.259	\$ 4.528	\$ 4.528	\$ 4.528	\$ 4.528	\$ -	\$ -	\$ 1,399.470
Sources - Annual Totals →				33.035				18.112	13.584		
<b>Surplus/(Shortfall) of Sources to Uses</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Annual Totals →

\$ - \$ -

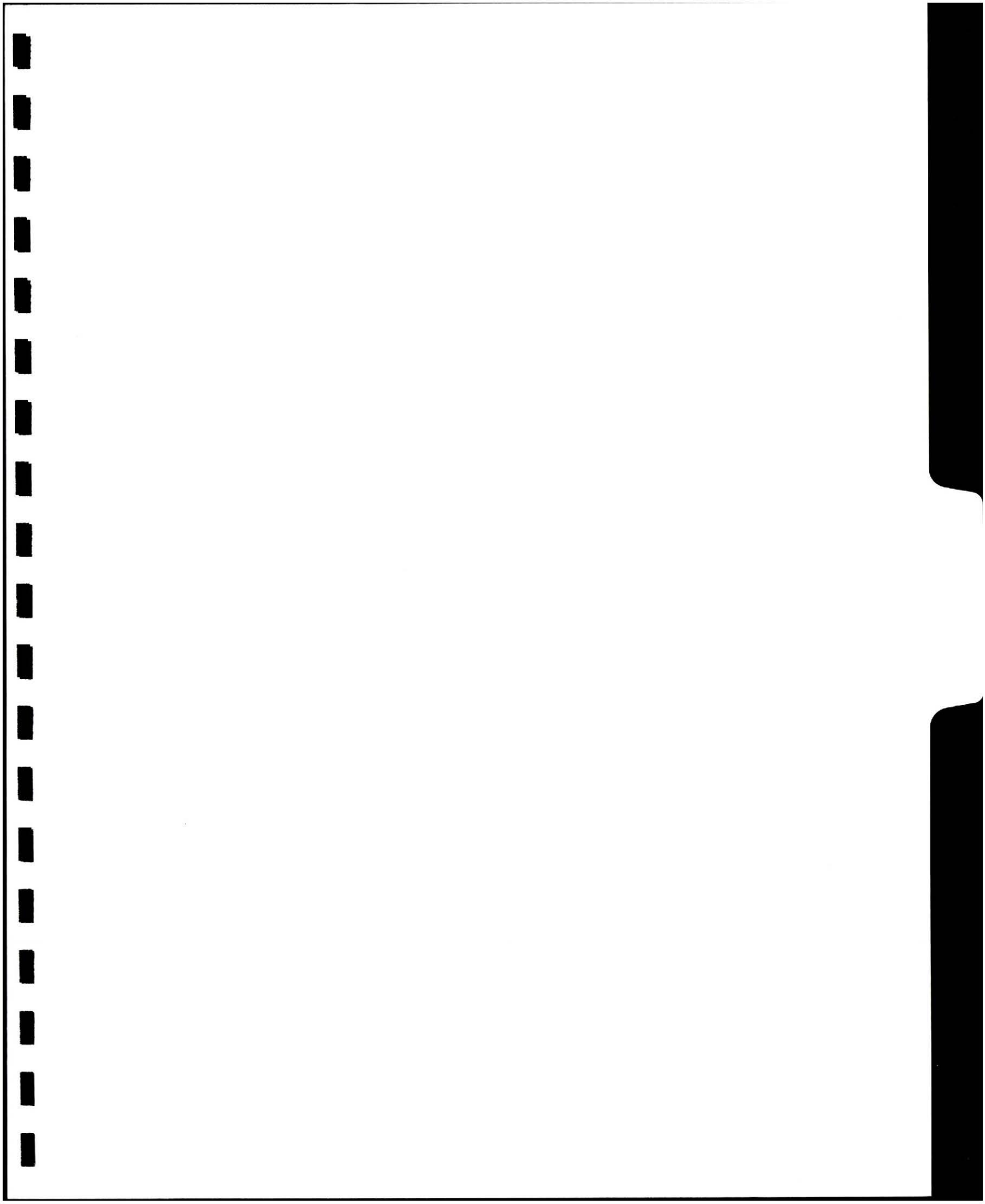
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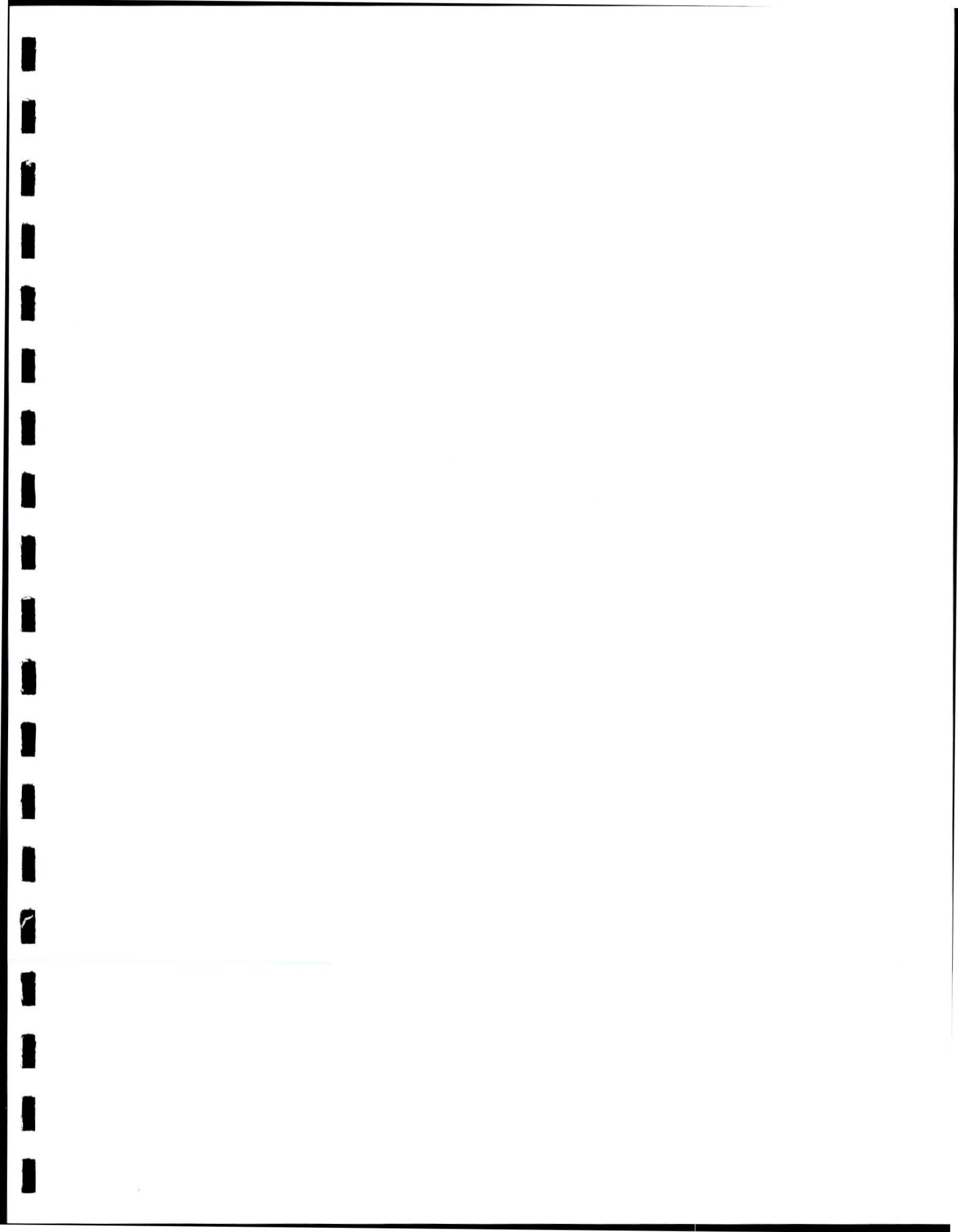


**Schedule II  
Standard Cost  
Categories**





**SCHEDULE II**  
**TIFIA Eligible Project Costs**  
**Standard Cost Categories**



## SCHEDULE II

### TIFIA Eligible Project Costs

#### Standard Cost Categories

##### **10 GUIDEWAY & TRACK ELEMENTS (route miles)**

- 10.01 Guideway: At grade exclusive right-of-way
- 10.02 Guideway: At-Grade semi-exclusive (allows cross-traffic)
- 10.03 Guideway: At-grade in mixed traffic
- 10.04 Guideway: Aerial structure
- 10.05 Guideway: Built-up fill
- 10.06 Guideway: Underground cut & cover
- 10.07 Guideway: Underground tunnel
- 10.08 Guideway: Retained cut of fill
- 10.09 Track: Direct fixation
- 10.10 Track: Embedded
- 10.11 Track: Ballasted
- 10.12 Track: Special (switches, turnouts)
- 10.13 Track: Vibration and noise dampening

##### **20 STATIONS, STOPS, TERMINALS, INTERMODAL (number)**

- 20.01 At-grade station, stop, shelter, mall, terminal, platform
- 20.02 Aerial station, stop, shelter, mall, terminal, platform
- 20.03 Underground station, stop, shelter, mall, terminal, platform
- 20.04 Other stations, landings, terminals: Intermodal, ferry, trolley, etc.
- 20.05 Joint development
- 20.06 Automobile parking multi-story structure
- 20.07 Elevators, escalators

##### **30 SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS**

- 30.01 Administration Building: Office, sales, storage, revenue counting
- 30.02 Light Maintenance Facility
- 30.03 Heavy Maintenance Facility
- 30.04 Storage or Maintenance of Way Building
- 30.05 Yard and Yard Track

##### **40 SITEWORK & SPECIAL CONDITIONS**

- 40.01 Demolition, Clearing, Earthwork
- 40.02 Site Utilities, Utility Relocation
- 40.03 Haz. mat'l, contam'd soil removal/mitigation, ground water treatments
- 40.04 Environmental mitigation, e.g. wetlands, historic/archeologic, parks
- 40.05 Site structures including retaining walls, sound walls
- 40.06 Pedestrian/bike access and accommodation, landscaping
- 40.07 Automobile, bus, van accessways including roads, parking lots
- 40.08 Temporary Facilities and other indirect costs during construction

**50 SYSTEMS**

- 50.01 Train control and signals
- 50.02 Traffic signals and crossing protection
- 50.03 Traction power supply: substations
- 50.04 Traction power distribution; catenary and third rail
- 50.05 Communications
- 50.06 Fare collection system and equipment
- 50.07 Central Control

**60 ROW, LAND, EXISTING IMPROVEMENTS**

- 60.01 Purchase or lease of real estate
- 60.02 Relocation of existing households and business

**70 VEHICLES (number)**

- 70.01 Light Rail
- 70.02 Heavy Rail
- 70.03 Commuter Rail
- 70.04 Bus
- 70.05 Other
- 70.06 Non-revenue vehicles
- 70.07 Spare parts

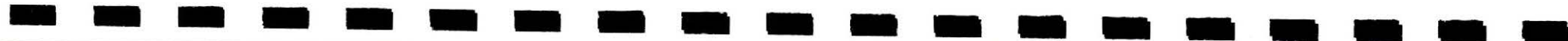
**80 PROFESSIONAL SERVICES (applies to Cats. 10-50)**

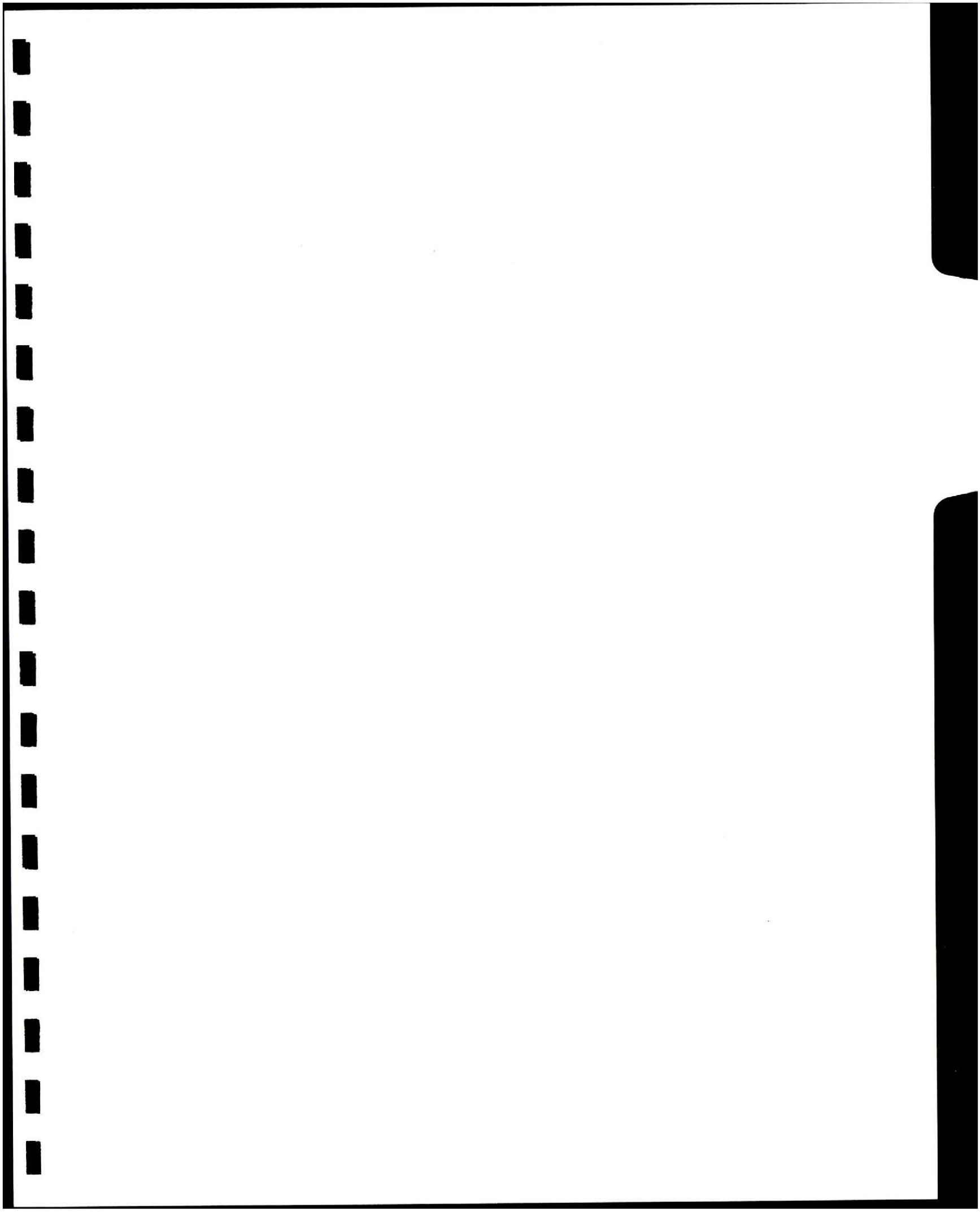
- 80.01 Preliminary Engineering
- 80.03 Final Design
- 80.03 Project Management for Design and Construction
- 80.04 Construction Administration & Management
- 80.05 Professional Liability and other Non-Construction Insurance
- 80.06 Legal; Permits; Review Fees by other agencies, cities, etc.
- 80.07 Surveys, Testing, Investigation, Inspection
- 80.08 Start-up

**90 UNALLOCATED CONTINGENCY**

**TOTAL PROJECT COST (10-90)**

- Allocated Contingency as % of Base Yr Dollars w/o Contingency
- Unallocated Contingency as % of Base Yr Dollars w/o Contingency
- Total Contingency as % of Base Yr Dollars w/o Contingency
- Unallocated Contingency as % of Subtotal (10 – 80)
- YOE Construction Cost per Mile (X000)
- YOE Total Project Cost per Mile Not Including Vehicles (X000)
- YOE Total Project Cost per Mile (X000)







**EXHIBIT A**

**FORM OF TIFIA BOND**

COPY

Neither the faith and credit nor the taxing power of the State of California or any public agency, other than the Los Angeles County Metropolitan Transportation Authority, is pledged to the payment of the principal of, or interest on, this 2014-A TIFIA Bond.

No. R-1

\$160,000,000

**LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY  
MEASURE R JUNIOR SUBORDINATE SALES TAX REVENUE BOND  
2014-A TIFIA SERIES  
(REGIONAL CONNECTOR TIFIA LOAN)**

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

**Maturity Date:** June 1, 2036

**Maximum**

**Principal Amount:** ONE HUNDRED SIXTY MILLION AND NO/100 DOLLARS

**Interest Rate:** 3.50%

**Issue Date:** February 20, 2014

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a public entity duly organized and existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Pledged Revenues hereinafter referenced) to the order of the United States Department of Transportation, acting by and through the Federal Highway Administrator, and its successors and assigns (the "TIFIA Lender" and "Holder"), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all disbursements (the "Disbursements") made by the TIFIA Lender (such lesser amount, together with any interest that is capitalized and added to principal in accordance with the provisions of the TIFIA Loan Agreement, dated February 20, 2014, by and between the Authority and the TIFIA Lender (the "2014-A TIFIA Loan Agreement"), being hereinafter referred to as the "Outstanding TIFIA Loan Balance"), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the 2014-A TIFIA Loan Agreement) on the Outstanding TIFIA Loan Balance, and all fees, costs and other amounts payable in connection therewith, all as more fully described in the below-referenced 2014-A TIFIA Loan Agreement, which is hereby made a part hereof. Each Disbursement made by the TIFIA Lender to the Authority pursuant to the 2014-A TIFIA Loan Agreement, and each prepayment made on account of the Outstanding TIFIA Loan Balance, shall be recorded by or on behalf of the TIFIA Lender and endorsed on the grid attached hereto as Appendix One with a copy to the Authority in accordance with the terms of the 2014-A TIFIA Loan Agreement. The principal hereof shall be payable in the manner and at the place provided in the 2014-A TIFIA Loan Agreement in accordance with Appendix Two, as revised from time-to-time in accordance with the 2014-A TIFIA Loan Agreement, until paid

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in full. Such Appendix Two shall be revised or completed by or on behalf of the TIFIA Lender in accordance with the terms of the 2014-A TIFIA Loan Agreement. Payments hereon are to be made in accordance with Section 35 of the 2014-A TIFIA Loan Agreement as the same become due. Principal of and interest on this 2014-A TIFIA Bond shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America which at the date of payment is legal tender for the payment of public and private debts.

This 2014-A TIFIA Bond has been executed under and pursuant to the 2014-A TIFIA Loan Agreement and is issued to evidence the obligation of the Authority under the 2014-A TIFIA Loan Agreement to repay the loan made by the TIFIA Lender and any other payments of any kind required to be paid by the Authority under the 2014-A TIFIA Loan Agreement or the other TIFIA Loan Documents referred to therein. Reference is made to the 2014-A TIFIA Loan Agreement for all details relating to the Authority's obligations hereunder. All capitalized terms used in this 2014-A TIFIA Bond and not defined herein shall have the meanings set forth in the 2014-A TIFIA Loan Agreement.

This 2014-A TIFIA Bond is a fully registered Bond and the principal of and interest on the Bond shall be payable by wire transfer to the Holder hereof in accordance with the 2014-A TIFIA Loan Agreement.

This 2014-A TIFIA Bond is one of a duly authorized issue of Los Angeles County Metropolitan Transportation Authority Measure R Junior Subordinate Sales Tax Revenue Bonds, 2014-A TIFIA Series (Regional Connector TIFIA Loan) (the "2014-A TIFIA Bond") of the series and designation indicated on the face hereof, all of which are being issued pursuant to the provisions of the Los Angeles County Transportation Commission Revenue Bond Act, Division 12 (Section 130500 et seq.) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented (the "Act"), the Ordinance No. 08-01, adopted by the Authority on July 24, 2008 and approved by at least two-thirds of electors voting on such proposition in the November 4, 2008 election and any amendments or extensions thereto. This 2014-A TIFIA Bond is issued pursuant to a Trust Agreement, dated as of November 1, 2010, between the Authority and the Trustee, as amended and restated as of February 1, 2014, as supplemented by a Second Supplemental Trust Agreement, dated as of February 20, 2014 (the "Second Supplement"), between the Authority and the Trustee, authorizing the issuance of the 2014-A TIFIA Bond (such trust agreement as amended and supplemented, including as supplemented by the Second Supplement, collectively, the "Trust Agreement"). Reference is hereby made to the Trust Agreement, the 2014-A TIFIA Loan Agreement and to the Act for a description of the terms on which the 2014-A TIFIA Bond is issued and to be issued, the provisions with regard to the nature and extent of the Pledged Revenues (as that term is defined in the Trust Agreement), and the rights of the registered owners of the 2014-A TIFIA Bond; and all the terms of the Trust Agreement and the Act are hereby incorporated herein and constitute a contract between the Authority and the registered owner from time to time of this 2014-A TIFIA Bond, and to all the provisions thereof the registered owner of this 2014-A TIFIA Bond, by its acceptance hereof, consents and agrees. This 2014-A TIFIA Bond constitutes a Junior Subordinate Obligation (as defined in the Trust Agreement). Senior Bonds, Parity Obligations, Subordinate Obligations and other Junior Subordinate Obligations (each as defined in the Trust Agreement) may be issued, and indebtedness may be incurred, on a basis senior to or on a parity with the 2014-A TIFIA Bond of

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this authorized issue, but only subject to the conditions and limitations contained in the Trust Agreement and the 2014-A TIFIA Loan Agreement.

The 2014-A TIFIA Bond and the interest thereon (to the extent set forth in the Trust Agreement and the 2014-A TIFIA Loan Agreement), are payable from, and are secured by a subordinate pledge of the proceeds derived by the Authority from the transactions and use tax imposed pursuant to the Act (as more particularly defined in the Trust Agreement, the "Pledged Revenues"). All 2014-A TIFIA Bonds are equally secured by such subordinate pledge of, and subordinate lien upon, the Pledged Revenues, and the Pledged Revenues constitute a trust fund for the security and payment of the interest on and principal of the 2014-A TIFIA Bond, subject to the prior pledge and lien securing Senior Bonds, Parity Obligations and Subordinate Obligations; but nevertheless out of Pledged Revenues certain amounts may be applied for other purposes as provided in the Trust Agreement.

The 2014-A TIFIA Bond is a limited obligation of the Authority and is payable as to principal and interest and as to any premiums upon the redemption thereof, out of Pledged Revenues, as provided for in the Trust Agreement. The general fund of the Authority is not liable, and the credit or taxing power (other than as described above) of the Authority is not pledged; for the payment of this 2014-A TIFIA Bond or interest thereon. This 2014-A TIFIA Bond is not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Pledged Revenues to the extent set forth in the Trust Agreement.

THIS 2014-A TIFIA BOND SHALL AND MAY BE PREPAID in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined by the Authority in accordance with the 2014-A TIFIA Loan Agreement and the Trust Agreement; provided, however, that any prepayment in part made at the option of the Authority shall be in principal amounts of \$1,000,000 or any integral multiple of \$1 in excess thereof), at any time or from time to time, without penalty or premium, by paying to the Holder such principal amount of this 2014-A TIFIA Bond to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment in accordance with the 2014-A TIFIA Loan Agreement.

THIS 2014-A TIFIA BOND SHALL BE SUBJECT TO MANDATORY PREPAYMENT in accordance with the 2014-A TIFIA Loan Agreement and the Trust Agreement.

ON EACH PAYMENT DUE DATE, payments hereon are to be made in the manner and at the place specified by the Holder pursuant to the 2014-A TIFIA Loan Agreement.

The rights and obligations of the Authority and of the holders and registered owners of this 2014-A TIFIA Bond may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Trust Agreement and the 2014-A TIFIA Loan Agreement.

This 2014-A TIFIA Bond is transferable or exchangeable for other authorized denominations by the registered owner hereof, in person or by its attorney duly authorized in writing, at the corporate trust office of the Trustee, but only in the manner, subject to the

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limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender and cancellation of this 2014-A TIFIA Bond. Upon such transfer a new fully registered 2014-A TIFIA Bond without coupons, of authorized denomination or denominations, of the same series, tenor, maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange herefor.

Pursuant to the Second Supplement, the Holder of this 2014-A TIFIA Bond shall at all times be the party to the 2014-A TIFIA Loan Agreement having all rights and obligations of the "TIFIA Lender" under the 2014-A TIFIA Loan Agreement. The Trustee shall not register any transfer or exchange of this 2014-A TIFIA Bond unless the Holder's prospective transferee delivers to the Trustee a letter substantially in the form as set forth in Exhibit C attached to the Second Supplement.

ANY DELAY ON THE PART OF THE TIFIA LENDER in exercising any right hereunder or under the 2014-A TIFIA Loan Agreement shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this 2014-A TIFIA Bond, and in the issuing of this 2014-A TIFIA Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this 2014-A TIFIA Bond, together with all other indebtedness of the Authority pertaining to the Pledged Revenues, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of indebtedness permitted to be issued under the Trust Agreement or the Act.

This 2014-A TIFIA Bond is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State of California shall govern its construction to the extent such federal laws are not applicable.

This 2014-A TIFIA Bond shall not be entitled to any benefit under the Trust Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY has caused this 2014-A TIFIA Bond to be executed in its name and on its behalf by its Chief Financial Services Officer by manual or facsimile signature, and this 2014-A TIFIA Bond to be dated as of the Issue Date specified above.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

By



Chief Financial Services Officer

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This is the 2014-A TIFIA Bond described in the within mentioned Trust Agreement and registered on the date set forth below.

Dated: February 20, 2014

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By

A handwritten signature in black ink, appearing to read 'R. Miller', is written over a horizontal line. A large, semi-transparent 'COPY' watermark is overlaid on the signature.

Authorized Officer

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ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto

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(Name, Address and Tax Identification or Social Security Number of Assignee) the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) \_\_\_\_\_ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

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

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

Note: This signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.





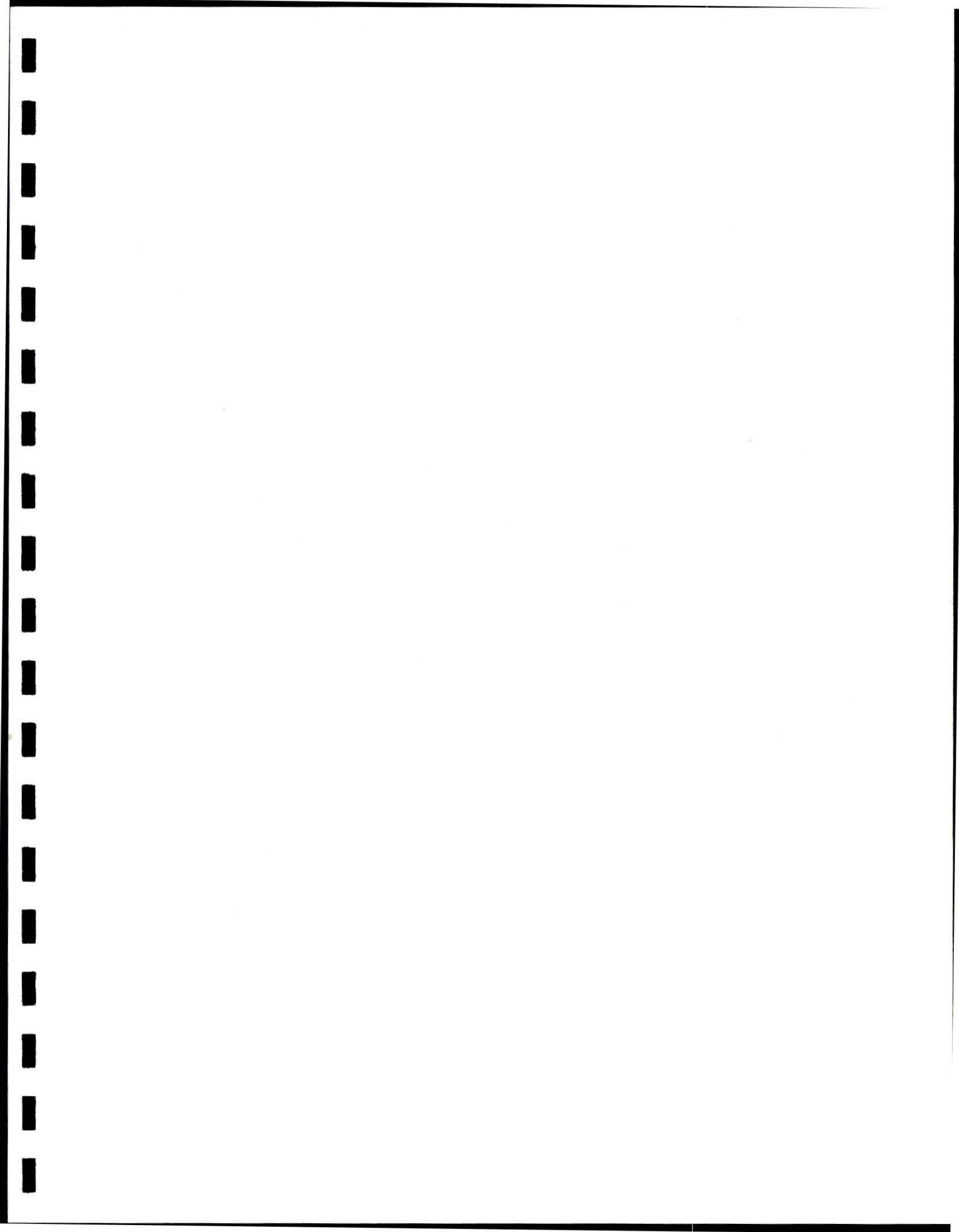
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Appendix Two  
Loan Amortization Schedule

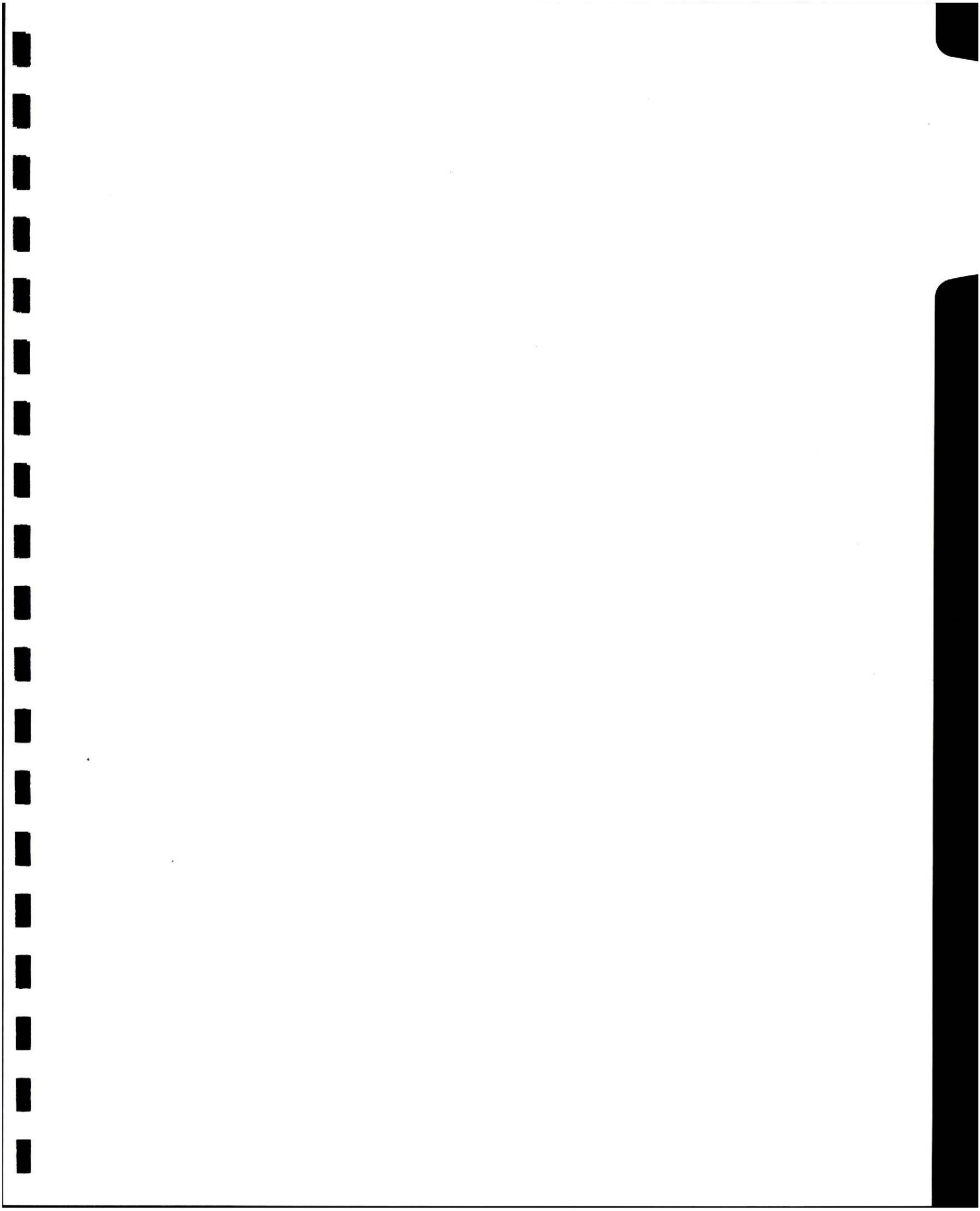
Regional Connector Transit Corridor Project

Principal Amount: \$160,000,000			Effective Date: 02/20/14			Interest Rate: 3.50%	
Date	Beginning Balance	Disbursements (1)	Loan Repayment	Interest Paid	Interest Accrued	Principal Repayment	Ending Balance
6/1/2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12/1/2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6/1/2015	\$ -	\$ 61,864,368.00	\$ -	\$ -	\$ -	\$ -	\$ -
12/1/2015	\$ 61,864,368.00	\$ -	\$ -	\$ -	\$ 943,219.75	\$ -	\$ 62,807,587.75
6/1/2016	\$ 62,807,587.75	\$ -	\$ -	\$ -	\$ 1,099,132.79	\$ -	\$ 63,906,720.53
12/1/2016	\$ 63,906,720.53	\$ -	\$ -	\$ -	\$ 1,118,367.61	\$ -	\$ 65,025,088.14
6/1/2017	\$ 65,025,088.14	\$ -	\$ -	\$ -	\$ 1,134,821.40	\$ -	\$ 66,159,909.54
12/1/2017	\$ 66,159,909.54	\$ 55,938,632.00	\$ -	\$ -	\$ 1,160,970.47	\$ -	\$ 67,320,880.01
6/1/2018	\$ 123,259,512.01	\$ -	\$ -	\$ -	\$ 2,022,396.28	\$ -	\$ 125,281,908.29
12/1/2018	\$ 125,281,908.29	\$ 17,907,088.00	\$ -	\$ -	\$ 2,198,440.06	\$ -	\$ 127,480,348.35
6/1/2019	\$ 145,387,436.35	\$ -	\$ -	\$ -	\$ 2,496,098.67	\$ -	\$ 147,883,535.02
12/1/2019	\$ 147,883,535.02	\$ 6,177,949.00	\$ -	\$ 2,595,052.17	\$ 2,595,052.17	\$ -	\$ 147,883,535.02
6/1/2020	\$ 154,061,484.02	\$ -	\$ 46,000,000.00	\$ 2,681,897.07	\$ 2,681,897.07	\$ 30,723,050.76	\$ 123,338,433.26
12/1/2020	\$ 123,338,433.26	\$ 18,111,963.00	\$ -	\$ 2,158,422.58	\$ 2,158,422.58	\$ -	\$ 123,338,433.26
6/1/2021	\$ 141,450,396.26	\$ -	\$ 10,598,000.00	\$ 2,426,917.74	\$ 2,426,917.74	\$ 6,012,659.68	\$ 135,437,736.58
12/1/2021	\$ 135,437,736.58	\$ -	\$ -	\$ 2,376,653.98	\$ 2,376,653.98	\$ -	\$ 135,437,736.58
6/1/2022	\$ 135,437,736.58	\$ -	\$ 10,598,000.00	\$ 2,363,666.80	\$ 2,363,666.80	\$ 5,857,679.22	\$ 129,580,057.37
12/1/2022	\$ 129,580,057.37	\$ -	\$ -	\$ 2,273,863.75	\$ 2,273,863.75	\$ -	\$ 129,580,057.37
6/1/2023	\$ 129,580,057.37	\$ -	\$ 10,598,000.00	\$ 2,261,438.26	\$ 2,261,438.26	\$ 6,062,697.99	\$ 123,517,359.37
12/1/2023	\$ 123,517,359.37	\$ -	\$ -	\$ 2,167,475.85	\$ 2,167,475.85	\$ -	\$ 123,517,359.37
6/1/2024	\$ 123,517,359.37	\$ -	\$ 10,598,000.00	\$ 2,161,553.79	\$ 2,161,553.79	\$ 6,268,970.36	\$ 117,248,389.02
12/1/2024	\$ 117,248,389.02	\$ -	\$ -	\$ 2,051,846.81	\$ 2,051,846.81	\$ -	\$ 117,248,389.02
6/1/2025	\$ 117,248,389.02	\$ -	\$ 10,598,000.00	\$ 2,046,225.31	\$ 2,046,225.31	\$ 6,499,927.88	\$ 110,748,461.13
12/1/2025	\$ 110,748,461.13	\$ -	\$ -	\$ 1,943,407.93	\$ 1,943,407.93	\$ -	\$ 110,748,461.13
6/1/2026	\$ 110,748,461.13	\$ -	\$ 10,598,000.00	\$ 1,932,788.21	\$ 1,932,788.21	\$ 6,721,803.86	\$ 104,026,657.27
12/1/2026	\$ 104,026,657.27	\$ -	\$ -	\$ 1,825,454.08	\$ 1,825,454.08	\$ -	\$ 104,026,657.27
6/1/2027	\$ 104,026,657.27	\$ -	\$ 10,598,000.00	\$ 1,815,478.92	\$ 1,815,478.92	\$ 6,957,067.00	\$ 97,069,590.28
12/1/2027	\$ 97,069,590.28	\$ -	\$ -	\$ 1,703,371.85	\$ 1,703,371.85	\$ -	\$ 97,069,590.28
6/1/2028	\$ 97,069,590.28	\$ -	\$ 10,598,000.00	\$ 1,698,717.83	\$ 1,698,717.83	\$ 7,195,910.32	\$ 89,873,679.96
12/1/2028	\$ 89,873,679.96	\$ -	\$ -	\$ 1,572,789.40	\$ 1,572,789.40	\$ -	\$ 89,873,679.96
6/1/2029	\$ 89,873,679.96	\$ -	\$ 10,598,000.00	\$ 1,568,480.39	\$ 1,568,480.39	\$ 7,456,730.21	\$ 82,416,949.75
12/1/2029	\$ 82,416,949.75	\$ -	\$ -	\$ 1,446,248.12	\$ 1,446,248.12	\$ -	\$ 82,416,949.75
6/1/2030	\$ 82,416,949.75	\$ -	\$ 10,598,000.00	\$ 1,438,345.12	\$ 1,438,345.12	\$ 7,713,406.76	\$ 74,703,542.99
12/1/2030	\$ 74,703,542.99	\$ -	\$ -	\$ 1,310,893.68	\$ 1,310,893.68	\$ -	\$ 74,703,542.99
6/1/2031	\$ 74,703,542.99	\$ -	\$ 10,598,000.00	\$ 1,303,730.33	\$ 1,303,730.33	\$ 7,983,376.00	\$ 66,720,166.99
12/1/2031	\$ 66,720,166.99	\$ -	\$ -	\$ 1,170,801.83	\$ 1,170,801.83	\$ -	\$ 66,720,166.99
6/1/2032	\$ 66,720,166.99	\$ -	\$ 10,598,000.00	\$ 1,167,602.92	\$ 1,167,602.92	\$ 8,259,595.24	\$ 58,460,571.75
12/1/2032	\$ 58,460,571.75	\$ -	\$ -	\$ 1,023,060.01	\$ 1,023,060.01	\$ -	\$ 58,460,571.75
6/1/2033	\$ 58,460,571.75	\$ -	\$ 10,893,100.00	\$ 1,020,257.10	\$ 1,020,257.10	\$ 8,849,782.89	\$ 49,610,788.86
12/1/2033	\$ 49,610,788.86	\$ -	\$ -	\$ 870,567.40	\$ 870,567.40	\$ -	\$ 49,610,788.86
6/1/2034	\$ 49,610,788.86	\$ -	\$ 10,900,000.00	\$ 865,810.21	\$ 865,810.21	\$ 9,163,622.39	\$ 40,447,166.47
12/1/2034	\$ 40,447,166.47	\$ -	\$ -	\$ 709,764.66	\$ 709,764.66	\$ -	\$ 40,447,166.47
6/1/2035	\$ 40,447,166.47	\$ -	\$ 19,900,000.00	\$ 705,886.17	\$ 705,886.17	\$ 18,484,349.17	\$ 21,962,817.29
12/1/2035	\$ 21,962,817.29	\$ -	\$ -	\$ 385,402.31	\$ 385,402.31	\$ -	\$ 21,962,817.29
6/1/2036	\$ 21,962,817.29	\$ -	\$ 22,732,568.91	\$ 384,349.30	\$ 384,349.30	\$ 21,962,817.29	\$ (0.00)

(1) Amount of disbursement occurs on the 25th of that month and is reflected in the subsequent Payment Period.

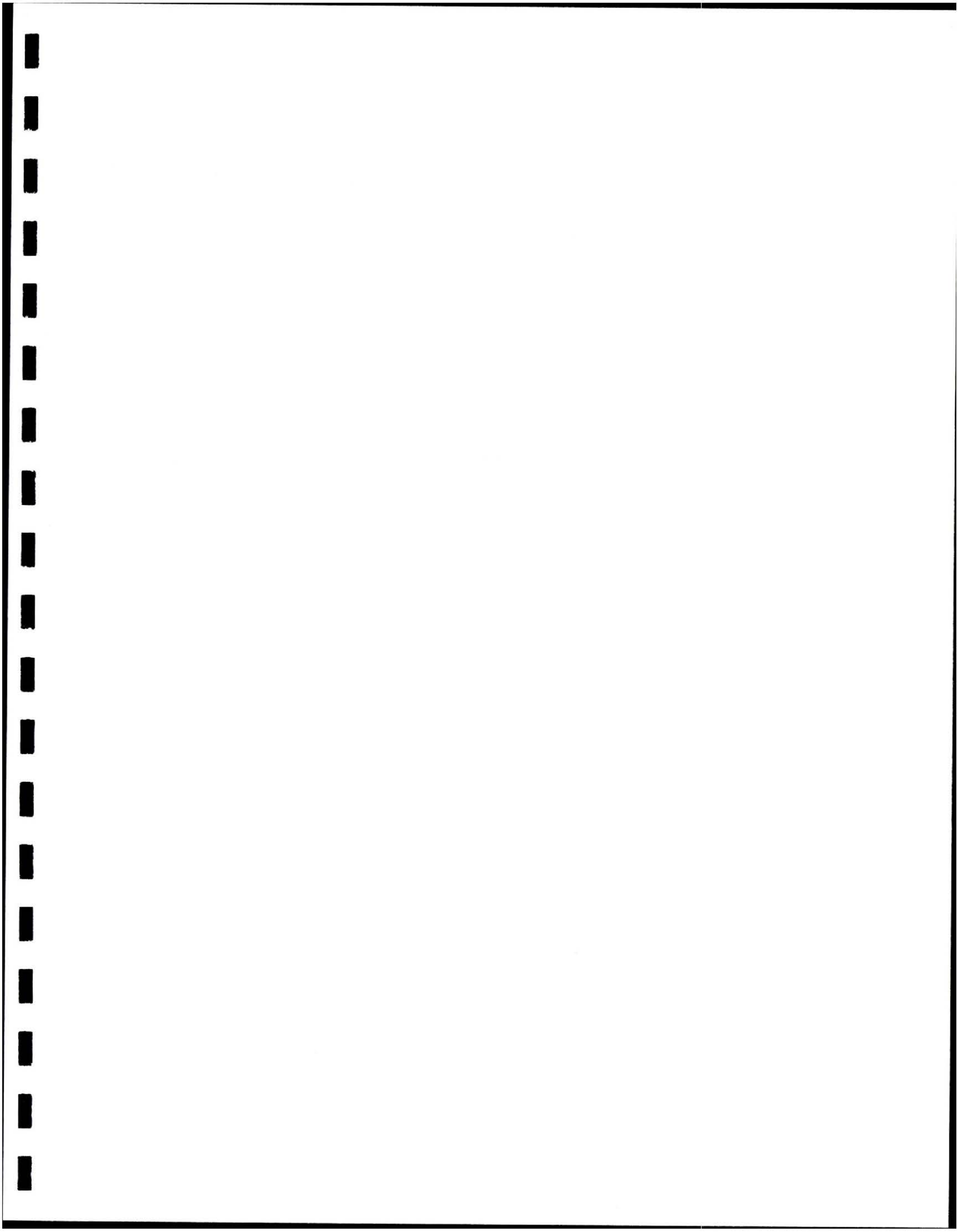






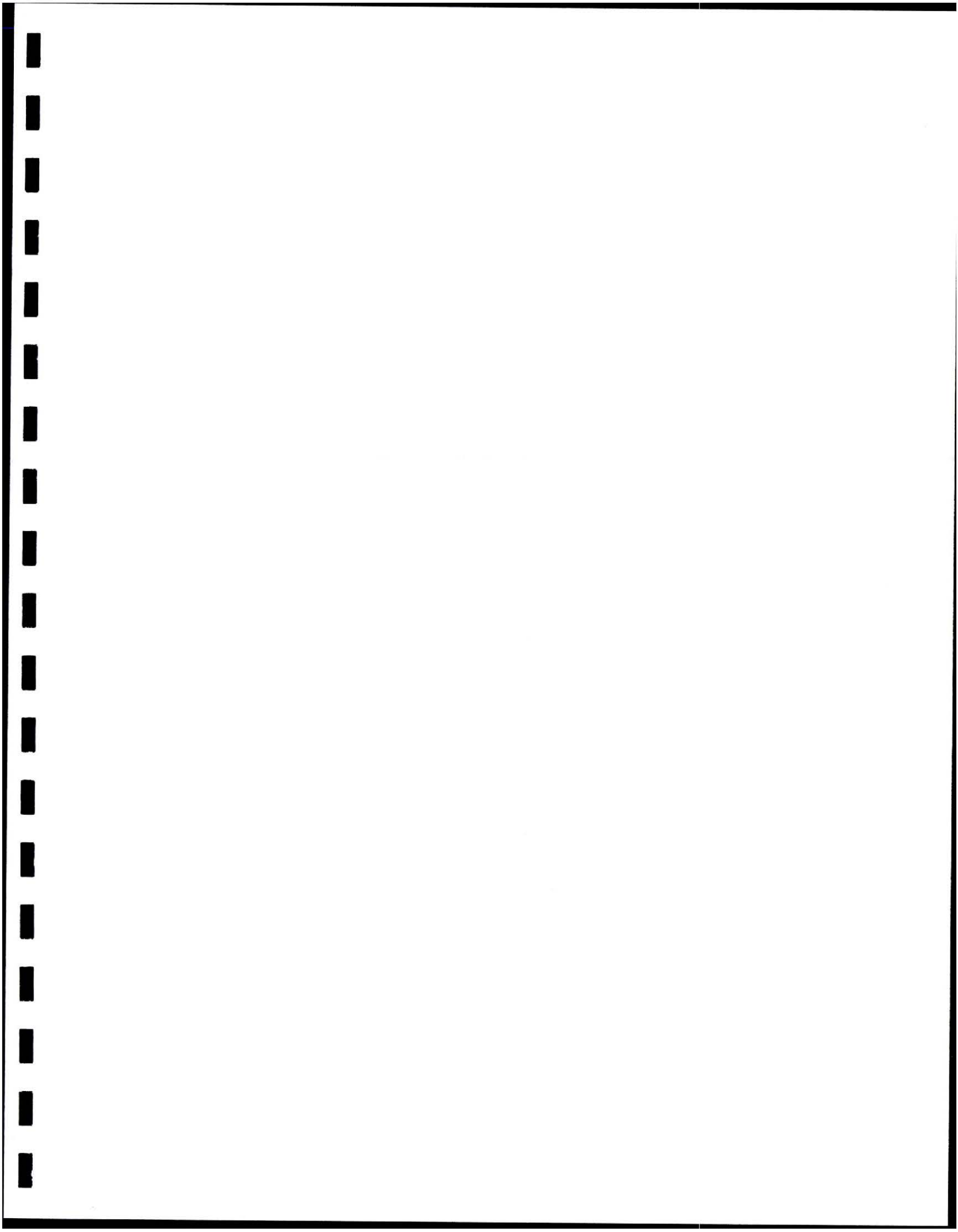
**EXHIBIT B**

**ANTICIPATED TIFIA LOAN DISBURSEMENT SCHEDULE**



**Exhibit B**  
**Anticipated TIFIA Loan Disbursement Schedule**  
**Regional Connector Transit Corridor Project**

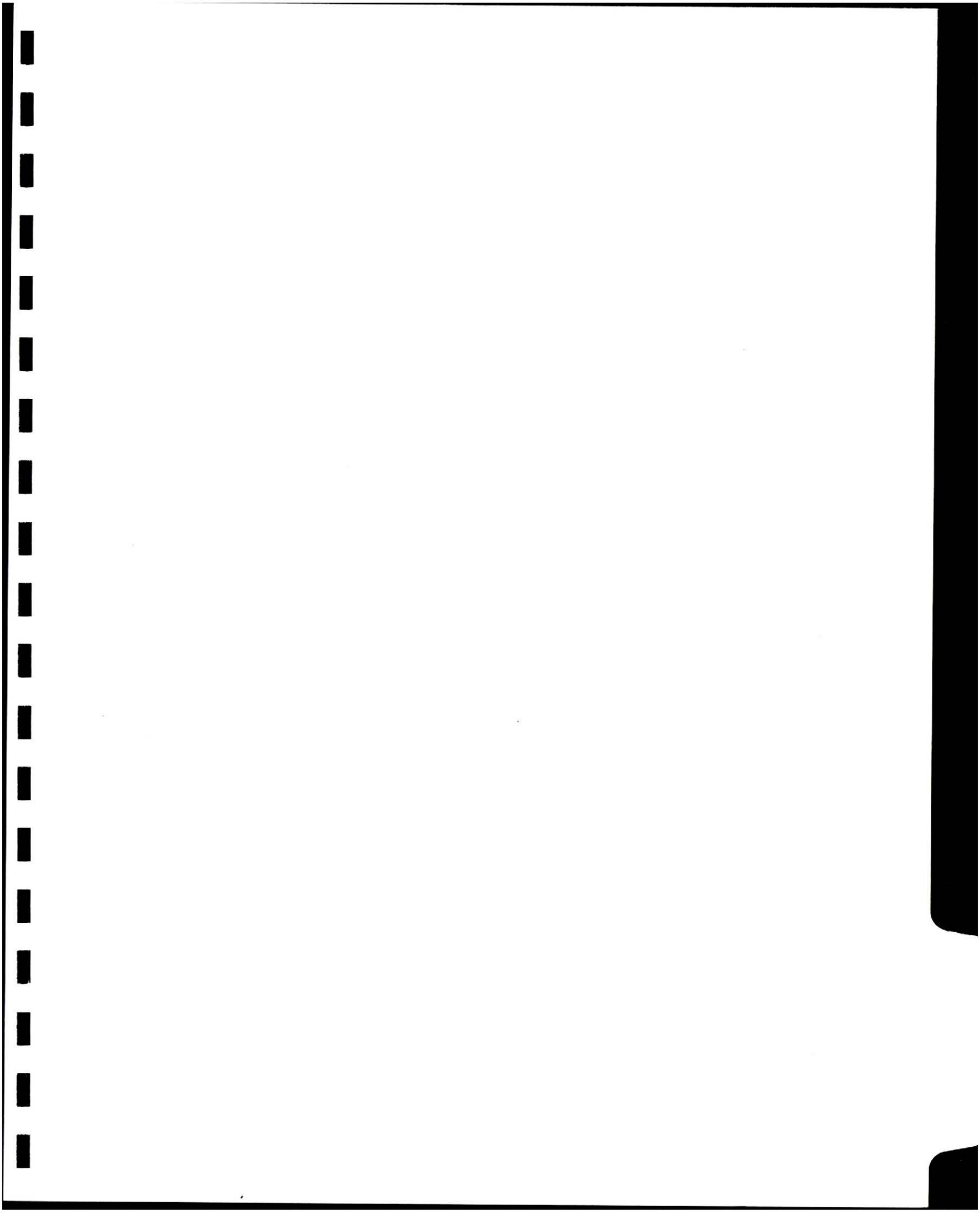
<b>Date</b>	<b>Amount of Disbursement</b>
6/25/2015	\$ 61,864,368.00
12/25/2017	\$ 55,938,632.00
12/25/2018	\$ 17,907,088.00
12/25/2019	\$ 6,177,949.00
12/25/2020	\$ 18,111,963.00
Total	\$ 160,000,000.00





**EXHIBIT C  
Non-Debarment  
Certification**





## EXHIBIT C

### CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

The Los Angeles County Metropolitan Transportation Authority (the "Borrower") certifies, to the best of its knowledge, that it and its principals (as defined in 2 C.F.R. § 180.995):

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(b) Have not within a three-year period preceding the Effective Date been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

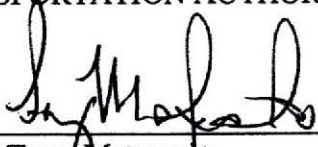
(d) Have not within a three-year period preceding the Effective Date had one or more public transactions (federal, state or local) terminated for cause or default.

Capitalized terms used in the certificate and not defined shall have the respective meanings ascribed to such terms in the TIFIA Loan Agreement, dated as of February 20, 2014, between the United States Department of Transportation, acting by and through the Federal Highway Administrator, and the Borrower, as the same may be amended from time to time.

[End of Certificate regarding Debarment, Etc.]

IN WITNESS WHEREOF, the undersigned has executed this Certificate this 21 day of February, 2014.

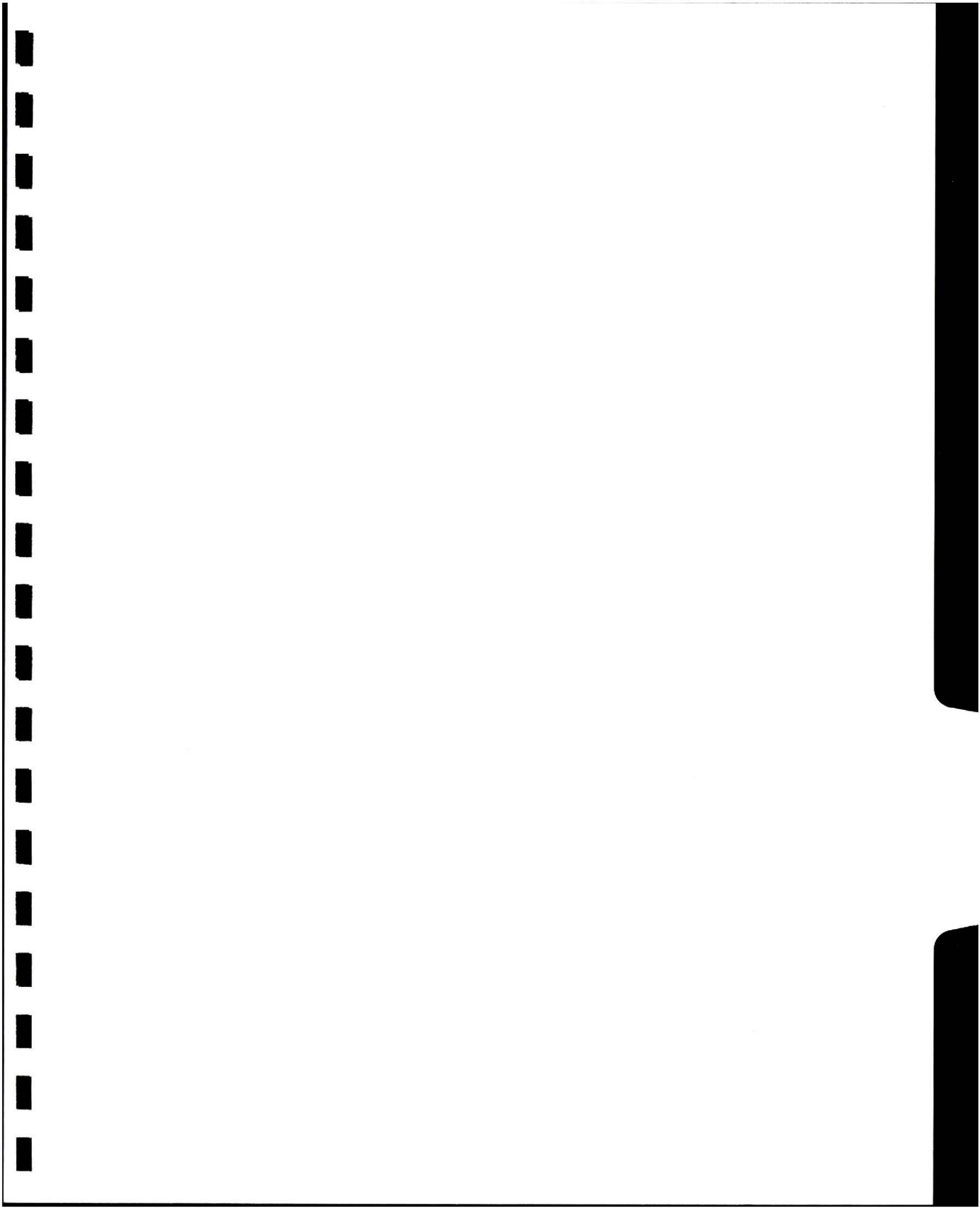
LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

By   
Name: Terry Matsumoto  
Title: Chief Financial Services Officer

[Signature page to Certificate regarding Debarment, Etc.]

**EXHIBIT D**  
**Requisition**  
**Procedures**





## EXHIBIT D

### REQUISITION PROCEDURES

This **Exhibit D** sets out the procedures which the Borrower agrees to follow in submitting requests (requisitions) for the disbursement of TIFIA Loan proceeds to pay, or reimburse the Borrower for, Eligible Project Costs incurred in connection with the Project. Section 1 sets out the manner in which disbursement requests are to be submitted and reviewed. Sections 2 through 4 set out the circumstances in which the TIFIA Lender may reject or correct any disbursement request submitted by the Borrower or withhold any such disbursement. The Borrower expressly agrees to the terms hereof, and further agrees that (i) the rights of the TIFIA Lender contained herein are in addition to (and not in lieu of) any other rights or remedies available to the TIFIA Lender under the TIFIA Loan Agreement, and (ii) nothing contained herein shall be construed to limit the rights of the TIFIA Lender to take actions including, but not limited to, administrative enforcement action and actions for breach of contract against the Borrower if it fails to carry out its obligations under the TIFIA Loan Agreement during the term thereof.

**SECTION 1. General Requirements.** All requests by the Borrower for the disbursement of TIFIA Loan proceeds shall be made by submission to the TIFIA Lender (Attention: Director, FHWA TIFIA Joint Program Office (HITJ-1), Federal Highway Administration, 1200 New Jersey Avenue, SE, Washington, D.C. 20590) of a requisition and certification, in form and substance satisfactory to the TIFIA Lender and in each case completed and executed by a duly authorized representative of the Borrower. The form of requisition and certification is attached as Appendix One to this **Exhibit D**.

The TIFIA Lender agrees to promptly send to the Borrower in accordance with Section 35 of this Agreement, an acknowledgement of receipt of each Requisition in the form attached as Appendix Two to this **Exhibit D** setting forth the date of receipt by the TIFIA Lender of such Requisition and setting forth the Business Day on which disbursement will be made absent denial by the TIFIA Lender. All disbursement requests must be received by the TIFIA Lender at or before 5:00 P.M. (EST) on the tenth day of a calendar month, in order to obtain disbursement by the twenty-fifth day of such calendar month or, if either such day is not a Business Day, the next succeeding Business Day. If a Requisition is approved by the TIFIA Lender, the TIFIA Lender will notify the Borrower of such approval and of the amount so approved.

**SECTION 2. Rejection.** A disbursement request may be rejected by the TIFIA Lender if it is:

- (a) submitted without signature;
- (b) submitted under signature of a Person other than the Borrower's Authorized Representative; or
- (c) submitted after prior disbursement of all proceeds of the TIFIA Loan.

The TIFIA Lender shall notify the Borrower of any disbursement request so rejected, and the reasons therefor. Any disbursement request so rejected must be resubmitted in proper form in

order to be considered for approval. If a disbursement request exceeds the balance of the TIFIA Loan proceeds remaining to be disbursed, the request will be treated as if submitted in the amount of the balance so remaining, and the TIFIA Lender will so notify the Borrower.

**SECTION 3. Correction.** A disbursement request containing an apparent mathematical error will be corrected by the TIFIA Lender, after telephonic notification to the Borrower, and shall thereafter be treated as if submitted in the corrected amount. The TIFIA Lender shall confirm correction of the error, to the Borrower, in writing.

**SECTION 4. Withholding.**

(a) If the Borrower

(i) fails to pay any principal or interest on the TIFIA Loan when the same is due and payable; or

(ii) applies TIFIA Loan proceeds for purposes other than payment of, or reimbursement for, Eligible Project Costs which have been the subject of an approved disbursement request hereunder; or

(iii) knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable federal or local criminal law, in connection with the transactions contemplated hereby; or

(b) An Event of Default under the TIFIA Loan Agreement shall have occurred and be continuing, the TIFIA Lender shall be entitled to immediately withhold approval of all pending and subsequent requests for the disbursement of TIFIA Loan proceeds.

(c) If the Borrower,

(i) fails to construct the Project in a manner consistent with plans, specifications, engineering reports or facilities plans submitted to and approved by the TIFIA Lender, or with good engineering practices, where such failure prevents or materially impairs the Project from fulfilling its intended purpose, or prevents or materially impairs the ability of the TIFIA Lender to monitor compliance by the Borrower with applicable federal or local law pertaining to the Project, or with the terms and conditions of the TIFIA Loan Agreement;

(ii) fails to observe or comply with any applicable federal or local law, or any term or condition of the TIFIA Loan Agreement; or

(iii) fails to deliver documentation evidencing Eligible Project Costs claimed for disbursement at the times and in the manner specified by the TIFIA Loan Agreement;

(iv) and such failure continues for a period of more than thirty (30) days following written notice from the TIFIA Lender to the Borrower, the TIFIA Lender shall be entitled to withhold, from any requests for the disbursement of TIFIA Loan proceeds received after such thirty (30) day period has expired, and until such failure is cured or



corrected, an amount determined by the TIFIA Lender (in its sole discretion) to be adequate for the cure or correction of such failure, which amount shall be stated in such notice; provided, that if the nature of the failure is such that it cannot reasonably be cured or corrected within such thirty (30) day period, the TIFIA Lender shall not withhold any disbursement by reason of such failure if the Borrower commences cure or correction within such thirty (30) day period and thereafter diligently completes such cure or correction within a further reasonable time period.

The foregoing notwithstanding, if, as of the date of such notice from the TIFIA Lender, the balance of the TIFIA Loan proceeds remaining to be disbursed is less than the amount determined by the TIFIA Lender to be adequate for the cure or correction of such failure, the TIFIA Lender may immediately withhold all further disbursement of TIFIA Loan proceeds until such failure is cured or corrected within the time period specified by the preceding paragraph.

**APPENDIX ONE TO EXHIBIT D**

**FORM OF REQUISITION**

United States Department of Transportation  
TIFIA Joint Program Office (HITJ)  
Room E64-302  
Federal Highway Administration  
1200 New Jersey Avenue, S.E.  
Washington, D.C. 20590

[Servicer]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT (TIFIA 2013-1008A)

Ladies and Gentlemen:

Pursuant to Section 4 of the TIFIA Loan Agreement, dated as of February 20, 2014 (the "TIFIA Loan Agreement"), by and between LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a public agency established pursuant to California Public Utilities Code Section 130050.2 (the "Borrower"), and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator (the "TIFIA Lender"), the Borrower hereby requests disbursement in the amount of [\$ \_\_\_\_\_] for Eligible Project Costs. Capitalized terms used but not defined herein have the meaning set forth in the TIFIA Loan Agreement. In connection with this requisition, the Borrower hereby represents and certifies the following:

1. This requisition is requisition number \_\_\_\_\_.
2. The requested date of disbursement is \_\_\_\_\_ 15, \_\_ (or the following Business Day if such day is not a Business Day).
3. The amounts previously disbursed under the TIFIA Loan Agreement aggregate \$ \_\_\_\_\_.
4. The amounts hereby requisitioned have been incurred by or on behalf of the Borrower for Eligible Project Costs, and such amounts, together with the amounts set forth in paragraph 3 above, will not exceed as of the requested disbursement date (a) 33% of reasonably anticipated Eligible Project Costs or (b) when combined with all other federal funding for the Project, 80% of reasonably anticipated Eligible Project Costs.
5. The amount of this requisition, together with all prior requisitions, does not exceed the amount of the TIFIA Loan, and such amount together with the sum of all disbursements of TIFIA Loan proceeds made and to be made for the current year will not exceed

the cumulative disbursements through the end of the current year set forth in the Anticipated TIFIA Loan Disbursement Schedule.

6. All amounts requisitioned hereunder are for Eligible Project Costs which have not been included in any previous disbursement from TIFIA Loan proceeds.

7. There does not currently exist an Event of Default under the TIFIA Loan Agreement or any event which with the giving of notice or the passage of time or both would constitute such an Event of Default.

9. The undersigned acknowledge that if the Borrower makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Government in connection with the Project, the Government reserves the right to impose on the Borrower the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1), to the extent the Government deems appropriate.

10. A copy of this requisition has been delivered to each of the above named addressees.

11. The undersigned is duly authorized to execute and deliver this requisition and to provide the representations and certifications set forth herein.

DATE: \_\_\_\_\_ Borrower's Authorized Representative \_\_\_\_\_

**APPENDIX TWO TO EXHIBIT D**

**FORM OF ACKNOWLEDGMENT OF RECEIPT OF  
REQUISITION FOR DISBURSEMENT OF TIFIA LOAN PROCEEDS**

Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, CA 90012  
Attention: Treasurer  
Telephone: (213) 922-4047  
Facsimile: (213) 922-4027  
Email: treasurydept@metro.net

Re: Receipt of Requisition for Disbursement of TIFIA Loan Proceeds

Ladies and Gentlemen:

Pursuant to Section 4 of the TIFIA Loan Agreement, dated as of February 20, 2014, by and between LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (the "Borrower") and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator (the "TIFIA Lender"), the undersigned authorized representative of the TIFIA Lender hereby acknowledges receipt of the attached Requisition for Disbursement of TIFIA Loan Proceeds from the Borrower. In connection therewith, we hereby represent and certify the following:

1. The date of receipt of the attached Requisition of Disbursement of TIFIA Loan Proceeds is \_\_\_\_\_.

2. Unless this requisition is denied, disbursement shall be made on or before \_\_\_\_\_.

DATE: \_\_\_\_\_ TIFIA Lender's Authorized Representative \_\_\_\_\_

**APPENDIX THREE TO EXHIBIT D**

**[APPROVAL/DISAPPROVAL] OF THE TIFIA LENDER**

**(To be delivered to the Borrower)**

Requisition Number \_\_\_\_\_ is [approved] [approved in part]<sup>1</sup> [not approved]<sup>2</sup> by the TIFIA Lender (as defined herein) pursuant to Section 4 of the TIFIA Loan Agreement, dated as of February 20, 2014, by and between Los Angeles County Metropolitan Transportation Authority (the "Borrower") and the United States Department of Transportation, acting by and through the Federal Highway Administrator (the "TIFIA Lender").

Any determination, action or failure to act by the TIFIA Lender with respect to the Requisition set forth above, including but not limited to the withholding of a disbursement, shall be at the TIFIA Lender's sole discretion, and in no event shall the TIFIA Lender be responsible for or liable to the Borrower for any and/or all consequence(s) which are the result thereof.

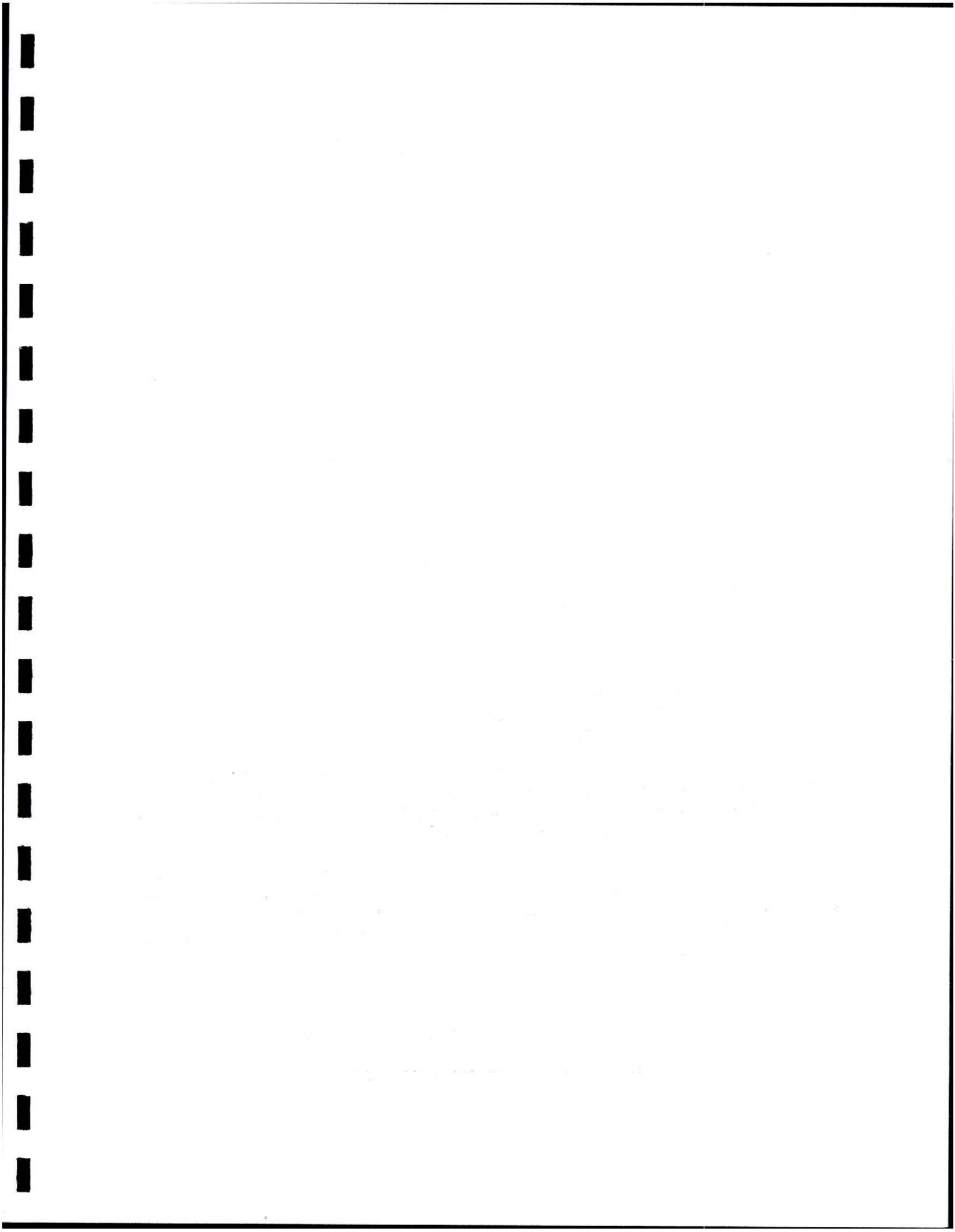
**UNITED STATES DEPARTMENT OF  
TRANSPORTATION, acting by and through  
the Federal Highway Administrator**

By: \_\_\_\_\_  
TIFIA Lender's Authorized Representative

Dated:

<sup>1</sup> Attached hereto as Exhibit A are reasons for denial of approval.

<sup>2</sup> Those portions of the requisitions that are approved and those portions that are not approved are described in Schedule A attached hereto, with explanations for items not approved.





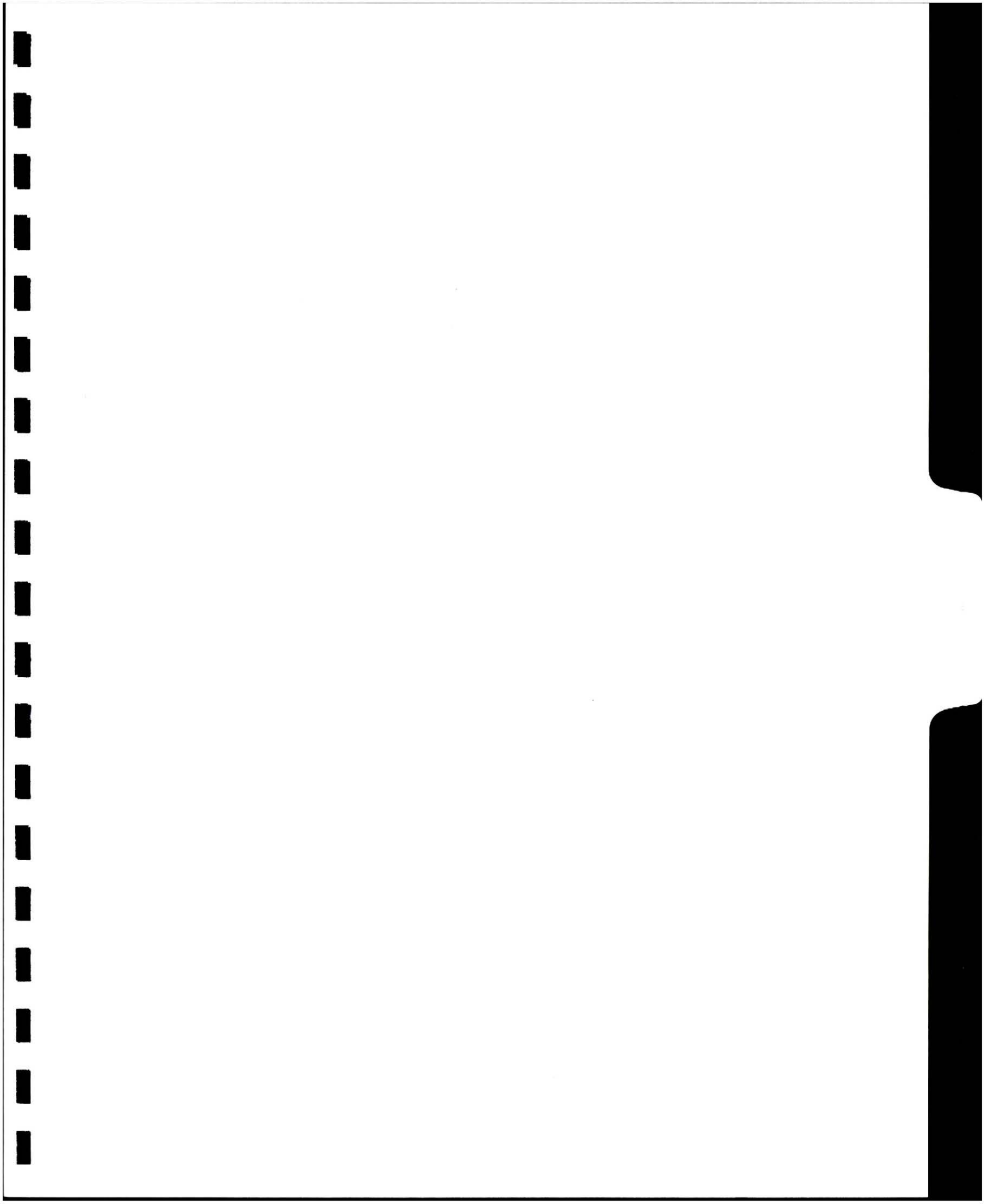


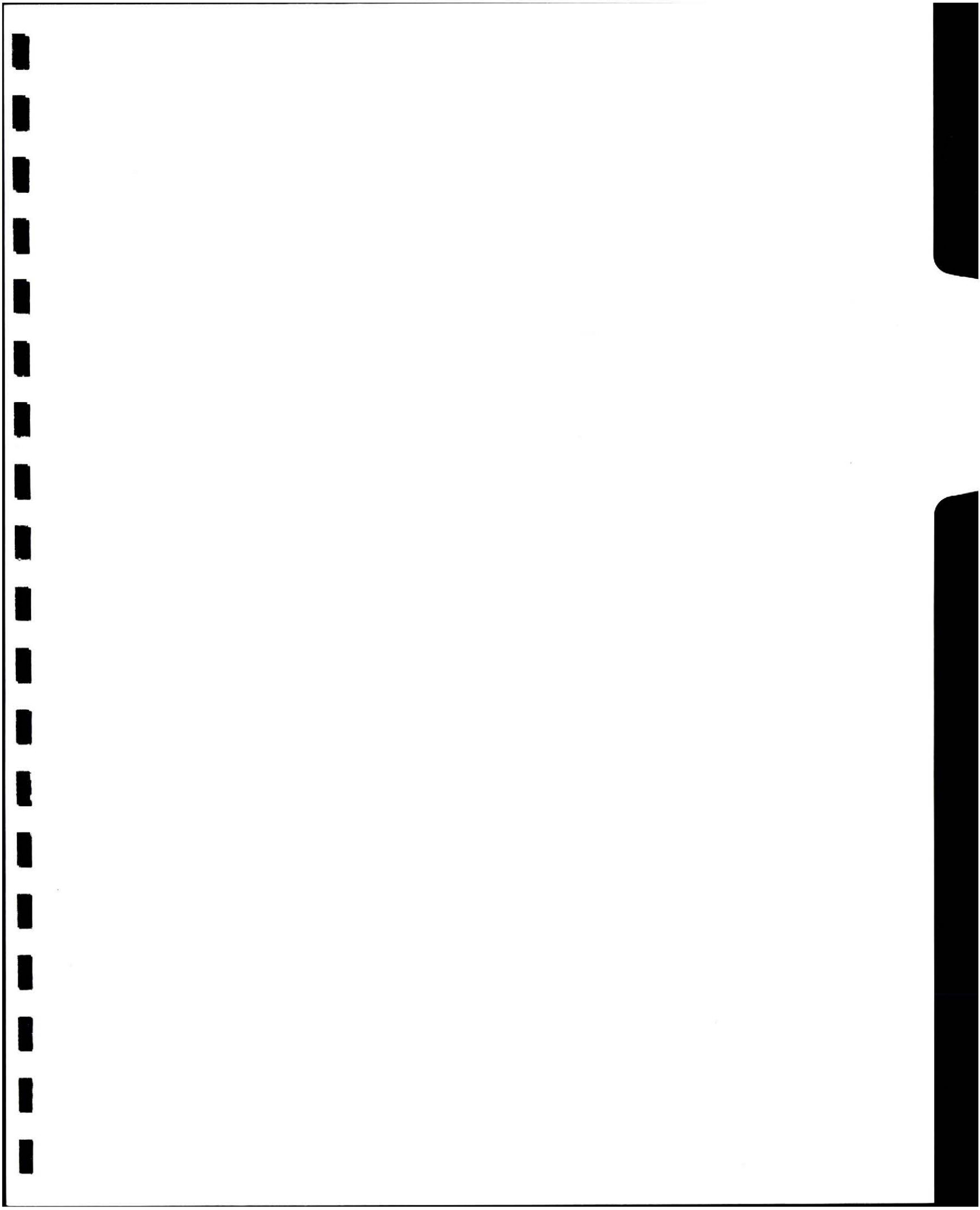


EXHIBIT E

Reserved







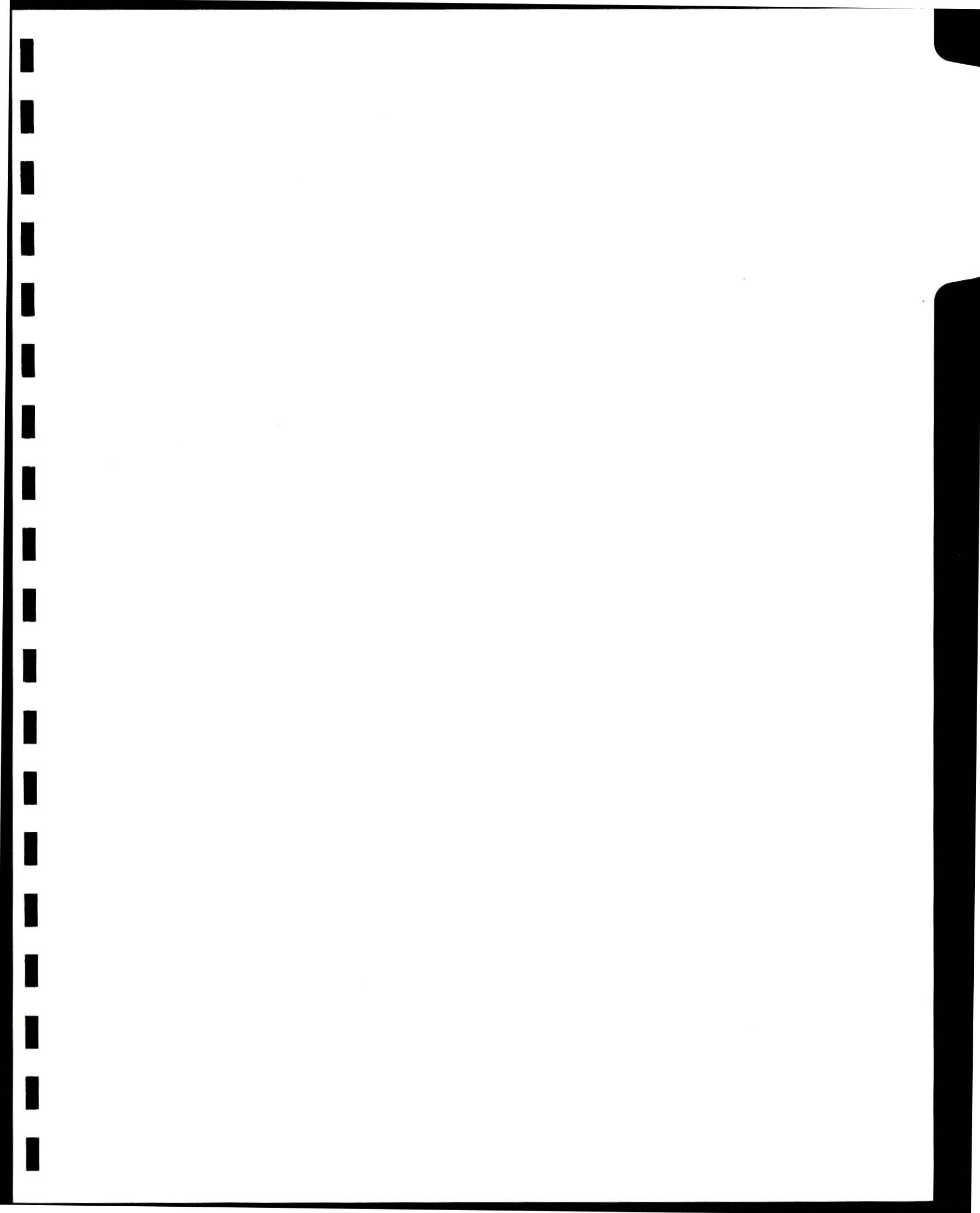
**EXHIBIT F**

**TIFIA Debt Service**

**[For TIFIA Debt Service, please refer to Appendix Two of Exhibit A of the TIFIA Loan Agreement (the Loan Amortization Schedule) and the Base Case Financial Model.]**









## EXHIBIT G

# NORTON ROSE FULBRIGHT

Fulbright & Jaworski LLP  
555 South Flower Street  
Forty-First Floor  
Los Angeles, California 90071  
United States

Tel +1 213 892 9200  
Fax +1 213 892 9494  
nortonrosefulbright.com

February 20, 2014

United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: TIFIA Loan Agreement, dated as of February 20, 2014, by and between the Los Angeles County Metropolitan Transportation Authority and the United States Department of Transportation, acting by and through the Federal Highway Administrator

Ladies and Gentlemen:

We have acted as special counsel to the Los Angeles County Metropolitan Transportation Authority, a public agency established pursuant to California Public Utilities Code Section 130050.2 (the "Borrower"), in connection with the TIFIA Loan Agreement, dated as of February 20, 2014 (the "TIFIA Loan Agreement"), by and between the Borrower and the United States Department of Transportation ("USDOT"), acting by and through the Federal Highway Administrator (the "TIFIA Lender"), and the Amended and Restated Trust Agreement, dated as of February 1, 2014 (the "Trust Agreement"), between the Borrower and U.S. Bank National Association, as trustee (the "Trustee"), as amended by the Second Supplemental Trust Agreement, dated as of February 20, 2014 (the "Second Supplemental Trust Agreement"), by and between the Borrower and the Trustee. This opinion is being provided to you pursuant to Section 12(a)(ii) of the TIFIA Loan Agreement.

In rendering the opinions set forth herein, we have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of the executed counterparts of the following documents and such other documents, certificates and opinions as we have deemed necessary or appropriate as a basis for such opinions:

- (a) the TIFIA Loan Agreement;
- (b) the Trust Agreement;
- (c) the Second Supplemental Trust Agreement;

Fulbright & Jaworski LLP is a limited liability partnership registered under the laws of Texas.

57662476.4

Fulbright & Jaworski LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP, Norton Rose Fulbright South Africa (incorporated as Deneys Reitz, Inc.), each of which is a separate legal entity, are members of Norton Rose Fulbright Verein, a Swiss Verein. Details of each entity, with certain regulatory information, are at [nortonrosefulbright.com](http://nortonrosefulbright.com). Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients.

- (d) the TIFIA Bond, dated February 20, 2014, issued and delivered to USDOT (the "TIFIA Bond"); and
- (e) the Resolution of the Borrower, adopted on December 5, 2013 by the Board of Directors of the Borrower (the "Board"), authorizing, among other things, the execution and delivery of the TIFIA Loan Agreement.

The documents listed in clauses (a) through (c) above are hereinafter referred to as the "Borrower Documents." Unless otherwise defined herein, all capitalized terms shall be the same meanings as ascribed to them in the TIFIA Loan Agreement.

We have also examined the originals or copies of such records of the Borrower, such certificates and other communications of public officials, such certificates of officers of the Borrower and such other documents and instruments as we have deemed necessary or advisable in order to furnish you with the opinions herein expressed. As to questions of fact material to those opinions, we have, to the extent we deemed appropriate, relied on certificates of officers of the Borrower, certificates and other communications of public officials, and on the factual representations of the Borrower contained in the Borrower Documents, provided that we have made no effort to independently verify the facts set forth in such certificates and documents. We have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as copies.

Based on the foregoing and having regard for such legal considerations as we deem relevant and subject to the assumptions, exceptions and limitations contained herein, we are of the opinion that:

1. The Borrower is a public agency validly existing under the laws of the State of California.
2. The Borrower has full power, right and authority to adopt the Resolution and to execute and deliver the Borrower Documents and perform its obligations thereunder, to issue the TIFIA Bond and to pledge the Pledged Revenues to secure the TIFIA Bond.
3. The Resolution has been duly adopted by the Board and is in full force and effect, and the Borrower's execution and delivery of the Borrower Documents, and the performance of the Borrower's obligations thereunder, have been duly authorized by all necessary action of the Borrower.
4. The Borrower Documents have been duly authorized, executed and delivered by the Borrower and constitute the valid, legally binding obligations of the Borrower and, subject to the assumptions, exceptions and limitations set forth herein, are enforceable against the Borrower in accordance with their respective terms.

5. The Borrower has duly and validly authorized and issued the TIFIA Bond in accordance with applicable law and in accordance with the Trust Agreement, and the Borrower's execution and delivery of the Second Supplemental Trust Agreement is permitted under the Trust Agreement.

6. The TIFIA Bond constitutes a valid and binding special, limited obligation of the Borrower and is payable exclusively from and is secured by a pledge of the Pledged Revenues and certain amounts held under the Trust Agreement, as provided in the Trust Agreement, and is entitled to the benefits of the Trust Agreement. The TIFIA Lender, as Holder of the TIFIA Bond, is entitled to all of the rights of a Holder of Junior Subordinate Obligations under the Trust Agreement.

7. The Trust Agreement creates a valid pledge, to secure the payment of principal of and interest on the TIFIA Bond, of all Pledged Revenues and certain other amounts held by the Trustee in certain funds and accounts established pursuant to the Trust Agreement, subject to the provisions of the Trust Agreement permitting the application thereof and on the terms and conditions set forth therein. The pledge created by the Trust Agreement has attached and is effective, binding and enforceable against the Borrower and all other parties asserting rights in the Pledged Revenues, to the extent set forth in, and in accordance with, the Trust Agreement, irrespective of whether such parties have notice of the pledge and without the need for any physical delivery, recordation, filing or further act.

8. No authorization, consent or other approval of, or registration, declaration or other filing with, any governmental authority of the United States or of the State of California is required for the Borrower to execute and deliver the Borrower Documents or perform its obligations thereunder, or to cause the California State Board of Equalization to transmit the Measure R Sales Tax revenues to the Trustee or to pledge the Pledged Revenues and cause the Pledged Revenues to be deposited and applied as required by the Trust Agreement, which has not been obtained and is not in full force and effect.

9. The execution and delivery by the Borrower of, and compliance with the provisions of, the Borrower Documents do not violate the laws of the State of California relating to public finance matters that in our experience are typically applicable to agreements and instruments similar to the Borrower Documents or to transactions of the nature contemplated by the Borrower Documents.

10. The Borrower is not entitled to claim immunity from suit on the grounds of sovereignty or similar grounds in a breach of contract action initiated by the TIFIA Lender under the TIFIA Loan Agreement or the TIFIA Bond.

The foregoing opinions are subject to the following assumptions, exceptions and limitations:

- (a) The opinions contained herein are made subject to the following assumptions:

(i) We have assumed for purposes of these opinions that each party to the Borrower Documents other than the Borrower (each, a "Transaction Party") is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation; that each Transaction Party is duly qualified to engage in the transaction covered by this opinion; that the Borrower Documents have been duly authorized, executed and delivered by each Transaction Party to the extent required, and constitute legal, valid and binding obligations of such Transaction Party, enforceable against such Transaction Party in accordance with their respective terms; that each Transaction Party has the requisite power and authority to perform its obligations under the Borrower Documents and that each Transaction Party has complied with all applicable regulatory and administrative statutes, regulations, orders, rulings and the like governing or applicable to it or to its execution, delivery and performance of the Borrower Documents or the consummation of the transactions contemplated thereby. We have assumed that each Transaction Party will enforce each of the Borrower Documents in compliance with the provisions thereof and all requirements of applicable law.

(ii) We have assumed for purposes of these opinions that, except for the Borrower Documents, there are no instruments or agreements between USDOT and the Borrower or USDOT and others which would expand or otherwise modify the respective rights and obligations of USDOT and the Borrower as set forth in the Borrower Documents in a way that would have an effect on the opinions rendered herein.

(b) We express no opinion with respect to compliance with local or municipal law, antitrust, environmental, land use, securities, tax, pension, employee benefit, insolvency, fraudulent transfer or investment company laws or regulations, nor compliance by the Borrower's board of directors with their fiduciary duties.

(c) The validity, binding nature and enforceability of the Borrower Documents, and the creation and enforceability of liens and security interests thereunder, may be limited by bankruptcy, insolvency, fraudulent transfer, moratorium, arrangement, reorganization or similar laws affecting creditors' rights.

(d) The validity, binding nature and enforceability of the Borrower Documents, and the creation and enforceability of pledges and liens thereunder, may be limited by general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, the availability of the remedy of specific performance, injunctive relief or other equitable remedies, some or all of which may be applied or not applied in the discretion of the courts, regardless of whether considered in a proceeding at law or in equity, and to the limitations on legal remedies against governmental entities in the State of California.

(e) Certain remedies, waivers and other provisions of the Borrower Documents may not be enforceable; nevertheless, subject to the assumptions, exceptions, qualifications and limitations expressed elsewhere herein, upon a material default by the Borrower in the performance of any other material covenant of the Borrower Documents, there exists, in the Borrower Documents or pursuant to applicable law, legally adequate remedies for the realization

of the substantive principal legal benefits intended to be provided by the Borrower Documents (except for the economic consequences of procedural or other delays).

(f) We express no opinion as to the validity or enforceability of any provisions of the Borrower Documents that:

(i) require a borrower to provide hazard insurance coverage against risks in an amount exceeding the replacement value of any improvements to real property;

(ii) impose requirements respecting impound accounts in conflict with applicable law;

(iii) provide for the application of insurance or condemnation proceeds to reduce indebtedness;

(iv) contain a waiver of any party's statutory right to reinstate a secured obligation by paying the delinquent amounts of the fully accelerated debt at any time prior to the time provided by statute;

(v) are in conflict with any laws governing foreclosure and disposition procedures regarding any Pledged Revenues or in conflict with any limitations on attorneys' or trustees' fees;

(vi) indemnify any party against its own negligence or willful misconduct or otherwise provide for indemnities which may be limited on statutory or public policy grounds;

(vii) select any jurisdiction's laws to govern any of the Borrower Documents;

(viii) provide for penalties, liquidated damages, acceleration of future amounts due (other than principal) without appropriate discount to present value, late charges, prepayment charges and increased interest rates upon default;

(ix) provide that time is of the essence;

(x) provide for the confession of judgment;

(xi) provide that all remedies are cumulative;

(xii) contain a waiver of (a) broadly or vaguely stated rights, (b) the benefits of statutory, regulatory or constitutional rights (including the right to trial by jury), unless and to the extent the statute, regulation or constitution explicitly allows waiver, (c) unknown future defenses, and (d) rights to damages;

(xiii) attempt to change or waive rules of evidence or fix the method or quantum of proof to be applied in litigation or similar proceedings;

(xiv) select the forum for the resolution of any disputes or provide for a consent to the jurisdiction of any jurisdiction (either as to personal jurisdiction or subject matter jurisdiction); or

(xv) appoint one party as an attorney-in-fact for an adverse party.

(g) The remedies available to enforce the Borrower's obligations under the Borrower Documents are limited by Section 970 et seq. of the California Government Code.

(h) We have made no examination of, and express no opinion herein as to, (i) the title or the extent or the nature of the rights of any person to or in any of the property, real or personal, tangible or intangible, that constitutes any of the Pledged Revenues; (ii) the adequacy or accuracy of the description of any of the Pledged Revenues; (iii) the existence of any pledge, lien, security interest, charge or encumbrance (other than those created by the Trust Agreement and the TIFIA Loan Agreement) on the Pledged Revenues; (iv) the value of any security granted to you; (v) the creation or enforceability of any pledge, lien or security interest other than in the Pledged Revenues; (vi) the perfection of any pledge, lien or security interest in any of the Pledged Revenues; (vii) the ranking or priority of any pledge, lien or security interest in any of the Pledged Revenues; or (viii) matters regarding the classification of property as real or personal property.

This opinion is given with respect to the laws of the State of California and the federal laws of the United States existing as of the date hereof. We express no opinion with regard to the laws of any other state or jurisdiction.

This opinion is solely for your benefit in connection with the transaction contemplated by the Borrower Documents and may not be used or relied upon for any other purpose, nor may it be furnished to or relied upon by any other person, without our prior written consent.

Very truly yours,

*Fulbright & Jaworski LLP*



COUNTY OF LOS ANGELES  
OFFICE OF THE COUNTY COUNSEL

TRANSPORTATION DIVISION  
ONE GATEWAY PLAZA  
LOS ANGELES, CALIFORNIA 90012-2952

JOHN F. KRATTLI  
County Counsel

February 20, 2014

TELEPHONE  
(213) 922-2527  
FACSIMILE  
(213) 922-2530  
TDD  
(213) 633-0901  
E-MAIL  
Doughertyk@metro.net

United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

**Re: TIFIA Loan Agreement, dated as of February 20, 2014, by and between the Los Angeles County Metropolitan Transportation Authority and the United States Department of Transportation, acting by and through the Federal Highway Administrator**

Dear Ladies and Gentlemen:

We have acted as counsel to the Los Angeles County Metropolitan Transportation Authority, a public agency established pursuant to California Public Utilities Code Section 130050.2 (the "Borrower"), in connection with the TIFIA Loan Agreement, dated as of February 20, 2014 (the "TIFIA Loan Agreement"), by and between the Borrower and the United States Department of Transportation ("USDOT"), acting by and through the Federal Highway Administrator (the "TIFIA Lender"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the TIFIA Loan Agreement.

In connection with the foregoing, we have examined the following:

- a. the TIFIA Loan Agreement;
- b. the Amended and Restated Trust Agreement dated as of February 1, 2014 (the "Trust Agreement"), between the Borrower, and U.S. Bank National Association, as trustee (the "Trustee");
- c. the Second Supplemental Trust Agreement, dated as of February 20, 2014, between the Borrower and the Trustee, amending the Trust Agreement (the "Second Supplemental Trust Agreement");

- d. the TIFIA Bond, dated February 20, 2014, issued and delivered to USDOT (the "TIFIA Bond");
- e. the Amended and Restated Agreement for State Administration of Retail Transactions and Use Tax, dated as of November 1, 2010, between the Borrower and the State Board of Equalization and acknowledged by the Trustee;
- f. the Principal Project Contracts that have been executed;
- g. the Full Funding Grant Agreement;
- h. the Resolution of the Borrower, adopted on December 5, 2013 by the Board of Directors of the Borrower (the "Board"), authorizing, among other things, the execution and delivery of the TIFIA Loan Agreement; and
- i. such other certificates, documents, instruments, papers, and other matters as we have deemed necessary or appropriate as the basis for the opinions herein contained.

The documents in clauses (a) through (c) and (e) through (g) above are referred to herein as the "Borrower Documents."

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials, and other instruments, and we have conducted such other investigation of fact and law as we have found necessary or advisable for the purpose of this opinion.

In rendering the opinions expressed below, we have assumed (a) the authenticity of all original documents and the conformity to original of all documents submitted to us as conformed copies or photocopies of original documents; (b) the genuineness of all signatures (other than the signatures of the officers of the Borrower); (c) each person, other than the officers of the Borrower, executing the Borrower Documents, whether individually or on behalf of an entity, is, or at the time of execution was, duly authorized to do so; (d) each natural person executing the Borrower Documents is, or at the time of execution was, legally competent and, other than the natural person executing the Borrower Documents on behalf of the Borrower, has been validly authorized to do so; (e) each of the parties to the Borrower Documents, other than the Borrower, has duly and validly executed and delivered the Borrower Documents, and each of such other parties' obligations set forth in the Borrower Documents are its legal,



valid and binding obligations, enforceable in accordance with their respective terms; (f) there has not been any mutual mistake of fact or misunderstanding, fraud, dishonesty, coercion, duress, undue influence or breach of fiduciary duty; and (g) that all the terms and conditions of, or relating to, the transactions contemplated by the Borrower Documents are completely embodied therein.

We have also made such further investigation of law and facts as we have deemed necessary or advisable for purposes of the opinions herein expressed. As to questions of fact material to those opinions, we have, to the extent we deemed appropriate, relied on certificates of officers of the Borrower, certificates and other communications of public officials, and on the factual representations of the Borrower contained in the Borrower Documents, provided that we have made no effort to independently verify the facts set forth in such certificates and documents.

Based upon the foregoing, and subject to the assumptions, exceptions and limitations set forth herein, we are of the opinion that:

1. The Borrower is a public agency duly created and validly existing under the laws of the State of California.
2. The Borrower has full power, right and authority to adopt the Resolution, to execute and deliver the Borrower Documents and perform its obligations thereunder and to issue the TIFIA Bond.
3. The Resolution has been duly adopted by the Board and is in full force and effect, and the Borrower's execution and delivery of the Borrower Documents, and the performance of the Borrower's obligations thereunder, have been duly authorized by all necessary action of the Borrower.
4. The Borrower Documents have been duly authorized, executed and delivered by the Borrower and constitute the valid, legally binding obligations of the Borrower, and, subject to the assumptions, exceptions and limitations set forth herein, are enforceable against the Borrower in accordance with their respective terms.
5. Other than such consents, approvals, authorizations, registrations or declarations as have already been obtained, are not required to be in place as yet at the time of execution and delivery by the Borrower of the Borrower Documents, or may arise out of the matters listed in Schedule I, the execution and delivery by the Borrower of the Borrower Documents, and compliance by the Borrower with the provisions thereof under the circumstances contemplated

thereby, do not to our knowledge, at the time of execution, require any consents, approvals, authorizations, registrations or declarations under any agreement to which the Borrower is a party or, to our knowledge, under any existing law binding on the Borrower, the Project or the Pledged Revenues.

6. The execution and delivery by the Borrower of the Borrower Documents, and compliance by the Borrower with the provisions thereof under the circumstances contemplated thereby, to our knowledge do not (a) conflict with or constitute on the part of the Borrower a breach of or a default (with due notice or passage of time or both) under any material agreement or instrument known to us to which the Borrower is presently subject to or by which the Project or the Pledged Revenues are subject or bound, or (b) conflict with or constitute on the part of the Borrower a violation or contravention of any existing law, rule, regulation, court order or consent decree binding upon the Borrower, the Project or the Pledged Revenues, excluding any existing law, rule or regulation in connection with public finance matters and issuance of securities or bonds. The opinion in clause (b) of this paragraph 6 relates only to laws, rules and regulations that the attorneys of this office, in the exercise of customary professional diligence, would reasonably recognize as being applicable to the Borrower, the Project or the Pledged Revenues with respect to the transactions contemplated under the Borrower Documents.

7. To our knowledge after due inquiry of the LACMTA Director of Government Relations, there is no proposed or pending legislation that could have a Material Adverse Effect on the levy or collection of the Measure R Sales Tax by the State or transfer thereof to the Trustee or the amount thereof to be received by the Borrower.

8. Except as set forth in Schedule I hereto, there is no action, suit, proceeding or investigation at law or in equity pending before or by any court, public board or public body, of which the Borrower has actual notice by service of process or otherwise, and to our knowledge after due inquiry of the LACMTA Executive Director, Engineering and Construction, no such action, suit, proceeding or investigation at law or in equity before or by any court, public board or public body is threatened against the Borrower, wherein an unfavorable decision, ruling or finding would affect the validity or enforceability of the Borrower Documents or the imposition or collection of the Measure R Sales Tax or the application of the Measure R Sales Tax for the purposes set forth in the Borrower Documents.

9. To our knowledge after due inquiry of the LACMTA Executive Director, Engineering and Construction, and the LACMTA Treasurer, the

Borrower is not in breach or default, nor has any event occurred or condition exist which with due notice or passage of time or both could constitute a default, under the TIFIA Loan Agreement, the Trust Agreement or the TIFIA Bond.

10. The Borrower has all requisite legal power and authority to conduct its activities and to execute and deliver, and to perform its obligations under, the Related Documents.

The foregoing opinions are based on and limited to the laws of the State of California and the federal laws of the United States existing as of the date hereof. We express no opinion with respect to the law of any other jurisdiction.

The opinions expressed herein are also subject to the following further limitations: (a) the enforceability of the Borrower Documents is limited by, and the performance by the Borrower of its obligations thereunder is subject to, (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, arrangement, reorganization or similar laws affecting creditors' rights or the collection of debtors' obligations generally; (ii) general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, the availability of the remedy of specific performance, injunctive relief or other equitable remedies, some or all of which may be applied or not applied in the discretion of the courts, regardless of whether considered in a proceeding at law or in equity, and to the limitations on legal remedies against governmental entities in the State of California; (b) the remedies of specific performance and injunctive relief are subject to certain equitable defenses and to the discretion of the court before which any proceedings may be brought; (c) rights to indemnification under the Borrower Documents may be limited under applicable laws and pursuant to public policy; and (d) in connection with opinions expressed herein as being limited "to our knowledge," "known to us" or similar terminology, such opinions are based on the current actual knowledge of the attorneys in this office representing the Borrower in connection with the Borrower Documents without any independent investigation beyond a review of the agreements, documents or instruments to which the Borrower is a party or by which it is bound that have been furnished to us; and (e) the remedies available to enforce the Borrower's obligations under the Borrower Documents are limited by Section 970 et seq. of the California Government Code.

We express no opinion with respect to the legality, validity, binding nature or enforceability of any provision of the Borrower Documents (i) purporting to release or exculpate any party from liability for the acts or omissions of such party proximately causing damages or injuries as the result of said party's negligence, gross negligence, recklessness or intentional or willful misconduct, or purporting

to impose a duty upon any party to indemnify any other party when any claimed damages result from the negligence, gross negligence, recklessness or intentional or willful misconduct of the party seeking such indemnity or purporting to indemnify a party when such indemnification conflicts with considerations of public policy; (ii) purporting to establish choice of forum or evidentiary standards for suits or enforcement proceedings; (iii) relating to subrogation rights, delay or omission of enforcement of rights and remedies, or severability; (iv) purporting to give one party self-help remedies or rights of set off; (v) relating to waivers of rights or precluding any party from asserting claims or defenses or from obtaining certain rights or remedies; (vi) relating to appointment of receivers, attorneys-in-fact or other agents; (vii) purporting to provide that rights and remedies are not exclusive, that every right or remedy is cumulative and may be exercised in addition to any other right or remedy and that the election of a particular remedy does not preclude recourse to one or more others; (viii) purporting to create a power of attorney, proxy or agency relationship; (ix) relating to waivers of trial by jury or the statute of limitations; (x) purporting to establish what constitutes reasonable notice; or (xi) prohibiting oral amendments to or waivers of the provisions of the Borrower Documents or limiting the effect of a course of dealing between the parties thereto; (xii) require a borrower to provide hazard insurance coverage against risks in an amount exceeding the replacement value of any improvements to real property; (xiii) contain a waiver of any party's statutory right to reinstate a secured obligation by paying the delinquent amounts of the fully accelerated debt at any time prior to the time provided by statute; (xiv) are in conflict with any laws governing foreclosure and disposition procedures regarding any Pledged Revenues or in conflict with any limitations on attorneys' or trustees' fees; (xv) select any jurisdiction's laws to govern any of the Borrower Documents; (xvi) provide that time is of the essence; (xvii) provide for the confession of judgment; (xviii) contain a waiver of (a) broadly or vaguely stated rights, (b) the benefits of statutory, regulatory or constitutional rights (including the right to trial by jury), unless and to the extent the statute, regulation or constitution explicitly allows waiver, (c) unknown future defenses, and (d) rights to damages; (xix) attempt to change or waive rules of evidence or fix the method or quantum of proof to be applied in litigation or similar proceedings; (xx) select the forum for the resolution of any disputes or provide for a consent to the jurisdiction of any jurisdiction (either as to personal jurisdiction or subject matter jurisdiction); or (xxi) appoint one party as an attorney-in-fact for an adverse party.

We have assumed that each Borrower Document constitutes the valid and legally binding obligations of the parties thereto other than the Borrower, and that such parties will comply at all times with the terms and provisions of the Borrower Documents to which it is a party.

United States Department of Transportation  
February 20, 2014  
Page 7

The opinions expressed herein are as of the date hereof, and we do not assume or undertake any responsibility or obligation to supplement such opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in the law that may occur after the date hereof.

This opinion is being delivered solely for the benefit of the addressee and may not be relied on by any person other than such addressee, or used for any purpose unrelated to the transactions contemplated by the Borrower Documents without our prior written consent. This opinion is limited to the matters stated herein and no opinion is to be implied or may be inferred beyond the matters expressly stated.

Very truly yours,

JOHN F. KRATTLI  
County Counsel

By



KATHLEEN DOUGHERTY  
Principal Deputy County Counsel  
Transportation Division

KD:cg  
One attachment

## Schedule I

### Regional Connector Project Matters

There are three National Environmental Protection Act (NEPA) cases brought by Japanese Village Plaza, the Bonaventure Hotel, and Thomas Properties Group in connection with the Regional Connector Project. The trial date for all these cases is February 24, 2014. These cases are identified as follows: Japanese Village LLC v. Federal Transit Administration, et al., Case No. 2:13-cv-396-JAK-PLA, United States District Court for the Central District of California, Western Division, filed on January 18, 2013; Today's IV, Inc. v. Federal Transit Administration, et al., Case No. 2:13-cv-378-JAK-PLA, United States District Court for the Central District of California, Western Division, filed on January 17, 2013; and 515/555 Flower Associates, LLC v. Federal Transit Administration, et al., Case No. 2:13-cv-453-JAK-PLA, United States District Court for the Central District of California, Western Division, filed on January 22, 2013.

These same parties also filed California Environmental Quality Act (CEQA) cases. In the CEQA case filed by Japanese Village Plaza, the trial date was November 25, 2013. No decision has been issued. The cases are identified as follows: Japanese Village LLC v. Los Angeles County Metropolitan Transportation Authority, Case No. BS137343, Los Angeles Superior Court, filed on May 21, 2012; Today's IV, Inc. v. Los Angeles County Metropolitan Transportation Authority, Case No. BS137540, Los Angeles Superior Court, filed on May 25, 2012; 515/555 Flower Associates, LLC v. Los Angeles County Metropolitan Transportation Authority, Case No. BS137271, Los Angeles Superior Court, filed on May 25, 2012;

### Crenshaw Project/Crenshaw Tifia Loan Matters

Consolidated NEPA and CEQA actions related to Crenshaw Project:

CRENSHAW SUBWAY COALITION, a nonprofit corporation, v. LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY; CRENSHAW SUBWAY COALITION, a nonprofit corporation, v. FEDERAL TRANSIT ADMINISTRATION, PETER M. ROGOFF, in his official capacity as Administrator of the Federal Transit Administration; LESLIE T. ROGERS, in his official capacity as Regional Transit Administrator of the Federal Transit Administration's Region IX Office; UNITED STATES DEPARTMENT OF TRANSPORTATION; RAY LAHOOD, in his official capacity as Secretary of Transportation, Case Nos. CV 11-9603-MWF (JCx), CV 12-1672-MWF(JCx).

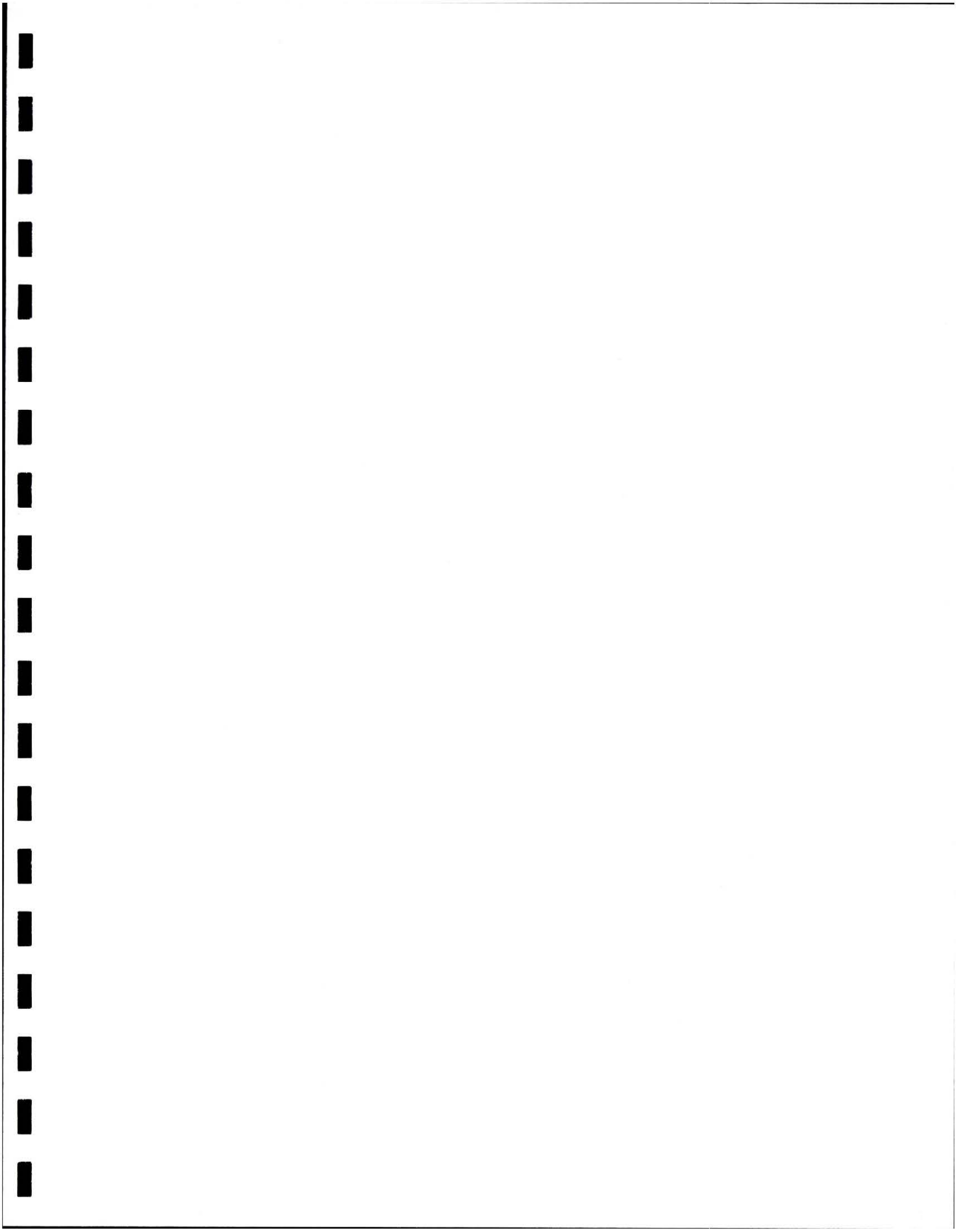
Two applications for grade crossings along the Crenshaw alignment have been challenged:

- 1) Public Utility Commission Application of the Los Angeles County Metropolitan Transportation Authority for an Order authorizing the construction of a two-track at-grade crossing for the Crenshaw/LAX Transit Corridor Project Light Rail Line at the intersection of Centinela Avenue and

Florence Avenue in the City of Inglewood, Application No.: A1211018 (Filed November 16, 2012). The City of Inglewood lodged a protest to the application.

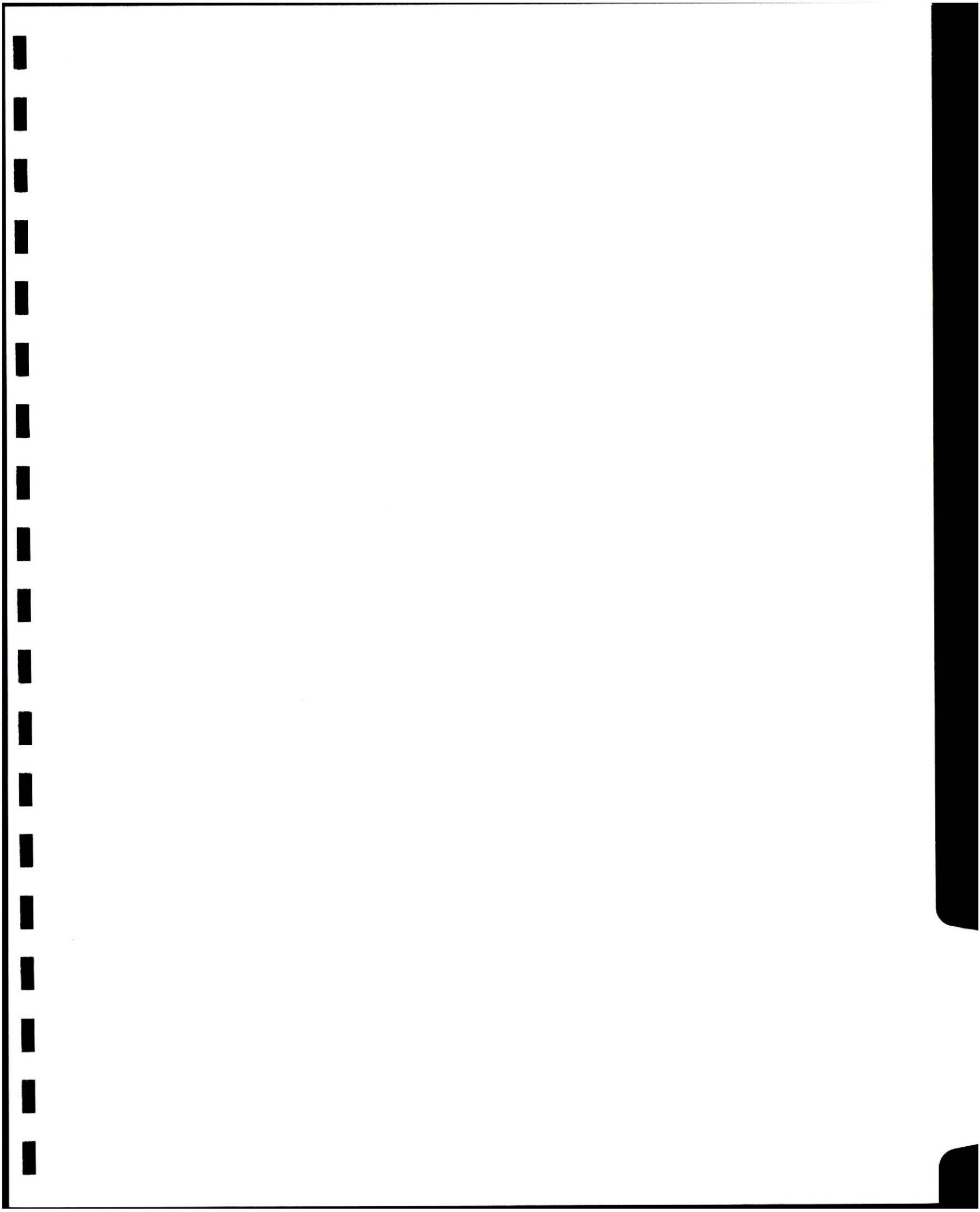
2) Public Utility Commission Application of the Los Angeles County Metropolitan Transportation Authority for an Order authorizing the construction of a two-track at-grade crossing for the Crenshaw/LAX Transit Corridor Project Light Rail Line across West 59th Street, Slauson Avenue, West 57th Street, West 54th Street, West 52nd Street, West 50th Street, and across West 48th Street in the City of Los Angeles, Application No. 13-01-012 (Filed January 23, 2013).

Other applications to the Public Utility Commission for at grade crossings (Application No..12-12-029, Application No.12-12-030, and Application No.13-02-025) are pending and have not been challenged.









## **EXHIBIT H**

### **Schedule of Outstanding Litigation**

There are three National Environmental Protection Act (NEPA) cases brought by Japanese Village Plaza, the Bonaventure Hotel, and Thomas Properties Group in connection with the Project. The trial date for all these cases is February 24, 2014.

These same parties also filed California Environmental Quality Act (CEQA) cases. In the CEQA case filed by Japanese Village Plaza, the trial date was November 25, 2013. No decision has been issued. In the CEQA cases filed by Thomas Properties and Bonaventure, the final status conference is now scheduled for February 14, 2014.

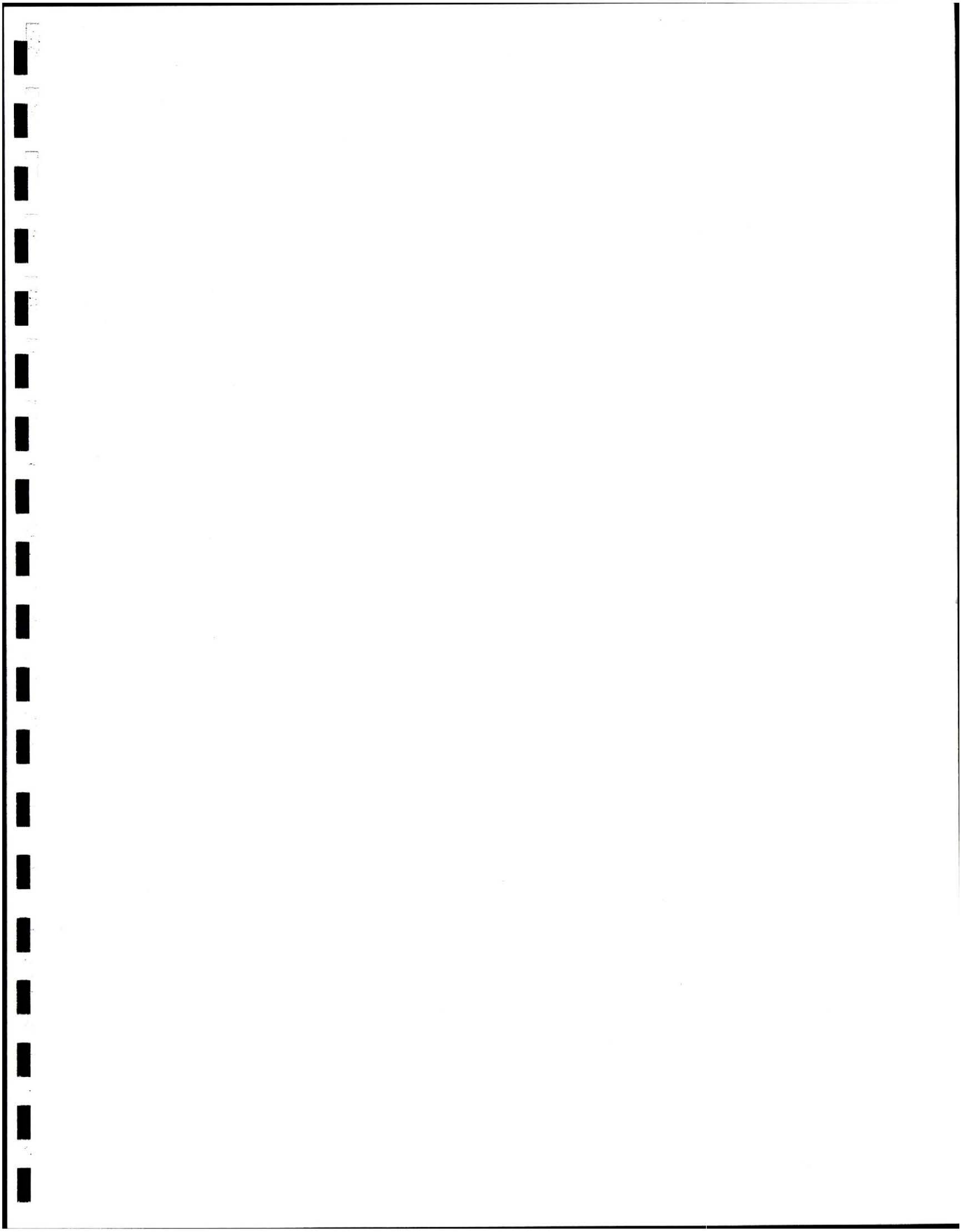


Exhibit H

Regional Connector Project Matters

There are three National Environmental Protection Act (NEPA) cases brought by Japanese Village Plaza, the Bonaventure Hotel, and Thomas Properties Group in connection with the Regional Connector Project. The trial date for all these cases is February 24, 2014. These cases are identified as follows: Japanese Village LLC v. Federal Transit Administration, et al., Case No. 2:13-cv-396-JAK-PLA, United States District Court for the Central District of California, Western Division, filed on January 18, 2013; Today's IV, Inc. v. Federal Transit Administration, et al., Case No. 2:13-cv-378-JAK-PLA, United States District Court for the Central District of California, Western Division, filed on January 17, 2013; and 515/555 Flower Associates, LLC v. Federal Transit Administration, et al., Case No. 2:13-cv-453-JAK-PLA, United States District Court for the Central District of California, Western Division, filed on January 22, 2013.

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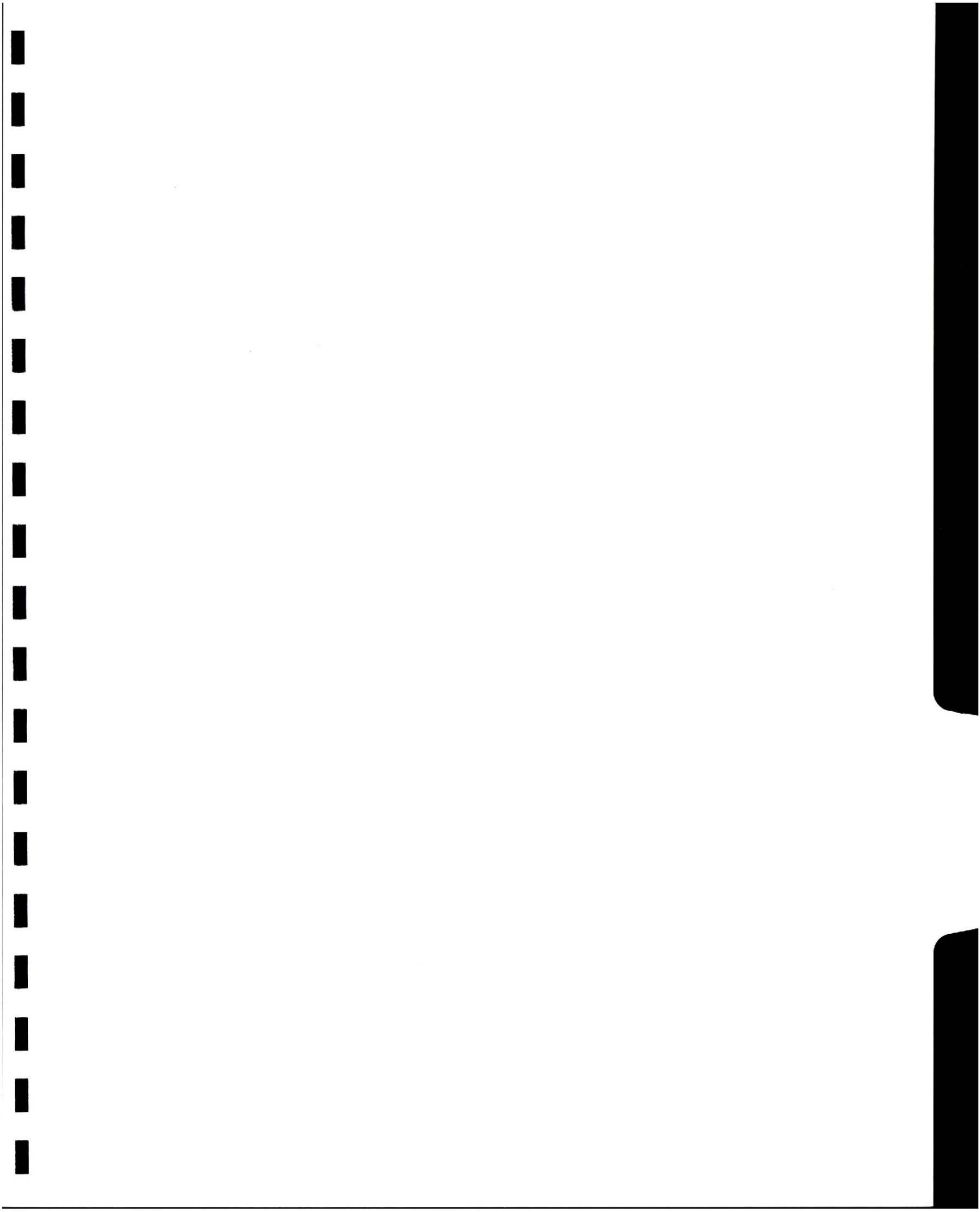
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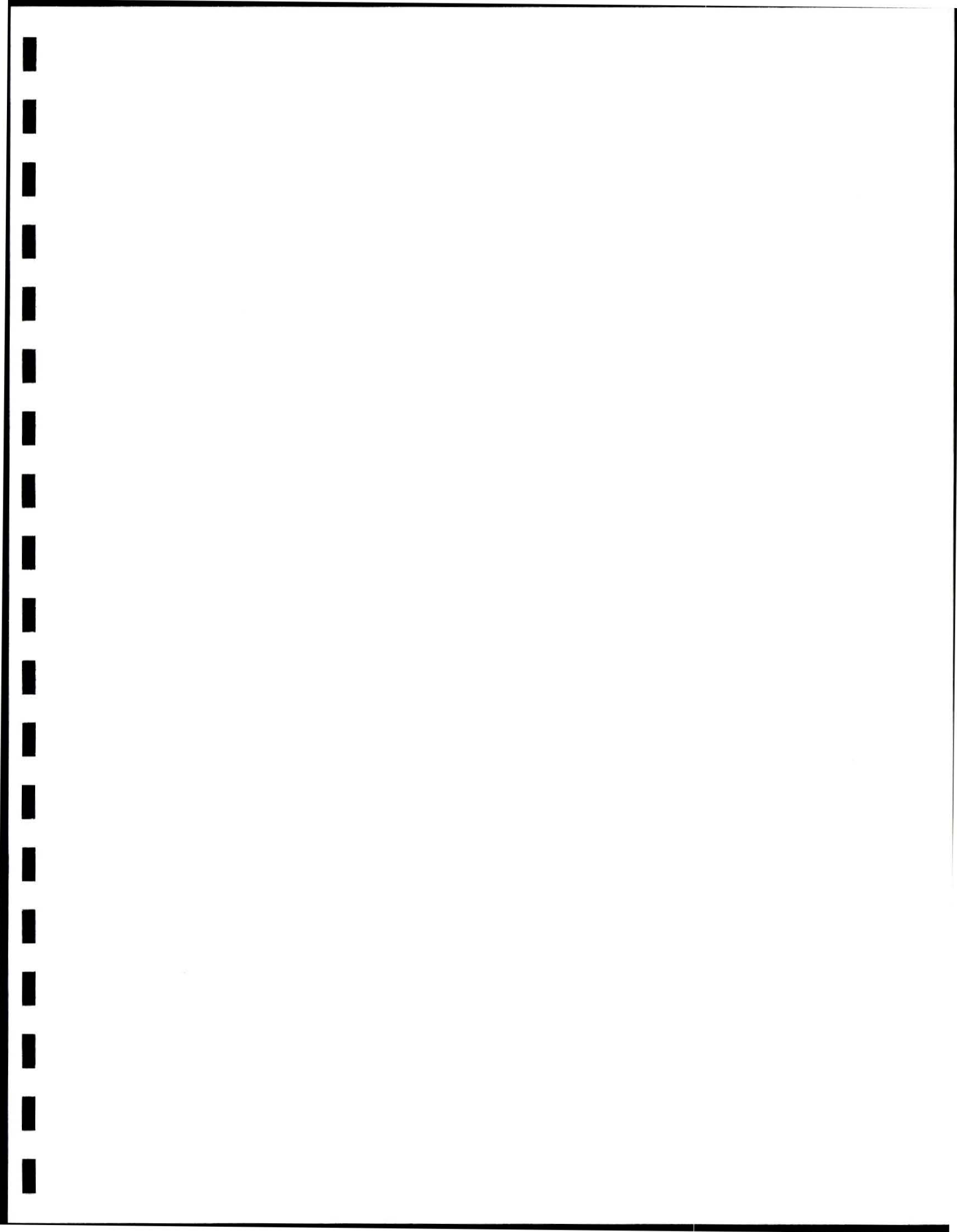
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**EXHIBIT I**  
**Schedule of Permits**



## EXHIBIT I

### SCHEDULE OF PERMITS

Agency	Permit Type	Approval Date	Remarks
LA Police Commission	Night Time Noise Variance	10/07/13	Permit used for Third Party advanced utility relocations. Once Permit is obtained, it is renewed every 6 months – requires list of construction activities, location, community outreach plan, and historical complaint track record.
City of LA Bureau of Engineering	Holiday Moratorium Variance	12/09/13	Permit used for Third Party advanced utility relocations. Restrictions on construction activity from the week of Thanksgiving Day to the week following New Year's Day. Exemptions to work during the holiday moratorium are allowed on a case-by-case basis and require City Council member and Bureau of Engineering approvals.

**NOTE:** Project has two major construction contracts: C0981R for advanced utility relocations and C0980 for D/B guide way, stations and systems. Notices to Proceed (NTP) have not yet been issued. In order to obtain other permits, the contractor needs to provide specific information which will depend on the contractor means and methods and their work schedule. Metro does not foresee problems getting necessary permits after NTP to keep the Project on schedule.

# LOS ANGELES POLICE COMMISSION

BOARD OF  
POLICE COMMISSIONERS

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SANDRA FIGUEROA-VILLA  
KATHLEEN KIM  
ROBERT M. SALTZMAN

MARIA SILVA  
COMMISSION EXECUTIVE ASSISTANT  
October 3, 2013



ERIC GARCETTI  
Mayor

RICHARD M. TEFANK  
EXECUTIVE DIRECTOR

ALEXANDER A. BUSTAMANTE  
INSPECTOR GENERAL

EXECUTIVE OFFICE  
POLICE ADMINISTRATION BUILDING  
100 WEST FIRST STREET, SUITE 134  
LOS ANGELES, CA 90012-4112

(213) 236-1400 PHONE  
(213) 236-1410 FAX  
(213) 236-1440 TDD

P.C. No. 12/46

Mrs. Nazanin Mossahebi  
Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, California 90012

Dear Mrs. Mossahebi:

Commission Investigation Division (CID), is in receipt of the noise variance request from Metropolitan Transportation Authority (P.C. No. 12/46). The work site is located on Alameda Street between Temple Street and 2<sup>nd</sup> Street and on 1<sup>st</sup> Street between Central Avenue and Hewitt Street, in the City of Los Angeles.

Commission Investigation Division, recommends the extension be GRANTED for nighttime and early morning relocation of all utilities underneath the roadway. Under the provisions of the Los Angeles Municipal Code Section 41.40 your extension request was APPROVED. There have been no complaints in the area. This variance permits work from October 7, 2013 through April 7, 2014, Monday through Friday from 9:00 p.m. to 11:00 p.m., Saturdays from 6:00 p.m. to 8:00 p.m., and Sunday from 11:00 a.m. to 6:00 p.m.

Extension Date(s):	October 7, 2013 through April 7, 2014
Extension Hours:	Monday through Friday from 9:00 p.m. to 11:00 p.m. Saturday 6:00 p.m. to 8:00 p.m. Sunday 11:00 a.m. to 6:00 p.m.
Original Date(s):	July 1, 2012 through January 1, 2013
Original Hours:	Monday through Friday from 9:00 p.m. to 11:00 p.m. Saturday 6:00 p.m. to 8:00 p.m. Sunday 11:00 a.m. to 6:00 p.m.

Should you have any questions or require additional information, please contact Detective Sandra Betancourt, Officer in Charge, Noise Enforcement Team, CID at (213) 996-1230.

Very truly yours,

  
RICHARD M. TEFANK, Executive Director  
Board of Police Commissioners

AN EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER  
[www.LAPDOnline.org](http://www.LAPDOnline.org)  
[www.joinLAPD.com](http://www.joinLAPD.com)

# LOS ANGELES POLICE COMMISSION

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SANDRA FIGUEROA-VILLA  
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ROBERT M. SALTZMAN

MARIA SILVA  
COMMISSION EXECUTIVE ASSISTANT I

October 3, 2013



ERIC GARCETTI  
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RICHARD M. TEFANK  
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ALEXANDER A. BUSTAMANTE  
INSPECTOR GENERAL

EXECUTIVE OFFICE  
POLICE ADMINISTRATION BUILDING  
100 WEST FIRST STREET, SUITE 134  
LOS ANGELES, CA 90012-4112

(213) 236-1400 PHONE  
(213) 236-1410 FAX  
(213) 236-1440 TDD

P.C. No. 12/44

Mrs. Nazanin Mossahebi  
Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, California 90012

Dear Mrs. Mossahebi:

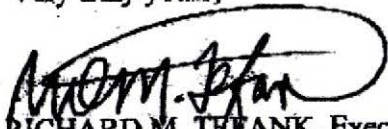
Commission Investigation Division (CID), is in receipt of the noise variance request from Metropolitan Transportation Authority (P.C. No. 12/44). The work site is located on 2<sup>nd</sup> Street between Spring Street and Broadway, in the City of Los Angeles.

Commission Investigation Division, recommends the extension be GRANTED for nighttime and early morning relocation of all utilities underneath the roadway. Under the provisions of the Los Angeles Municipal Code Section 41.40 your extension request was APPROVED. There have been no complaints in the area. This variance permits work from October 7, 2013 through April 7, 2014, Monday through Friday from 9:00 p.m. to 11:00 p.m., Saturdays from 6:00 p.m. to 11:00 p.m., and Sunday from 9:00 a.m. to 9:00 p.m.

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Should you have any questions or require additional information, please contact Detective Sandra Betancourt, Officer in Charge, Noise Enforcement Team, CID at (213) 996-1230.

Very truly yours,

  
 RICHARD M. TEFANK, Executive Director  
 Board of Police Commissioners

**BOARD OF PUBLIC WORKS  
MEMBERS**

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**MONICA RODRIGUEZ**  
VICE PRESIDENT

**MATT SZABO**  
PRESIDENT PRO TEMPORE

**MICHAEL R. DAVIS**  
COMMISSIONER

**BARBARA ROMERO**  
COMMISSIONER

**ARLEEN P. TAYLOR**  
EXECUTIVE OFFICER

# CITY OF LOS ANGELES

CALIFORNIA



**ERIC GARCETTI**  
MAYOR

**DEPARTMENT OF  
PUBLIC WORKS**

**BUREAU OF  
ENGINEERING**

**GARY LEE MOORE, P.E.**  
CITY ENGINEER

1149 S. BROADWAY, SUITE 700  
LOS ANGELES, CA 90015-2213

<http://eng.lacity.org>

December 9, 2013

Girish Roy, Deputy Executive Officer  
Regional Connector Transit Project  
Metropolitan Transportation Authority (MTA)  
One Gateway Plaza  
Los Angeles, CA 90012

**REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT, EXEMPTION FROM THE  
HOLIDAY SEASON STREET CLOSURE MORATORIUM, W.O. E1907394**

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Your email request dated December 6, 2013 for revising the previously approved waiver from the Holiday Season Moratorium has been granted. This revised approval supersedes two previous approvals dated December 3, 2013 and November 19, 2013. This revised approval is granted with the support of the Council Office 14. This request is approved as noted:

1. From December 9, 2013 to January 2, 2014.
2. See attached streets and locations exempted from holiday street closure.
3. All construction closures shall follow the LADOT approved Worksite Traffic Control Plan.
4. This approval does NOT include a Peak Hour exemption.
5. This approval does NOT include an LAPD Noise Variance.
6. The City reserves the right to revoke or change this approval at any time.

It will be your responsibility to ensure that you maintain all the necessary permits to do the work and to maintain an approved Worksite Traffic Control Plan and a copy of this letter on the site at all times. If you have any questions, please contact my staff Allen Wang at (213) 485-4904.

Sincerely,

Michael P. Brown, Division Manager  
Street and Stormwater Division



Attachments:

- Revised approved location and time exempted from holiday street closure, dated December 6, 2013.
- Email request for adding 2<sup>nd</sup> St and Broadway weekday exemption.
- Council Office 14 concurrence.
- Previously approved Holiday Moratorium Exemption dated December 6, 2013.
- Metro's appeal letter dated November 26, 2013
- Previously approved Holiday Moratorium Exemption dated November 19, 2013.
- Metro's original Holiday Moratorium Exemption Request dated November 6, 2013.

cc w/ attachments:

Kevin James, Board of Public Works  
Erick Martell, Council District 14  
Vernon Tabirara, LABOE  
Don Schima, LADOT  
Azzam Jabsheh, LADOT  
Maurice Camacho, LADOT  
Jesus Escamilla, LADOT  
Larry Morales, LABSS  
Mariann Karish, LABOE  
Johnny Brewer, LACONAD  
Eduardo Cervantes, LACMTA  
Daniel Comorre, LACMTA  
Kang Hu, LACMTA  
Alan Willis, LACMTA

D:\- Regional Holiday\Appeal\Revised 2 Approval RC Holiday Moratorium 2013-2014.doc

PRIORITY	UTILITY	STATION LOCATION	LOCATION	DESCRIPTION	Designs approved	Traffic Control plans approved	DAY	NIGHT	Mon. to Fri. Day	Sat. Day	Sun. Day	Holiday Moratorium Exemption
<b>Private Third Party Utility Relocations</b>												
1	Gas Line Relocation	Broadway	At Spring and 2nd Street Intersection	3" and 4" Gas line	YES (being revised)	YES	X	N/A	9am to 330pm	8am to 11pm	9am to 9pm	Exemption Granted (Sunday work requires LAPD approval)
2	Gas Line Relocation	Broadway	At Broadway and 2nd Street Intersection	3" Gas line	YES	***NO	X	N/A	9am to 330pm	8am to 8pm	9am to 9pm	Exemption Granted (Sunday work requires LAPD approval)
3	AT&T Cable Relocation	Alameda	On 1st Street between Central and Alameda	Construction of various sizes of conduit and vaults. Includes cable pulling and splicing	NO (pending approval)	YES (being revised)	X	N/A	8am to 330pm	8am to 6pm	8am to 6pm	No Exemption
4	Tank Removal	Broadway	Along 2nd Street and Broadway	Tank removal at LA Times requires temporary traffic lane closures to allow for removal of tank.	***NO	***NO	X	N/A	9am to 330pm	8am to 6pm	9am to 6pm	Exemption Granted (Sunday work requires LAPD approval)
5	TWC Relocation	Flower	Along 5th Street east and west of Flower	Construction of various sizes of conduit and vaults. Includes cable pulling and splicing	YES	***NO	X	N/A	9am to 330pm	8am to 6pm	N/A	Exemption Granted
6	AT&T Cable Relocation	Flower	On Flower Street from 6th Street to 5th Street	Construction of various sizes of conduit and vaults. Includes cable pulling and splicing	***NO	***NO	X	N/A	8am to 330pm	8am to 6pm	N/A	No Exemption
7	Level 3	Flower	Along 6th Street west of Flower and along Flower street south of 6th	Construction of various sizes of conduit and vaults. Includes cable pulling and splicing	YES	YES	X	N/A	N/A	8am to 6pm	N/A	Exemption Granted

\*\*\*NOTE: Design plans are in process with City Departments

**Approved on December 9, 2013**



12/6/13

City of Los Angeles Mail - Holiday Moratorium Exemption



Allen Wang <allen.wang@lacity.org>

---

## Holiday Moratorium Exemption

---

Hu, Kang <HuK@metro.net>

Fri, Dec 6, 2013 at 7:28 AM

To: Allen Wang <allen.wang@lacity.org>

Cc: Larry Hsu <lawrence.hsu@lacity.org>, "Erick.martell@lacity.org" <Erick.martell@lacity.org>, "Roy, Girish" <ROYG@metro.net>, "Comorre, Daniel" <ComorreD@metro.net>, "Cervantes, Eduardo" <CervantesE@metro.net>, "Willis, Alan" <WillisA@metro.net>

Hi Allen,

Per our phone conversation, the approval on Dec. 3, 2013 did not include the weekday hours on the Gas Line Relocation-Broadway (Priority 2) as we requested in the appeal letter dated Nov. 26, 2013. I would appreciate if you can revise the letter to include the exemption for 2<sup>nd</sup>/Broadway during 9 AM-3:30 PM, Mondays through Fridays. The revised table is as attached. Thank you.

**Kang Hu, PE**

*Sr. Engineering Manager*

*Regional Connector Transit Corridor Project*

**Los Angeles County Metropolitan Transportation Authority**

—  
777 S. Figueroa Street, 10th Floor, Los Angeles, CA 90071

Phone: 213-312-3128

Cell: 213-840-5684

[HuK@metro.net](mailto:HuK@metro.net)



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From: "Erick Martell" <[erick.martell@lacity.org](mailto:erick.martell@lacity.org)>  
Date: Dec 2, 2013 4:01 PM  
Subject: Re: Appeal of Holiday Moratorium determination  
To: "Comorre, Daniel" <[ComorreD@metro.net](mailto:ComorreD@metro.net)>  
Cc: "Michael Brown ([michael.brown@lacity.org](mailto:michael.brown@lacity.org))" <[michael.brown@lacity.org](mailto:michael.brown@lacity.org)>, "Larry Hsu ([lawrence.hsu@lacity.org](mailto:lawrence.hsu@lacity.org))" <[lawrence.hsu@lacity.org](mailto:lawrence.hsu@lacity.org)>, "Cervantes, Eduardo" <[CervantesE@metro.net](mailto:CervantesE@metro.net)>, "Roy, Girish" <[ROYG@metro.net](mailto:ROYG@metro.net)>, "Borja Leon" <[borja.leon@lacity.org](mailto:borja.leon@lacity.org)>, "nat gale" <[nat.gale@lacity.org](mailto:nat.gale@lacity.org)>, "Marcel Porras" <[Marcel.Porras@lacity.org](mailto:Marcel.Porras@lacity.org)>

Girish,

Thank you for meeting with me today. CD14 is ok with granting the holiday exemption to your 3 contested locations.

Thanks,

**Erick Martell**

Legislative and Transportation Director  
Office of Councilmember José Huizar  
City of Los Angeles | Council District 14

City Hall  
200 N. Spring St | Room 465  
Los Angeles, CA 90012  
(213) 473-7014 office | (213) 847-0680 fax  
[Erick.Martell@lacity.org](mailto:Erick.Martell@lacity.org)

*For regular updates and to sign up for our E-Newsletter, please visit our updated [Jose Huizar CD 14 website](#). Click on the icons below to follow us on Twitter, Facebook, and YouTube*

On Wed, Nov 27, 2013 at 12:49 PM, Comorre, Daniel <[ComorreD@metro.net](mailto:ComorreD@metro.net)> wrote:  
Gentlemen-Attached is our formal letter appealing BOE's determination at a few locations for this year's holiday moratorium. Please process and advise as soon as possible. The hard copy of the letter will be mailed Monday morning. Thank you, and have a pleasant holiday. Dan

Dan F. Comorre  
Director of Construction Management  
Regional Connector Transit Project  
Los Angeles County Metropolitan Transportation Authority

777 S. Figueroa St., Suite 1000, Los Angeles, CA 90017  
Phone: [213.312.3135](tel:213.312.3135)  
[Comorred@metro.net](mailto:Comorred@metro.net)

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CITY ENGINEER

1149 S. BROADWAY, SUITE 700  
LOS ANGELES, CA 90015-2213

<http://eng.lacity.org>

December 3, 2013

Girish Roy, Deputy Executive Officer  
Regional Connector Transit Project  
Metropolitan Transportation Authority (MTA)  
One Gateway Plaza  
Los Angeles, CA 90012

**REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT, EXEMPTION FROM THE  
HOLIDAY SEASON STREET CLOSURE MORATORIUM, W.O. E1907394**

Your appeal request dated November 26, 2013 for a waiver from the Holiday Season Moratorium has been granted. This revised approval supersedes the previous approval dated November 19, 2013. This revised approval is granted with the support of the Council Office 14. This request is approved as noted:

1. From December 4, 2013 to January 2, 2014.
2. See attached streets and locations exempted from holiday street closure.
3. All construction closures shall follow the LADOT approved Worksite Traffic Control Plan.
4. This approval does NOT include a Peak Hour exemption.
5. This approval does NOT include an LAPD Noise Variance.
6. The City reserves the right to revoke or change this approval at any time.

It will be your responsibility to ensure that you maintain all the necessary permits to do the work and to maintain an approved Worksite Traffic Control Plan and a copy of this letter on the site at all times. If you have any questions, please contact my staff Allen Wang at (213) 485-4904.

Sincerely,

for Michael P. Brown, Division Manager  
Street and Stormwater Division



**Attachments:**

- Revised approved location and time exempted from holiday street closure, dated December 3, 2013.
- Council Office 14 concurrence.
- Metro's appeal letter dated November 26, 2013
- Previously approved Holiday Moratorium Exemption dated November 19, 2013.
- Metro's original Holiday Moratorium Exemption Request dated November 6, 2013.

**cc w/ attachments:**

Kevin James, Board of Public Works  
Erick Martell, Council District 14  
Vernon Tabirara, LABOE  
Don Schima, LADOT  
Azzam Jabsheh, LADOT  
Maurice Camacho, LADOT  
Jesus Escamilla, LADOT  
Larry Morales, LABSS  
Mariann Karish, LABOE  
Johnny Brewer, LACONAD  
Eduardo Cervantes, LACMTA  
Daniel Comorre, LACMTA  
Kang Hu, LACMTA  
Alan Willis, LACMTA

*SUPERSEDED*

PRIORITY	UTILITY	STATION LOCATION	LOCATION	DESCRIPTION	Designs approved	Traffic Control plans approved	DAY	NIGHT	Mon. to Fri. Day	Sat. Day	Sun. Day	Holiday Moratorium Exemption
<b>Private Third Party Utility Relocations</b>												
1	Gas Line Relocation	Broadway	At Spring and 2nd Street Intersection	3" and 4" Gas line	YES (being revised)	YES	X		9am to 330pm	8am to 11pm	9am to 9pm	Exemption Granted (Sunday work requires LAPD approval)
2	Gas Line Relocation	Broadway	At Broadway and 2nd Street Intersection	3" Gas line	YES	***NO	X			8am to 8pm	9am to 9pm	Exemption Granted (Sunday work requires LAPD approval)
[REDACTED]												
4	Tank Removal	Broadway	Along 2nd Street and Broadway	Tank removal at LA Times requires temporary traffic lane closures to allow for removal of tank.	***NO	***NO	X		9am to 330pm	8am to 6pm	9am to 6pm	Exemption Granted (Sunday work requires LAPD approval)
5	TWC Relocation	Flower	Along 5th Street east and west of Flower	Construction of various sizes of conduit and vaults. Includes cable pulling and splicing	YES	***NO	X		9am to 330pm	8am to 6pm		Exemption Granted
[REDACTED]												
7	Level 3	Flower	Along 6th Street west of Flower and along Flower street south of 6th	Construction of various sizes of conduit and vaults. Includes cable pulling and splicing	YES	YES	X			8am to 6pm		Exemption Granted

SUPERSEDED

\*\*\*NOTE: Design plans are in process with City Departments

**Approved on December 3, 2013**

From: "Erick Martell" <[erick.martell@lacity.org](mailto:erick.martell@lacity.org)>  
Date: Dec 2, 2013 4:01 PM  
Subject: Re: Appeal of Holiday Moratorium determination  
To: "Comorre, Daniel" <[ComorreD@metro.net](mailto:ComorreD@metro.net)>  
Cc: "Michael Brown ([michael.brown@lacity.org](mailto:michael.brown@lacity.org))" <[michael.brown@lacity.org](mailto:michael.brown@lacity.org)>, "Larry Hsu ([lawrence.hsu@lacity.org](mailto:lawrence.hsu@lacity.org))" <[lawrence.hsu@lacity.org](mailto:lawrence.hsu@lacity.org)>, "Cervantes, Eduardo" <[CervantesE@metro.net](mailto:CervantesE@metro.net)>, "Roy, Girish" <[ROYG@metro.net](mailto:ROYG@metro.net)>, "Borja Leon" <[borja.leon@lacity.org](mailto:borja.leon@lacity.org)>, "nat gale" <[nat.gale@lacity.org](mailto:nat.gale@lacity.org)>, "Marcel Porras" <[Marcel.Porras@lacity.org](mailto:Marcel.Porras@lacity.org)>

Girish,

Thank you for meeting with me today. CD14 is ok with granting the holiday exemption to your 3 contested locations.

Thanks,

**Erick Martell**  
Legislative and Transportation Director  
Office of Councilmember José Huizar  
City of Los Angeles | Council District 14

City Hall  
200 N. Spring St | Room 465  
Los Angeles, CA 90012  
(213) 473-7014 office | (213) 847-0680 fax  
[Erick.Martell@lacity.org](mailto:Erick.Martell@lacity.org)

*For regular updates and to sign up for our E-Newsletter, please visit our updated [Jose Huizar CD 14 website](#). Click on the icons below to follow us on Twitter, Facebook, and YouTube*

On Wed, Nov 27, 2013 at 12:49 PM, Comorre, Daniel <[ComorreD@metro.net](mailto:ComorreD@metro.net)> wrote:  
Gentlemen-Attached is our formal letter appealing BOE's determination at a few locations for this year's holiday moratorium. Please process and advise as soon as possible. The hard copy of the letter will be mailed Monday morning. Thank you, and have a pleasant holiday. Dan

Dan F. Comorre  
Director of Construction Management  
Regional Connector Transit Project  
Los Angeles County Metropolitan Transportation Authority

777 S. Figueroa St., Suite 1000, Los Angeles, CA 90017  
Phone: [213.312.3135](tel:213.312.3135)  
[Comorred@metro.net](mailto:Comorred@metro.net)

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Los Angeles County  
Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.2000 Tel  
metro.net

# Metro

November 26, 2013

Michael P. Brown, Division Manager  
Street and Stormwater Division  
Bureau of Engineering  
1149 S Broadway  
Los Angeles, CA 90015

RECEIVED

NOV 27 2013

STREET/STORMWATER  
DIVISION

## REGIONAL CONNECTOR TRANSIT PROJECT, EXEMPTION FROM THE HOLIDAY SEASON STREET CLOSURE MORATORIUM

Dear Mr. Brown,

Metro is in receipt of your correspondence dated November 19, 2013 that identifies and approves certain construction work locations as exempt during the 2013-2014 Holiday Season Street Closure Moratorium. In addition to approving specific utility relocation work, the referenced correspondence also denies approval of other utility relocations at other locations. Metro would like to request that BOE reconsider approving utility work at the following locations that were denied in the referenced letter.

Priority	Utility	Station Location	Description
2	Gas Line	Broadway	At Broadway and 2 <sup>nd</sup> St. Intersection
5B	TWC	Flower	Along 5 <sup>th</sup> ST E/O Flower St.
7B	Level 3	Flower	Along Flower St. E/O 6 <sup>th</sup> St.

Bureau of Engineering Notice No. 12, dated September 6, 2013, establishes the "Holiday Season Street Closure Restrictions" between November 18, 2013 and January 2, 2014 for the explicit purposes "...to minimize the impacts on shoppers and retail businesses." With this guideline MTA offers the following additional information in support of its request for an exemption for the priorities listed above.

With respect to priority 2, the gas line relocation work proposed at this location has the following approximate limits: in 2<sup>nd</sup> Street from 80 feet to 10 feet west of the Broadway centerline; and in Broadway from the 2<sup>nd</sup> Street centerline to 60 feet N/O. The proposed work has worksite traffic control plans approved by LADOT which allows some construction on Mondays through Fridays and limits other construction to Saturdays and Sundays, both, as appropriate. Further, there are no retail shops adjacent to or near this proposed work location, and there is no proposed on-street or off-street parking access limitations required to perform this work which could affect retail shops. Immediate approval is requested for this work because Metro already has a contractor secured through SCG to perform this utility relocation work as soon as possible.

With respect to priority 5B, the Time Warner Cable (TWC) relocation work proposed at this location has the following approximate limits: in 5<sup>th</sup> Street from the Flower St centerline to just east of the easterly crosswalk of the 5<sup>th</sup> Street and Flower Street intersection; and in 5<sup>th</sup> Street just east of the easterly crosswalk at Flower St to 30 feet E/O. The proposed work has worksite traffic control plans approved by LADOT which allows some construction on

Mondays through Fridays and limits other construction to Saturdays, both, as appropriate. Further, there are no retail shops adjacent to or near this proposed work location that could be considered as impacted by this work, and there is no proposed on-street or off-street parking access limitations required to perform this work which could affect retail shops. Immediate approval is requested for this work because Metro already has a contractor secured through TWC to perform this utility relocation work as soon as possible.

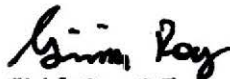
With respect to priority 7B, the Level 3 relocation work proposed at this location has the following approximate limits: in the 6<sup>th</sup> Street east bound right turn only lane onto south bound Flower Street from that intersection's SW corner BCR to the Flower Street centerline; and in Flower Street from 30 feet to 40 feet S/O the 6<sup>th</sup> Street centerline. The proposed work has worksite traffic control plans approved by LADOT which limits construction to Saturdays only. Further, there are no retail shops adjacent to or near this proposed work location that are open on Saturdays, and there is no proposed on-street or off-street parking access limitations required to perform this work which could affect retail shops. Immediate approval is requested for this work because Metro already has a contractor secured through Level 3 that has already started this work and had to stand down during the holiday season as a result of BOE's determination.

This request, to exempt Holiday Season Street Closure Moratorium will have no impact to shoppers and retail businesses at all three locations.

Metro staff is available to meet with BOE personnel to discuss the information contained in this correspondence. Metro is looking for timely consideration of this request to be able to maximize construction activities during the holiday period. Because much of the construction work discussed above has multiple traffic control plan phases, opportunities exist to reconsider/approve additional construction phases in accordance with the explicit intent of the BOE Notice.

Please contact Dan Comorre at (213) 312-3135 for questions or comments regarding this correspondence.

Respectfully,



Girish Roy, P.E.  
Project Manager, Deputy Executive Officer

Cc: Nat Gale, Mayor's Office  
Erick Martell, CD 14  
Ellen Isaacs, Metro



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CITY ENGINEER**

1149 S. BROADWAY, SUITE 700  
LOS ANGELES, CA 90015-2213

<http://eng.lacity.org>

November 19, 2013

Eduardo Cervantes, Third Party Administration Director  
Regional Connector Transit Project  
Metropolitan Transportation Authority (MTA)  
One Gateway Plaza  
Los Angeles, CA 90012

**REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT EXEMPTION FROM THE  
HOLIDAY SEASON STREET CLOSURE MORATORIUM, W.O. #1907394**

Your request for a waiver from the Holiday Season Moratorium has been granted. This approval is granted with the support of the respective Council Office 14. This request is approved as noted:

1. From November 20, 2013 to January 2, 2014.
2. See attached streets and locations exempted from holiday street closure.
3. All construction closures shall follow the LADOT approved Worksite Traffic Control Plan.
4. This approval does NOT include a Peak Hour exemption.
5. This approval does NOT include an LAPD Noise Variance.
6. The City of Los Angeles reserves the option to make changes after the moratorium takes effect pending any condition changes during this time period.

It will be your responsibility to ensure that you maintain all the necessary permits to do the work and to maintain an approved Worksite Traffic Control Plan and a copy of this letter on the site at all times. If you have any questions, please contact my staff Lawrence Hsu at (213) 485-4562.

Sincerely,

Michael P. Brown, Division Manager  
Street and Stormwater Division



**Attachments:**

- Approved exempted streets and location from holiday street closure.
- Metro Holiday Moratorium Exemption Request dated 11/06/2013.

**cc w/ attachments:**

Erick Martell, Council District 14  
Girish Roy, LACMTA  
Daniel Comorre, LACMTA  
Kang Hu, LACMTA  
Alan Willis, LACMTA  
Vernon Tabirara, LABOE  
Azzam Jabshah, LADOT  
Don Schima, LADOT  
Maurice Camacho, LADOT  
Larry Morales, LABSS  
Mariann Karish, LABOE  
Jesus Escamilla, LADOT  
Errol Quimpo, LACONAD

**SUPERSEDED**

PRIORITY	UTILITY	STATION LOCATION	LOCATION	DESCRIPTION	Designs approved	Traffic Control plans approved	DAY	NIGHT	Mon. to Fri. Day	Sat. Day	Sun. Day	Holiday Moratorium Exemption
<b>Private Third Party Utility Relocations</b>												
1	Gas Line Relocation	Broadway	At Spring and 2nd Street intersection	3" and 4" Gas line	YES (being revised)	YES	X		9am to 330pm	8am to 11pm	9am to 6pm	Exemption Granted (Sunday work requires LAPD approval)
4	Tank Removal	Broadway	Along 2nd Street and Broadway	Tank removal at LA Times requires temporary traffic lane closures to allow for removal of tank.	***NO	***NO	X		9am to 330pm	8am to 6pm	9am to 6pm	Exemption Granted (Sunday work requires LAPD approval)
5A	TWC Relocation	Flower	Along 6th Street W/O Flower St	Construction of various sizes of conduit and vaults. Includes cable pulling and splicing	YES	***NO	X		9am to 330pm	8am to 6pm		Exemption Granted
7A	Level 3	Flower	Along 6th St W/O Flower St	Construction of various sizes of conduit and vaults. Includes cable pulling and splicing	YES	YES	X			8am to 6pm		Exemption Granted

SUPERSEDED

\*\*\*NOTE: Design plans are in process with City Departments

----- Forwarded message -----

From: **Cervantes, Eduardo** <CervantesE@metro.net>

Date: Wed, Nov 6, 2013 at 12:28 PM

Subject: RE: Regional AUR Holiday Moratorium spreadsheet 8-28-13.xls

To: "erick.martell@lacity.org" <erick.martell@lacity.org>

Cc: "Comorre, Daniel" <ComorreD@metro.net>, "Roy, Girish" <ROYG@metro.net>, "Arroyo, Olga" <ARROYOO@metro.net>, Larry Hsu <lawrence.hsu@lacity.org>, "McKenna, Michael" <McKennaM@metro.net>

Erick,

Per my voicemail, attached is the latest Holiday Moratorium schedule.

As you will see we have eliminated almost half of the locations from the last spreadsheet.

Understanding there may be some concerns with a certain location, we have prioritized our needs and would hope at a minimum we can obtain support for priorities 1-4.

Due to the start of the moratorium on 11/7/13, and the fact that we need to schedule the crews and send out notices, we really need to have a determination from your office by 11/14 with a copy to Larry Hsu (BOF).

Thanks again for your continued help and support.

Regards,

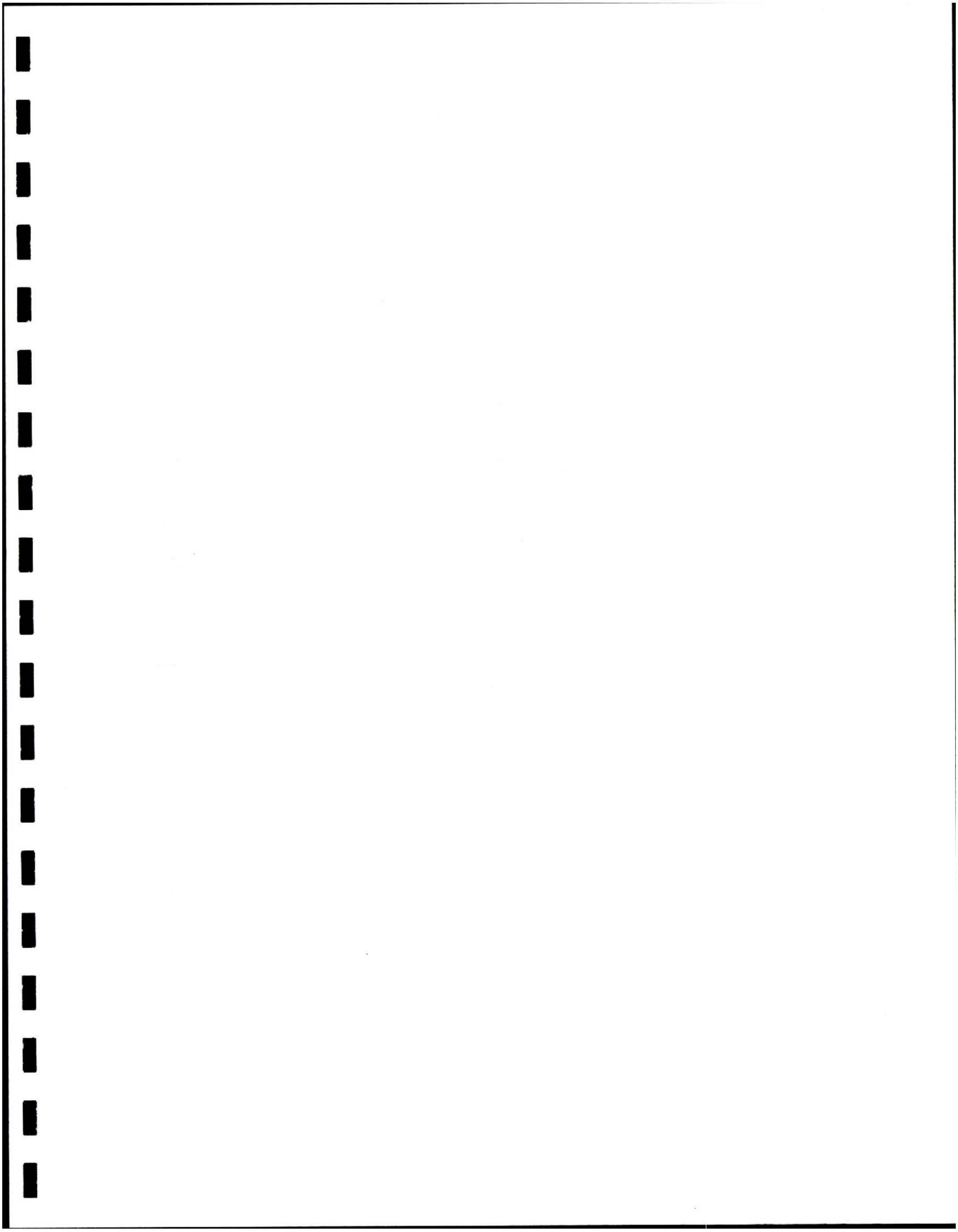
Eduardo Cervantes  
Director, Third Party Administration  
Metro  
213-922-7255

PRIORITY	UTILITY	STATION LOCATION	LOCATION	DESCRIPTION	Designs approved	Traffic Control plans approved	DAY	NIGHT	Mon. to Fri. Day	Sat. Day	Sun. Day	Sun. to Thur. Nightly	Fri. to Sat. Nightly
<b>Private Third Party Utility Relocations</b>													
1	Gas Line Relocation	Broadway	At Spring and 2nd Street Intersection	3" and 4" Gas line	YES (being revised)	YES	X	N/A	9am to 330pm	8am to 11pm	9am to 9pm	N/A	N/A
2	Gas Line Relocation	Broadway	At Broadway and 2nd Street Intersection	3" Gas line	YES	***NO	X	N/A	N/A	8am to 8pm	9am to 9pm	N/A	N/A
3	AT&T Cable Relocation	Alameda	On 1st Street between Central and Alameda	Construction of various sizes of conduit and vaults. Includes cable pulling and splicing	NO (pending approval)	YES (being revised)	X	N/A	9am to 330pm	8am to 8pm	11am to 6pm	N/A	N/A
4	Tank Removal	Broadway	Along 2nd Street and Broadway	Tank removal at LA Times requires temporary traffic lane closures to allow for removal of tank.	***NO	***NO	X	N/A	9am to 330pm	8am to 6pm	9am to 6pm	N/A	N/A
5	TWC Relocation	Flower	Along 5th Street east and west of Flower	Construction of various sizes of conduit and vaults. Includes cable pulling and splicing	YES	***NO	X	N/A	9am to 330pm	8am to 6pm	N/A	N/A	N/A
6	AT&T Cable Relocation	Flower	On Flower Street from 6th Street to 5th Street	Construction of various sizes of conduit and vaults. Includes cable pulling and splicing	***NO	***NO	X	N/A	9am to 330pm	8am to 6pm	N/A	N/A	N/A
7	Level 3	Flower	Along 6th Street west of Flower and along Flower street south of 6th	Construction of various sizes of conduit and vaults. Includes cable pulling and splicing	YES	YES	X	N/A	N/A	8am to 6pm	N/A	N/A	N/A

\*\*\*NOTE: Design plans are in process with City Departments

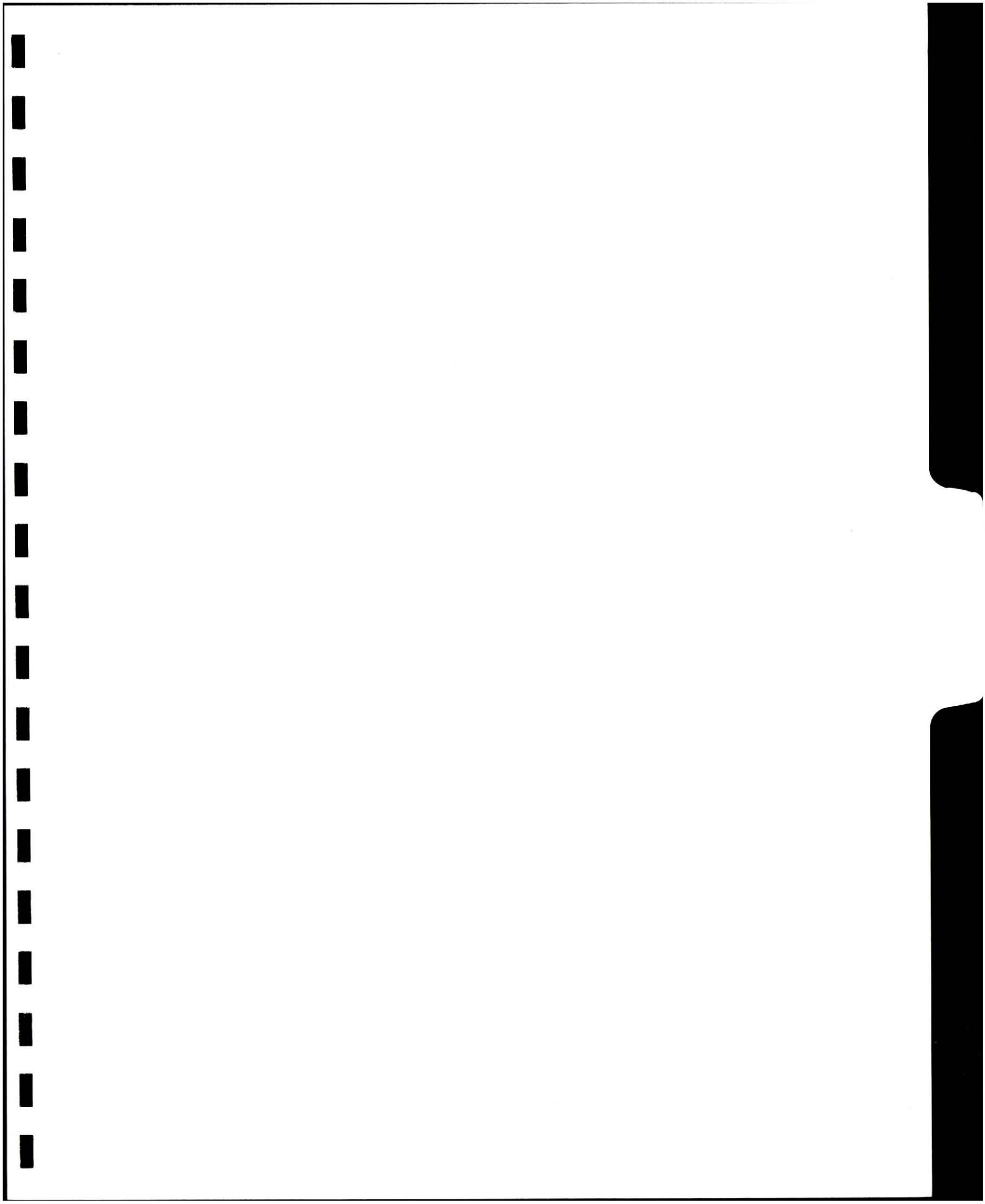
Original Request  
11-6-13

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DIVISION



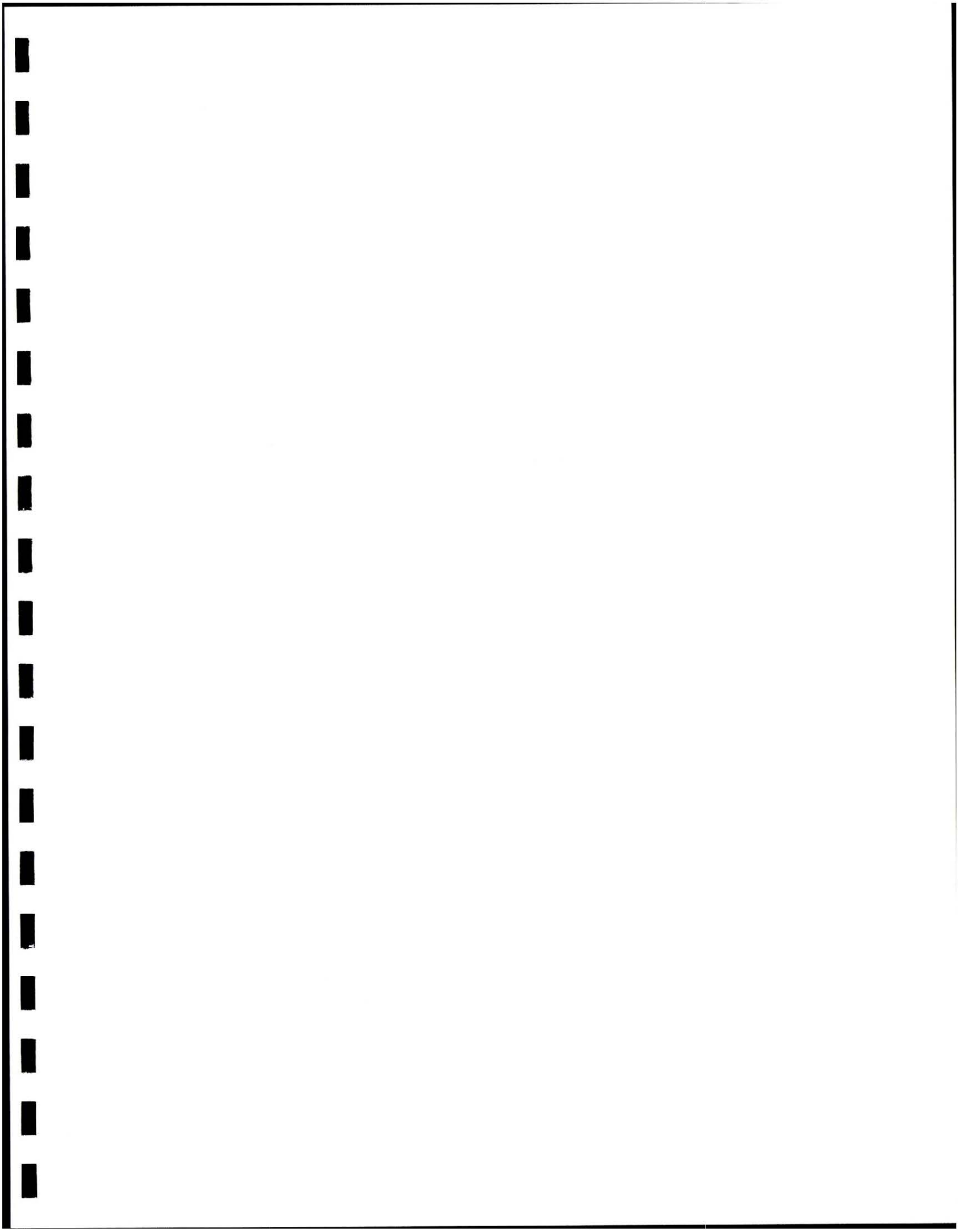
**EXHIBIT J**  
**Full Funding Grant**  
**Agreement**







**EXHIBIT J**  
**Full Funding Grant Agreement**



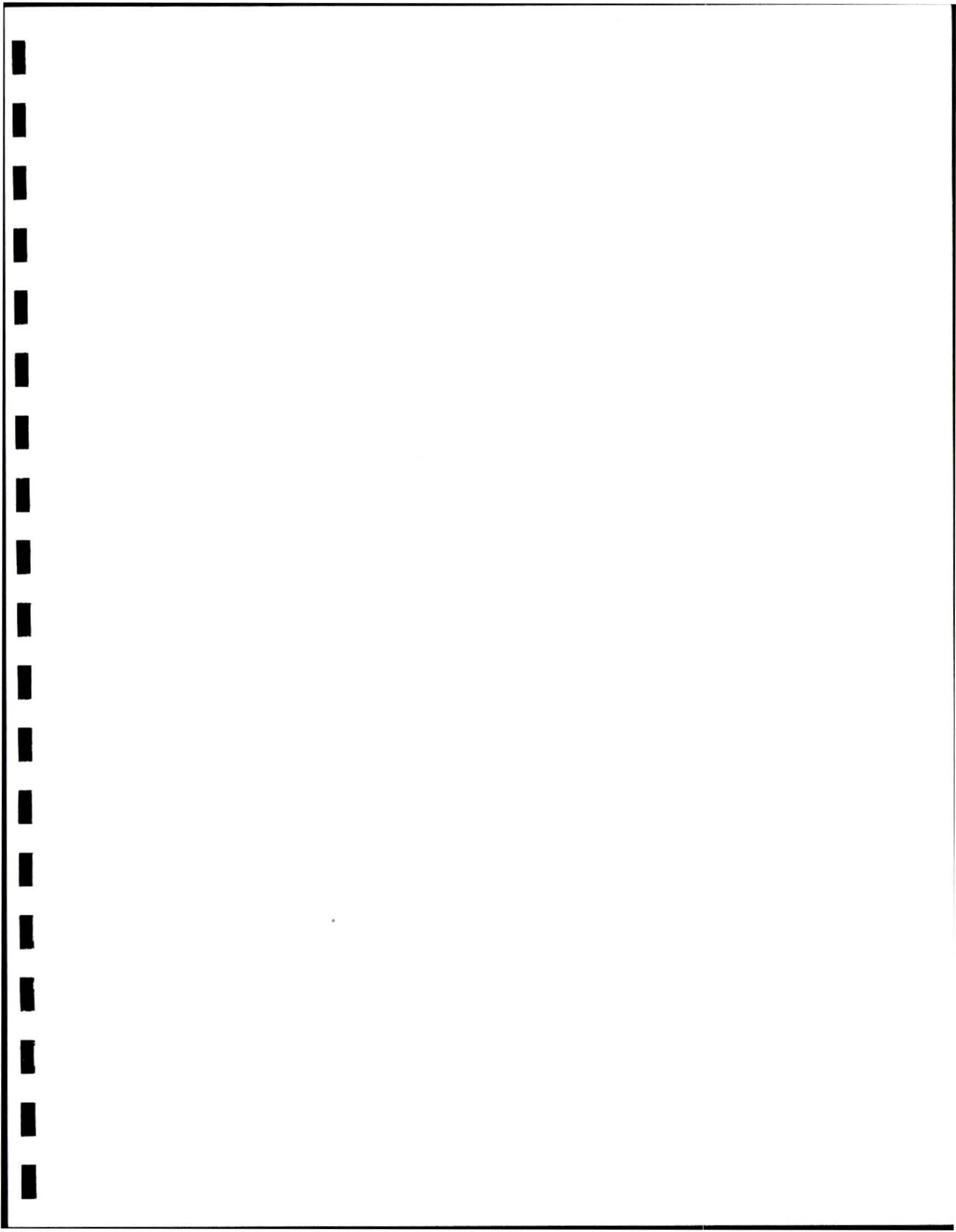
**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
FEDERAL TRANSIT ADMINISTRATION  
WASHINGTON, D.C.**

**FULL FUNDING GRANT AGREEMENT**

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

**REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT**

**CA-03-0825**



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### ATTACHMENTS

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**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
FEDERAL TRANSIT ADMINISTRATION**

**FULL FUNDING GRANT AGREEMENT  
(FTA FFGA-20, October 1, 2013)**

On the date the authorized U.S. Department of Transportation, Federal Transit Administration (FTA) official signs this Full Funding Grant Agreement, the Government (FTA) has awarded Federal assistance in support of the Project described below. Upon Execution of this Full Funding Grant Agreement by the Grantee named below, the Grantee affirms this Award by the Government (FTA Award), and enters into this Full Funding Grant Agreement with FTA. The following documents are incorporated by reference and made part of this Full Funding Grant Agreement:

- (1) "Federal Transit Administration Master Agreement," FTA MA(20), October 1, 2013, [<http://www.fta.dot.gov/documents/20-Master.pdf>];
- (2) The Certifications and Assurances applicable to the Project that the Grantee has selected and provided to FTA, and
- (3) Any Award notification containing special conditions or requirements, if issued.

**FTA AWARD**

The Government (FTA) hereby awards a Full Funding Grant as follows:

Project Number(s): CA-03-0825

Grantee: Los Angeles County Metropolitan Transportation Authority (LACMTA or Metro)

Citation of Statutes Authorizing the Project: 49 U.S.C. §§ 5309(b), 5309(d)

Estimated Net Project Cost: \$1,402,932,490

Maximum FTA Amount Awarded [Including This Amendment]: \$ 0

Amount of This FTA Award: \$0

Maximum Federal New Starts Financial Contribution: \$669,900,000

Maximum Percentage of FTA Participation: 52.3 percent

Maximum Percentage of New Starts Participation: 47.7 percent

Dates of U. S. Department of Labor Certifications of Transit Employee Protective Arrangements:

Original Project or  
Amendment Numbers:

Certification Dates:

CA-03-0825

January 16, 2014

Revenue Service Date: May 29, 2021

Project Description:

The Regional Connector Transit Corridor Project (the Project) consists of the design and construction of a 1.9 mile double track light rail transit line in downtown Los Angeles, with 3 new underground stations and the procurement of 4 light rail vehicles. The project will begin at the existing 7<sup>th</sup> Street/Metro Center station and will provide connections via a new underground alignment to the existing Metro Blue, Exposition, and Gold Lines. The alignment will extend north underground from the 7<sup>th</sup> Street/Metro Center Station following Flower Street, curving east under the 2<sup>nd</sup> Street roadway tunnel and 2<sup>nd</sup> Street, and continuing east under the intersection of 1<sup>st</sup> and Alameda Streets, surfacing to connect to the Metro Gold Line tracks within 1<sup>st</sup> Street at grade to the east and north of Temple Street toward Union Station.

For a more detailed description, see Attachments 1 and 2.

**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
FEDERAL TRANSIT ADMINISTRATION**

**FULL FUNDING GRANT AGREEMENT TERMS AND CONDITIONS**

**THIS FEDERAL TRANSIT ADMINISTRATION FULL FUNDING GRANT AGREEMENT** (Agreement) is entered into by the Los Angeles County Metropolitan Transportation Authority (Grantee) and the United States of America, acting through the United States Department of Transportation, Federal Transit Administration (FTA or Government).

**WHEREAS**, the Grantee has determined through the local planning process that construction of a 1.9 mile double track underground light rail transit line from the 7<sup>th</sup> Street/Metro Center Station to the 1<sup>st</sup> Street/Alameda Street Station, providing through service between the existing Metro Blue, Exposition, and Gold Lines (Project), would effectively and efficiently serve the transportation needs of the City of Los Angeles and Los Angeles County.

**WHEREAS**, the Grantee has developed a Financial Plan, as herein defined, using a combination of local, state, and Federal funds to finance the costs of the Project and, in accordance with its plan, has requested a Grant, as herein defined, of Federal financial assistance in the Project.

**WHEREAS**, the Government has determined to enter into this Agreement and to support final design and construction of the Project up to a Maximum Federal New Starts Financial Contribution of \$669,900,000 in capital New Starts funds subject to all the terms and conditions set forth in this Agreement.

**WHEREAS**, the Grantee has submitted its request for Federal assistance (the Application) and the Government has received and is relying upon the Grantee's assurances, certifications, and all other documents required as conditions precedent to a Grant of assistance by the Government for the Project; and, in its submissions, the Grantee has demonstrated justification for the Project, has demonstrated its financial, organizational, legal, and technical capacity as is necessary to Complete the Project within the maximum amount of Federal assistance set forth in this Agreement, and has demonstrated the capability to secure non-Federal funds as may be necessary for such completion.

**WHEREAS**, the Government has determined that the Project is justified based on a comprehensive review of its mobility improvements, environmental benefits, cost effectiveness, land use, economic development effects, and congestion relief; the Project is supported by policies and land use patterns that promote public transportation, including plans for future land use and rezoning, and economic development around public transportation stations; and the Project is supported by an acceptable degree of local financial commitment, including evidence of stable and dependable financing sources to construct, maintain, and operate the Project.



**WHEREAS**, the Government and the Grantee have agreed that their respective duties and responsibilities as related to the completion of the Project shall be determined by and under the terms and conditions of this Agreement and have agreed that this Agreement shall be recognized as the sole understandings between the Government and the Grantee in consideration of the mutual promises as set forth in this Agreement.

**THEREFORE**, in consideration of the above and the parties' mutual promises as set forth in this Federal Transit Administration Full Funding Grant Agreement, the Grantee and the Government agree to the specific terms, conditions and provisions set forth in this entire Agreement including, in particular, the specific terms of the following Sections and Attachments:

## **SECTION 1. DEFINITIONS**

**"Agreement"** means this Federal Transit Administration Full Funding Grant Agreement (FFGA) and consists of all parts and documents listed in Section 20 of this Agreement, "Contents of Agreement," and will include all future addenda, substitutions, modifications and amendments as and when legally executed and effective. (This definition supersedes the definition of "Grant Agreement" set forth in Section 1.j of the Federal Transit Administration Master Agreement (Master Agreement), incorporated by reference and made part of this Agreement.)

**"Application"** means those documents and written submissions filed by or on behalf of the Grantee pursuant to its request for Federal financial assistance for support of the Project and relied upon by the Government as satisfaction of the legal and policy requirements of Grant award. The Application includes all explanatory, supporting, or supplementary documents related to the Project that the Government relied upon in its determination to obligate and award Federal funds for the Project. (This definition is intended to supplement the definition "Application" set forth in Section 1.a of the Master Agreement, incorporated by reference and made part of this Agreement.)

**"Baseline Cost Estimate"** means the Application document described in Section 13 of this Agreement and set forth in the Tables that comprise Attachment 3. The requirements of the Baseline Cost Estimate are set forth in FTA Circular 5200.1A, "Full Funding Grant Agreements Guidance," as may be revised from time to time. The Baseline Cost Estimate reflects the total anticipated cost of the Project as of the Date of this Agreement.

**"Complete the Project"** means to accomplish all of the scope and activities of the Project as described in Attachment 1, "Scope of the Project," and Attachment 2, "Project Description."

**"Date of this Agreement"** means the date the Government awards this Full Funding Grant Agreement.

**"Estimated Net Project Cost"** means the amount that is calculated by subtracting the cost that can reasonably be financed from the Grantee's revenue from the total anticipated cost of

the Project as reflected in the "Baseline Cost Estimate," Attachment 3. The Estimated Net Project Cost is set forth in Section 7 of this Agreement.

**"Financial Plan"** means the plan accepted by the Government as part of the Application process describing the Grantee's financial condition and capability to complete the Project and to maintain and operate the Project together with its existing transit system. It includes all explanatory, supporting and supplementary documents, commitments, and agreements accepted or approved by the Government.

**"Government"** means the United States of America, acting through the Federal Transit Administration of the United States Department of Transportation.

**"Grantee"** means the Los Angeles County Metropolitan Transportation Authority (LACMTA or Metro).

**"Grant(s)"** means, in singular and plural forms, the obligation and award of Federal financial assistance by the Government pursuant to the laws codified at 49 U.S.C. Chapter 53.

**"Levels of Service"** means the hours of service and the service headways set forth in Attachment 1, "Scope of the Project."

**"Local Share"** means that portion of the Grantee's local financial commitment that is the Grantee's legally required share of the Net Project Cost.

**"Master Agreement"** means the standard terms and conditions applicable to recipients of Federal financial assistance from the Government. It is updated and published annually. It is incorporated by reference and made part of this Agreement and identified in Federal Fiscal Year 2014 by FTA Form MA(20) (October 1, 2013).

**"Maximum Federal New Starts Financial Contribution"** means the limit of Federal capital New Starts financial participation in the Project. (The amount of the "Maximum Federal New Starts Financial Contribution" is set forth in Section 8 of this Agreement, "Limitations of the Federal Funding Commitment," and is only a portion of the total Federal financial contribution for the Project.)

**"Maximum FTA Amount Awarded"** means the total amount of Federal funds from all sources administered by FTA and awarded for the Project, regardless of source, and available to the Grantee. (This amount is set forth in the first page of this Agreement.)

**"Net Project Cost"** means the cost of the Project that cannot reasonably be financed from the Grantee's revenues.

**"Project"** means the transit/transportation improvements the Grantee has promised to implement as a condition of its Full Funding Grant. A description of the Project is set forth in Attachment 1.

**"Project Costs"** means all costs eligible for Federal financial participation under the terms of this Agreement and consistent with the cost principles set forth in Section 9 of the Master Agreement, "Payments."

**"Recovery Plan"** means a plan developed by the Grantee, and accepted by the Government, whereby the Grantee will take every reasonable measure to minimize any delay in achieving the baseline schedule set forth in Attachment 4 to this Agreement (the Baseline Schedule) and eliminate or otherwise mitigate [recover] any increase in the total project costs as currently estimated, as compared to the total project cost identified in Attachment 3 to this Agreement (the Baseline Cost Estimate).

**"Revenue Service Date"** means the date certain upon which the Grantee shall commence revenue operations of the full Project as defined in Section 5 of this Agreement.

**"Scope of the Project"** Activities to carry out the project scope are set forth in Attachment 2, "Project Description."

## **SECTION 2. PURPOSES OF AGREEMENT**

Pursuant to 49 U.S.C. § 5309, the purposes of this Agreement are to:

(a) provide Federal financial assistance to the Grantee in the form of this Full Funding Grant and possible future awards of financial assistance as contemplated under this Agreement, not to exceed the Maximum Federal New Starts Financial Contribution for the Project, as is and may be awarded under this Agreement and the laws codified at 49 U.S.C. Chapter 53 for purposes that are consistent with those statutes, implementing regulations, and other applicable laws and regulations;

(b) describe the Project and set forth the mutual understandings, terms, conditions, rights and obligations of the parties related to implementing the Project, the future management and operation of the Project, and the manner in which Project real property and equipment will be used;

(c) establish the Maximum Federal New Starts Financial Contribution for the Project, and the manner in which all future Federal funds for the Project, if any, will be awarded and released to the Grantee;

(d) establish the Grantee's financial commitment to the Project including its obligation to fund the Local Share, its obligation to Complete the Project with a specified amount of Federal assistance, its obligation to achieve revenue operation of the Project by a specified date, its obligation to pay all costs necessary to Complete the Project that are in excess of the Estimated Net Project Cost and its obligation to finance the future maintenance and operational costs of the Project; and

(e) facilitate timely and efficient management of the Project.

### **SECTION 3. PREVIOUS FEDERAL DOCUMENTS AND GRANTS**

(a) The Government's laws, policies and procedures require the completion of a project development process and environmental review prior to the Award and Execution of this Agreement. Prior Grants of Federal assistance awarded by the Government for this project development process are described in Attachment 5 to this Agreement. These Grants (and any other documents that are described in Attachment 5, including Letters of No Prejudice) are incorporated by reference and made part of this Agreement, except for the terms and conditions thereof specifically superseded by this Agreement. Further, in executing this Agreement, the Grantee assures that the certifications and assurances (made by the Grantee or on behalf of the Grantee or by a third party) upon which the Government relied in these prior actions were made to the Government in good faith and to the best of the Grantee's knowledge and belief, and that the Grantee has no present knowledge of facts or circumstances substantially affecting the continued validity of these certifications and assurances that the Grantee has not formally conveyed to the Government prior to the Government's Award of funding set forth in this Agreement.

(b) This Agreement does not discharge or rescind any of the terms, conditions, or obligations established under the documents set forth in Attachment 5 unless specifically stated otherwise herein. Further, the terms, conditions and obligations of this Agreement take precedence over the provisions of all prior agreements related to the Project between the Grantee and the Government and will be controlling for all actions related to the Project taken after the Date of this Agreement, unless specifically stated otherwise herein.

(c) No amendments will be sought or approved to increase the amount of funds in the prior Grants listed in Attachment 5 beyond the amounts described in this Agreement as available to the Project.

### **SECTION 4. OBLIGATION TO COMPLETE THE PROJECT**

(a) The Government has no obligation to provide any financial assistance for the Project beyond the Maximum Federal New Starts Financial Contribution. If the total Federal funding provided under Section 8 of this Agreement, "Limitations of the Federal Funding Commitment," is insufficient to undertake the activities necessary to Complete the Project and begin revenue operations, the Grantee agrees to Complete the Project and accepts sole responsibility for the payment of any additional costs (overruns).

(b) If at any time during its efforts to Complete the Project the Grantee determines that the total project cost will exceed the Baseline Cost Estimate, the Grantee must immediately notify the Government of the amount of the difference and the reasons for the difference. Further, the Grantee must provide the Government with a Recovery Plan that demonstrates the Grantee is taking and will take every reasonable measure to eliminate [recover] the difference between the total project cost and the Baseline Cost Estimate. Insofar as any difference between the total project cost and the Baseline Cost Estimate that cannot be eliminated [recovered], the Grantee must secure and provide such additional resources as are necessary to meet the additional costs and expeditiously Complete the Project without further financial assistance from the Federal

capital New Starts program. Further, in its Recovery Plan, the Grantee must identify the sources of funds it will draw upon to meet the additional costs and cover the difference between the total project cost and the Baseline Cost Estimate.

## **SECTION 5. REVENUE SERVICE DATE AND LEVELS OF SERVICE**

(a) The Grantee agrees and promises to achieve revenue operations of the Project on or before May 29, 2021, the Revenue Service Date, in accordance with the terms and conditions of this Agreement.

(b) The Revenue Service Date is a significant term of this Agreement. The Grantee's failure to achieve the operational functions of the Project on or before the Revenue Service Date will constitute a breach of this Agreement. Upon the Grantee's request, the Government may determine, at its sole discretion, to waive a breach or an anticipatory breach of this Agreement and to extend the Revenue Service Date if there is an unavoidable delay in achieving the operational goals of the Project resulting from an event or circumstance beyond the control of the Grantee, or if the Government determines that allowing the delay is in the best interest of the Government and the success of the Project. Requests by the Grantee for waiver of a breach or anticipatory breach of this Agreement and extension of the Revenue Service Date for the reasons set forth herein shall be submitted promptly (with appropriate documentation) to the Government. In the exercise of its discretion to waive the breach and extend the Revenue Service Date, the Government will take into consideration the actions and measures taken by the Grantee to ensure adherence to its promise to achieve the operational goals of the Project on or before the scheduled Revenue Service Date.

(c) Delays in appropriations of funds from Congress shall not constitute a basis for extension of the Revenue Service Date.

(d) The Government's consent to extend the Revenue Service Date pursuant to Paragraph (b) of this Section 5 does not constitute a basis for additional Federal financial assistance beyond the Maximum Federal New Starts Financial Contribution.

(e) Set forth in Attachment 1 to this Agreement, "Scope of Project," are the hours of service and headways the Grantee will maintain once the Project is opened to revenue service and for no less than five years thereafter. These specified Levels of Service are a significant term of this Agreement. The Grantee's failure to achieve and maintain these Levels of Service at the Revenue Service Date and for five years thereafter will constitute a breach of this Agreement. Upon the Grantee's request, the Government may determine in its sole discretion to waive a breach of the Grantee's obligation to maintain these specified Levels of Service for events or circumstances beyond the control of the Grantee, or if the Government determines that a waiver is in the interests of the United States. In the exercise of its discretion whether to waive a breach of the specified Levels of Service, the Government will take into consideration the actions and measures taken by the Grantee to achieve and maintain the operational goals of the Project and the Grantee's entire public transportation system for at least five years beyond the opening of the Project to revenue service.

## **SECTION 6. NET PROJECT COST**

(a) This Grant is to assist in the payment of actual eligible costs within the scope of the Project under this Agreement, minus any amount that can reasonably be financed from revenues of the Grantee. If the funds awarded under this grant exceed the amount necessary to finance the Federal share, those excess funds are not available to the Grantee for payment of costs beyond the scope of this Project supported by this Grant.

(b) In accordance with 49 C.F.R. Part 18, the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, a refund or reduction of the Grantee's Local Share of the Net Project Cost requires a refund to the Government of a proportional amount of the Federal financial assistance provided under this Agreement.

(c) The portion of the Net Project Cost that may be financed by the Government with capital New Starts funds may not exceed the amount of the Maximum Federal New Starts Financial Contribution for this Project as stated in Section 8 of this Agreement, "Limitations of the Federal Funding Commitment."

(d) The Grantee acknowledges that Federal funds may be used only to reimburse eligible expenses for the Project. Should FTA determine that Federal funds have been used to reimburse any expenses that were ineligible for Federal reimbursement, FTA will direct the Grantee either to reimburse FTA with local funds not already committed to the Project or to reduce the total project costs by the amounts found to have been ineligible.

## **SECTION 7. ESTIMATED NET PROJECT COST**

(a) The Government's determination to provide financial assistance for the Project is based, in significant part, upon the Grantee's estimated costs as set forth in the "Baseline Cost Estimate," Attachment 3 to this Agreement. The Estimated Net Project Cost reported in Attachment 3 is \$1,402,932,490.

(b) The Estimated Net Project Cost financed with the Execution of this Agreement is limited by the amount of the Maximum FTA Amount Awarded. The amount of the Estimated Net Project Cost and the amount of the Maximum FTA Amount Awarded are stated in the first page of this Agreement. The amount reimbursable by the Government is limited to the lesser of either the amount of the Maximum FTA Amount Awarded or the maximum percentage of FTA participation permitted by Federal law and regulations. Additional funds will not be provided until a Grant amendment awarding additional funds and amending this Full Funding Grant Agreement is executed.

## **SECTION 8. LIMITATIONS OF THE FEDERAL FUNDING COMMITMENT**

(a)(1) The Government is not obligating and awarding any Federal capital New Starts funds for the Project with the Award and Execution of this Agreement. With its Award set forth in this Agreement, the Government acknowledges its intent to provide Federal capital New Starts financial assistance for the Project in an amount that will not exceed \$669,900,000. The anticipated sources of Federal financial assistance in this amount are listed in Attachment 6 to

this Agreement, "Schedule of Federal Funds for the Project." All Federal capital New Starts funds obligated pursuant to this Paragraph will be subject to all the terms, conditions and obligations established by this Agreement. Accordingly, it is expected that the award of funds will be processed through amendments to this Agreement.

(a)(2) The award by the Government of Federal capital New Starts financial assistance to the Project under Paragraph (a)(1) of this Section 8 is subject to the following limitations:

(A) the availability of appropriated funds, and

(B) the Grantee's continued performance under the terms and conditions of this Agreement.

(b) The Maximum Federal New Starts Financial Contribution for this Project under the capital New Starts category of funds is limited to \$669,900,000.

#### **SECTION 9. FEDERAL FUNDING—OTHER SOURCES**

The Maximum Federal New Starts Financial Contribution specified in Section 8(b) of this Agreement does not include funds other than from the capital New Starts program under 49 U.S.C. Chapter 53. Should such other Federal funds be provided for the Project in addition to the Federal capital New Starts funds set forth in Attachment 6 of this Agreement, the limitation on the Federal funding commitment set forth in Section 8 of this Agreement shall not apply to those funds. Accordingly, such additional funds shall be excluded from the calculation of the Maximum Federal New Starts Financial Contribution. Funds awarded pursuant to this Section will be subject to all other terms, conditions and obligations set forth in the Agreement.

#### **SECTION 10. LOCAL FINANCIAL COMMITMENT—CAPITAL COSTS**

(a) As a condition of the Government's Award of this Full Funding Grant, the Grantee has developed and adopted a Financial Plan for financing all Project Costs necessary to complete the Project. In addition to the amount of Federal funds requested, the Financial Plan includes a statement identifying the State, local and private sources of funding and the amount of funds available for and committed to the Project from each such source. This Financial Plan, as accepted by the Government, with the supporting documentation (including formal funding agreements and commitments) is hereby incorporated by reference and made part of this Agreement.

(b) The Grantee hereby commits and certifies that it will provide funds in an amount sufficient, together with the Federal contribution (acknowledging the limitations as set forth in this Agreement), to assure timely and full payment of the Project Costs as necessary to Complete the Project.

(c) Except as may be authorized by Federal statute or regulation, the Grantee hereby commits and certifies that the Local Share portion of its financial commitment will be provided from funding sources other than Federal funds, receipts from the use of Project facilities or equipment, or revenues of the public transportation system in which such facilities or

equipment are used.

(d) Given the Estimated Net Project Cost, as set forth in Section 7 of this Agreement, the Grantee's financial commitment to the Net Project Cost is estimated to total \$669,032,490. This amount constitutes the Local Share needed to match the Maximum Federal New Starts Financial Contribution for the Project and Other Federal Sources. In the event that the actual Federal financial contribution for the Project is reduced or is increased or the funding percentage as set forth in this Agreement is changed, the portion of the Grantee's financial contribution for the Project that is identified as Local Share shall be adjusted accordingly.

(e) The Grantee agrees to notify the Government of any change in circumstances or commitments that adversely affect the Grantee's plan to fund the Project Costs necessary to Complete the Project as set forth in the Financial Plan. In its notification, the Grantee shall advise the Government of what actions it has taken or plans to take to ensure adequate funding resources and shall reaffirm its commitment to the Government as set forth in Paragraph (b) of this Section 10.

#### **SECTION 11. AUTHORIZATION TO ADVANCE PROJECT WITHOUT PREJUDICE**

The Grantee may incur costs or expend local funds for all phases of the Project as is reasonably necessary to advance the Project prior to an award of Federal funding assistance without prejudice to possible future Federal participation in or reimbursement of the Project Costs to the extent that such costs are incurred in accordance with all applicable Federal requirements and this Agreement. It is understood that the authority conferred on the Grantee to advance the Project without prejudice does not constitute a legal commitment by the Government to obligate and award Federal funds.

#### **SECTION 12. LOCAL FINANCIAL COMMITMENT—OPERATING AND MAINTENANCE COSTS**

(a) As a condition of the Government's Award of funding set forth in this Agreement, the Grantee has developed and adopted a Financial Plan to finance the future operation and maintenance of the Project that also takes into consideration the Grantee's continuing financial responsibilities to operate, maintain and reinvest in its existing transit system. This Financial Plan, as accepted by the Government, and the supporting documentation (including specific funding commitments) evidencing stable and dependable funding sources is an essential part of the Grantee's Application and is made part of this Agreement by incorporation of the Application.

(b) With the Execution of this Agreement, the Grantee assures that it has stable and dependable funding sources, sufficient in amount and in degree of commitment, to operate and maintain its entire mass transportation system at an adequate and efficient level of service, including the future operation and maintenance of the Project without additional Federal assistance beyond the amounts set forth in the Financial Plan. The foregoing assurance does



not preclude the Grantee from altering service through contracts with private providers of mass transportation services.

(c) The Grantee will notify the Government of any change in circumstances or commitments that adversely affects the Grantee's plan to fund the maintenance and operating costs of the Project as set forth in the Financial Plan. In its notification, the Grantee will advise the Government of actions it has taken or plans to take to ensure adequate funding resources and will reaffirm to the Government its assurance as set forth in Paragraph (b) of this Section.

### **SECTION 13. BASELINE COST ESTIMATE**

(a) In its Application, the Grantee submitted to the Government a Baseline Cost Estimate for the activities constituting the Project. The Baseline Cost Estimate is accepted by the Government and is set forth in the Tables that comprise Attachment 3 of this Agreement. The Baseline Cost Estimate is derived from cost estimates of the individual third party contracts and force account work that, in sum, constitute the Project; it reflects appropriate escalation and Project schedule dates.

(b) The Government intends to use the Baseline Cost Estimate to monitor the Grantee's compliance with certain terms and conditions of this Agreement. The Baseline Cost Estimate established in Attachment 3 serves as the measure of cost estimates as of the Date of this Agreement, and should not be amended or modified during the implementation of the Project.

(c) The Grantee will submit cost reports on the implementation of the Project as required by this Agreement and in a format consistent with the units set forth in the Baseline Cost Estimate so that the Government can, with reasonable diligence, reconcile the Grantee's reports with the Baseline Cost Estimate.

### **SECTION 14. BASELINE SCHEDULE**

(a) In its Application, as approved, the Grantee submitted a Baseline Schedule for the Project that demonstrates how the Grantee intends to implement the Project and meet the Revenue Service Date. This Baseline Schedule has been accepted by the Government and is Attachment 4 of this Agreement.

(b) The schedule for the Project may be modified from time to time at the discretion of the Grantee. However, the Baseline Schedule is not to be modified because it is to be used as a basis for comparing planned to actual project implementation. The Grantee will notify the Government when a Project schedule modification has the potential to change the Revenue Service Date and describe the actions planned to recover the schedule. The Government's acquiescence in such notice will not be deemed approval by the Government of an extension of a Revenue Service Date unless the Government expressly grants an extension in writing.

### **SECTION 15. PROJECT MANAGEMENT OVERSIGHT**

The Project is a "Major Capital Project" as defined in FTA's Project Management Oversight regulations at 49 C.F.R. § 633.5. Accordingly, the Grantee agrees that all requirements and

conditions set forth in the rule at 49 C.F.R. Part 633 apply to the Project activities. Noncompliance with any regulatory requirements shall constitute a breach of this Agreement, unless the Government formally waives the regulatory requirement.

## **SECTION 16. ENVIRONMENTAL PROTECTION**

(a) As a condition precedent to this Agreement, the environmental impacts of the Project have been assessed as required by law. The results of that assessment and the adopted mitigation measures are described in the environmental documents identified in Attachment 7 of this Agreement. These documents together with related agreements and supporting documentation are incorporated by reference and made part of this Agreement. To assist the Government in monitoring the implementation of the adopted mitigation measures, these measures are specifically referenced in Attachment 7 of this Agreement. It is understood and agreed that the description in Attachment 7 shall not supersede or in any way result in a circumvention of the requirements set forth in the Government's environmental record for the Project.

(b) Certain terms and conditions of this Agreement as related to the Grantee's responsibility to ensure protection of the environment are set forth in Section 25 of the Master Agreement, "Environmental Protections." Under Subsection 25.1, "Mitigation of Adverse Environmental Effects," the Grantee is required, among other actions, to undertake all environmental mitigation measures that are identified in environmental documents prepared for the Project. Accordingly, the Grantee understands that it shall not withdraw or substantially change any of the adopted mitigation measures as described in the Government's environmental record for the Project without the express written approval of the Government.

(c) This Section is intended only to supplement the provisions set forth in Section 25 of the Master Agreement, "Environmental Protections."

## **SECTION 17. LABOR PROTECTION**

The Grantee will carry out the Project in conformance with the terms and conditions determined by the Secretary of Labor to be fair and equitable to protect the interests of employees affected by the Project and meet the requirements of 49 U.S.C. § 5333(b) and U.S. Department of Labor (USDOL) Guidelines at 29 C.F.R. Part 215. These terms and conditions are identified in the letters of certification from USDOL on the dates set forth on the first page of this Agreement. The Grantee will carry out the Project in compliance with the conditions stated in the USDOL certification letters. Those letters and any documents cited therein are incorporated by reference and made part of this Agreement.

## **SECTION 18. GOVERNMENT ACTIONS**

(a) In all cases where the Government's review, approval or concurrence is required under the terms and conditions of this Agreement, the Government will provide its response within sixty (60) calendar days of receipt from the Grantee of all materials reasonably necessary for the formulation of the Government's response.

(b) If the Government determines that its position cannot be finalized within that sixty (60) day period, the Government will notify the Grantee, in writing, within thirty (30) days following receipt of the Grantee's submission that the Government's response will be delayed and advise the Grantee of the Government's anticipated time period for response.

(c) Whenever the Government's approval or concurrence is needed on any matter pertaining to or concerning this Agreement, the Government's approval or concurrence will not be unreasonably withheld.

## **SECTION 19. REMEDIES**

(a) Substantial failure of the Grantee to Complete the Project in accordance with the Application and this Agreement will be a default of this Agreement. In the event of default, the Government will have all remedies at law and equity, including the right to specific performance without further Federal financial assistance, and the rights to termination or suspension as provided by Section 11 of the Master Agreement, "Right of the Federal Government to Terminate." The Grantee recognizes that in the event of default, the Government may demand all Federal funds provided to the Grantee for the Project be returned to the Government. Furthermore, a default of this Agreement will be a factor considered before a decision is made with respect to the approval of future Grants requested by the Grantee.

(b) Under the provisions of Section 15 of this Agreement, "Project Management Oversight," and under the terms and conditions of the Master Agreement, the Government will review performance by the Grantee to determine whether satisfactory progress is being made to complete the Project. In the event that the Government determines that the Grantee is in breach of this Agreement, the Government may withhold its approvals of further funding and suspend drawdown of funds, under the provisions of Section 11 of the Master Agreement, "Right of the Federal Government to Terminate," until any necessary corrective action, which may be required by the Government, is accomplished. Any breach of this Agreement that is not corrected within a reasonable period of time will be a default of this Agreement. The Government in its discretion may permit the cost of such corrective action to be deemed a Project Cost, provided that such cost is an allowable cost under the requirements of Section 9.c of the Master Agreement, "Costs Reimbursed," and so long as it remains within the limits of the Maximum Federal New Starts Financial Contribution set forth in Section 8 of this Agreement, "Limitations of the Federal Funding Commitment."

(c) In the event of a breach of this Agreement by the Grantee and before the Government takes action contemplated by this Section, the Government will provide the Grantee with ninety (90) days written notice that the Government considers that such a breach has occurred and will provide the Grantee a reasonable period of time to respond and to take necessary corrective action.

## **SECTION 20. CONTENTS OF AGREEMENT**

This Full Funding Grant Agreement consists of the text of this Agreement, which includes the first pages setting forth significant characteristics of the Agreement (such as the maximum

Federal funds obligated and awarded for expenditure on the Project and the funding ratio of Federal and local funds to be expended for the Project, and such other data), followed by the Terms and Conditions and the Attachments to the Agreement. The Agreement also includes the following documents incorporated by reference and made part of this Agreement: the "Federal Transit Administration Master Agreement," FTA Form MA (20) (October 1, 2013) as may be revised from time to time, the Application, the Government's environmental record for the Project, related agreements, and prior Grant Agreements for the Project referenced in Attachment 5 of this Agreement. Should the Federal assistance award letter include special conditions for the Project, that letter is incorporated by reference and made part of this Agreement. Any inconsistency between the Application and the terms and conditions of this Full Funding Grant Agreement will be resolved according to the clear meaning of the provisions of this Agreement and Attachments hereto.

#### **SECTION 21. SIMULTANEOUS CREATION OF AGREEMENT IN ELECTRONIC FORMAT**

Simultaneous to the Award and Execution of this Agreement set forth in typewritten hard copy, the Agreement is being awarded and executed by electronic means through FTA's electronic award and management system. To the extent any discrepancy may arise between the typewritten version and the electronic version of this Agreement, the typewritten version will prevail. Should any special conditions or requirements for the Project be added separately in the electronic version, those conditions or requirements are incorporated by reference and made part of this Agreement.

#### **SECTION 22. AMENDMENTS TO AGREEMENT**

Amendments to any of the documents referenced in Section 20, "Contents of Agreement," will be made in accordance with the requirements and procedures set forth in FTA Circular 5010.1D, "FTA Grant Management Requirements" (November 1, 2008), as may be amended from time to time, and FTA Circular 5200.1A (December 5, 2002), "Full Funding Grant Agreements Guidance," as may be amended from time to time.

#### **SECTION 23. ATTACHMENTS—INCORPORATION**

Each and every Attachment to this Agreement is incorporated by reference and made part of this Agreement.

#### **SECTION 24. NOTICES**

Notices required by this Agreement will be addressed as follows:

As to the Government:

Mr. Leslie T. Rogers  
Regional Administrator  
Federal Transit Administration

201 Mission Street, Suite 1650  
San Francisco, CA 94105

As to the Grantee:

Mr. Arthur T. Leahy  
Chief Executive Officer  
Los Angeles County Transportation Authority  
One Gateway Plaza  
Los Angeles, CA 90012-2952

#### SECTION 25. APPLICABLE LAW

If neither Federal statute nor Federal common law governs the interpretation of the provisions of this Agreement, the state law of the State of California will apply. This provision is intended only to supplement Section 2.c of the Master Agreement, "Application of Federal, State, and Local Laws, Regulations, and Directives."

#### SECTION 26. AWARD AND EXECUTION OF AGREEMENT

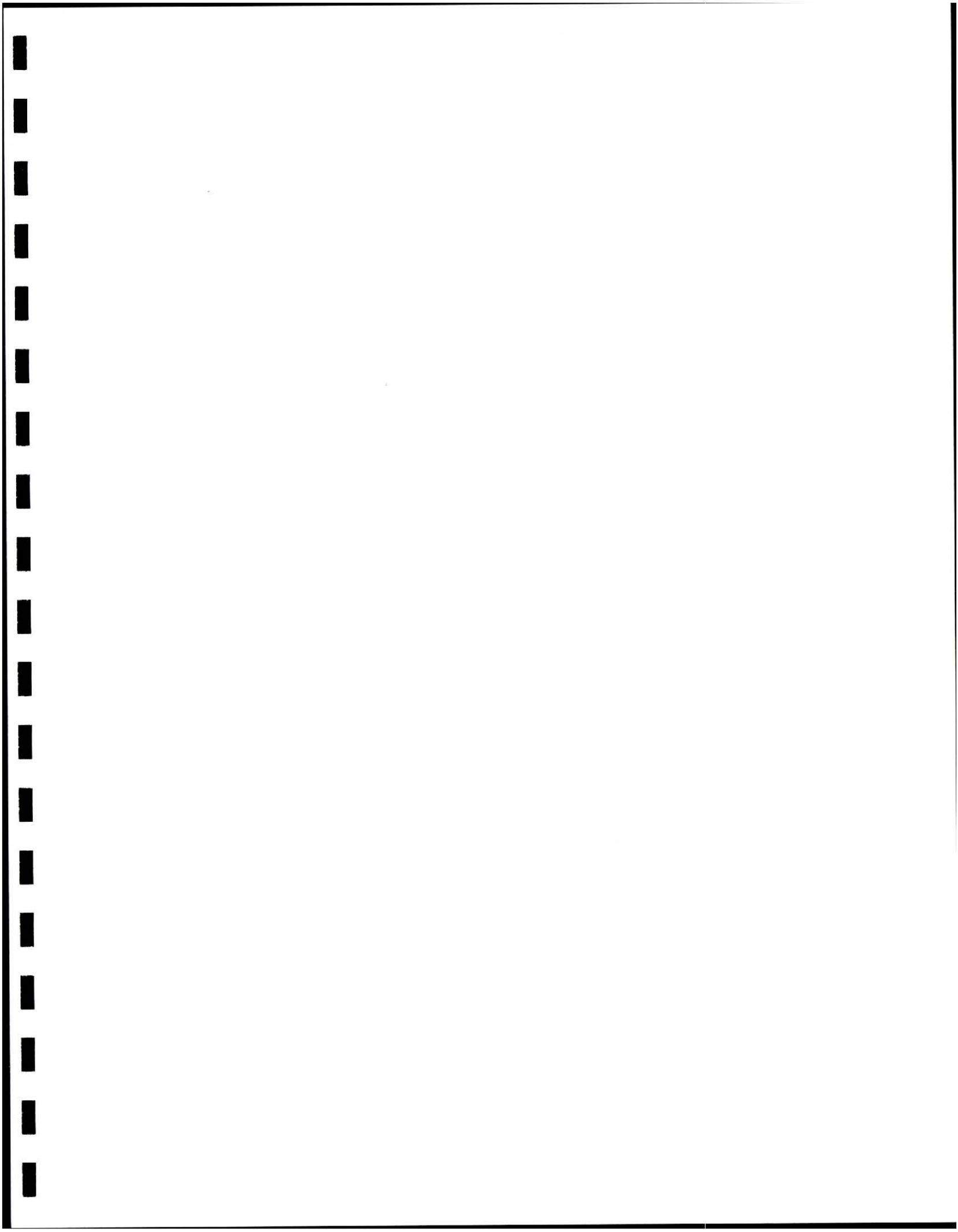
There are several identical counterparts of this Agreement in typewritten hard copy; each counterpart is to be fully signed in writing by the parties and each counterpart is deemed to be an original having identical legal effect. When signed and dated by the authorized official of the Government, this instrument will constitute an Award that should be executed by the Grantee within ninety (90) days of the date of the Government's Award (FTA Award). The Government may withdraw its Award of financial assistance and obligation of funds if this Agreement is not executed within the ninety (90) day period. Upon full Execution of this Agreement by the Grantee, the effective date will be the date the Government awarded funding under this Agreement as set forth below.

THE GOVERNMENT HEREBY AWARDS THIS FULL FUNDING GRANT AGREEMENT  
THIS

20<sup>th</sup> DAY OF February, 2014

Signature: Therese W. McMillan

Therese W. McMillan  
Federal Transit Deputy Administrator  
FEDERAL TRANSIT ADMINISTRATION



**EXECUTION BY GRANTEE**

The Grantee, by executing this Agreement, affirms this FTA Award; adopts and ratifies all statements, representations, warranties, covenants, and materials it has submitted to FTA; consents to this Award; and agrees to all terms and conditions set forth in this Agreement.

**THE GRANTEE HEREBY EXECUTES THIS FULL FUNDING GRANT AGREEMENT THIS**

20<sup>th</sup> DAY OF February, 2014

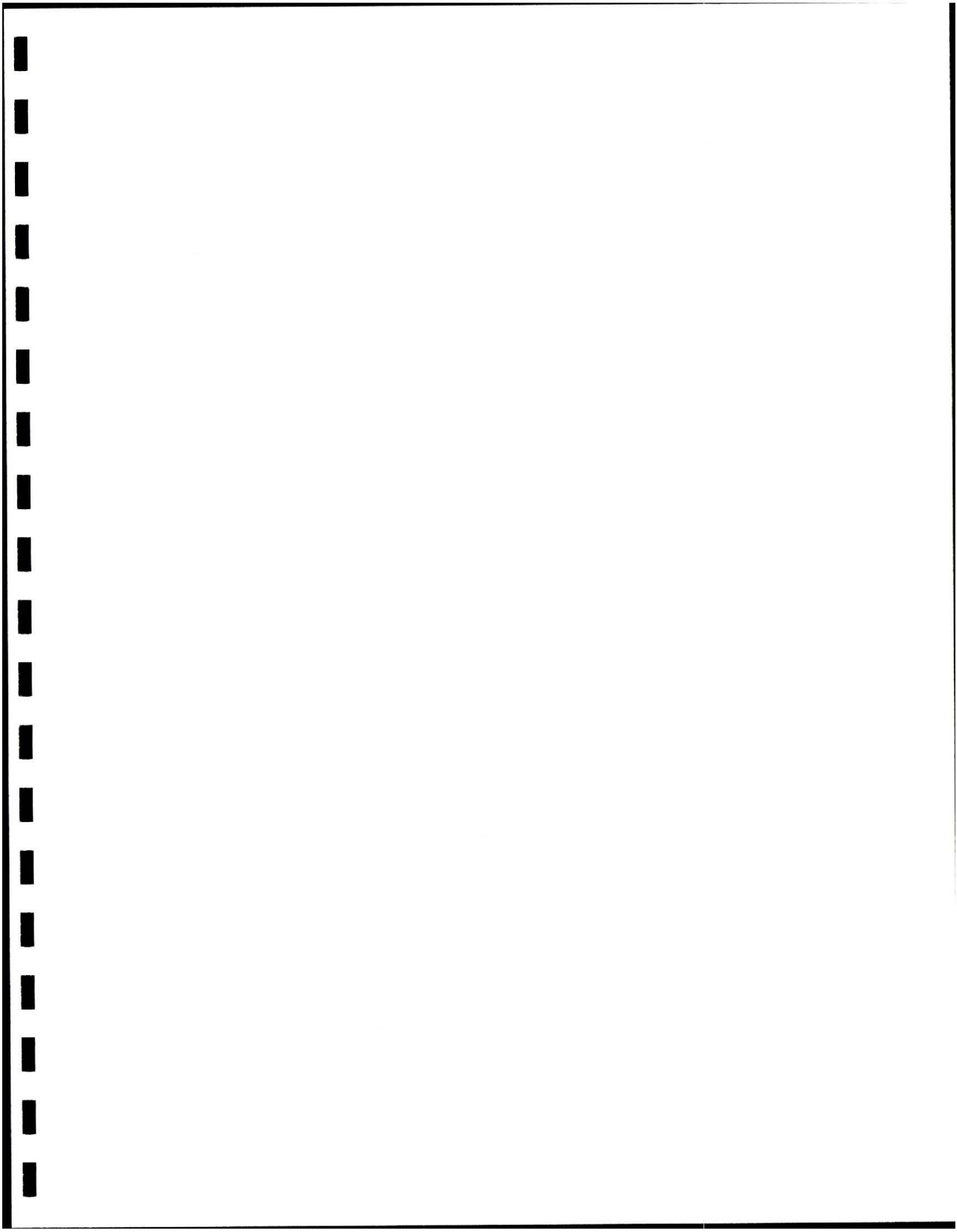
Signature: Arthur T. Leahy

Arthur T. Leahy  
Chief Executive Officer  
Los Angeles County Metropolitan Transportation Authority

**ATTESTED BY:**

Signature: Frank Flores

Frank Flores  
Executive Officer, Regional Program Management  
Los Angeles County Metropolitan Transportation Authority





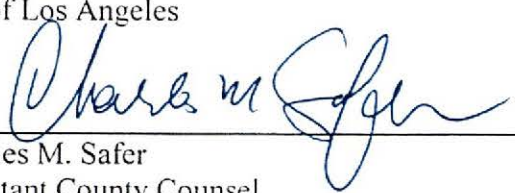
**AFFIRMATION OF GRANTEE'S ATTORNEY**

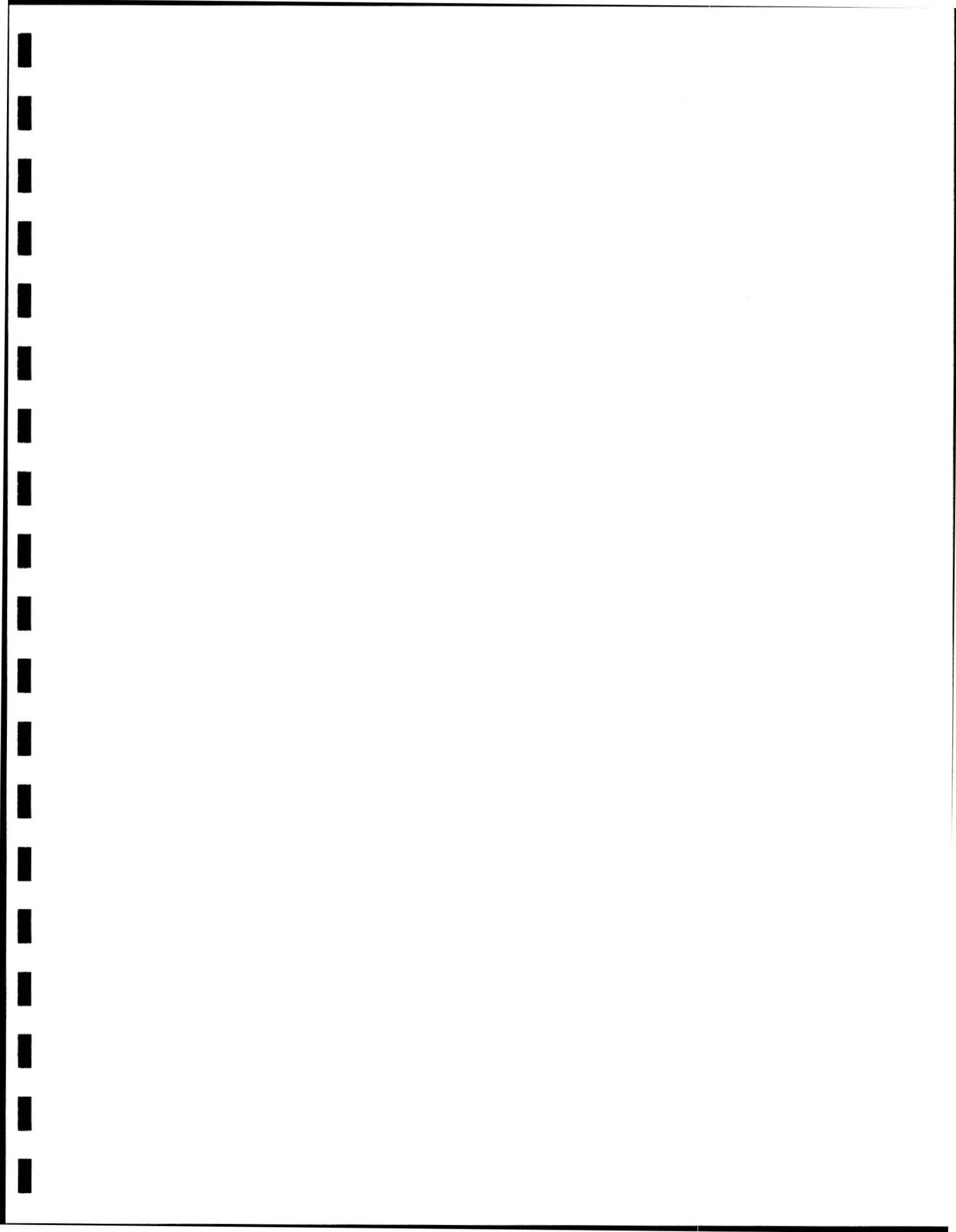
As the undersigned Attorney for the Grantee, I affirm to the Grantee that I have examined this Agreement and the proceedings taken by the Grantee relating to it. As a result of this examination I hereby affirm to the Grantee the Execution of the Agreement by the Grantee is duly authorized under state and local law. In addition, I find that in all respects the Execution of this Agreement is due and proper and in accordance with applicable State and local law. Further, in my opinion, this Agreement constitutes a legal and binding obligation of the Grantee in accordance with the terms of the Agreement. Finally, I affirm to the Grantee that, to the best of my knowledge, there is no legislation or litigation pending or imminent that might adversely affect the full implementation of the Project in accordance with the terms thereof, other than the following environmental litigation: Japanese Village LLC v. Los Angeles County Metropolitan Transportation Authority, Case No. BS137343, Los Angeles Superior Court, filed on May 21, 2012; Today's IV. Inc. v. Los Angeles County Metropolitan Transportation Authority, Case No. BS137540, Los Angeles Superior Court, filed on May 25, 2012; 515/555 Flower Associates, LLC v. Los Angeles County Metropolitan Transportation Authority, Case No. BS137271, Los Angeles Superior Court, filed on May 25, 2012; Japanese Village LLC v. Federal Transit Administration, et al., Case No. 2:13-cv-396-JAK-PLA, Unites States District Court for the Central District of California, Western Division, filed on January 18, 2013; Today's IV. Inc. v. Federal Transit Administration, et al., Case No. 2:13-cv-378-JAK-PLA, Unites States District Court for the Central District of California, Western Division, filed on January 17, 2013; and 515/555 Flower Associates, LLC v. Federal Transit Administration, et al., Case No. 2:13-cv-453-JAK-PLA, Unites States District Court for the Central District of California, Western Division, filed on January 22, 2013.

DATED 20<sup>TH</sup> DAY OF FEBRUARY, 2014

**AFFIRMED AND APPROVED AS TO FORM:**

John F. Krattli  
County Counsel  
County of Los Angeles

By:   
Charles M. Safer  
Assistant County Counsel



**Attachment 1**  
**Los Angeles County Metropolitan Transportation Authority**  
**Regional Connector Transit Corridor Project**  
**Los Angeles, California**  
**Scope of the Project**

The Regional Connector Transit Corridor Project (the Project) consists of the design and construction of a 1.9-mile double track light rail transit line in downtown Los Angeles with three new stations.

The Project will create an underground trunk line, connecting the existing Metro Gold Line, Metro Blue Line, and Metro Exposition Line light rail transit (LRT) systems through downtown Los Angeles. The existing Gold Line operates through north downtown, in the Little Tokyo area, and the existing Blue and Exposition Lines converge and terminate in south downtown, at the existing 7<sup>th</sup>/Metro underground Station. There is no LRT service through downtown. The Project trunk line will reconfigure the regional LRT systems, creating one North/South line, from Long Beach to Azusa, and one East/West line, from Santa Monica to East Los Angeles. Both lines will operate in a single trunk through downtown, and split in north downtown.

The Project will start at the existing 7<sup>th</sup>/Metro Station and then extend the trunk north to 2<sup>nd</sup> Street and Hope Street. The alignment will then turn east, travelling under 2<sup>nd</sup> Street to Central Avenue. The tracks will cross under the intersection of 1<sup>st</sup> Street and Alameda Street into a new underground rail junction, splitting the single trunk into two sets of tracks.

Following the junction, one set of tracks will proceed north, adjacent to Alameda Street, and one set will proceed east, beneath 1<sup>st</sup> Street. The north set of tracks will connect to existing Gold Line tracks to Union Station. The set will emerge from the tunnel and transition to an existing Gold Line aerial structure in a Los Angeles Department of Water and Power (DWP) maintenance yard. The east set of tracks will connect to existing Gold Line tracks to East Los Angeles, emerging through a portal in 1<sup>st</sup> Street, near Hewitt Street, and connect to existing at-grade Gold Line tracks.

The Project will include three new underground stations: 2<sup>nd</sup>/Hope, 2<sup>nd</sup>/Broadway, and 1<sup>st</sup>/Central Avenue. LACMTA will acquire four LRT vehicles for the Project. The Project will also include train control and signals, traffic controls, communications, traction power supply and distribution, and fare collection systems and equipment.

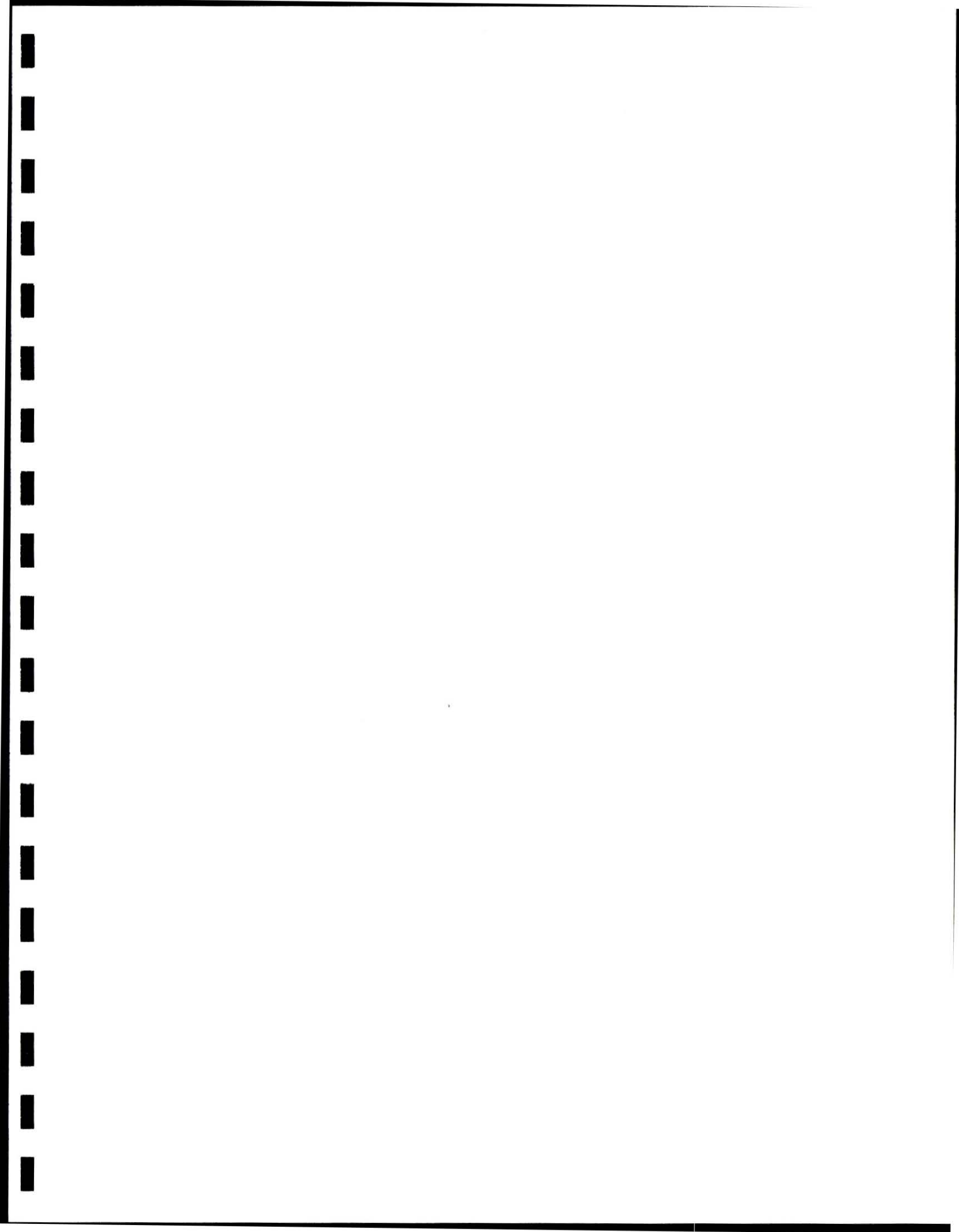
The Project schedule includes split pre-revenue operations, testing, and startup of East/West and North/South service. The East/West portion of the reconfigured LRT system, connecting the former Exposition Line and former Gold Line to Pico/Aliso station, will open first in December 2020. The North/South portion, connecting the former Blue Line and former Gold Line to Union Station, will open later in May 2021.

In the opening year of 2021 as well as the forecast year of 2035, service will be provided using three-car train consists in the peak period with service every 2.5 minutes. Service will be provided every five minutes during off-peak periods. The hours of operation will be 5:00 a.m. to 12:00 a.m. weekdays and weekends.

Estimated daily linked trips on the Project using current year inputs are 58,580. This number is expected to grow to 100,980 daily linked trips by 2035.

The Revenue Service Date for the Project is May 29, 2021.

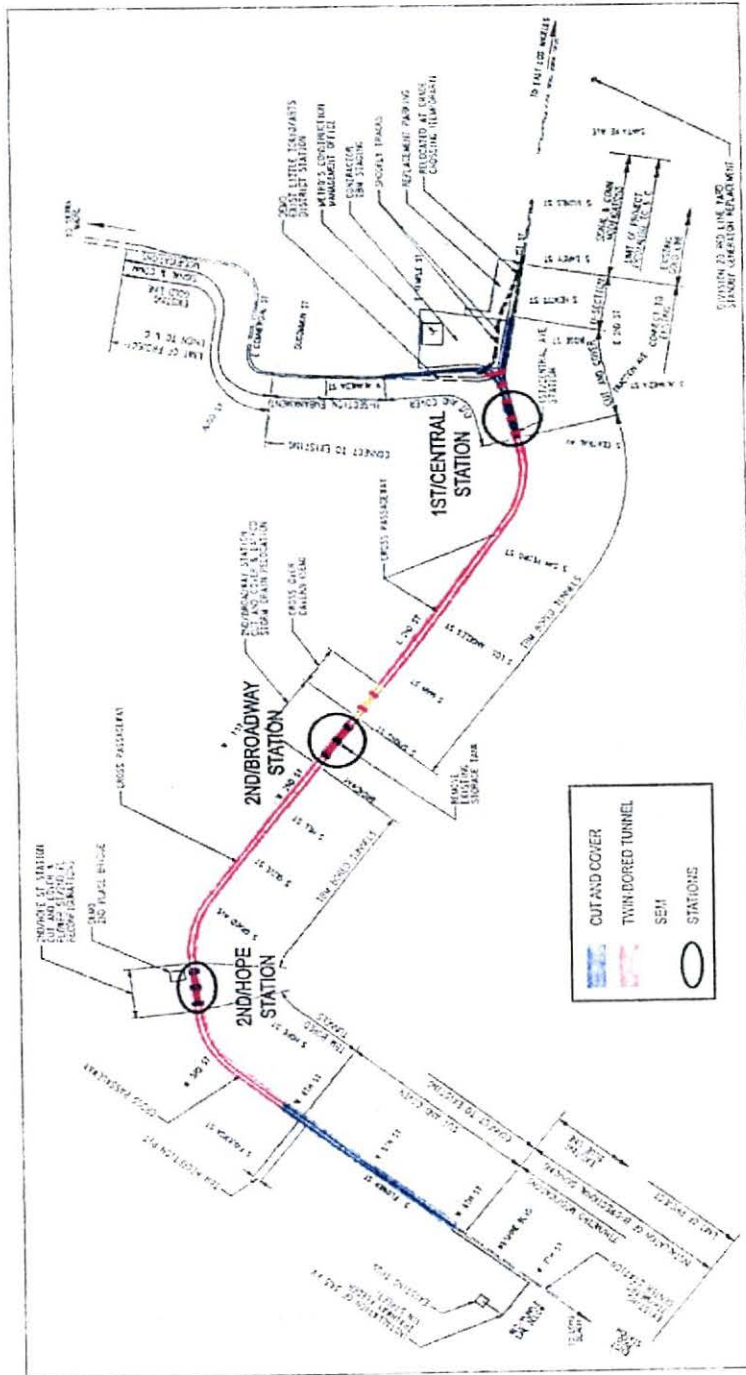




Attachment 1B

Los Angeles County Metropolitan Transportation Authority  
Regional Connector Transit Corridor Project  
Los Angeles, California

Project Location Map



## Attachment 2

### **Los Angeles County Metropolitan Transportation Authority Regional Connector Transit Corridor Project Los Angeles, California**

#### **Project Description**

##### **Narrative Description:**

The Regional Connector Transit Corridor Project (Project) consists of the design and construction of 1.9-mile light rail transit line in downtown Los Angeles, with three new underground stations and four new light rail vehicles. The Project will begin at the existing station at 7<sup>th</sup>/Metro Center and will provide connections via a new underground alignment to the existing Metro Blue, Expo, and Gold lines. The alignment will extend underground from the 7th Street/Metro Center Station following Flower Street, curving east under the 2nd Street roadway tunnel and 2nd Street, and continuing east under the intersection of 1st and Alameda Streets, surfacing to connect to the Metro Gold Line tracks within 1st Street at grade to the east, and north of Temple Street toward Union Station.

##### **Project Description by Standard Cost Category:**

The following provides a description of the Project by Standard Cost Categories. These Standard Cost Categories are the basis for the Baseline Cost Estimate and for the Baseline Schedule in Attachments 3 and 4, respectively.

#### **SCC 10 – GUIDEWAY AND TRACK ELEMENTS**

This SCC includes the guideway for the Project, which consists of both cut and cover sections and underground twin tunnels. SCC 10 includes the following subcategories.

##### **10.03 Guideway: At-grade in Mixed Traffic**

This SCC includes 0.06 route miles of guideway at both legs of the existing Metro Gold Line guideway where Regional Connector will be connecting to 1<sup>st</sup> Street and Alameda Street.

##### **10.06 Guideway: Underground Cut and Cover**

This subcategory includes approximately 0.49 route miles of cut and cover construction, consisting of the following sections: (1) on South Flower Street between 4<sup>th</sup> and 6<sup>th</sup> Streets; (2) the underground “Wye” junction beneath the intersection of 1<sup>st</sup> and Alameda Streets, that splits the Regional Connector trunk line, allowing connections to existing LRT Lines for the reconfigured North/South and East/West services; and (3) the underground guideway sections beneath 1<sup>st</sup> and Alameda Streets.

This subcategory also includes a special break into the existing 7<sup>th</sup> and Metro Center Station, installation of soldier piles, excavation support and disposal of soil, raised concrete decking, barrier setup, access shafts in the deck to build the work, waterproofing, muck storage hoppers, walkway concrete and concrete guideway structures, and traffic control and protection.



#### **10.07 Guideway: Underground Tunnel**

This subcategory includes the tunneling of approximately 1.16 route miles of the guideway. It includes the procurement, shipping, mobilization, set-up, and deployment of one Earth Pressure Boring Machine and trailing gear for the underground twin tunnel boring operations.

This subcategory also includes excavation; installation of concrete; waterproofing; lighting and ventilation, grouting preparation and permeation grouting, and instrumentation for building protection for tunneling operations. Other items include construction of crossovers and tunnel walkways.

#### **10.08 Guideway: Retained Cut or Fill**

This subcategory includes 0.09 route miles of retained cut on 1<sup>st</sup> Street and 0.1 route miles of retained cut on Alameda Street, including the "boat" structures – U-shaped transition structures – inserted between the cut and cover boxes of the tunnels and the elevated or at-grade alignment sections. Two boat structures are required: one for the transition to the existing Gold Line US 101 bridge overcrossing in the DWP Yard; and the other for the transition to the at-grade Gold Line tracks to East Los Angeles, within 1<sup>st</sup> Street, near Hewitt Street. This subcategory also includes installation of soldier piles, excavation (including excavation support), waterproofing, concrete structures, walkway concrete, and traffic control and protection.

#### **10.09 Track: Direct Fixation**

This subcategory includes 1.64 route miles of direct fixation track.

#### **10.10 Track: Embedded**

This subcategory includes 0.01 route miles of embedded track for connections to the existing Metro Gold Line at the tunnel portal on 1<sup>st</sup> Street.

#### **10.11 Track: Ballasted**

This subcategory includes 0.25 route miles ballasted track from Alameda Street towards Union Station.

#### **10.12 Track: Special (Switches, Turnouts)**

This subcategory includes the special track and equipment for the two (2) single crossovers at Alameda Street and Flower Street, and the double-crossover immediately east of the 2<sup>nd</sup> Street and Broadway Station.

#### **10.13 Track: Vibration and Noise Dampening**

This subcategory includes mitigation measures for eliminating or minimizing noise and vibration impacts including groundborne noise and groundborne vibration projected to be generated by operations of the constructed project. The potential sensitive land use locations include the Walt Disney Concert Hall, the Colburn School of Music, and the Hikari Lofts. The mitigation measures include the use of resiliently supported fasteners, isolated slab track, high compliance resilient fasteners, floating slab trackbed or other appropriate measures as needed to eliminate impacts and to reduce groundborne noise below FTA annoyance criteria.

## **SCC 20 - STATIONS, STOPS, TERMINALS, INTERMODAL**

This SCC includes the construction of the three new underground stations and the tie-in to the existing 7<sup>th</sup> and Metro Station. SCC 20 includes the following subcategories.

### **20.03. Underground Station, Stop, Shelter, Mall, Terminal, Platform**

This subcategory includes the construction, purchase, and installation of elements and work for all three underground stations. The Project includes stations at 1<sup>st</sup> Street and Central, 2<sup>nd</sup> Street and Broadway, and 2<sup>nd</sup> Street and Hope Street. The station elements include cut and cover structural excavation of the stations boxes and station entrances, temporary street decking, station platforms, mezzanines, mechanical and electrical features and architectural finishes.

### **20.04 Other Stations, landings, terminals, intermodal, ferry, trolley, etc.**

This category includes the crossover cavern New Austrian Tunnel Method at the 2<sup>nd</sup>/Broadway Station and the emergency standby generator.

### **20.07 Elevators, escalators**

This category includes the elevators and escalators at each of the three stations. The 1<sup>st</sup>/Central Station will have three elevators and four escalators, the 2<sup>nd</sup>/Broadway Station will have four elevators and six escalators, and the 2<sup>nd</sup>/Hope Station will have four elevators and six escalators.

## **SCC 40 - SITEWORK AND SPECIAL CONDITIONS**

This SCC includes demolition and clearing work and special conditions such as utility relocation and hazardous materials removal and treatment. SCC 40 includes the following subcategories.

### **40.01 Demolition, Clearing & Earthwork**

This subcategory includes the demolition, clearing, and finish grading along the corridor and at station locations, including site earthwork, and demolition of the following buildings/structures: Senior Fish, Café Cuba, steel structure at Mangrove site, and existing Little Tokyo/Arts District Station.

### **40.02 Site Utilities, Utility Relocation**

This subcategory includes advanced relocations of existing utilities, support and rearrangement work, and the relocation of the existing storm drain located at 2<sup>nd</sup> Street and Broadway.

### **40.03. Hazardous Material, Contaminated Soil Removal/Mitigation, Ground Water Treatment**

This subcategory includes segregation, hauling and disposal of hazardous soil and materials, and securing contaminated ground water environmental permits and treatment and disposal of contaminated ground water.

### **40.04 Environmental Mitigation, e.g., wetlands, historic/archeological, parks**

This subcategory includes compliance with required environmental mitigation measures. LACMTA has developed a mitigation monitoring and reporting program based on the Regional Connector Final Environmental Impact Report/Final Environmental Impact Statement (FEIR/FEIS) and will report status quarterly.

#### **40.06 Pedestrian/Bike Access and Accommodation, Landscaping**

This subcategory includes landscaping at stations, furniture and equipment for station plazas, street landscaping at all street improvement locations, pedestrian walkways, and landscaping and planting maintenance warranty.

#### **40.07 Automobile, Bus, Van, Accessways Including Roads, Parking Lots**

This subcategory includes street restoration, concrete sidewalk, curb and gutter, curb ramps, bus pads, pavement, and pavement marking at all street improvement locations.

#### **40.08 Temporary Facility Non-Permanent works**

This subcategory includes non-permanent work involving temporary traffic signals for all locations, the temporary shoofly and associated staging. The shoofly is a temporary relocation of existing Gold Line tracks. The existing tracks run at-grade through the intersection at 1<sup>st</sup> Street and Alameda Street, south of the Little Tokyo/Arts District Station. The temporarily relocated tracks will run at-grade approximately 500 feet to the east on the Mangrove property. The temporary relocation accommodates cut and cover construction of the underground wye structure, allowing Gold Line service from the Little Tokyo/Arts District Station to East Los Angeles to continue during construction.

### **SCC 50 - SYSTEMS**

This SCC includes train control, traction power substations, the overhead contact rail system, communications, fare collections and central control. It also includes testing and training. SCC 50 includes the following subcategories.

#### **50.01 Train Control and Signals**

This subcategory includes a system-wide signal and train control system as required for safe and efficient operations. The system includes automatic wayside signals, automatic train protection, interlocking, and block supervision.

#### **50.03 Traction Power Supply: Substations**

This subcategory includes the traction power system to supply power throughout the alignment and connections to the Metro Red Line trainway feeder and standby generator. There are a total of three traction power systems with one at each station.

#### **50.04 Traction Power Distribution: Catenary and Third Rail**

This subcategory includes the overhead contact rail system.

#### **50.05 Communications**

This subcategory includes the following: closed circuit television, public address system, variable message signs, radio, software control and data acquisition (SCADA), fiber optic network, telephone system, rail intrusion alarm system, fire alarm, gas and seismic detection, emergency management system, tunnel portal surveillance, uninterruptable power supply (UPS), spare parts and equipment. This also includes allowances for training and technical support.

#### **50.06 Fare Collection System and Equipment**

This subcategory includes fare vending machines (FVM) and fare gates at each station. It also includes testing and commissioning of the equipment, as well as the tie-in to the existing fare collection system. The 1<sup>st</sup>/Central Station will have approximately six FVMs and approximately eight fare gates, the 2<sup>nd</sup>/Broadway Station will have approximately four FVMs and approximately five fare gates, and the 2<sup>nd</sup>/Hope Station will have approximately four FVMs and approximately five fare gates.

#### **50.07 Central Control**

This subcategory provides for the expansion of the functional operations at the existing Rail Operations Center (ROC). It includes modifications to the existing ROC workstations and displays to accommodate the needs of the Project at revenue service.

### **SCC 60 – RIGHT-OF-WAY, LAND, EXISTING IMPROVEMENTS**

This SCC includes the real property costs for the Project, including temporary and permanent acquisitions, subsurface easements of all required real property and the costs of all associated relocations. SCC 60 includes the following subcategories.

#### **60.01 Purchase or Lease of Real Estate**

This subcategory includes the right-of-way acquisition of permanent surface and subsurface easements and temporary construction easements. It also includes a contingency for potential condemnations. The total number of parcels required for the Project is estimated to be 24. Some of the 24 parcels reflect a consolidation of parcels where there is one single owner. There are approximately three full takes, three part takes, eight subsurface easements and 10 parcels expected to require temporary construction easements or right-of-entry agreements.

#### **60.02 Relocation of Existing Households and Businesses**

This subcategory includes payment for relocation of households and businesses in accordance with the Federal Uniform Relocation and Real Estate Acquisition Policies Act. There are approximately five relocations including the relocation of three restaurants, one catering business and the closure of a parking lot operation.

### **SCC 70 - VEHICLES**

This SCC includes all costs associated with the design, manufacturing, testing, and commissioning of vehicles, including warranty costs and associated spare parts. SCC 70 includes the following subcategories.

#### **70.01 Light Rail**

This subcategory includes the purchase of four light rail revenue vehicles, which includes the cost of engineering, manufacturing and testing of the vehicles.

#### **70.07 Spare Parts**

This subcategory includes an allowance for the purchase of light rail vehicle spare parts.

## **SCC 80 - PROFESSIONAL SERVICES**

This SCC includes the costs of engineering, project management, construction administration and management, insurance, permits and fees, training, start-up, and testing. SCC 80 includes the following subcategories.

### **80.01 Preliminary Engineering**

This subcategory includes professional, technical and management services related to the design of the Project during the preliminary engineering phase of project development, including final environmental work, design, engineering, value engineering, risk assessment, cost estimating and project scheduling.

### **80.02 Final Design**

This subcategory includes professional, technical and management services from the Design/Build contractor related to the design of the Project during the final design phase of project development leading to the construction of the Project. It also includes design support services during construction.

### **80.03 Project Management for Design and Construction**

This subcategory includes agency staff costs for project management during the preliminary engineering, final design, and construction phases of the Project. This also includes the cost of the required Before and After Study.

### **80.04 Construction Administration and Management**

This subcategory includes professional services for construction management support services.

### **80.06 Legal; Permits; Review Fees by Other Agencies, Cities, etc.**

This subcategory includes legal services, environmental or other permitting fees, and review fees.

### **80.07 Surveys, Testing, Investigation and Inspection**

This subcategory includes surveys, material testing, and safety and security certification services.

### **80.08 Start Up**

This subcategory includes the costs associated with master cooperative agreements and start-up costs that include agency staff costs for start-up activities preceding the start of revenue operations, including safety certification training, start up activities, and integrated testing activities.

## **SCC 90 - UNALLOCATED CONTINGENCY**

This category includes unallocated contingency for the Project. It provides for unknown additional costs and uncertainty due to risk factors such as third party approvals, market fluctuations, differing site conditions, and change orders.

**SCC 100 - FINANCE CHARGES**

This category includes finance charges expected to be paid prior to either completion of construction of the Project or the receipt of all Section 5309 New Starts funding, whichever occurs later in time.

**Attachment 3**

**Los Angeles County Metropolitan Transportation Authority  
Regional Connector Transit Corridor Project  
Los Angeles, California**

**Baseline Cost Estimate**

**Table 1 – BCE by Standard Cost Category**

<i>Applicable Line Items Only</i>	YOE Dollars Total
<b>10 GUIDEWAY &amp; TRACK ELEMENTS (1.9 miles)</b>	<b>280,622,417</b>
10.03 Guideway: At-grade in mixed traffic	2,023,175
10.06 Guideway: Underground cut & cover	116,558,093
10.07 Guideway: Underground tunnel	131,295,004
10.08 Guideway: Retained cut or fill	10,555,947
10.09 Track: Direct fixation	9,817,387
10.10 Track: Embedded	76,556
10.11 Track: Ballasted	1,472,707
10.12 Track: Special (switches, turnouts)	5,069,845
10.13 Track: Vibration and noise dampening	3,753,703
<b>20 STATIONS, STOPS, TERMINALS, INTERMODAL (3)</b>	<b>354,268,073</b>
20.03 Underground station, stop, shelter, mall, terminal, platform	296,863,490
20.04 Other stations, landings, terminals: Intermodal, ferry, trolley, etc.	31,821,845
20.07 Elevators, escalators	25,582,739
<b>40 SITEWORK &amp; SPECIAL CONDITIONS</b>	<b>141,785,395</b>
40.01 Demolition, Clearing, Earthwork	12,214,689
40.02 Site Utilities, Utility Relocation	44,839,983
40.03 Haz. mat'l, contam'd soil removal/mitigation, ground water treatments	10,318,458
40.04 Environmental mitigation, e.g. wetlands, historic/archeologic, parks	2,499,118
40.06 Pedestrian / bike access and accommodation, landscaping	5,553,353
40.07 Automobile, bus, van accessways including roads, parking lots	20,917,022
40.08 Temporary Facilities and other indirect costs during construction	45,442,772
<b>50 SYSTEMS</b>	<b>69,666,754</b>
50.01 Train control and signals	12,876,090
50.03 Traction power supply: substations	29,185,070
50.04 Traction power distribution: catenary and third rail	5,340,419
50.05 Communications	10,232,564
50.06 Fare collection system and equipment	9,664,025
50.07 Central Control	2,368,587
<b>Construction Subtotal (10 - 50)</b>	<b>846,342,640</b>
<b>60 ROW, LAND, EXISTING IMPROVEMENTS</b>	<b>115,889,205</b>
60.01 Purchase or lease of real estate	115,722,187
60.02 Relocation of existing households and businesses	167,018
<b>70 VEHICLES (up to 4)</b>	<b>16,275,350</b>
70.07 Spare parts	1,095,438

<b>80 PROFESSIONAL SERVICES (applies to Cats. 10-50)</b>	<b>261,455,309</b>
80.01 Preliminary Engineering	39,828,060
80.02 Final Design	69,607,793
80.03 Project Management for Design and Construction	70,039,553
80.04 Construction Administration & Management	41,857,057
80.06 Legal; Permits; Review Fees by other agencies, cities, etc.	8,266,055
80.07 Surveys, Testing, Investigation, Inspection	4,133,026
80.08 Start up	27,723,765
<b>Subtotal (10 - 80)</b>	<b>1,239,962,503</b>
<b>90 UNALLOCATED CONTINGENCY</b>	<b>135,398,916</b>
<b>Subtotal (10 - 90)</b>	<b>1,375,361,419</b>
<b>100 FINANCE CHARGES</b>	<b>27,571,071</b>
<b>Total Project Cost (10 - 100)</b>	<b>1,402,932,490</b>



Attachment 3

Los Angeles County Metropolitan Transportation Authority  
Regional Connector Transit Corridor Project  
Los Angeles, California

Baseline Cost Estimate

Table 2 – Inflated Cost to Year Expenditures

Standard Cost Category Description	Base Year Dollar w/o Contingency	Base Year Dollars Allocated Contingency	Base Year Dollars TOTAL	Inflation Factor	YOE Dollars TOTAL
10 GUIDEWAY & TRACK ELEMENTS (1.9 miles)	\$236,114,657	\$11,887,005	\$248,001,662	1.1315	\$280,622,417
20 STATIONS, STOPS, TERMINALS, INTERMODAL (3)	\$298,177,553	\$14,908,877	\$313,086,431	1.1315	\$354,268,073
40 SITEWORK & SPECIAL CONDITIONS	\$111,748,734	\$13,350,122	\$125,098,856	1.1334	\$141,785,395
50 SYSTEMS	\$56,703,759	\$2,927,342	\$59,631,101	1.1683	\$69,666,754
60 ROW, LAND, EXISTING IMPROVEMENTS	\$86,734,000	\$26,020,200	\$112,754,200	1.0278	\$115,889,205
70 VEHICLES (up to 4)	\$13,609,911	\$1,313,162	\$14,923,073	1.0906	\$16,275,350
80 PROFESSIONAL SERVICES (applies to Cats. 10-50)	\$226,355,258	\$7,462,690	\$233,817,948	1.1182	\$261,455,309
90 UNALLOCATED CONTINGENCY			\$120,475,684	1.1239	\$135,398,916
100 FINANCE CHARGES			\$22,607,278	1.2196	\$27,571,071
<b>Total Project Cost (10 - 100)</b>			<b>\$1,250,396,233</b>	<b>1.1220</b>	<b>\$1,402,932,490</b>

**Attachment 3**

**Los Angeles County Metropolitan Transportation Authority  
Regional Connector Transit Corridor Project  
Los Angeles, California**

**Baseline Cost Estimate**

**Table 3 – BCE by Source of Funding**

	YOE Dollars TOTAL	Federal 5309 New Starts	Federal Other Funds	Local
10 GUIDEWAY & TRACK ELEMENTS (1.9 miles)	\$280,622,417	\$155,000,000	\$0	\$125,622,417
20 STATIONS, STOPS, TERMINALS, INTERMODAL (3)	\$354,268,073	\$212,200,000	\$0	\$142,068,073
40 SITEWORK & SPECIAL CONDITIONS	\$141,785,395	\$74,000,000	\$9,000,000	\$58,785,395
50 SYSTEMS	\$69,666,754	\$38,000,000	\$0	\$31,666,754
60 ROW, LAND, EXISTING IMPROVEMENTS	\$115,889,205	\$0	\$50,000,000	\$65,889,205
70 VEHICLES (up to 4)	\$16,275,350	\$9,700,000	\$0	\$6,575,350
80 PROFESSIONAL SERVICES (applies to Cats. 10-50)	\$261,455,309	\$181,000,000	\$5,000,000	\$75,455,309
90 UNALLOCATED CONTINGENCY	\$135,398,916	\$0	\$0	\$135,398,916
100 FINANCE CHARGES	\$27,571,071	\$0	\$0	\$27,571,071
<b>Total Project Cost (10 - 100)</b>	<b>\$1,402,932,490</b>	<b>\$669,900,000</b>	<b>\$64,000,000</b>	<b>\$669,032,490</b>

Sources of Federal Funding and Matching Share Ratios	Costs Attributed to Source of Funds	Federal/Local Matching Ratio within Source	All Federal Funds	Local Funds
Federal 5309 New Starts	\$1,330,640,612	50/50	\$669,900,000	\$660,740,612
Federal Other (CMAQ)	\$72,291,878	89/11	\$64,000,000	\$8,291,878
<b>Total</b>	<b>\$1,402,932,490</b>		<b>\$733,900,000</b>	<b>\$669,032,490</b>
<b>Overall Federal Share of Project</b>			52%	
<b>New Starts Share of Project</b>			48%	

Note: LACMTA is also seeking a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan in the amount of \$160,000,000 to help finance the Project.

**Attachment 3A**

**Los Angeles County Metropolitan Transportation Authority  
Regional Connector Transit Corridor Project  
Los Angeles, California**

**Project Budget**

Scope Code	Scope and Activity Line Item Descriptions	Qty	Total Federal %	Federal 5309 New Starts			Federal Other (CMAQ)			Total Project Cost in YOE Dollars		
				Federal	Local	Total	Federal	Local	Total	Federal	Local	Total
10	GUIDEWAY & TRACK ELEMENTS	1.9	55.23%	155,000,000	125,622,417	280,622,417	--	--	--	155,000,000	125,622,417	280,622,417
20	STATION, STOPS, TERMINALS, INTERMODEL	3	59.90%	212,200,000	142,068,073	354,268,073	--	--	--	212,200,000	142,068,073	354,268,073
40	SITWORK & SPECIAL CONDITIONS		58.54%	74,000,000	57,619,350	131,619,350	9,000,000	1,166,045	10,166,045	83,000,000	58,785,395	141,785,395
50	SYSTEMS		54.55%	38,000,000	31,666,754	69,666,754	--	--	--	38,000,000	31,666,754	69,666,754
60	ROW, LAND, EXISTING IMPROVEMENTS		43.14%	--	59,411,175	59,411,175	50,000,000	6,478,030	56,478,030	50,000,000	65,889,205	115,889,205
70	VEHICLES	4	59.60%	9,700,000	6,575,350	16,275,350	--	--	--	9,700,000	6,575,350	16,275,350
80	PROFESSIONAL SERVICES		71.14%	181,000,000	74,807,506	255,807,506	5,000,000	647,803	5,647,803	186,000,000	75,455,309	261,455,309
90	UNALLOCATED CONTINGENCY		0.00%	--	135,398,916	135,398,916	--	--	--	--	135,398,916	135,398,916
100	FINANCE CHARGES		0.00%	--	27,571,071	27,571,071	--	--	--	--	27,571,071	27,571,071
<b>Total Project Cost (10 - 100)</b>			<b>52.31%</b>	<b>669,900,000</b>	<b>660,740,612</b>	<b>1,330,640,612</b>	<b>64,000,000</b>	<b>8,291,878</b>	<b>72,291,878</b>	<b>733,900,000</b>	<b>669,032,490</b>	<b>1,402,932,490</b>



Attachment 5

**Los Angeles County Metropolitan Transportation Authority  
Regional Connector Transit Corridor Project  
Los Angeles, California**

**Prior Grants and Related Documents**

**I. Prior Grants (not included in the FFGA)**

Project Number	Obligation Date	Federal Amount	Funding Source	Purpose
None				

**II. Related Documents**

- |   |                   |
|---|-------------------|
| 1. Completion of Alternative Analysis                     | January 22, 2009  |
| 2. Notice of Intent for an Environmental Impact Statement | March 24, 2009    |
| 3. Draft Environmental Impact Statement                   | September 3, 2010 |
| 4. Locally Preferred Alternative Adopted                  | October 28, 2010  |
| 5. Approval to Enter SAFETEA-LU Preliminary Engineering   | January 4, 2011   |
| 6. Final Environmental Impact Statement                   | January 20, 2012  |
| 7. Record of Decision                                     | June 29, 2012     |
| 8. Grandfathered into MAP-21 Engineering                  |                   |

**III. FFGA Grant History (Grants under FFGA)**

Project No.	Obligation Date	Federal Amount	Funding Source	Purpose
None				

Attachment 6

**Los Angeles County Metropolitan Transportation Authority  
Regional Connector Transit Corridor Project  
Los Angeles, California**

**Schedule of Federal Funds**

Section 20008 of the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (Pub. L. 112-141; July 6, 2012) ("MAP-21") authorizes FTA to award Federal major capital investment (New Starts) funds for the Regional Connector Transit Corridor Project (the Project). In accordance with Federal transit law at 49 U.S.C. Chapter 53 and FTA Circular 5200.1A, Full Funding Grant Agreements Guidance (December 5, 2002), by the execution of this Agreement the Government is limiting its commitment to provide New Starts funding for the Project to those funds that have been or may be appropriated during the term of MAP-21 and subsequent authorizations. The Government and the Grantee recognize, however, that the period of time necessary to complete the Project will extend beyond MAP-21, as evidenced by Attachment 4 of this Agreement (Baseline Schedule).

Currently, the Government and the Grantee anticipate that the New Starts funds will be provided for the Project as follows:

**Proposed Schedule of Federal Funds  
(Based on Year of Appropriation)**

<b>Fiscal Year</b>	<b>Federal Section 5309 New Starts Funding</b>	<b>CMAQ Federal Funds</b>	<b>Local/State</b>	<b>Total</b>
2014	\$65,000,000	\$64,000,000	\$7,268,344	\$136,268,344
2015	\$100,000,000		\$109,643,606	\$209,643,606
2016	\$100,000,000		\$109,643,606	\$209,643,606
2017	\$100,000,000		\$109,643,606	\$209,643,606
2018	\$100,000,000		\$109,643,606	\$209,643,606
2019	\$100,000,000		\$109,643,606	\$209,643,606
2020	\$104,900,000		\$113,546,116	\$218,446,116
<b>Total</b>	<b>\$669,900,000</b>	<b>\$64,000,000</b>	<b>\$669,032,490</b>	<b>\$1,402,932,490</b>

Note: Sources of local/state funding include the following: Proposition 1A High Speed Rail Bonds, Proposition 1B PTMISEA, Measure R Sales Tax Revenue, Local Agency Funds, and LACMTA Lease Revenue. LACMTA is also seeking a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan in the amount of \$160,000,000 to help finance the Project, that will be repaid with Measure R Sales Tax Revenues.

**Attachment 7**

**Los Angeles County Metropolitan Transportation Authority  
Regional Connector Transit Corridor Project  
Los Angeles, California**

**Measure to Mitigate Environmental Impacts**

The measures to mitigate the environmental impacts of the project are included in the environmental record for the Project and include the following documents which are incorporated herein:

1. Final Environmental Impact Statement – January 2012
2. Record of Decision – June 29, 2012

The mitigation measures and other project features that reduce adverse environmental and community impacts to which FTA and LACMTA committed in the environmental record may not be eliminated from the Project, except by FTA's written consent and in accordance with applicable laws and regulations. These mitigation measures include, but are not limited to, commitments to perform further consultation with any agency on environmental and related matters. On May 21, 2013, LACMTA transmitted to FTA a table that listed the status of the mitigation measures identified in the Record of Decision. The table's purpose is to facilitate monitoring the implementation of the mitigation measures during final design and construction. Monitoring and mitigation compliance will be the responsibility of LACMTA's Transportation Planner assigned to the Project. That table and its periodic revisions to add the measures resulting from required consultations, permit approvals, and FTA-approved changes and to update the implementation status of the measures are incorporated herein by reference.

## Attachment 8

### **Los Angeles County Metropolitan Transportation Authority Regional Connector Transit Corridor Project Los Angeles, California**

#### **Implementation of a Before and After Study Plan**

The Los Angeles County Metropolitan Transportation Authority (LACMTA) will assemble information and conduct analyses to identify the actual performance of the Regional Connector Transit Corridor Project ("Project") in terms of its costs and impacts, and evaluate the reliability of forecasts used during the planning and development of the Project. LACMTA will assemble the data and conduct the analyses in accordance with the Before and After Study Plan prepared by LACMTA and approved by FTA. Specifically, the plan addresses the following requirements:

#### **I. Required Information**

LACMTA will assemble information on five key characteristics of the Project and its associated transit services:

- a) Project scope: The physical components of the Project, including environmental mitigation and other related information;
- b) Service levels: The opening year operating service and service characteristics of the fixed guideway, feeder bus services, and other bus services in the corridor; a comparison with current characteristics;
- c) Capital costs: Final costs of the project compared with the Baseline Cost Estimate;
- d) Operation and maintenance costs: Operation and maintenance costs for the Project for the first fiscal year of revenue service; and
- e) Ridership patterns: Originating rides and associated farebox revenue for the first fiscal year of revenue service.

#### **II. Milestones**

LACMTA will assemble those data items that are available at five key milestones in the development and operation of the Project.

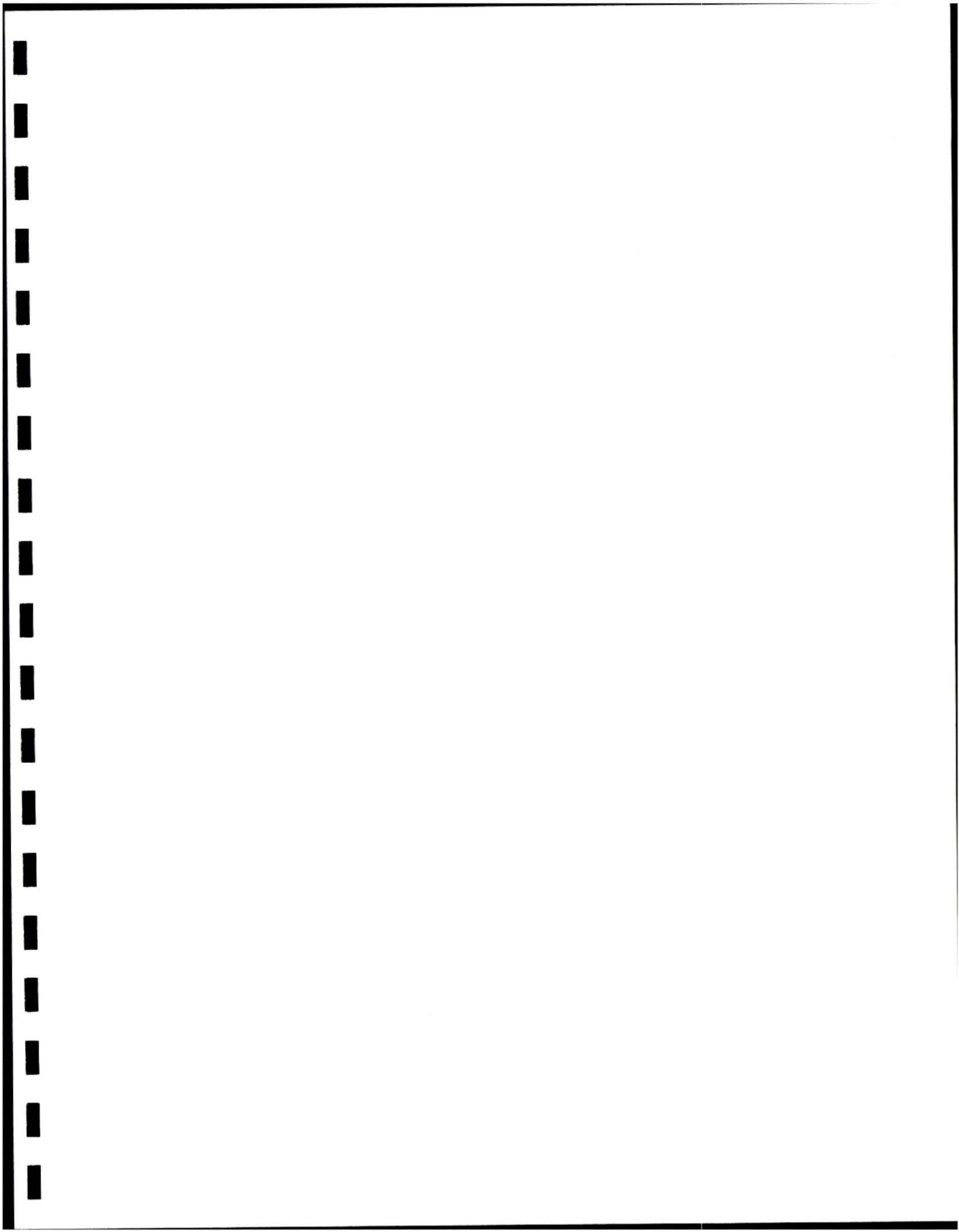
- a) Request to Enter Preliminary Engineering: Forecasted data and information developed for the application into PE will be reported;
- b) MAP-21 Engineering Phase: Forecasted data and information developed during the MAP-21 Engineering phase will be reported.



- c) Full Funding Grant Agreement: Forecasted data and information developed at the signing of the FFGA will be reported.
- d) Prior conditions (Before Data): Transit service levels, operating and maintenance costs, ridership patterns and farebox revenues immediately prior to any significant changes in transit levels service levels caused by either the construction or opening of the Project;
- e) After conditions (After Data): Actual data drawn after two years of operation will be analyzed in relation to the before conditions and predicted information.

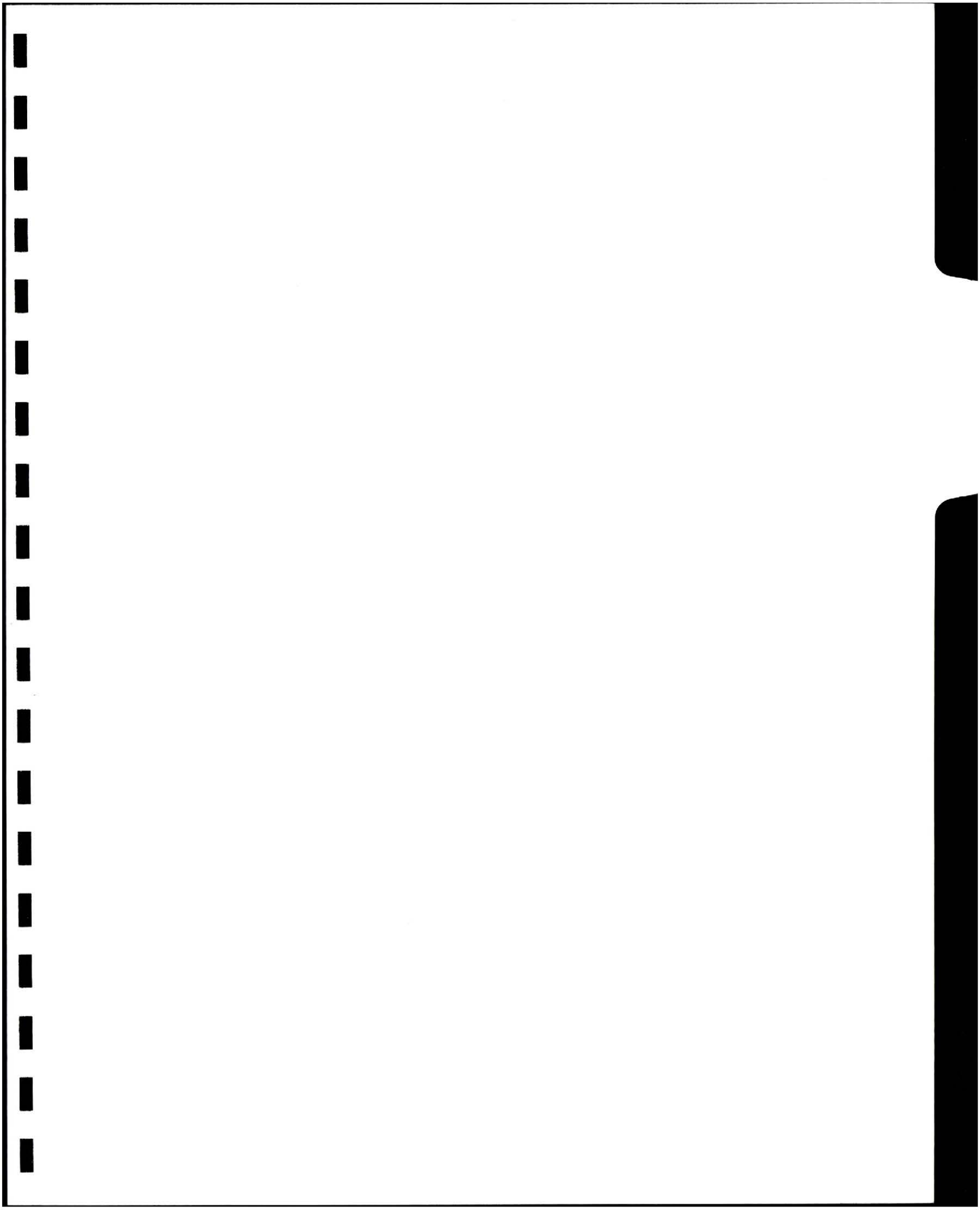
### **III. Data Assembly and Analysis**

LACMTA will maintain communication with FTA and its contractors on progress in implementing the Before and After Study Plan and provide opportunities for early review and comment on draft products. LACMTA must obtain approval in advance of any changes in the scope or schedule for the Before and After Study as defined in the Before and After Study Plan approved by FTA.



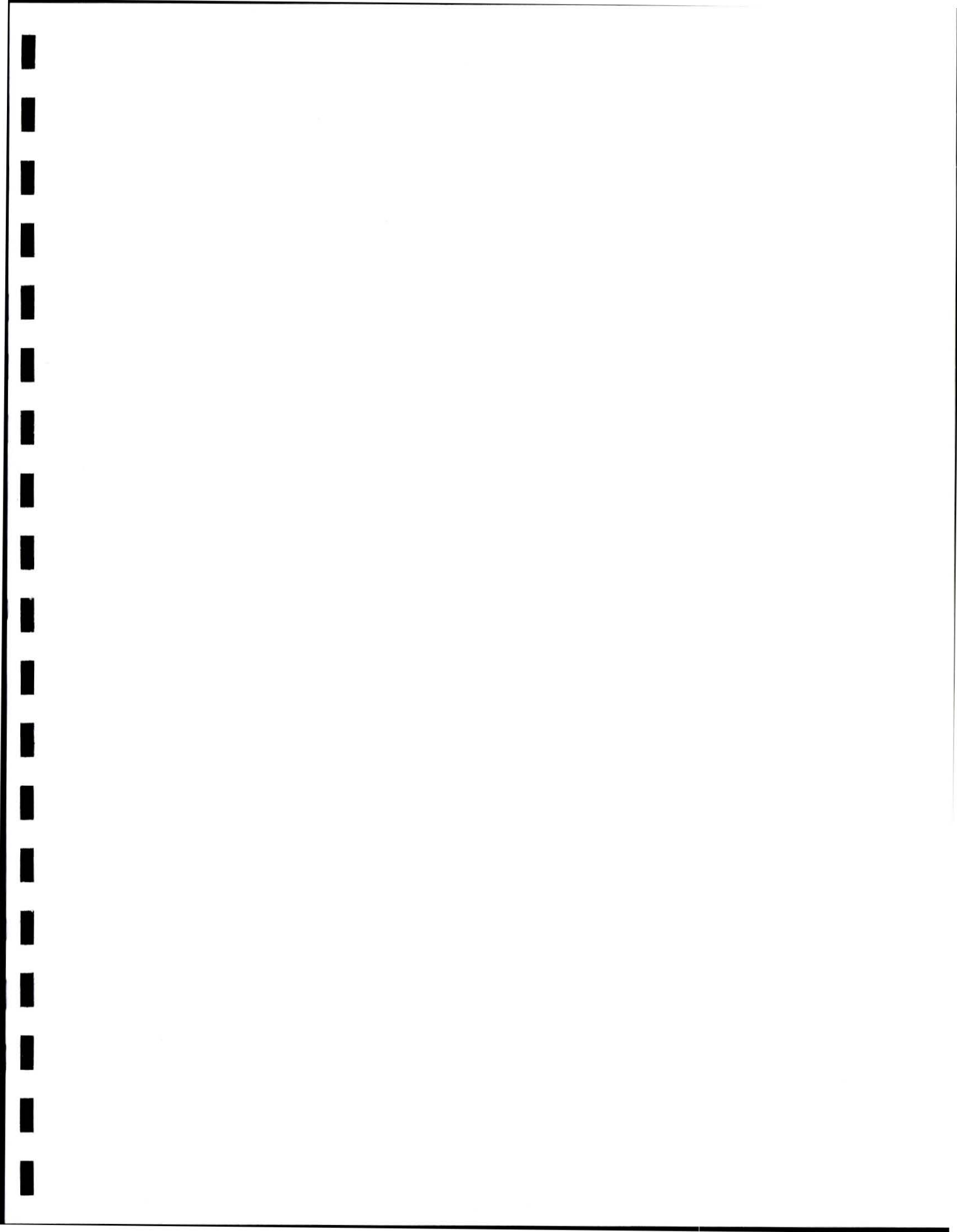
**EXHIBIT K**  
**Environmental**  
**Remediation**





**EXHIBIT K**

**Environmental Remediation Requirements**



# Mitigation Monitoring and Reporting Program for the LPA

**Table 8-1. Mitigation Monitoring and Reporting Program**

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Traffic circulation disruption would occur during construction.	<p>TR-1: Prior to the initiation of localized construction activities, a traffic management and construction mitigation plan shall be devised. The closure schedules in the construction traffic plan shall be coordinated to minimize impacts to residences, businesses, special events, and traffic flow. During these times, traffic shall be re-routed to adjacent streets via clearly marked detours. The traffic management and construction mitigation plan shall identify, for instance, proposed closure schedules and detour routes; construction traffic routes, including haul truck route, and hours so as to avoid peak hours where feasible. It shall also account for the provisions below. Traffic flow shall be maintained, particularly during peak hours, to the degree feasible. Access to adjacent businesses shall be maintained via existing or temporary driveways at all times during business hours, and residences at all times. Metro shall provide signage to indicate new ways to access businesses and community facilities affected by construction. Metro shall post advance notice signs prior to construction in areas where business access could be affected. Metro shall also notify Los Angeles Department of Transportation (LADOT) in advance of street closures, detours, or temporary lane reductions. Metro shall also inform advisory committees of known road closures during regularly scheduled meetings.</p>	Check design contract documents for compliance	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
See also CN-1 through CN-3 and CN-5.				

EXHIBIT K

# Mitigation Monitoring and Reporting Program for the LPA

**Table 8-1. Mitigation Monitoring and Reporting Program (continued)**

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
<p>Construction haul routes along project area streets would be needed.</p>	<p>TR-2: Haul routes for trucks shall be confirmed during the final design phase of the project. The routes shall be located to minimize noise, vibration, and other possible impacts to adjacent businesses and neighborhoods. Truck trips shall be primarily scheduled at times when they would be least disruptive to the community. Lighted or reflective signage shall direct truck drivers to the haul routes. If physical damage to the haul route roads occurs due to project-related traffic, the roads shall be restored to their pre-construction condition as quickly as is practicable. Haul routes shall be discussed with and approved by the City of Los Angeles through the Transportation Construction Traffic Management Committee (TCTMC).</p>	<p>Verify that community input into hauling schedule has occurred</p>	<p>Metro</p>	<p>Final Design</p>
		<p>Verify that TCTMC input into haul routes has occurred.</p>	<p>Metro, City of Los Angeles TCTMC</p>	<p>Final Design</p>
		<p>Check design contract documents for compliance.</p>	<p>Metro</p>	<p>Final Design</p>
		<p>Monitor construction activities for compliance.</p>	<p>Metro</p>	<p>Construction</p>
		<p>Verify whether roadway deterioration due to project traffic has occurred, and ensure that it is repaired.</p>	<p>Metro</p>	<p>Construction</p>
<p>Street parking would need to be temporarily removed during construction.</p>	<p>TR-3: To avoid impacts to neighborhood parking supplies, Metro shall require the contractor to designate areas for construction/contractor employee parking and shall not allow employees to park in other lots or unauthorized areas. Metro shall identify and implement measures to reduce the need for parking by construction workers, including carpool incentives, transit passes, or designated on-site or off-site parking. Metro shall direct construction workers not to park</p>	<p>Check design contract documents for compliance.</p>	<p>Metro</p>	<p>Final Design</p>
		<p>Monitor construction activities for compliance.</p>	<p>Metro</p>	<p>Construction</p>



## Mitigation Monitoring and Reporting Program for the LPA

	on the street.			
See also DR-4 and DR-5.				

**Table 8-1. Mitigation Monitoring and Reporting Program (continued)**

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Re-routing of pedestrian and bicycle traffic would be needed during construction.	TR-4: Safe pedestrian detours with handrails, fences, k-rail, canopies, and walkways shall be provided as needed. When a crosswalk is closed due to construction activities, pedestrians shall be directed to nearby alternate crosswalks. Access shall be Americans with Disabilities Act (ADA) accessible at all times per existing Metro policy.	Check design contract documents for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	TR-5: Bicyclists shall be encouraged through signage to ride carefully in streets near construction activities, ride carefully on sidewalks (as City of Los Angeles municipal code permits), or choose nearby alternate routes around construction sites. Detours shall be provided as needed. Metro shall provide signage showing the alternate bicycle routes. Pedestrian and bicycle circulation, and travel lanes temporarily impacted during construction shall be restored to their permanent configurations at the conclusion of the construction period and prior to operations.	Check design contract documents for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Permanent reductions in intersection performance on Flower Street from 4 <sup>th</sup> to 6 <sup>th</sup> Streets would occur.	TR-6: At the intersection of 4 <sup>th</sup> and Flower Streets, Metro, in coordination with LADOT, shall permanently restripe the southbound Flower Street approach to provide one shared left-turn/through lane and two through lanes. Metro, in coordination with LADOT, shall also optimize the signal splits.	Verify that LADOT coordination has occurred.	Metro	Final Design
		Check design contract documents for compliance.	Metro	Final Design

# Mitigation Monitoring and Reporting Program for the LPA

		Verify that the restriping has occurred after the street has been restored from cut and cover activities.	Metro	Construction
--	--	---	-------	--------------



# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	TR-7: At the intersection of 5 <sup>th</sup> and Flower Streets, Metro, in coordination with LADOT, shall permanently restripe the southbound Flower Street approach to provide three through lanes and one exclusive right-turn lane. Metro, in coordination with LADOT, shall also optimize the signal splits.	Verify that LADOT coordination has occurred.	Metro	Final Design
		Check design contract documents for compliance.	Metro	Final Design
		Verify that restriping has occurred after the street has been restored from cut and cover activities.	Metro	Construction
	TR-8: At the intersection of 6 <sup>th</sup> and Flower Streets, Metro, in coordination with LADOT, shall permanently restripe the eastbound 6 <sup>th</sup> Street approach to provide three through lanes and two exclusive right-turn lanes. Metro, in coordination with LADOT, shall also optimize the signal splits.	Verify that LADOT coordination has occurred.	Metro	Final Design
		Check design contract documents for compliance.	Metro	Final Design
		Verify that the restriping has occurred after the street has been restored from cut and cover activities.	Metro	Construction
Shuttle bus drop-off areas for City National Plaza could be affected by construction activities.	TR-9: Metro shall ensure that shuttle bus drop-off areas at City National Plaza are provided throughout construction.	Check design contract documents for compliance.	Metro	Final Design
		Verify that the restriping has occurred after the street has been restored from cut and cover activities.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Connectivity with other transit lines and pedestrian systems would be needed.	TR-10: Metro shall design and implement linkages with the proposed streetcar project and Bringing Back Broadway project at the 2 <sup>nd</sup> /Broadway station. The project shall also provide a knockout panel to the west side of Flower Street at 3 <sup>rd</sup> Street to connect to the pedestrian system previously designed by the City of Los Angeles.	Check design contract documents for compliance.	Metro	Final Design
	TR-11: Metro shall construct an enhanced pedestrian walkway along the east side of Flower Street between 4 <sup>th</sup> and 7 <sup>th</sup> Streets to better connect the Financial District to the improved transit services available at the existing 7 <sup>th</sup> Street/Metro Center Station.	Check design contract documents for compliance.	Metro	Final Design
Access to some bus stops would be restricted during construction.	TR-12: Metro shall maintain access to bus stops and provide adequate signage to guide bus users to accessible stops. Metro shall minimize temporary closures or relocations of bus stops and layover zones. Metro shall provide notices of closures and relocations on its website, smart phone apps, and other modes typically used to communicate service announcements. When closures of other bus operators' stops are needed, Metro shall work closely with the affected operators to provide notices.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities and bus stop operation for compliance.	Metro	Construction
Some bus stops would need to be temporarily relocated due to street closures during construction, and buses may need to be re-routed around construction areas.	TR-13: As needed, Metro shall temporarily relocate bus stops to nearby alternative locations based on the re-routing of bus service, and provide adequate signage and notices at strategic locations indicating the relocated bus stops. Metro shall provide notices of relocations on its website, smart phone apps, and other modes typically used to communicate service announcements. Metro shall coordinate with municipal transit providers to temporarily relocate non-Metro bus stops. When bus re-routing is necessary, buses shall be re-routed to adjacent streets in a manner that minimizes inconvenience to bus passengers and to affected neighborhoods.	Check design contract documents for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Partial taking of parking and primary access to the Central Plant (APN 5151-014-032, 703 W. 3 <sup>rd</sup> Street).	DR-1: For parcels in which parking is displaced by the project, Metro shall provide replacement parking elsewhere on the parcel or on a nearby parcel during construction.	Check design contract documents for compliance.	Metro	Final Design
		Monitor construction activities and parking lot use to ensure that replacement parking is maintained.	Metro	Construction
	DR-2: In using parcel APN 5151014032 for construction staging, Metro shall maintain access to the Central Plant located on that parcel at all times during construction.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Some privately-owned parcels needed for construction staging currently contain buildings, but would be owned by Metro and may be vacant after construction.	DR-3: Upon completion of construction, property needed for construction but not required to maintain the physical infrastructure or necessary for access shall be included in the Metro Joint Development Program for possible development. Any development shall be environmentally and separately cleared from this project and shall undergo its own community input process. Until a development is approved, the remaining underutilized property may be used for public parking spaces or at the very least shall be graded and fenced to a higher standard that reflects the community's identity and character more than typical gravel and chain link. Per Metro's Joint Development Policy, the community shall be included in the development process.	Oversee Metro Joint Development Program and ensure compliance.	Metro	Post-Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Public parking spaces would be lost in Little Tokyo during construction.	DR-4: Metro shall work with the City to develop a parking mitigation program to mitigate the loss of public parking spaces during construction. This would include, but is not limited to, restriping the existing street to allow for diagonal parking, reducing the number of restricted parking areas, phasing construction activities in a way that minimizes parking disruption, and increasing the time limits for on-street parking. Restriping would occur on portions of Temple Street, Alameda Street, 1 <sup>st</sup> Street, 2 <sup>nd</sup> Street, Central Avenue, San Pedro Street, Judge John Aiso Street, 3 <sup>rd</sup> Street, and Traction Avenue. Such parking mitigation shall be implemented on a temporary, tiered basis pending findings of the annual parking analysis described in EJ-11.	Check design contract documents for compliance.	Metro, LADOT	Final Design
		Monitor construction activities for compliance.	Metro, LADOT	Construction
	DR-5: Metro shall not hinder access to other public parking lots during construction.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
See also EJ-2 through EJ-9, EJ-11, and EF-1.				
Access to the Little Tokyo Library and other community destinations could be affected by construction.	DR-6: Metro shall maintain access to the Little Tokyo Library and other community facilities at all times during construction.	Check design contract documents for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

**Table 8-1. Mitigation Monitoring and Reporting Program (continued)**

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	DR-7: Metro shall develop a Construction Mitigation Program that includes protocol for community notification of construction activities, including traffic control measures, schedule of activities, and duration of operations, with written communications to the community translated into appropriate languages.	Ensure that an adequate Construction Mitigation Program has been developed.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Displacement and relocation of businesses would be necessary.	DR-8: Metro shall provide relocation assistance and compensation as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.	Verify qualifications of property appraiser.	Metro	Pre-Construction
		Ensure provision of relocation assistance and payment of affected owners just compensation not less than the appraised market value for their property.	Metro	Pre-Construction
A portion of the LADWP site on parcels 5173-007-901 and 5173-006-900 would need to be permanently acquired for right-of-way.	DR-9: Metro shall consult Los Angeles Department of Water and Power (LADWP) during the design phase to accommodate its operational needs during construction and operation of the project.	Check design contract documents for compliance and documentation of consultation with LADWP.	Metro, LADWP	Final Design
		Monitor construction activities for compliance.	Metro, LADWP	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Disruption of traffic patterns during construction would affect access to residences and businesses, which could affect the economic vitality of some businesses.	CN-1: Accessible detours shall be provided whenever possible. Detours shall be compliant with the ADA. Signage shall be provided in those languages most commonly spoken in the immediate community. Signs shall mark detours in accordance with the Manual on Uniform Traffic Control Devices, and other applicable local and state requirements. Detours shall be designed to minimize cut-through traffic in adjacent residential areas.	Check design contract documents for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	CN-2: Early notification of traffic disruption shall be given to emergency service providers. Work plans and traffic control measures shall be coordinated with emergency responders to prevent impacts to emergency response times.	Verify that plans were developed in conjunction with emergency responders.	Metro, emergency service providers	Final Design
		Monitor construction activities for compliance.	Metro, emergency service providers	Construction
	CN-3: Traffic management and construction mitigation plans shall be developed in coordination with the community to minimize disruption and limit construction activities during special events. Worksite Traffic Control Plans shall be developed in conjunction with LADOT and surrounding communities to minimize impacts to traffic, businesses, residents, and other stakeholders. Crossing guards and other temporary traffic controls shall be provided in the vicinity of construction sites, haul routes, and other relevant sites as proposed in California DOT Traffic Manual, Section 10-07.3, Warrants for Adult Crossing Guards, and as appropriate to maintain traffic flow during construction.	Monitor Final Design process and check documents for compliance.	Metro, LADOT	Final Design
		Monitor construction activities for compliance.	Metro, LADOT	Construction



# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	<p>CN-4: A 24-hour live hotline for community concerns regarding construction shall be provided, as well as a project office within the Little Tokyo community. Residents and businesses shall also be provided with comment/complaint forms during construction. A construction office shall also be placed within the community to provide in-person assistance and services. Metro shall negotiate with the Japanese American National Museum (JANM) to locate the office within the museum's historic building on 1<sup>st</sup> Street. The hotline and office shall enable Metro to maintain day-to-day contact with the community during construction and provide community members with all project details that may be relevant to the public.</p>	<p>Verify continuous operation of hotline and construction office.</p>	<p>Metro</p>	<p>Construction</p>
	<p>CN-5: A community outreach plan shall be developed and implemented to notify local communities and the general public of construction schedules and road and sidewalk detours. Metro shall coordinate with local communities during preparation of the traffic management plans to minimize potential construction impacts to community resources and special events. Construction activities shall be coordinated with special events.</p>	<p>Verify preparation of community outreach plan.</p>	<p>Metro</p>	<p>Final Design</p>
		<p>Verify preparation of traffic management plans in conjunction with community stakeholders.</p>	<p>Metro</p>	<p>Final Design</p>
		<p>Check design contract documents for compliance.</p>	<p>Metro</p>	<p>Final Design</p>
		<p>Monitor construction activities for compliance.</p>	<p>Metro</p>	<p>Construction</p>

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	<p>CN-6: Metro shall develop a construction mitigation plan with community input to directly address specific construction impacts in the project area. Metro shall establish and receive input from the RCCLC in developing the construction mitigation plan. The RCCLC shall consist of representatives from all parts of the alignment area. Metro shall work with the RCCLC in developing the outreach plan.</p>	Establish RCCLC.	Metro, Community stakeholders	Preliminary Engineering
		Verify preparation of construction mitigation plan and outreach plan in conjunction with community stakeholders.	Metro	Final Design
		Check design contract documents for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
See also DR-4 and DR-5.				
Construction sites could have a negative impact on the community if left unsecured.	<p>CN-7: Barriers shall be erected and security personnel provided during construction to minimize trespassing and vandalism. Barriers shall be enhanced with culturally-relevant artwork, attractive design features, and advertisements for parking locations and businesses. Signage shall also identify that businesses are open during construction. Community input shall be sought in determining artwork and design features.</p>	Verify incorporation of community input into artwork and design feature plans.	Metro	Final Design
		Check design contract documents for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
The 1 <sup>st</sup> /Central Avenue station should incorporate the Arts District's identity, in addition to Little Tokyo.	CN-8: Metro shall implement urban design improvements in the form of an "Arts District Path" linking the Arts District to the 1 <sup>st</sup> /Central Avenue station. Metro shall invite Southern California Institute of Architecture and other local students to participate in the path's design. The path shall include sidewalk enhancements, design elements, way finding signage, and crosswalk improvements. The design of the station shall enhance pedestrian circulation.	Verify incorporation of Arts District input into art path design.	Metro	Preliminary Engineering, Final Design
	CN-9: Design of the 1 <sup>st</sup> /Central Avenue station shall encourage connections and pedestrian travel to the Japanese Village Plaza (JVP), Los Angeles Homba Hongwanji Temple, the JANM, and businesses south of 2 <sup>nd</sup> Street.	Check design contract documents for compliance.	Metro	Final Design
Temporary intermittent utility disruption could occur as part of construction.	CN-10: Metro shall field verify (by potholing or other methods) the exact locations and depths of underground utilities and conduct condition checks prior to utility relocation.	Check design contract documents for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	CN-11: Metro shall coordinate closely with utility providers to develop a service plan as needed to address planned and unplanned utility service interruptions. Should an unplanned outage occur as a result of construction activities, Metro shall contact the appropriate utility provider immediately to restore service. Metro shall also maintain access to utilities for providers' technicians. Metro shall provide protective measures such as pipe and conduit support systems, vibration and settlement monitoring, trench sheeting, and shoring during construction to avoid potential damage to utilities.	Verify that utility provider coordination has occurred.	Metro	Final Design
		Check design contract documents for compliance.	Metro	Final Design
	Monitor construction activities for compliance.	Metro	Construction	

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Prominent street-level features would be installed, including station entrances and tunnel portals. Visual character of the corridor could change slightly.	VA-1: Metro shall coordinate with the station area communities to obtain input on the urban design of the project within the community.	Verify that community input has been incorporated into urban design.	Metro	Preliminary Engineering
		Check preliminary engineering and design contract documents for compliance.	Metro	Preliminary Engineering and Final Design
	VA-2: Urban design measures shall be developed to integrate the light rail transit (LRT) facilities (stations, portals, entrances, etc.) into each community as appropriate. Designs might address elements such as materials and colors. This process has already begun with community urban design workshops, and Metro shall continue to involve communities in this process. Metro shall coordinate with the City of Los Angeles Department of Planning staff during the design process and regarding urban design elements.	Check preliminary engineering and Final Design drawings for compliance.	Metro	Preliminary Engineering and Final Design
Temporary visual impacts could occur during construction, but would be less than significant.	VA-3: Metro shall shield temporary lighting during construction to reduce spillover lighting.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	VA-4: Metro shall locate stockpile areas (storage areas for construction equipment, supplies, and excavated soil) primarily in less visually sensitive locations, where they are not visible from the road or to businesses or residents.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	VA-5: Temporary construction sheds and barricades shall be located so as to avoid obscuring significant views of historic properties.	Compare design contract documents and construction specifications to Final EIS/EIR to determine compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Construction emissions of VOC, NO <sub>x</sub> , CO, PM <sub>2.5</sub> , and dust would occur.	AQ-1: Contractors shall be required to adhere to South Coast Air Quality Management District (SCAQMD) standards for off-road engine emissions (refer to Section 4.5.1.1). Examples of how the contractors could ensure adherence include retrofitting off-road engines with add-on control devices such as catalytic oxidizers and diesel particulate filters where feasible.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	AQ-2: Metro shall require contractors to use equipment that meets up-to-date specifications (equivalent to models manufactured from 2013 to 2017) for pollutant emissions during project construction.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	AQ-3: Contractors shall be required to adhere to SCAQMD standards for dust emissions such as SCAQMD Rule 403. Examples of how the contractors could ensure adherence include applying water or a stabilizing agent to exposed surfaces in sufficient quantity to prevent generation of dust plumes.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	AQ-4: Dirt from construction equipment shall not extend 25 feet or more from an active operation, and shall be removed at the conclusion of each workday (refer to Section 4.5.3.3). Street sweeping services shall be coordinated with construction activity to minimize impacts to surrounding businesses and residences.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	AQ-5: Contractors shall be required to utilize at least one of the measures set forth in SCAQMD Rule 403 Section (d)(5) to remove bulk material from tires and vehicle undercarriages before vehicles exit the project site.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
AQ-6: All haul trucks hauling soil, sand, and other loose materials shall maintain at least six inches of freeboard (not filling trucks all the way to the top) in accordance with California Vehicle Code 23114.	Check design contract documents and construction specifications for compliance.	Metro	Final Design	
	Monitor construction activities for compliance.	Metro	Construction	

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	AQ-7: All haul trucks hauling soil, sand, and other loose materials shall be covered (e.g., with tarps or other enclosures that would reduce dust emissions) (refer to Section 4.5.1.1).	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	AQ-8: Traffic speeds on unpaved roads shall be limited to 15 MPH.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	AQ-9: To control fugitive dust, especially during high wind situations, Metro shall require the contractor to implement the following provisions, consistent with the requirements of SCAQMD Rule 403, as they apply to each of the construction activities identified below:  When wind gusts exceed 25 MPH, in areas where earth-moving activities are occurring: (1A) Cease all active operations; or (2A) Apply water to soil not more than 15 minutes prior to moving such soil.	Check design contract documents and construction specifications for compliance.	Metro	Final Design

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	<p>AQ-9 (continued): Disturbed surface areas:</p> <p>(OB) On the last day of active operations prior to a weekend or holiday: apply water with a mixture of chemical stabilizer diluted with not less than 1/20 of the concentration required to maintain a stabilized surface for a period of six months; or</p> <p>(1B) Apply chemical stabilizers prior to wind event; or</p> <p>(2B) Apply water to all unstabilized disturbed areas three times per day. If there is evidence of wind driven fugitive dust, watering frequency is increased to a minimum of four times per day; or</p> <p>(3B) Establish a vegetative ground cover within 21 days after active operations have ceased. Ground cover must be sufficient density to expose less than 30 percent of unstabilized ground within 90 days of planting, and at all times thereafter; or</p> <p>(4B) Utilize any combination of control actions (1B), (2B), and (3B) such that, in total, these actions apply to all disturbed surface areas.</p> <p>Unpaved roads:</p> <p>(1C) Apply chemical stabilizers prior to wind event expected to exceed 25 MPH; or</p> <p>(2C) Apply water twice per hour during active operation; or</p> <p>(3C) Stop all vehicular traffic.</p> <p>Open storage piles:</p> <p>(1D) Apply water twice per hour; or</p> <p>(2D) Install temporary coverings.</p> <p>Paved road track-out:</p> <p>(1E) Cover all haul vehicles; or</p> <p>(2E) Comply with vehicle freeboard requirements of Section 23114 of the California Vehicle Code for both public and private roads.</p>	<p>Monitor construction activities for compliance.</p>	<p>Metro</p>	<p>Construction</p>



# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	AQ-9 (continued): All categories: (1F) Any other control measures approved by the Executive Officer and the United States Environmental Protection Agency as equivalent to the methods specified may be used.			
	AQ-10: Heavy equipment operations shall be suspended during second stage smog alerts as issued by SCAQMD.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	AQ-11: On-site stockpiles of debris, dirt, or rusty materials shall be covered or watered at least two times per day.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	AQ-12: Contractors shall utilize electricity supplied by LADWP rather than temporary diesel or gasoline generators, as feasible.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	AQ-13: Heavy-duty trucks shall be prohibited from idling in excess of five minutes, both on- and off-site. Metro shall employ California Air Resources Board anti-idling requirements during construction. Metro shall require the contractor to regularly perform unscheduled inspections of construction equipment and activities to ensure minimization of associated air quality impacts.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	AQ-14: Construction worker parking shall be configured to minimize traffic interference. This measure would minimize vehicle idling time, which would reduce emissions generated from construction vehicles.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	AQ-15: Construction activity that affects traffic flow on the arterial system, including the transportation of excavated materials, shall be primarily limited to off-peak hours. This measure would minimize vehicle idling time, which would reduce emissions generated from construction vehicles.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	AQ-16: Metro shall require ongoing maintenance and adherence to manufacturer's specifications for all construction equipment engines and vehicles.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	AQ-17: Dedicated turn lanes for the movement of trucks and equipment to and from construction sites shall be provided where appropriate. This measure would minimize vehicle idling time, which would reduce emissions generated from construction vehicles.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	AQ-18: Metro shall require on-site construction equipment to meet EPA Tier 2 or higher emission standards according to the January 1, 2012 to December 31, 2014 and post-January 15, 2015 criteria.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	AQ-19: Metro shall maintain and clean all trucks and construction equipment as needed.	Monitor construction activities for compliance.	Metro	Construction
	AQ-20: Metro shall use low-sulfur fuel where possible.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
Monitor construction activities for compliance.		Metro	Construction	
AQ-21: The project and stations shall be designed and constructed in a manner consistent with Metro's sustainability policies (such as Metro's Energy and Sustainability Policy and Metro's Sustainability Implementation Plan).	Check design contract documents and construction specifications for compliance.	Metro	Final Design	
	Monitor construction activities for compliance.	Metro	Construction	

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
<p>Construction-related lane closures and intersection improvements would result in increased emissions, particularly CO emissions, at the major points of delay.</p>	<p>AQ-22: Detour routes shall be designed to ensure that traffic does not idle for extended periods of time, thus reducing the potential for localized exceedence of federal CO/CO<sub>2</sub> standards.</p>	<p>Check design contract documents and construction specifications for compliance.</p>	<p>Metro</p>	<p>Final Design</p>
		<p>Monitor construction activities for compliance.</p>	<p>Metro</p>	<p>Construction</p>
<p>Sensitive or historic buildings within 21 feet of construction may be susceptible to vibration damage.</p>	<p>NV-1: Mitigation Measure CR/B-2 shall also apply to sensitive, non-historic structures (Category I, II, III, IV buildings as defined in Table 4.7-4) located within 21 feet of vibration producing construction activity. However, design contract documents shall not require input or review by an architectural historian or historical architect under this mitigation measure.</p> <p>See CR/B-2 and CR/B-4.</p>	<p>Verify that an adequate survey of sensitive properties has been performed.</p>	<p>Metro</p>	<p>Preliminary Engineering</p>

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	<p>NV-2: A vibration monitoring plan shall be developed during final design to ensure appropriate measures are taken to avoid any damage to sensitive buildings (Category I, II, III, IV buildings as defined by FTA in Table 4.7-4) or historic buildings due to construction-induced vibration. This shall include pre-construction surveys of all buildings within 21 feet of vibration producing construction activity to confirm the building category (Category I, II, III, IV buildings as defined in Table 4.7-4), structural condition of the building, and to provide a baseline for monitoring of ground-borne vibration (GBV) and measuring the potential for GBV to cause damage where needed. Any damage caused by Metro's construction activities shall be repaired.</p>	Verify that pre-construction surveys have been performed where needed.	Metro	Final Design
		Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Moderate (but not significant) GBV could cause annoyance to sensitive land uses during construction.	<p>NV-3: Distances greater than those provided in EIS/EIR Table 4.7-5 shall be maintained near vibration-sensitive locations to avoid potential construction-related vibration impacts.</p>	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	<p>NV-4: Less vibration-intensive construction equipment or techniques shall be used near vibration-sensitive locations.</p>	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	<p>NV-5: Heavily laden vehicles shall be routed away from vibration-sensitive locations.</p>	Check design contract documents and construction specifications for compliance.	Metro	Final Design

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
		Monitor construction activities for compliance.	Metro	Construction
	NV-6: Earthmoving equipment shall be operated as far as possible from vibration-sensitive locations.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	NV-7: Construction activities that produce vibration, such as demolition, excavation, earthmoving, and ground impacting shall be sequenced so that the vibration sources do not operate simultaneously.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	NV-8: Nighttime construction activities that produce noticeable vibration shall be avoided near vibration-sensitive locations.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	NV-9: Devices with the least impact shall be used to accomplish necessary tasks.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	NV-10: Non-impact demolition and construction methods, such as saw or torch cutting and removal for off-site demolition, chemical splitting, and hydraulic jack splitting, shall be used instead of high impact methods near vibration-sensitive locations.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	NV-11: Building protection measures such as underpinning, soil grouting, or other forms of ground improvement shall be used where needed to prevent deterioration of building condition due to construction.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	NV-12: Pavement breakers, vibratory rollers, and packers shall operate as far as possible from vibration-sensitive locations.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Noise may inadvertently exceed FTA significance criteria during construction.	NV-13: <b><u>The construction mitigation plan shall prohibit noise levels generated during construction from exceeding the FTA construction noise criteria. This could include prohibiting simultaneous operation of major pieces of construction equipment if simultaneous operation exceeds FTA construction noise criteria.</u></b> If a noise complaint is filed during project construction, noise monitoring shall be conducted in the vicinity of the area in question. Although it is not expected to do so with the application of appropriate BMPs, if monitored noise levels exceed FTA construction noise	Monitor construction activities for compliance.	Metro	Construction

## Mitigation Monitoring and Reporting Program for the LPA

	criteria, the contractor shall use all or a combination of the following measures( NV-14 through NV-17) to reduce construction noise levels below FTA construction noise criteria.			
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**Table 8-1. Mitigation Monitoring and Reporting Program (continued)**

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	NV-14: Temporary noise barriers around the construction sites and localized barriers around specific items of equipment or smaller areas shall be provided as needed.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	NV-15: Alternative back-up alarms/warning procedures shall be used where feasible as needed.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	NV-16: Higher performance mufflers shall be used on equipment used during nighttime hours as needed near sensitive land uses.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
NV-17: Portable noise sheds for smaller, noisy equipment, such as air compressors, dewatering pumps, and generators shall be provided as needed.	Check design contract documents and construction specifications for compliance.	Metro	Final Design	
	Monitor construction activities for compliance.	Metro	Construction	



# Mitigation Monitoring and Reporting Program for the LPA

		Monitor construction activities for compliance.	Metro	Construction
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# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Significant ground-borne noise (GBN) impacts could occur during construction at Walt Disney Concert Hall, and the Broad Art Foundation Museum, which is currently under construction.  Mitigation for the Walt Disney Concert Hall has been modified to cover the Colburn School as well, in an abundance of caution	NV-18: Construction of the project, in the vicinity of the Walt Disney Concert Hall, shall be done in accordance with the Memorandum of Agreement (MOA) between FTA and the State Historic Preservation Officer (SHPO), which includes stipulations that outline the specific requirements for consultation and decision-making between the lead federal agency and consulting parties, specify the level of Historic American Building Survey/Historic American Engineering Record (HABS/HAER) recordation, and outline specific requirements for pre- and post-construction surveys, geotechnical investigations, building protection measures, and tunnel boring machine (TBM) specifications (for the Walt Disney Concert Hall only).	Confirm provisions of the MOA.	Metro	Preliminary Engineering
		Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	Tunnel Boring Machine:			
	NV-19: Maintenance and Operation: The construction contractor shall minimize vibration from jacking or pressing operations (if applicable, the action could be smoothed out to avoid a sharp push), and maintain machinery in good working order.	Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	NV-20: Coordination and Notification: There would be times when the Main Auditorium of the Walt Disney Concert Hall is vacant or not used for a noise-sensitive activity, thereby eliminating any noise impact from TBM. Similarly, there would be times at the Los Angeles Philharmonic Association Conference Room (and offices) of the Walt Disney Concert Hall and at the recording/performance halls of the Colburn School when activities are not particularly noise-sensitive. Metro shall coordinate closely with the Walt Disney Concert Hall, the Colburn School, and the Broad Art Foundation Museum, which is currently under construction, to ensure that the noise-generating parts of TBM operations shall be conducted to avoid noise-sensitive periods.	Monitor construction activities for compliance.	Metro	Construction
	Delivery Train:			
	NV-21: Speed: Delivery train speed shall be limited to 5 MPH in the vicinity of the Walt Disney Concert Hall, the Colburn School, and the Broad Art Foundation Museum, currently under construction, which would reduce the GBN to the lower range, or 5 dBA from the maximum range.	Monitor construction activities for compliance.	Metro	Construction
	NV-22: Resilient Mat: A resilient system to support and fasten the delivery train tracks shall be used during construction, which would reduce GBN levels by at least 4 dBA.	Check design contract documents and construction specifications for compliance.	Metro	Final Design

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	<p>NV-22 (continued): Such as system shall include a) resilient mat under the tracks and b) a resilient grommet or bushing under the heads of any track fasteners (assuming some kind of anchor or bolt system). The hardness of the resilient mat shall be in the 40 to 50 durometer range, and be about one to two inches thick, depending on how heavily loaded the cars would be. The contractor shall select the mat thickness so that the rail does not bottom out during a car pass-by.</p>	<p>Monitor construction activities for compliance.</p>	<p>Metro</p>	<p>Construction</p>
	<p>NV-23: Conveyor: The delivery train shall be replaced with a conveyor system to transport materials in the tunnel if GBN exceeds the FTA annoyance criteria at the Walt Disney Concert Hall, the Colburn School, or the Broad Art Foundation Museum, which is currently under construction.</p>	<p>Check design contract documents and construction specifications for compliance.</p>	<p>Metro</p>	<p>Final Design</p>
	<p>NV-24: Coordination and Notification: There would be times when the Main Auditorium and Choral Hall of the Walt Disney Concert Hall and the recording/performance halls of the Colburn School are vacant or not used for noise-sensitive activities, thereby eliminating any noise impact from the delivery train. Metro shall coordinate closely with the Walt Disney Concert Hall, the Colburn School, and the Broad Art Foundation Museum, which is currently under construction, to ensure that the delivery train pass-bys would be conducted to avoid noise-sensitive periods.</p>	<p>Monitor construction activities for compliance.</p>	<p>Metro</p>	<p>Construction</p>

# Mitigation Monitoring and Reporting Program for the LPA

**Table 8-1. Mitigation Monitoring and Reporting Program (continued)**

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Significant GBN impacts and GBV could occur during construction at the Hikari Lofts, offices in JVP, and the Nakamura Tetsujiro Building.	NV-25: Metro shall provide advance notice and coordinate with the affected property owners regarding schedules for tunneling and other activities prior to the commencement of those activities.	Monitor construction activities for compliance.	Metro	Construction
	NV-26: Metro shall provide advanced notification and coordination by doing the following. <ul style="list-style-type: none"> <li>• Metro shall establish a Construction Community Relation Program to inform and coordinate construction activities including notification to all occupants at the Hikari Lofts, the interior designer office at the JVP, and the Nakamura Tetsujiro Building about the schedule of tunneling activities at least one month prior to the start of the activities.</li> <li>• Metro shall monitor GBN and GBV levels in the in the building adjacent to TBM activity during its operation in that area.</li> <li>• During the few days the TBM will be operating in this area, should GBN or GBV measurements exceed FTA annoyance criteria for short-term impacts during construction, Metro shall offer to temporarily relocate affected residents.</li> </ul>	Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
<p>Significant GBN impacts could occur during operations at Walt Disney Concert Hall, Hikari Lofts, offices in JVP, the Nakamura Tetsujiro Building, and the Broad Art Foundation Museum, currently under construction.</p> <p>Mitigation for the Walt Disney Concert Hall has been modified to cover the Colburn School as well, in an abundance of caution</p>	<p>NV-27: In the vicinity of the Walt Disney Concert Hall and the Colburn School, Metro shall implement resiliently supported fasteners, isolated slab track, or other appropriate measures as needed to eliminate impacts and to reduce GBN below FTA annoyance criteria.</p>	<p>Verify that preliminary engineering studies have been completed.</p>	Metro	Preliminary Engineering
		<p>Check design contract documents and construction specifications for compliance.</p>	Metro	Final Design
	<p>NV-28: In the vicinity of the Hikari Lofts and Nakamura Tetsujiro Building, Metro shall conduct engineering studies during final design to verify initial estimates of GBN and shall implement high compliance resilient fasteners, floating slab trackbed, or other appropriate measures as needed to eliminate impacts and to reduce GBN below FTA annoyance criteria.</p>	<p>Verify that Final Design studies have been completed.</p>	Metro	Preliminary Engineering
		<p>Check design contract documents and construction specifications for compliance.</p>	Metro	Final Design
	<p>NV-29: In the vicinity of the offices at JVP and the Broad Art Foundation Museum, currently under construction, Metro shall conduct engineering studies during final design to verify initial estimates of GBN and shall implement high compliance resilient fasteners or other appropriate measures as needed to eliminate impacts and reduce GBN below FTA annoyance criteria.</p>	<p>Verify that Final Design studies have been completed.</p>	Metro	Preliminary Engineering
		<p>Check design contract documents and construction specifications for compliance.</p>	Metro	Final Design

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Some trees in the project area would be removed or disturbed during construction.	EB-1: The construction contractor shall minimize disturbance to trees through avoidance or fencing.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	EB-2: If disturbance is unavoidable, the construction contractor shall trim individual trees instead of removing them completely where feasible to reduce the scale of disturbance.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	EB-3: The construction contractor shall replant or replace disturbed or removed trees as soon as practicable.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Some tree removal and trimming may need to occur during the bird breeding season, from February 1 to August 31.	EB-4: The construction contractor shall schedule necessary tree removal and trimming activities that would affect bird nesting outside of the bird breeding season, which can extend from February 1 to August 31.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	<p>EB-5: If it is not feasible to avoid tree removal and trimming related to construction during the breeding bird season from February 1 to August 31, breeding bird surveys shall be conducted as recommended by the California Department of Fish and Game. A qualified biologist shall conduct two biological surveys, one 15 days prior and a second 72 hours prior to construction activities that would remove or disturb suitable nesting habitat. The biologist would prepare survey reports documenting the presence or absence of active nests of any protected native bird (as identified in the Migratory Bird Treaty Act) in the habitat to be removed and any other such habitat within 300 feet of the construction work area (within 500 feet for raptors).</p>	Verify qualifications of biologist.	Metro	Pre-Construction
		Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	<p>EB-6: If an active native bird species nest is located, construction within 300 feet of the nest (500 feet for raptor nests) shall be postponed or modified in consultation with the qualified biologist until the nest is vacated, juveniles have fledged, and there is no evidence of a second attempt at nesting.</p>	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
		Verify concurrence of qualified biologist.	Metro	Construction
<p>Some of the trees that need to be removed may be native trees.</p>	<p>EB-7: After detailed engineering and design plans are prepared, a tree survey shall be conducted by a qualified arborist to identify native trees that could be affected by project construction. If construction of the project requires removal of any of the native trees located along the proposed alignment and stations for the approved project, the following mitigation measure shall be applied: A removal permit shall be obtained from the Los Angeles Board of Public Works in accordance with the City of Los Angeles Native Tree Protection Ordinance. Tree replacement shall comply with the ordinance and the terms of the removal permit. If construction would require pruning of any protected native tree, the pruning shall be performed in a manner that does not cause permanent damage or adversely affect the health of the trees. See also EJ-30.</p>	Verify that permit has been obtained.	Metro	Final Design
		Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction



# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
<p>Potential exists for ground movement associated with cut and cover construction and potential ground loss due to tunneling.</p>	<p>GT-1: While engineering designs are being finalized, but before any construction, a survey of structures within the anticipated zone of construction influence shall be conducted in order to establish baseline conditions. A geotechnical instrumentation and settlement monitoring plan and mitigation measures shall be developed and adhered to during construction to ensure appropriate measures are taken to address any construction-induced movement. If assessments indicate the necessity to proactively protect nearby structures, additional support for the structures by underpinning or other ground improvement techniques shall be required prior to the underground construction. Metro shall require the construction contractor to limit movement to less than acceptable threshold values for vertical, horizontal, and angular deformation as a performance standard. These acceptable threshold values shall be established such that the risk of damage to buildings and utilities will be negligible to very slight. For buildings, these threshold values will be based on the relationship of building damage to angular distortion and horizontal strain consistent with Boscardin and Cording (1989) and qualitative factors including but not limited to the type of structure and its existing condition. For utility mains, these threshold values shall be those established by the utility owners. Additional data and survey information shall be gathered during final design for each building and utility main to enable assessment of the tolerance of potentially affected structures and utilities. Additional engineering and design level geotechnical studies shall be performed to define the nature of the soils and to refine the means of achieving each performance specification.</p>	<p>Verify that design criteria have been established.</p>	<p>Metro</p>	<p>Final Design</p>
		<p>Check design contract documents and construction specifications for compliance.</p>	<p>Metro</p>	<p>Final Design</p>
		<p>Verify that additional geotechnical studies have been completed.</p>	<p>Metro</p>	<p>Final Design</p>
		<p>Monitor construction activities for compliance.</p>	<p>Metro</p>	<p>Construction</p>

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	GT-2: Ground improvement such as grouting or other methods shall be required to fill voids where appropriate and offset potential settlement when excess material has been removed during excavation. The criteria for implementing grouting or ground improvement measures shall be based on the analysis described in mitigation measure GT-1.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	GT-3: The tunnel alignment shall be grouted in advance to provide adequate soil support and minimize settlement as geotechnical conditions require.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	GT-4: Settlement along the project alignment shall be monitored using a series of measuring devices above the route of the alignment. Leveling surveys shall be conducted prior to tunneling to monitor for possible ground movements.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Verify that adequate leveling surveys have been completed.	Metro	Pre-Construction
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	GT-5: Tunnel construction monitoring requirements shall be described and defined in design contract documents. Additional geotechnical provisions shall be included to the extent feasible, including use of an Earth Pressure Balance or Slurry TBM for tunnel construction to minimize ground loss. During tunnel construction, the soils encountered shall be monitored relative to anticipated soil conditions as described in a Geotechnical Baseline Report.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Verify that an adequate Geotechnical Baseline Report has been prepared.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
See also CR/B-2.				
Contaminated soil or groundwater may be encountered during construction.	GT-6: Once a specific alignment is selected, and detailed engineering plans are being prepared a Contaminated Soil/Groundwater Management Plan shall be implemented during construction to establish procedures to follow if contamination is encountered in order to minimize associated risks to assure that applicable statutory and regulatory standards and requirements are satisfied. The plan shall be prepared during the final design phase of the project, and the construction contractor shall be held to the level of performance specified in the plan. The plan shall include procedures for the implementation of mitigation measures GT-7 through GT-11.	Verify that an adequate Contaminated Soil/Groundwater Management Plan has been prepared.	Metro	Final Design
		Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	GT-7: Appropriate regulatory agencies, identified in the Contaminated Soil/Groundwater Management Plan, shall be contacted if contaminated soil or groundwater is encountered.	Check construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	GT-8: Sampling and analysis of soil and/or groundwater known or suspected to be impacted by hazardous materials shall be conducted in accordance with the procedures detailed in the Contaminated Soil/Groundwater Management Plan.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	GT-9: Procedures for the legal and proper handling, storage, treatment, transport, and disposal of contaminated soil and/or groundwater shall be delineated and conducted in consultation with regulatory agencies and in accordance with established statutory and regulatory requirements as explained with specificity in the Contaminated Soil/Groundwater Management Plan.	Verify that consultation with appropriate regulatory agencies has occurred.	Metro, regulatory agencies	Final Design
		Check design contract documents and construction specifications for compliance.	Metro	Final Design
Monitor construction activities for compliance.		Metro	Construction	

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	GT-10: Dust control measures such as soil wetting, wind screens, etc. shall be implemented for contaminated soil.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	GT-11: Groundwater collection, treatment, and discharge shall be performed according to applicable standards and procedures (refer to Section 4.10.1).	Check design contract documents and construction specifications for compliance and consistency with Contaminated Soil/Groundwater Management Plan.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	GT-12: Worker Health and Safety Plan shall be implemented prior to the start of construction activities. All workers shall be required to review the plan, receive training if necessary, and sign the plan prior to starting work. The plan shall identify properties of concern, the nature and extent of contaminants that could be encountered during excavation activities, appropriate health and environmental protection procedures and equipment, emergency response procedures including the most direct route to a hospital, contact information for the Site Safety Officer.	Verify that an adequate Contaminated Soil/Groundwater Management Plan has been prepared.	Metro	Final Design
		Verify that training has occurred and workers have signed the plan.	Metro	Pre-Construction
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	GT-13: Impermeable grout and other appropriate measures shall be used where necessary to fill gaps between the tunnels and the surrounding earth to address the potential for creation of a preferential pathway and resulting spread of existing contaminated groundwater.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Subsurface gases associated with oilfields in the vicinity of the project area may be encountered during construction.	GT-14: Testing for subsurface gases particularly methane shall be conducted before and during construction along all portions of the underground alignment.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Verify that adequate testing has occurred.	Metro	Final Design
	GT-15: Construction of the project shall be consistent with the City of Los Angeles Methane Mitigation Standards, established in accordance with City of Los Angeles Ordinance No. 175790 and No. 180619, which provide detailed installation procedures, design parameters, and test protocols for the methane gas mitigation system as well as methods to control methane intrusion emanating from geologic formations.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	GT-16: Specialized excavation methods shall be implemented to protect workers and the public from exposure to toxic gases and prevent explosions. For instance, pressurized closed-face TBMs and other equipment outfitted with ventilation systems would be used, as needed, to excavate the tunnels associated with the project, including Slurry Face Machines (SFMs) and Earth Pressure Balance Machines (EPBMs). During tunneling, the volume of gas (or water containing dissolved gas) released from the soil is confined to the excavated material chamber of the TBM because of the closed-face and gas-tight lining that is installed immediately behind the TBM. The project shall also be consistent with the City's Methane Mitigation Standards, which include provisions to protect workers and the public.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Asbestos and lead may be encountered during building demolition.	GT-17: Prior to building demolition, surveys of asbestos containing materials and lead-based paint shall be conducted. If necessary, destructive sampling shall be used. All asbestos containing materials and lead-based paint would be removed or otherwise abated prior to demolition in accordance with all applicable laws and regulations.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Verify that adequate surveys have been completed.	Metro	Final Design
		Monitor construction activities for compliance and verify that any necessary abatement has been completed before demolition begins.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Potential exists for accidental release of construction-related hazardous materials.	GT-18: The construction contractor shall be required to implement best management practices (BMPs) for handling hazardous materials in compliance with existing regulations. These shall include requirements for proper use, storage, and disposal of chemical products and hazardous materials used in construction; spill control and countermeasures, including employee spill prevention/response training; vehicle fueling procedures to avoid overtopping construction equipment fuel tanks; procedures for routine maintenance of construction equipment, including the proper containment and removal of grease and oils; procedures for the proper disposal of discarded containers of fuels and other chemicals.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Potential exists for intrusion of subsurface gases into the underground portions of the alignment.	GT-19: Structures within methane zones and buffer zones shall be consistent with municipal code requirements for gas concentration/pressure testing on a specified frequency and, based on the results, appropriate mitigation measures or controls to be included in the design. These measures may include the use of gas-impermeable liners and venting to reduce or eliminate gas intrusion into stations and along the length of the underground segments.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
		Verify that gas concentration and pressure testing is performed according to specified frequency.	Metro	Operation
Potential exists for hazardous materials to be encountered during excavation and construction activities.	GT-20: Prior to the onset of demolition and construction, Metro shall develop and implement an Environmental Site Assessment program in accordance with appropriate laws and regulations (refer to Section 4.9.1) to assess the potential for hazardous materials that may be encountered during construction.	Check design contract documents and construction specifications for compliance.	Metro	Final Design



# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
		Monitor construction activities for compliance.	Metro	Construction
Potential exists for hazardous building materials to be encountered during demolitions.	GT-21: Prior to the onset of demolition and construction, Metro shall develop and implement plans for pre-demolition and demolition abatement of hazardous building materials (i.e., asbestos, lead-based paint, PCB-light ballasts) in accordance with appropriate laws and regulations such as the Toxic Substances Control Act (refer to Section 4.9.1).	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Potential exists for excess erosion to occur during construction.	WR-1: An erosion control plan shall be prepared prior to construction and shall specify procedures for implementing mitigation measures WR-2 through WR-5.	Verify that an adequate erosion control plan has been prepared.	Metro	Final Design
		Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	WR-2: Natural drainage, detention ponds, sediment ponds, or infiltration pits shall be used to allow runoff to collect and reduce or prevent erosion.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
Monitor construction activities for compliance.		Metro	Construction	

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	WR-3: Barriers shall be used to direct and slow the rate of runoff and to filter out large-sized sediments.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	WR-4: Down-drains or chutes shall be used to carry runoff from the top of a slope to the bottom.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	WR-5: Use of water for irrigation and dust control shall be controlled so as to avoid off-site runoff.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Impacts to water quality stemming from both construction and operation of the project could occur.	WR-6: Project design shall include properly designed and maintained biological oil and grease removal systems in new storm drain systems to treat water before it leaves project sites.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	WR-7: Hazardous materials shall be stored properly and in accordance with applicable law to prevent contact with precipitation and runoff.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
		Monitor operations and maintenance for compliance.	Metro	Operation
	WR-8: Prior to the onset of demolition or construction an effective monitoring and cleanup program for spills and leaks of hazardous materials shall be developed and maintained.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
		Monitor operations and maintenance for compliance.	Metro	Operation
WR-9: Equipment to be repaired or maintained shall be placed in covered areas on a pad of absorbent material to contain leaks, spills, or small discharges.	Check design contract documents and construction specifications for compliance.	Metro	Final Design	
	Monitor construction activities for compliance.	Metro	Construction	

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	WR-10: Periodic and consistent removal of landscape and construction debris shall be performed.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
		Monitor operations and maintenance for compliance.	Metro	Operation
	WR-11: Any significant chemical residue on the project sites shall be removed through appropriate methods.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
		Monitor operations and maintenance for compliance.	Metro	Operation
	WR-12: Non-toxic alternatives for any necessary applications of herbicides or fertilizers shall be used.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
		Monitor operations and maintenance for compliance.	Metro	Operation
	WR-13: Detention basins shall be installed to remove suspended solids by settlement.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	WR-14: Water quality or runoff shall be periodically monitored before discharge from project sites and into the storm drainage system.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Construction-related direct and indirect adverse impacts to historical resources could occur.	CR/B-1: Documentation of historic properties and historical resources adversely affected by the project shall consist of the development of individual HABS/HAER submissions. The appropriate level of recordation shall be established in consultation with the California SHPO and formalized as a part of a Memorandum of Agreement as described in Section 4.12.1.4.5 of the Draft EIS/EIR and included in Appendix 3 of this Final EIS/EIR. The HABS/HAER documents shall be offered to the Library of Congress and the documents shall be prepared so that the original archival-quality documentation would be suitable for inclusion in the Library of Congress if the National Park Service accepts these materials. Archival copies of the documentation shall also be offered for donation to local repositories, including the Los Angeles Central Library and the Los Angeles Conservancy.	Verify that adequate HABS/HAER documents have been prepared.	Metro, SHPO	Preliminary Engineering
		Verify level of recordation established by SHPO and MOA has been met.	Metro, SHPO	Preliminary Engineering

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	<p>CR/B-2: During preliminary engineering and final design of the project, a more detailed survey of historic properties and/or historical resources within 21 feet of vibration producing construction activity shall be conducted to confirm the building category, and to provide a baseline for monitoring of GBV and the potential for GBV to cause damage. The survey shall also be used to establish baseline, pre-construction conditions for historic properties and historical resources. During preliminary engineering and final design of the project, additional subsurface (geotechnical) investigations shall be undertaken to further evaluate soil, groundwater, seismic, and environmental conditions along the alignment. The analysis shall assist in the selection and development of appropriate support mechanisms for cut and cover construction areas and any sequential excavation method (mining) construction areas, in accordance with industry standards and the Building Code. The subsurface investigation shall also identify areas that could experience differential settlement as a result of using a TBM in close proximity to historic properties and/or historical resources. An architectural historian or historical architect who meets the Secretary of Interior's Professional Qualification Standards shall provide input and review of design contract documents prior to implementation of the mitigation measures.</p>	<p>Verify that an adequate survey of historic properties and/or historical resources has been performed.</p>	<p>Metro</p>	<p>Preliminary Engineering</p>
<p>Verify that adequate subsurface investigations have occurred.</p>		<p>Metro</p>	<p>Preliminary Engineering</p>	
<p>Verify qualifications of architectural historian or historical architect, and ensure that review of design contract documents occurs prior to implementation of mitigation measures.</p>		<p>Metro</p>	<p>Final Design</p>	

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	<p>CR/B-3: The historic property and historical resource protection measures as well as the geotechnical and vibration monitoring program shall be reviewed by an architectural historian or historical architect who meets the Secretary of Interior's Professional Qualification Standards to ensure that the measures would adequately protect the properties/resources. A post-construction survey shall also be undertaken to ensure that adverse effects or significant impacts have not occurred to historic properties or historical resources.</p>	<p>Verify qualifications of architectural historian or historical architect, and ensure that review of protection measures has occurred.</p>	<p>Metro</p>	<p>Final Design</p>
		<p>Verify that post-construction survey has occurred and no adverse effects or significant impacts would occur.</p>	<p>Metro</p>	<p>Post-Construction</p>
	<p>CR/B-4: For those historic properties and historical resources where adverse impacts are anticipated, a MOA has been developed to resolve those adverse effects consistent with 36 CFR 800. This agreement, developed by FTA and Metro in consultation with the California SHPO and other consulting parties shall resolve and/or avoid, minimize, or mitigate potential effects to historic properties and/or historical resources. The agreement includes stipulations that outline the specific requirements for consultation and decision-making between the lead federal agency and consulting parties, specify the level of HABS/HAER recordation, and outline specific requirements for pre- and post-construction surveys, geotechnical investigations, building protection measures, and TBM specifications. See Appendix 3 (MOA) of this Final EIS/EIR for specific requirements.</p>	<p>Confirm provisions of the MOA.</p>	<p>Metro, FTA, SHPO</p>	<p>Preliminary Engineering</p>
		<p>Check design contract documents and construction specifications for compliance.</p>	<p>Metro</p>	<p>Final Design</p>
		<p>Monitor construction activities for compliance.</p>	<p>Metro</p>	<p>Construction</p>



# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	CR/B-5: The S. Kamada Restaurant, Atomic Café, Señor Fish, and Coast Imports building (to be removed) shall be offered for a period of one year following certification of the Final EIS/EIR for the price of \$1 to any party willing to move it off of the 1 <sup>st</sup> /Central Avenue station site at their own expense. Should no parties come forward, Metro shall incorporate materials from the building into the project facilities. Metro shall explore keeping portions of the building intact for use in the 1 <sup>st</sup> /Central Avenue station. Metro shall also offer to provide an exhibit commemorating the building at the JANM, the 1 <sup>st</sup> /Central Avenue station site, or other suitable location. An individual HABS/HAER submission shall be developed.	Verify that the offer to sell is extended for one year.	Metro	Pre-Construction
		Verify that HABS/HAER submission is completed.	Metro	Pre-Construction
		Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	CR/B-6: Facades of historic buildings adjacent to the construction areas shall be protected from accumulation of excessive dirt or shall be cleaned in an appropriate manner periodically while construction activities are occurring nearby.	Monitor construction activities for compliance.	Metro	Construction, Post-Construction
	See also GT-1 through GT-5.			
Significant GBN impacts could occur during construction and operations at Walt Disney Concert Hall.	See NV-18 through NV-24 and NV-27.			

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Built environment mitigation measures included in the MOA between the SHPO, Metro, and FTA shall be implemented as part of this MMRP. The full text of the MOA is attached to this MMRP.	See attached MOA.			
Unknown archaeological resources could be disturbed during construction.	CR/A-1: Construction personnel shall be trained on proper procedures by a qualified lead archaeologist.	Verify qualifications of lead archaeologist.	Metro	Pre-Construction
		Verify that training occurs.	Metro	Pre-Construction
	CR/A-2: An archaeological monitor shall be present during ground-disturbing activities. The archaeological monitor shall have authority to halt operations to examine potential resources and recover artifacts using professional archaeological methods.	Verify qualifications of archaeological monitor.	Metro	Pre-Construction
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

**Table 8-1. Mitigation Monitoring and Reporting Program (continued)**

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	CR/A-3: A Native American cultural resources consultant from the Gabrielino/Tongva San Gabriel Band of Mission Indians and/or the Tongva Ancestral Territorial Tribal Nation shall be contacted to monitor ground-disturbing work if Native American cultural resources are discovered.	Identify a qualified Native American cultural resources consultant.	Metro, Gabrielino/Tongva San Gabriel Band of Mission Indians, and Tongva Ancestral Territorial Tribal Nation	Pre-Construction
		Monitor construction activities for compliance.	Metro	Pre-Construction
	CR/A-4: Work shall stop if human remains are found, and the Los Angeles County Coroner shall be notified immediately. If the remains are determined to be prehistoric, the Coroner shall notify the Native American Heritage Commission (NAHC), which will arrange for a Most Likely Descendent (MLD) to inspect the site within 48 hours and issue recommendations for scientific removal and nondestructive analysis.	Monitor construction activities for compliance.	Metro	Construction
		Identify MLD and ensure timely inspection occurs.	NAHC	Construction
	CR/A-5: If no cultural resources are discovered during construction monitoring, the archaeological monitor shall submit a brief letter to that effect. If previously unidentified cultural resources are discovered in the course of construction monitoring, a report shall be prepared following Archaeological Resource Management Report (OHP 1990) guidelines that documents field and analysis results and interprets the data within an appropriate research context.	Verify that a letter or report has been prepared as appropriate.	Metro	Post-Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Disturbance of the Los Angeles Zanja System (CA-LAN-887H and other unnumbered zanjás), and sites CA-LAN-3588, P-19-003338, and P-19-003339 could occur during construction.	CR/A-6: A proactive identification and documentation program that would facilitate preservation or mitigation in a cost-effective manner shall be undertaken. This shall include using documentary research to identify, as accurately as possible, the precise alignments of the zanjás within the area of potential effect. Where these alignments are expected to be affected by the proposed project, particularly where cut and cover or other near-surface construction techniques are planned in the vicinity of mapped zanja segments, full-time archaeological monitoring would be instituted to ensure documentation consistent with Section 4.12.2.4.2 of the Draft EIS/EIR.	Verify that the identification and documentation program has been prepared.	Metro	Final Design
		Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
Archaeological mitigation measures included in the MOA between the SHPO, Metro, and FTA shall be implemented as part of this MMRP. The full text of the MOA is attached to this MMRP.	See attached MOA.	Verify implementation of MOA mitigation measures.	Metro	Final Design, Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Previously undiscovered paleontological resources may be disturbed during construction.	CR/P-1: A qualified paleontologist shall prepare a Paleontological Monitoring and Mitigation Plan for the proposed project and supervise monitoring of construction excavations within sensitive geologic sediments. The monitor shall have authority to temporarily divert grading away from exposed fossils to professionally and efficiently recover the fossil specimens and collect associated data.	Verify qualifications of paleontologist.	Metro	Final Design
		Verify that an adequate Paleontological Monitoring and Mitigation Plan has been prepared.	Metro	Final Design
		Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro, Paleontological monitor	Construction
	CR/P-2: All project-related ground disturbances that could potentially affect the Puente Formation, Fernando Formation, and Quaternary older alluvium and terrace deposits would be monitored by a qualified paleontological monitor on a full-time basis (where feasible) because these geologic sediments are determined to have a high paleontological sensitivity. Very shallow surficial excavations (less than five feet) within Quaternary younger alluvium would be monitored on a part-time basis to ensure that underlying sensitive units are not adversely affected. Construction monitoring during any tunneling activity is not warranted as any potential fossil specimens present within sensitive geologic units would be crushed and destroyed by the nature of tunneling methodology.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	CR/P-3: At each fossil locality, field data forms shall be used to record pertinent geologic data, stratigraphic sections shall be measured, and appropriate sediment samples shall be collected and submitted for analysis.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro, Paleontological monitor	Construction
	CR/P-4: Due to the likelihood of the presence of microfossils, matrix samples shall be collected and tested within the Puente Formation and Fernando Formation. Testing for microfossils shall consist of screen-washing samples (approximately 30 pounds) to determine if significant fossils are present. Productive tests shall result in screen-washing of additional bulk matrix up to a maximum of 2,000 pounds per locality to ensure recovery of a scientifically significant sample.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro, Paleontological monitor	Construction
	CR/P-5: Recovered fossils shall be prepared to the point of curation, identified by qualified experts listed in a database to facilitate analysis, and repositied in a designated paleontological curation facility such as the Natural History Museum of Los Angeles County.	Verify that a suitable repository has been identified and recovered fossils are repositied appropriately.	Metro	Construction
	CR/P-6: The paleontologist shall prepare a final monitoring and mitigation report to be filed, at a minimum, with Metro and the identified repository.	Verify that an adequate report has been filed.	Metro	Post-Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Restriction of access to public services could occur due to construction activities.	PC-1: Where feasible, temporary restriping of the roadway to maximize the vehicular capacity at locations affected by construction closures shall be performed. Metro shall provide notices of closures and relocations on its website, smart phone apps, and other modes typically used to communicate service announcements.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	PC-2: Where feasible and necessary, temporary removal of on-street parking to maximize the vehicular capacity at locations affected by construction closures shall be performed. Where temporarily eliminated, parking spaces will be restored to their prior striped or signed condition at the conclusion of the construction period.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
See also AQ-15, CN-1, CN-3, CN-5, CN-6, TR-4, TR-5, DR-6, and EJ-1.				
Economic and fiscal impacts of business and parking displacement due to project acquisitions.	See DR-4 through DR-8.			
	EF-1: Metro shall develop measures to assist business owners significantly impacted by construction. These shall include temporary parking, marketing programs, and other measures developed jointly between Metro and affected businesses.	Oversee joint working group between Metro and affected business owners. Work individually with each business.	Metro, Joint working group	Preliminary Engineering, Final Design
Verify that all feasible, appropriate measures identified by the joint effort are implemented.		Metro, Joint working group	Construction	

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Safety and security concerns should be further minimized during operations through BMPs.	SS-1: Fire alarm protection shall be provided within station areas as required by applicable laws, regulations, and standards.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Verify that system is maintained in working order.	Metro	Operation
	SS-2: A minimum of two fire emergency routes shall be provided from each station as required by applicable laws, regulations, and standards.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Maintain exits in working order.	Metro	Operation
	SS-3: Adequate emergency ventilation and lighting shall be provided in each station in accordance with Metro Fire/Life Safety Standards and City of Los Angeles building codes.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Verify that system is maintained in working order.	Metro	Operation
	SS-4: Communication systems between adjoining fire agencies shall be provided as required by applicable laws, regulations, and standards.	Check design contract documents and construction specifications for compliance.	Metro	Final Design



# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
		Verify that system is maintained in working order.	Metro	Operation
	SS-5: A methane detection system shall be provided in each station as required by applicable laws, regulations, and standards.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Verify that system is maintained in working order.	Metro	Operation
	SS-6: Building construction for underground stations shall not be less than Type I Construction as defined in the Uniform Building Code. All stations with more than two levels below-grade or where the lowest occupied level is more than 80 feet below-grade shall have protected level separation or other protection features to provide safe egress to exits.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
	SS-7: All proposed mitigation measures regarding safety and security shall be implemented in a manner conformant to Metro's Rail Transit Design Criteria and Standards and Fire/Life Safety Criteria. A combination of the following measures shall be implemented as indicated by the Threat and Vulnerability Assessment: closed-circuit television system, emergency push-button call system for patrons, intrusion detection system, dedicated security patrol protocols and procedures, and crime prevention through environmental design.	Check design contract documents and construction specifications for compliance.	Metro	Final Design

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	<p>SS-8: Proposed station designs shall not include design elements that obstruct visibility or observation, nor provide discrete locations favorable to crime. Proposed stations shall be lighted to avoid shadows. Pedestrian pathways shall include clear sight lines whenever feasible. Project sidewalk widths and placements shall be appropriately designed to accommodate a wide variety of users. The following criteria shall be used when designing project sidewalks: sidewalk and pedestrian bridge widths shall be designed with the widest dimensions feasible (at least ten feet) in conformance with Metro's adopted land use and transportation policies; minimum sidewalk widths shall not be less than those allowed by the State of California Title 24 access requirements or the ADA design recommendations; where practicable, pedestrian movements and flows shall be favored over other transportation modes, such as automobile access; and stations shall be fully accessible as defined by ADA.</p>	<p>Check design contract documents and construction specifications for compliance.</p>	<p>Metro</p>	<p>Final Design</p>
	<p>SS-9: An ADA accessible connection for the 2<sup>nd</sup>/Hope Street station to Upper Grand Avenue shall be provided. The future Broad Art Foundation Museum, currently under construction, is projected to include a plaza above General Thaddeus Kosciuszko Way connecting to Upper Grand Avenue. In order to provide access from the 2<sup>nd</sup>/Hope Street station to Upper Grand Avenue, an elevator from the station entrance to the plaza shall be built as part of this alternative if one is not already provided. If the plaza is not built, a pedestrian connection (such as a pedestrian bridge) shall be constructed. The connection shall reduce conflicts between pedestrians and vehicles.</p>	<p>Check design contract documents and construction specifications for compliance.</p>	<p>Metro</p>	<p>Final Design</p>

# Mitigation Monitoring and Reporting Program for the LPA

**Table 8-1. Mitigation Monitoring and Reporting Program (continued)**

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	SS-10: Adequate pedestrian queuing and refuge areas shall be provided at the proposed stations to facilitate pedestrian mobility. Adequately wide crosswalks shall be provided in the areas immediately around the proposed stations.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
	SS-11: All proposed stations shall be equipped with monitoring equipment, which shall primarily consist of video surveillance to monitor strategic areas of the stations and walkways and/or be monitored by Metro security personnel on a regular basis.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Verify that system is maintained in working order.	Metro	Operation
	SS-12: Metro shall implement a security plan for LRT operations to include both in-car and station surveillance by Metro security or other local jurisdiction security personnel. Metro shall coordinate and consult with the Los Angeles Fire Department, Los Angeles Police Department, and the Los Angeles County Sheriff Department as appropriate to develop safety and security plans for the proposed alignment and station areas.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Verify that system is maintained in working order.	Metro	Operation
	SS-13: Trains and/or platforms shall be equipped with safety features that reduce the potential for persons to contact the vehicle coupler and/or fall under the train.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Verify that features are maintained in working order.	Metro	Operation

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	SS-14: Fire separations shall be provided and maintained in public occupancy areas as required by regulation.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Verify that features are maintained in working order.	Metro	Operation
Safety and security concerns should be further minimized during construction through BMPs.	SS-15: Metro shall protect public use of work areas involving sidewalks, entrances to buildings, lobbies, corridors, aisles, stairways, and vehicular roadways with appropriate guardrails, barricades, temporary fences, overhead protection, temporary partitions, shields, and adequate visibility. Metro shall keep sidewalks, entrances to buildings, lobbies, corridors, aisles, doors, or exits that remain in use by the public clear of obstructions. Metro shall post appropriate warnings, signs, and instructional safety signs. These requirements shall be included in the construction specifications.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	SS-16: An education safety and outreach campaign shall be implemented during construction to address public safety awareness in the vicinity of the project. The campaign would target the diverse community in the project area to educate them on proper system use and benefits of LRT ridership.	Monitor construction activities for compliance.	Metro	Construction
See also CN-1 through CN-3, TR-4, and DR-7.				

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Temporary bus re-routing or stop closures may be needed in Little Tokyo during construction.	See TR-12 and TR-13.			
Disproportionate amounts of parking spaces would be temporarily removed in Little Tokyo during construction (i.e., more parking spaces would be removed in Little Tokyo than in other parts of the project area). This could impact the community, including businesses.	EJ-1: The temporary displacement of three bus loading spaces on Alameda Street for the JANM shall be replaced nearby for the duration of construction activities. Metro shall work with JANM to confirm locations of temporary loading spaces.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction
	EJ-2: Any unmet demand for parking spaces eliminated in Little Tokyo during construction shall be temporarily replaced within one block of the land uses that rely on those spaces, or through a combination of measures DR-4, and EJ-3 through EJ-9.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	EJ-3: Metro shall provide two acres of land on the Mangrove property (northeast of 1 <sup>st</sup> and Alameda Streets) for the purposes of providing alternative parking services during construction, which could include satellite parking served by shuttle buses, valet parking from vehicle pick-up/drop-off in the central business areas of Little Tokyo, and standard self-parking. The number of spaces provided would range from 200 standard spaces to approximately 300 spaces when supplemental parking services are operating. Any parking services shall be operated by a licensed/bonded parking company and shall be selected through a competitive request for proposal (RFP) process. Cost to park shall be comparable with current cost to park. This shall offset the temporary loss of parking available to patrons of Little Tokyo businesses, and other visitors, during construction.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro, Parking Contractor	Construction
	EJ-4: Metro shall provide notices of traffic control plans and parking relocations on its website, smart phone apps, and other modes typically used to communicate service announcements.	Verify implementation of noticing procedures.	Metro	Construction
	EJ-5: Metro shall support efforts to curb non-legitimate use of disabled parking spaces.	Verify agency support.	Metro	Construction, Operation
	EJ-6: Metro shall work with LADOT, owners of private parking lots, and businesses to develop an advanced parking reservation system at cooperative and suitable locations during construction.	Verify that agency and community coordination has occurred.	Metro, LADOT, Little Tokyo stakeholders	Final Design
		Verify implementation and maintenance of system.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	EJ-7: Metro shall work with LADOT to open city parking lots for short-term use on evenings and weekends during construction in the vicinity of Little Tokyo.	Verify that agency coordination has occurred.	Metro	Final Design
		Verify parking lot adherence to extended hours.	Metro	Construction
	EJ-8: Metro shall work with the City of Los Angeles to reduce impacts of government vehicles parking on 2 <sup>nd</sup> Street during construction, such as identification of alternate parking areas.	Verify that agency coordination has occurred.	Metro	Final Design
	EJ-9: Metro shall work with the City of Los Angeles and the Little Tokyo Business Improvement District to facilitate creation of financial incentives such as parking validation programs to prioritize parking for Little Tokyo customers, residents, and businesses during construction.	Verify that agency coordination has occurred.	Metro	Final Design
		Monitor implementation of any financial incentive parking programs.	Metro	Construction
	EJ-10: Metro shall identify which restaurants within Little Tokyo would be interested in establishing curbside pickup. Metro shall work with the City of Los Angeles to allow temporary curbside parking during construction, which would allow Metro to establish curbside pickup for Little Tokyo restaurants.	Verify that community and City of Los Angeles coordination has occurred.	Metro, LADOT, Little Tokyo stakeholders	Final Design
		Check design contract documents for compliance.	Metro	Final Design
		Monitor construction activities for compliance.	Metro	Construction

# Mitigation Monitoring and Reporting Program for the LPA

**Table 8-1. Mitigation Monitoring and Reporting Program (continued)**

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	<p>EJ-11: Prior to construction, Metro shall conduct an annual parking needs assessment in Little Tokyo. Metro shall provide replacement parking for spaces lost as a result of the project as described in EJ-3 and to respond to the needs identified in the parking needs assessment. Metro shall work with Little Tokyo and surrounding communities to educate visitors and residents where parking is available during construction. Metro shall monitor parking, and the parking analysis shall be conducted on an annual basis throughout the duration of construction. This effort shall include new signage and other wayfinding features as appropriate.</p>	Verify that an independent parking needs assessment has been performed.	Metro	Final Design
If demand exceeds supply, check design contract documents for permanent replacement parking provisions.		Metro	Final Design	
If demand exceeds supply, verify that replacement parking has been opened.		Metro	Pre-Construction	
If demand exceeds supply, verify that replacement parking is maintained.		Metro	Construction	
If supply exceeds demand, verify that meetings with the Little Tokyo community and surrounding communities have occurred.		Metro	Final Design	
If supply exceeds demand, verify that signage and any other appropriate way finding features have been placed and are maintained.		Metro	Pre-Construction, Construction	
See also DR-4 through DR-5.				



# Mitigation Monitoring and Reporting Program for the LPA

**Table 8-1. Mitigation Monitoring and Reporting Program (continued)**

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Disproportionate community and neighborhood impacts could occur in Little Tokyo during construction.	EJ-12: Metro shall provide assistance for businesses to maintain visibility during construction, including signage and advertisements.	Verify that signage and advertisements have been placed and are maintained.	Metro	Construction
	See also CN-1 through CN-7, DR-6, DR-7, TR-1, TR-2, TR-4, TR-5, EJ-2 through EJ-10, EJ-15, EJ-16, EJ-17, and EJ-19.			
Disproportionate reductions of access to community facilities and businesses could occur in Little Tokyo during construction.	See TR-1 and EJ-1.			
Disproportionate property acquisitions and business relocations would occur in Little Tokyo.	EJ-13: Should parcels used for construction staging be proposed for redevelopment in the future, Metro is committed to involving the community in the redevelopment of construction staging areas following completion of construction activities. Metro shall do this through its established Joint Development Policy.	Verify that community input has been incorporated into redevelopment proposals.	Metro, Little Tokyo stakeholders	Construction, Post-Construction
	See also DR-8 and EJ-15.			
Disproportionate long-term displacement of commercial space could result in Little Tokyo.	EJ-14: Displaced commercial space in Little Tokyo shall be replaced with high quality commercial development opportunities consistent with Little Tokyo's community identity. This could include development at the 1 <sup>st</sup> /Central Avenue station site. Depending on the type of new development, it would potentially create at least as many jobs as had been displaced.	Verify that opportunities for development of the 1 <sup>st</sup> /Central Avenue station site and the Mangrove property are being actively sought.	Metro	Post-Construction

# Mitigation Monitoring and Reporting Program for the LPA

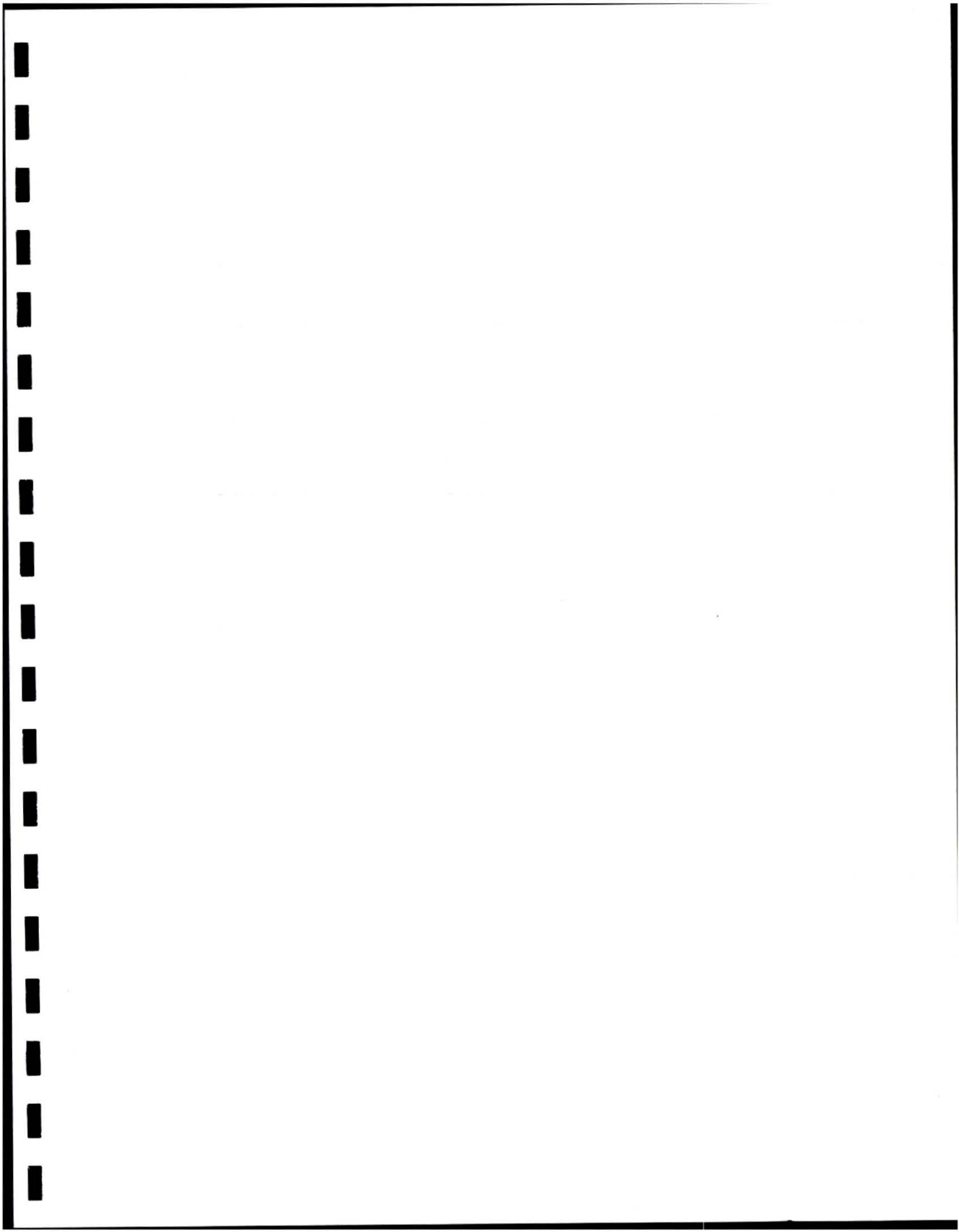
**Table 8-1. Mitigation Monitoring and Reporting Program (continued)**

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
	<p>EJ-15: Metro shall work with the Little Tokyo and Arts District communities and the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) to create joint development opportunities for the 1<sup>st</sup>/Central Avenue station site.</p> <p>See also EJ-13.</p>	<p>Verify that input from CRA/LA and the Little Tokyo community has been received and incorporated into potential joint development opportunities.</p>	<p>Metro, CRA/LA, Little Tokyo stakeholders</p>	<p>Construction, Post-Construction</p>
<p>Disproportionate visual alteration of the Little Tokyo neighborhood could occur due to removal of structures for the 1<sup>st</sup>/Central Avenue station.</p>	<p>See CN-7, EJ-14 and EJ-15.</p>			
<p>Disproportionate GBV impacts could occur in Little Tokyo during construction.</p>	<p>See NV-25 and NV-26.</p>			

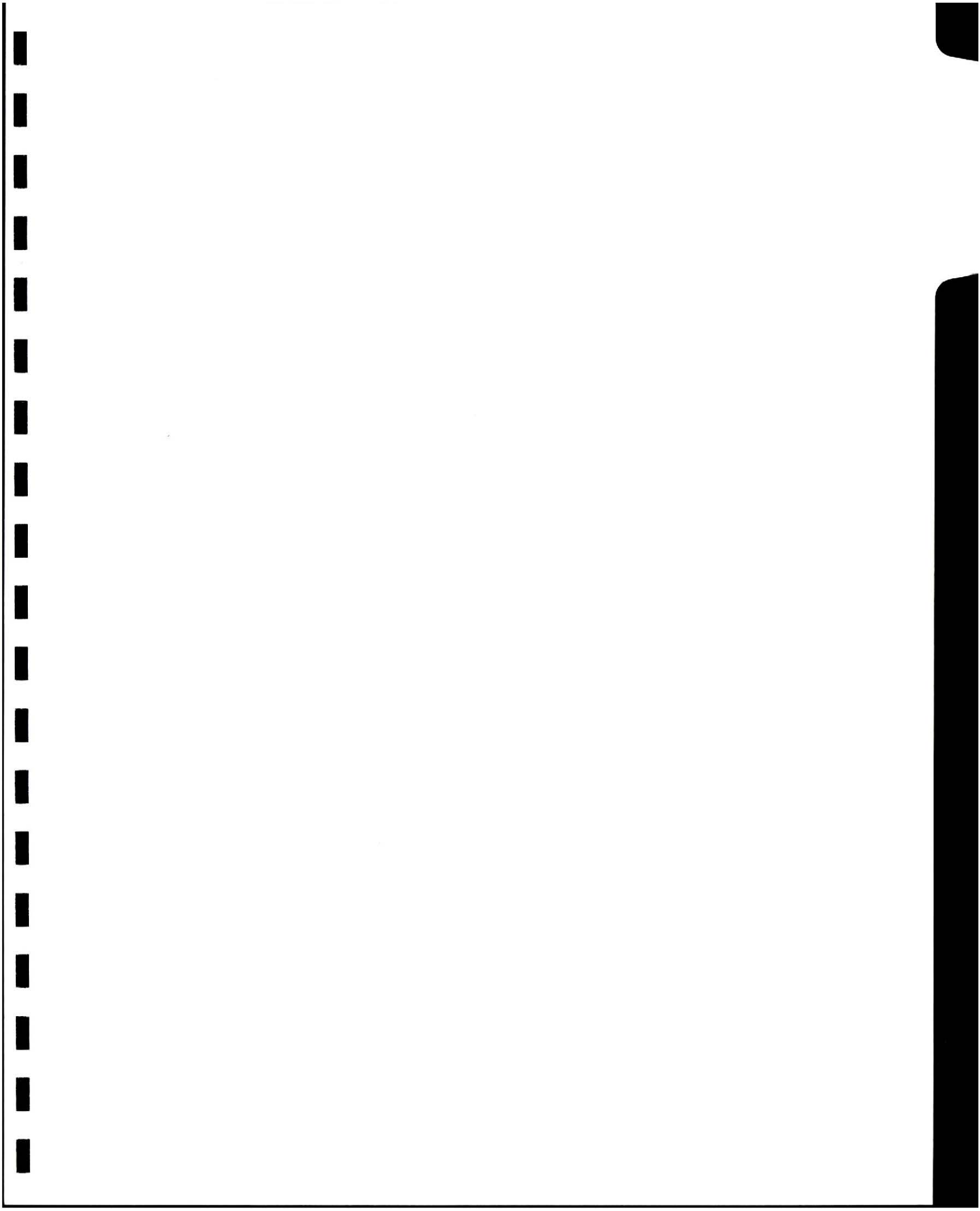
# Mitigation Monitoring and Reporting Program for the LPA

Table 8-1. Mitigation Monitoring and Reporting Program (continued)

Impact	Mitigation Measure(s)	Monitoring Action(s)	Responsible Party	Timeframe
Disproportionate economic and fiscal impacts to businesses in Little Tokyo could occur during construction.	EJ-16: Metro shall provide services to support affected Little Tokyo businesses and organizations during construction such as targeted advertising and marketing campaigns, Metro-sponsored coupons, incentives for construction worker patronage, and Metro-sponsored community events. Metro shall provide free technical support assistance (i.e., website development) to local businesses on strategies for business development that can minimize any adverse impacts of construction. This can include, but not be limited to, assistance with accounting or advertising. Metro shall work with the RCCLC including businesses, tenants, property owners, and government agencies with jurisdiction to make policy to resolve issues arising from adverse business issues during all phases of construction. The committee shall work to develop an implementation plan for these services and determine their content. The committee shall also be kept apprised of construction progress and upcoming transit, parking, or access changes. Metro shall provide maps showing existing and planned access during all phases of construction. Metro shall also provide directional signage to temporary parking facilities. These activities shall be conducted in a manner consistent with the similar program developed for the Crenshaw Transit Corridor Project.	Verify that community input has been incorporated into implementation plan.	Metro, Little Tokyo stakeholders	Final Design
		Verify implementation of specified services and ongoing involvement of the RCCLC.	Metro	Construction
	EJ-17: Surface level construction activities shall be curtailed to the extent feasible during major Little Tokyo festivals and outdoor events to ensure that noise, air quality, traffic, and parking issues do not adversely affect these economically vital events. Metro shall request a list of events and festivities from the Little Tokyo community.	Check design contract documents and construction specifications for compliance.	Metro	Final Design
		Verify that community has provided a schedule of events.	Metro, Little Tokyo stakeholders	Final Design, Construction







**APPENDIX A**  
**FLOW OF FUNDS**

Subject to amendment from time to time in accordance with the terms of the Trust Agreement. Any capitalized term used and not defined herein shall have the meaning assigned to it in the Trust Agreement.

**Section 5.02 Allocation of Pledged Tax Revenues.**

(A) So long as any Bonds are Outstanding and all other amounts payable under the Trust Agreement remain unpaid, the 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 Trustee shall establish, maintain and hold in trust for the benefit of the Holders of the 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 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 Trustee pursuant to Section 3.05 of the 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 Trust Agreement:

(1) Interest Fund. Following receipt of the Pledged Tax Revenues in each month, the 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 the Borrower, or if the

Borrower 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 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 the Borrower (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 the Borrower with respect to Interest Rate Swap Agreements that are Parity Obligations shall be transferred by the Borrower to the 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 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 the Borrower certifies to the 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 the Borrower certifies to the 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 Trustee shall request from the Borrower a Certificate of the Borrower 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 the Borrower.

(3) Reserve Fund. Upon the occurrence of any deficiency in any Reserve Fund, the Trustee shall make such deposit to such Reserve Fund as is required pursuant to Section 5.05(D) of the 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 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 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 Trustee shall transfer any remaining Pledged Revenues back to the Revenue Fund.

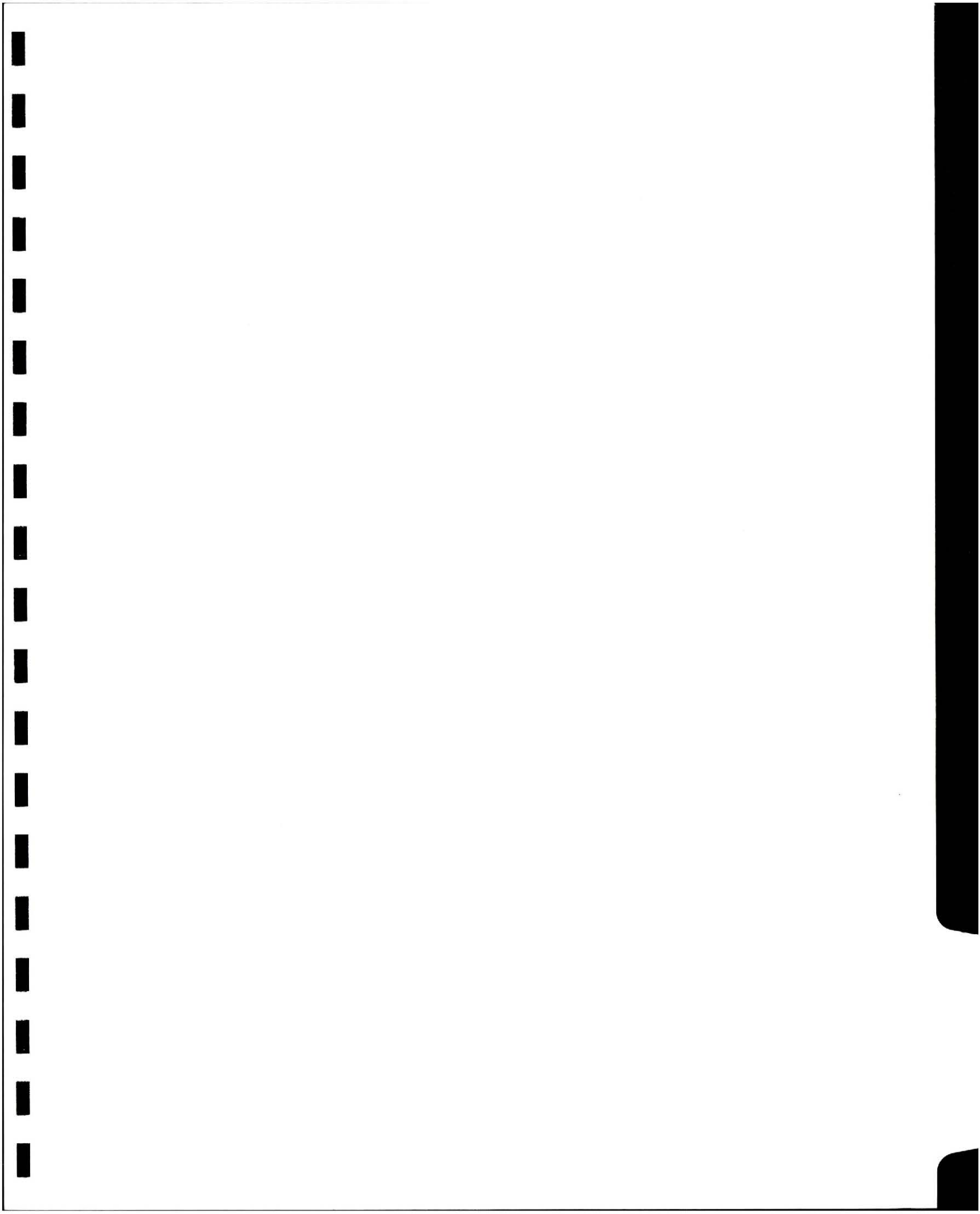
(5) Fees and Expenses Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Fees and Expenses Fund." At the direction of the Borrower,

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 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," the "TIFIA Debt Service Reserve Account" 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 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 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 on the same Business Day or as soon as practicable thereafter, except as otherwise provided in a Supplemental Trust Agreement or as the Borrower may otherwise direct in writing (which direction shall not be inconsistent with any other provision of the Trust Agreement), to be used by the Borrower for any lawful purpose and after such transfer to the Borrower shall be released from the lien of the Trust Agreement and shall no longer constitute "Pledged Revenues" under the Trust Agreement.





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AMENDED AND RESTATED TRUST AGREEMENT

between the

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

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Dated as of February 1, 2014

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Relating to

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
MEASURE R SENIOR SALES TAX REVENUE BONDS

and

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
MEASURE R JUNIOR SUBORDINATE SALES TAX REVENUE BONDS

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## AMENDED AND RESTATED TRUST AGREEMENT

This AMENDED AND RESTATED TRUST AGREEMENT, dated as of February 1, 2014 (as more fully defined in Section 1.02, the "Trust Agreement"), between the 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 (the "Authority"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee"), amends and restates the Trust Agreement, dated as of November 1, 2010 (the "Original Trust Agreement"), between the Authority and the Trustee;

### WITNESSETH:

WHEREAS, the Authority is authorized by Sections 130350.4 and 130350.5 of the California Public Utilities Code to impose a retail transactions and use tax at a rate of 0.5 percent that is applicable in the incorporated and unincorporated areas of the County of Los Angeles, California (the "County") if authorized by at least two-thirds of the electors voting on the issue; and

WHEREAS, in accordance with such provision, the Authority, on July 24, 2008, adopted Ordinance No. 08-01, known as the Traffic Relief and Rail Expansion Ordinance, Imposing a Transactions and Use Tax to be Administered by the State Board of Equalization (the "Ordinance") imposing the transactions and use tax for a period of 30 years, and the Ordinance was submitted to the electors of the County in the form of Measure R and approved by greater than a two-thirds vote at an election held on November 4, 2008; and

WHEREAS, the Ordinance, as so approved, imposed for a period of 30 years, beginning July 1, 2009, a tax upon the sale of tangible personal property at retail at a rate of 1/2 of 1% of the gross receipts of the sale and a complementary tax upon the storage, use or other consumption in the County at a rate of 1/2 of 1% of the sales price of the property whose storage, use or other consumption is subject to the tax (the "Measure R Sales Tax"); and

WHEREAS, Section 130500 et seq. of the California Public Utilities Code (the "Act") provides that the Authority may issue Bonds, which term includes indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations, and all of such obligations shall be special obligations of the Authority, payable from the proceeds of the Measure R Sales Tax; and

WHEREAS, the Authority has determined it necessary and advisable to issue its Bonds for the purpose of financing the cost of the projects and programs described in the Expenditure Plan adopted as part of the Ordinance (the "Expenditure Plan"), such Bonds to be payable from and secured by a prior lien on and pledge of the Pledged Revenues (as defined below), subject to the right of the Authority to issue additional bonds and other evidences of indebtedness under the conditions and subject to the restrictions as set forth in this Trust Agreement which may also be payable on a parity or subordinate basis from the Pledged Revenues and be secured by a parity or subordinate lien on such Pledged Revenues; and

WHEREAS, the Original Trust Agreement expressly authorized modifications and amendments thereto without the consent of Bondholders, to the extent that such modifications and amendments do not materially and adversely affect the Holders of the Bonds; and

WHEREAS, pursuant to Section 9.01(B)(13) of the Original Trust Agreement, this Trust Agreement amends and restates the Original Trust Agreement to provide for, among other things, the issuance of the TIFIA Bonds as Junior Subordinate Obligations hereunder; and

WHEREAS, the execution and delivery of this Trust Agreement has in all respects been duly and validly authorized by resolution duly passed and approved by the Authority; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Trust Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Trust Agreement;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued, authenticated and delivered hereunder, to secure the payment of Parity Obligations and Subordinate Obligations, in accordance with terms hereof and to provide the terms and conditions under which all property, rights and interests hereby assigned and pledged are to be dealt with and disposed of, and to secure performance and observance of the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and in consideration of the premises and of the material covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority does hereby agree and covenant with the Trustee for the benefit of the respective owners, from time to time, of the Bonds, or any part thereof, and for the benefit of the holders of Parity Obligations, in accordance with terms hereof, as follows:

## ARTICLE I

### EQUALITY OF SECURITY; DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

**SECTION 1.01**     Equality of Security. In consideration of the acceptance of the Bonds by the owners thereof from time to time, this Trust Agreement shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the owners from time to time of the Bonds and the covenants and agreements herein set forth to be performed by or on behalf of the Authority or the Trustee shall be for the equal and proportionate benefit, security and protection of (a) all owners of the Senior Bonds, without preference, priority or distinction as to security or otherwise of any of the Senior Bonds over any of the others by reasons of the Series, time of issue, sale or negotiation thereof or for any cause whatsoever, except as expressly provided therein or herein, (b) all owners of the Junior Subordinate Obligations, without preference, priority or distinction as to security or otherwise of any of the Junior Subordinate Obligations over any of the others by reasons of the Series, time of issue, sale or negotiation thereof or for any cause whatsoever, except as expressly provided therein or herein. Nothing

herein shall prevent additional security being provided for the benefit of a particular Series of Bonds under any supplement to this Trust Agreement.

**SECTION 1.02 Definitions.** Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement and of any Supplemental Trust Agreement and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

**“Accreted Value”** means, with respect to any Capital Appreciation Bond, the principal amount thereof plus the interest accrued thereon, compounded at the approximate interest rate thereon on each date specified therein. The Accreted Value at any date shall be the amounts set forth in the Accreted Value Table as of such date, if such date is a compounding date, and if not, as of the immediately preceding compounding date plus the amount of daily interest accrued from such preceding compounding date to the date of determination.

**“Accreted Value Table”** means the table denominated as such which appears as an exhibit to, and to which reference is made in, a Supplemental Trust Agreement providing for a Series of Capital Appreciation Bonds issued pursuant to such Supplemental Trust Agreement.

**“Act”** means the Los Angeles County Transportation Commission Revenue Bond Act, Sections 130500 et seq. of the California Public Utilities Code, as now in effect and as it may from time to time hereafter be amended or supplemented.

**“Annual Debt Service”** means, for any Fiscal Year, the aggregate amount (without duplication) of principal and interest on all Senior Bonds and Parity Obligations becoming due and payable during such Fiscal Year calculated using the principles and assumptions set forth under the definition of Debt Service.

**“Assumed Debt Service”** means for any Fiscal Year the aggregate amount of principal and interest which would be payable on all Bonds, Parity Obligations and Subordinate Obligations, if each Excluded Principal Payment were amortized on a substantially level debt service basis or other amortization schedule provided by the Authority for a period commencing on the date of calculation of such Assumed Debt Service and ending on the earlier of (i) the date specified by the Authority or (ii) the Tax Expiration Date, such Assumed Debt Service to be calculated on a level debt service basis or other amortization schedule provided by the Authority, based on a fixed interest rate equal to the rate at which the Authority could borrow for such period, as set forth in a certificate of a consultant, delivered to the Trustee, who may rely conclusively on such certificate, such certificate to be delivered within 30 days of the date of calculation.

**“Authority”** means the Los Angeles County Metropolitan Transportation Authority, a county transportation commission duly organized and existing pursuant to the Authority Act.

**“Authority Act”** means Sections 130050.2 et seq., including Sections 130350.4 and 130350.5, of the California Public Utilities Code, as now in effect and as it may from time to time hereafter be amended or supplemented.

**"Authorized Denomination"** means, with respect to any Series of Bonds, any denomination authorized by the Supplemental Trust Agreement under which such Bonds are issued.

**"Authorized Representative"** means the Chair, any Vice Chair, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Services Officer, the Treasurer, the Assistant Treasurer, or any other person designated to act on behalf of the Authority by a written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Authority by an Authorized Representative.

**"Beneficial Owner"** means any Person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bond, including, without limitation, any Person holding Bonds through nominees or depositories, including the Securities Depository.

**"Board"** means the Board of Directors of the Authority.

**"Bond"** or **"Bonds"** means Senior Bonds, Junior Subordinate Obligations and all other indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes and other obligations issued under the provisions of Article III of this Trust Agreement; provided, however, that "Bond" or "Bonds" shall not include any Parity Obligations or Subordinate Obligations incurred by the Authority in accordance with Section 3.06 and shall not include obligations payable from the Fees and Expenses Fund.

**"Bond Obligation"** means, as of any given date of calculation, (1) with respect to any Outstanding Current Interest Bond, the principal amount of such Bond, and (2) with respect to any Outstanding Capital Appreciation Bond, the Accreted Value thereof.

**"Bond Register"** has the meaning given to such term in Section 2.07.

**"Bondholder"** or **"Holder,"** whenever used herein with respect to a Bond, means the person in whose name such Bond is registered, and includes a Senior Obligation Holder and Junior Subordinate Obligation Holder.

**"Business Day"** means, except as is otherwise provided in the Supplemental Trust Agreement pursuant to which a Series of Bonds are issued, any day other than (1) a Saturday, Sunday, or a day on which banking institutions in the State, the State of New York or the jurisdiction in which the Corporate Trust Office of the Trustee is located are authorized or obligated by law or executive order to be closed, (2) for purposes of payments and other actions relating to Bonds secured by a Credit Enhancement or supported by a Liquidity Facility, a day upon which commercial banks in the city in which is located the office of the issuing bank at which demands for payment under the Credit Enhancement or Liquidity Facility, as applicable, are to be presented are authorized or obligated by law or executive order to be closed, or (3) a day on which the New York Stock Exchange is closed.

**"Capital Appreciation Bonds"** means the Senior Bonds of any Series designated as Capital Appreciation Bonds in the Supplemental Trust Agreement providing for the issuance of such Series of Senior Bonds and on which interest is compounded and paid at maturity or on prior redemption.

**"Certificate," "Statement," "Request," "Requisition" and "Order"** of the Authority mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the Authority by an Authorized Representative. If and to the extent required by Section 1.03, each such instrument shall include the statements provided for in Section 1.03.

**"Code"** means the Internal Revenue Code of 1986, and the regulations applicable thereto or issued thereunder, or any successor to the Internal Revenue Code of 1986. Reference to any particular Code section shall, in the event of such a successor Code, be deemed to be reference to the successor to such Code section.

**"Consultant"** means any accountant, attorney, consultant, financial advisor or investment banker, or firm thereof, retained by the Authority to perform acts and carry out the duties provided for such Consultant in this Trust Agreement. Such accountant, attorney, consultant, financial advisor or investment banker, or firm thereof, shall be nationally recognized within its profession for work of the character required.

**"Continuing Disclosure Certificate"** means, with respect to each Series of Bonds requiring an undertaking regarding disclosure under Rule 15c2-12, the Continuing Disclosure Certificate, dated on or about the date of issuance of such Series of Bonds, executed by the Authority, as the same may be supplemented, modified or amended in accordance with its terms.

**"Corporate Trust Office"** or corporate trust office means the corporate trust office of the Trustee at 633 West Fifth Street, 24<sup>th</sup> Floor, Los Angeles, California 90071, or such other or additional offices as may be designated by the Trustee from time to time.

**"Costs of Issuance"** means all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, issuance, sale and delivery of a Series of Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, travel expenses and costs relating to rating agency meetings and other meetings concerning such Series of Bonds, general marketing expenses, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, financial advisor fees and expenses, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Bonds, surety, insurance, credit enhancement and liquidity costs, termination fees payable in connection with the termination of an Interest Rate Swap Agreement in connection with the delivery of such Series of Bonds, and any other cost, charge or fee in connection with the initial delivery of a Series of Bonds or any Parity Obligations delivered in connection with a Series of Bonds.

**"Costs of Issuance Fund"** means a fund by that name established pursuant to the provisions of a Supplemental Trust Agreement to pay Costs of Issuance with respect to a Series of Bonds being issued pursuant to such Supplemental Trust Agreement.

**"Costs" or "Costs of the Project"** means, as applied to a Project or portion thereof financed under this Trust Agreement, the definition set forth in the Act, to wit, all or any part of the cost of construction and acquisition of all real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for a Project, the cost of demolishing or removing any structures on land so acquired, including the cost of acquiring any land to which the structures may be removed, the cost of all machinery and equipment, vehicles, rolling stock, financing charges, interest prior to, during and for a period after completion of construction as

determined by the Authority, provisions for working capital, reserves for principal and interest, and for extensions, enlargements, additions, replacement, renovations and improvements, the cost of architectural, engineering, financial and legal services, plans, specifications, estimates and administrative expenses and other expenses necessary or incidental to the determination of the feasibility of constructing any Project or incidental to the construction, acquisition or financing of any Project and, with respect to the use of Bond proceeds, such other costs and expenses as are permitted by the Act at the time such Bonds are issued.

**"Counterparty"** means an entity which has entered into an Interest Rate Swap Agreement with the Authority.

**"County"** means the County of Los Angeles, California.

**"Credit Enhancement"** means, with respect to a Series of Bonds or Subordinate Obligations, any Insurance, letter of credit, line of credit, surety bond or other instrument, if any, which secures or guarantees the payment of principal of and interest on a Series of Bonds or Subordinate Obligations, issued by an insurance company, commercial bank or other financial institution, and delivered or made available to the Trustee, as from time to time supplemented or amended pursuant to its terms.

**"Credit Provider"** means, with respect to a Series of Bonds or Subordinate Obligations, the Insurer, commercial bank or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Credit Enhancement then in effect with respect to such Series of Bonds or Subordinate Obligations.

**"Current Interest Bonds"** means the Senior Bonds of any Series designated as Current Interest Bonds in the Supplemental Trust Agreement providing for the issuance of such Series of Senior Bonds and that pay interest to the Holders thereof on a periodic basis prior to maturity.

**"Debt Service,"** when used with respect to any Senior Obligations, Subordinate Obligations or Junior Subordinate Obligations and any other obligations secured by Pledged Revenues under this Trust Agreement (for purposes of this definition of "Debt Service," all such obligations are herein collectively referred to as "Obligations"), means, as of any date of calculation and with respect to any Fiscal Year, the sum of (a) the interest becoming due and payable on such Obligations during such Fiscal Year and (b) the principal or Mandatory Sinking Account Payments required with respect to such Obligations during such Fiscal Year; computed on the assumption that no portion of such Obligations shall cease to be Outstanding during such Fiscal Year except by reason of the application of such scheduled payments; provided, however, that for purposes of such computation:

(A) Excluded Principal Payments (and the interest related thereto provided such interest is being paid from the same source as the Excluded Principal Payments) shall be excluded from such calculation and Assumed Debt Service shall be included in such calculation;

(B) in determining the principal amount due in each Fiscal Year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made in accordance with any amortization schedule established for such Obligations, including any Mandatory Sinking Account Payments or any scheduled redemption or payment of Obligations on the basis of Accreted Value, and for such purpose, the redemption payment or payment of Accreted Value shall be deemed a principal

payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Bond;

(C) if any Obligations bear, or if any Obligations proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in place and the interest on which is excluded or expected to be excluded from gross income for federal income tax purposes, the interest rate on such Obligations for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to the average of the SIFMA Swap Index for the five years preceding such date of calculation;

(D) if any Obligations bear, or if any Obligations proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in place and the interest on which is included or expected to be included in gross income for federal income tax purposes, the interest rate on such Obligations shall be calculated at an interest rate equal to 100% of the average One Month USD LIBOR Rate during the five years preceding such date of calculation or such higher rate as shall be specified in a Certificate of the Authority in connection with the issuance of an additional Series of Bonds or Parity Obligations or any calculation of the Reserve Requirement;

(E) with respect to any Obligations bearing interest, or expected to bear interest, at a variable interest rate for which an Interest Rate Swap Agreement is in place providing for a fixed rate of interest to maturity or for a specific term with respect to such Obligations, the interest rate on such Obligations shall be assumed to be the synthetic fixed interest rate specified in such Interest Rate Swap Agreement for such term; provided that if, pursuant to a Certificate of the Authority filed with the Trustee in connection with the issuance of an additional Series of Bonds or Parity Obligations or any calculation of the Reserve Requirement, the sum of (i) interest payable on such Obligations, plus (ii) amounts payable by the Authority under such Interest Rate Swap Agreement, less (iii) amounts receivable by the Authority under such Interest Rate Swap Agreement, is expected to be greater than the interest payable on the Obligations to which such Interest Rate Swap Agreement relates (i.e., if such Interest Rate Swap Agreement is an "off-market" Interest Rate Swap Agreement), then, in such instance, such excess amounts expected to be payable by the Authority under such Interest Rate Swap Agreement or in connection with such Obligations shall be included in the calculation of Debt Service;

(F) with respect to any Obligations bearing interest, or expected to bear interest, at a fixed interest rate for which an Interest Rate Swap Agreement is in place providing for a net variable interest rate with respect to such Obligations for a specific term, the interest rate on such Obligations shall be assumed to be equal for such term to the sum of (i) the fixed interest rate or rates to be paid on the Obligations, minus (ii) the fixed interest rate receivable by the Authority under such Interest Rate Swap Agreement, plus (iii) the average interest rate of the index on which the Interest Rate Swap Agreement is based, as identified in a Certificate of the Authority, or, if not based on an identifiable index, then the SIFMA Swap Index, in each case, over the five years preceding the date of calculation or such higher rate as shall be specified in a Certificate of the Authority in connection with the issuance of an additional Series of Bonds or Parity Obligations or any calculation of the Reserve Requirement;

(G) if any Obligations feature an option on the part of the owners or an obligation under the terms of such Obligations to tender all or a portion of such Obligations to the Authority, the Trustee or other fiduciary or agent, and requires that such Obligations or portion thereof be



purchased if properly presented, then for purposes of determining the amounts of principal and interest due in any Fiscal Year on such Obligations, the options or obligations of the owners of such Obligations to tender the same for purchase or payment prior to the stated maturity or maturities shall be ignored and not treated as a principal maturity;

(H) principal and interest payments on Obligations shall be excluded to the extent such payments are to be paid from Pledged Revenues then held on deposit by the Trustee or from other amounts on deposit with the Trustee or other fiduciary in escrow specifically therefor and interest payments shall be excluded to the extent that such interest payments are to be paid from the proceeds of Obligations held by the Trustee or other fiduciary as capitalized interest specifically to pay such interest;

(I) with respect to Obligations bearing interest that is subject to a federal subsidy and such subsidy is not included as Pledged Revenues but instead is applied directly to offset the interest due on such Obligations, the interest rate on such Obligations shall be assumed to be the rate net of such subsidy; and

(J) if the Obligations are Paired Obligations, the interest rate on such Obligations shall be the resulting linked rate or effective fixed interest rate to be paid by the Authority with respect to such Paired Obligations.

**“Defeasance Securities”** means: (i) direct, non-callable obligations of the United States Treasury, (ii) direct non-callable and non-prepayable obligations which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons from the above securities which are stripped pursuant to United States Treasury programs, (iv) non-callable and non-prepayable refunded bonds that are obligations of the United States of America; (v) Resolution Funding Corporation (REFCORP) bonds and strips; (vi) non-callable, and non-prepayable fixed rate Israel Notes guaranteed as to principal and interest by the United States of America through the United Agency for International Development (provided that, such notes are “Aaa”-rated and mature at least four business days before funds are needed for refunded bond debt service payments); (vii) United States Treasury Securities — State and Local Government Series (SLGS); (viii) the following non-callable, non-prepayable obligations of federal government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, Farm Credit System, Washington Metropolitan Area Transit Authority, United States Import-Export Bank, United States Department of Housing and Urban Development, Farmers Home Administration, General Services Administration and United States Maritime Administration (provided such entities maintain a rating of “Aaa”); and (ix) any pre-refunded municipal security that is non-callable or has been irrevocably called for redemption and is rated “Aaa” at the time of deposit, which carries a fixed interest rate and matures or is to be redeemed on a date certain and is secured by an escrow containing securities listed in (i) through (viii) above.

**“DTC”** means The Depository Trust Company, New York, New York, or any successor thereto.

**“Electronic Means”** means facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

**“Event of Default”** means any of the events specified in Section 7.01.

**“Excluded Principal Payment”** means each payment of principal of Bonds, Parity Obligations or Subordinate Obligations which the Authority determines (in a Certificate of the Authority) that the Authority intends to pay with moneys that are not Pledged Revenues but from future debt obligations of the Authority, grants from the State or federal government, or any agency or instrumentality thereof, or any other source of funds of the Authority, upon which determination of the Authority the Trustee may conclusively rely. No such determination shall affect the security for such Bonds, Parity Obligations or Subordinate Obligations or the obligation of the Authority to pay such payments from Pledged Revenues or amounts on deposit in the Reserve Fund, if any. No payment of principal of Bonds, Parity Obligations or Subordinate Obligations may be determined to be an Excluded Principal Payment unless it is due on or prior to the Tax Expiration Date.

**“Expenditure Plan”** means the Expenditure Plan adopted as part of the Ordinance, including any future amendments thereto.

**“Fees and Expenses”** means those fees and expenses payable from the Fees and Expenses Fund in accordance with Sections 5.02(A)(5) and 5.07.

**“Fees and Expenses Fund”** means the fund by that name established pursuant to Section 5.02.

**“First Supplemental Trust Agreement”** means the First Supplemental Trust Agreement, dated as of November 1, 2010, between the Authority and the Trustee, supplementing this Trust Agreement.

**“Fiscal Year”** means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Authority, which designation shall be provided to the Trustee in a Certificate delivered by the Authority.

**“Fitch”** means Fitch Inc., and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

**“Holder”** or **“Bondholder,”** whenever used herein with respect to a Bond, means the person in whose name such Bond is registered.

**“Insurance”** means any financial guaranty insurance policy or municipal bond insurance policy issued by an Insurer insuring the payment when due of principal of and interest on a Series of Bonds or Subordinate Obligations as provided in such financial guaranty insurance policy or municipal bond insurance policy.

**"Insurer"** means any provider of Insurance with respect to a Series of Bonds or Subordinate Obligations.

**"Interest Fund"** means the fund by that name established pursuant to Section 5.02.

**"Interest Payment Date,"** with respect to each Series of Bonds, shall have the meaning specified in the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

**"Interest Rate Swap Agreement"** means an interest rate swap, cap, collar, option, floor, forward, derivative, or other hedging agreement, arrangement or security, however denominated, entered into between the Authority and a Counterparty, in connection with or incidental to, the issuance or carrying of Senior Bonds, including, without limitation, an interest rate swap, cap, collar, option, floor, forward, derivative, or other hedging agreement, arrangement or security entered into in advance of the issuance of Senior Bonds and designated by the Authority in a Certificate or Supplemental Trust Agreement as a Parity Obligation; provided, however, that no such Interest Rate Swap Agreement shall have a notional amount greater or lesser than the Outstanding principal amount of the Senior Bonds to which such Interest Rate Swap Agreement relates.

**"Investment Securities"** means the following:

(1) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies and federally sponsored entities set forth in clause (3) below to the extent unconditionally guaranteed by the United States of America;

(2) any certificates, receipts, securities or other obligations evidencing ownership of, or the right to receive, a specified portion of one or more interest payments or principal payments, or any combination thereof, to be made on any bond, note, or other obligation described above in clause (1);

(3) obligations of the Federal National Mortgage Association, the Federal Farm Credit System, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation;

(4) housing authority bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(5) obligations of any state, territory or commonwealth of the United States of America or any political subdivision thereof or any agency or department of the foregoing; provided that at the time of their purchase such obligations are rated in either of the two highest long-term or highest short-term Rating Categories by both Moody's and Standard & Poor's;

(6) any bonds or other obligations of any state of the United States of America or any political subdivision thereof (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described above in clause (1) or (2) which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the interest payment dates and the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described above in clause (1) or (2) which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay the principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (6) on the interest payment dates and the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (6), as appropriate, and (d) which have been rated in one of the two highest long-term Rating Categories by Moody's and Standard & Poor's;

(7) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation which are, at the time of purchase, rated by both Moody's and Standard & Poor's in their respective highest short-term Rating Categories, or, if the term of such indebtedness is longer than three years, rated by both Moody's and Standard & Poor's in one of their respective two highest long-term Rating Categories, for comparable types of debt obligations;

(8) demand or time deposits or certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee), provided that such certificates of deposit shall be purchased directly from such a bank, trust company or national banking association and shall be either (a) continuously and fully insured by the Federal Deposit Insurance Corporation, (b) continuously and fully secured by such securities and obligations as are described above in clauses (1) through (5), inclusive, which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit, and the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured shall furnish the Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking, or (c) be issued by an institution the senior debt obligations of which are rated "AA" or higher by Standard & Poor's;

(9) taxable commercial paper, other than that issued by bank holding companies, or tax-exempt commercial paper rated in the highest Rating Category by both Moody's and Standard & Poor's;

(10) variable rate obligations required to be redeemed or purchased by the obligor or its agent or designee upon demand of the holder thereof secured as to such redemption or purchase requirement by a liquidity agreement with a corporation and as to the payment of interest and principal either upon maturity or redemption (other than upon demand by the holder thereof) thereof by an unconditional credit facility of a corporation, provided that the variable rate obligations themselves are rated in the highest Rating Category for its short-term rating, if any, and in either of the two highest Rating Categories for its long-term rating, if any, by both Moody's and Standard & Poor's, and that the corporations providing the liquidity agreement and credit facility have, at the date of acquisition of the variable rate obligation by the Trustee, an outstanding issue of unsecured, uninsured and unguaranteed debt obligations rated in either of the two highest long-term Rating Categories by both Moody's and Standard & Poor's;

(11) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States or any national banking association (including the Trustee) having a minimum permanent capital of one hundred million dollars (\$100,000,000) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities and obligations described in clauses (1), (2), (3) or (4) above, which shall have a market value (exclusive of accrued interest and valued at least monthly) at least equal to 102% of the principal amount of such investment and shall be lodged with the Trustee or other fiduciary, as custodian for the Trustee, by the bank, trust company, national banking association or bond dealer executing such repurchase agreement, and the entity executing each such repurchase agreement required to be so secured shall furnish the Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such repurchase agreement (as valued at least monthly) will be an amount equal to 102% of the principal amount of each such repurchase agreement and the Trustee shall be entitled to rely on each such undertaking;

(12) any cash sweep or similar account arrangement of or available to the Trustee, the investments of which are limited to investments described in clauses (1), (2), (3), (4), (5) and (11) of this definition of Investment Securities and any money market fund, the entire investments of which are limited to investments described in clauses (1), (2), (3), (4), (5) and (11) of this definition of Investment Securities, in each case rated in the highest short-term Rating Categories by both Moody's and Standard & Poor's; provided that as used in this clause (12) and clause (13) investments will be deemed to satisfy the requirements of clause (11) if they meet the requirements set forth in clause (11) ending with the words "clauses (1), (2), (3) or (4) above" and without regard to the remainder of such clause (11);

(13) any investment agreement with a financial institution or insurance company or whose obligations are guaranteed by a financial institution or insurance company which has at the date of execution thereof long-term ratings in either of the two highest long-term Rating Categories by both Moody's and Standard & Poor's; provided that if the long-term ratings falls below the two highest long-term Rating Categories by either Moody's or Standard & Poor's then (i) collateral shall be posted which is (A) valued not less frequently than monthly and have a fair market value,

exclusive of accrued interest, at all times at least equal to 105% of the investment if consisting of securities outlined in clause (3) or 104% if the collateral consists of securities outlined in clauses (1) or (2) of the definition of Investment Securities above, (B) held by the Trustee or other custodian acceptable to the Trustee, (C) subject to a perfected first lien in the Trustee, and (D) free and clear from all third party liens; or (ii) the agreement shall terminate;

(14) forward delivery agreements with a financial institution or insurance company or whose obligations are guaranteed by a financial institution or insurance company which has at the date of execution thereof long-term ratings in any of the three highest long-term Rating Categories by both Moody's and Standard & Poor's that calls for delivery of securities as outlined in clauses (1), (2) or (3) of the definition of Investment Securities, provided that if the long-term ratings falls below the three highest long-term Rating Categories by either Moody's or Standard & Poor's the agreement shall terminate;

(15) collateralized investment agreements with a financial institution or insurance company or whose obligations are guaranteed by a financial institution or insurance company which has at the date of execution thereof long-term ratings in either of the two highest long-term Rating Categories by both Moody's and Standard & Poor's provided that the agreement is fully secured by obligations described in items (1), (2) or (3) of the definition of Investment Securities which are (A) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% of the investment if consisting of securities outlined in clause (3) or 104% if the collateral consists of securities outlined in clauses (1) or (2) of the definition of Investment Securities above, (B) held by the Trustee or other custodian acceptable to the Trustee, (C) subject to a perfected first lien in the Trustee, and (D) free and clear from all third party liens; and further provided that if the long-term ratings of the counterparty fall below the three highest long-term Rating Categories by either Moody's or Standard & Poor's the agreement shall terminate;

(16) shares of beneficial interest in diversified management companies investing exclusively in securities and obligations described in clauses (1) through (15) of this definition of Investment Securities and which companies have either the highest rating by both Moody's and Standard & Poor's or have an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience investing in such securities and obligations and with assets under management in excess of \$500,000,000;

(17) shares in a common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended;

(18) bankers' acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by both Moody's and Standard & Poor's, which purchases may not exceed 270 days maturity;

(19) the pooled investment fund of the County of Los Angeles, California, which is administered in accordance with the investment policy of said County as established by the Treasurer-Tax Collector thereof, as permitted by Section 53601 of the Government Code of the State, copies of which policy are available upon written request to said Treasurer-Tax Collector; and

(20) the Local Agency Investment Fund or similar pooled fund operated by or on behalf of the State of California and which is authorized to accept investments of moneys held in any of the funds or accounts established pursuant to this Trust Agreement.

**“Junior Subordinate Debt Service Account”** means the account by that name established within the Junior Subordinate Obligations Fund pursuant to Section 5.02(A)(6) of this Trust Agreement.

**“Junior Subordinate Debt Service Reserve Account”** means the account by that name established within the Junior Subordinate Obligations Fund pursuant to Section 5.02(A)(6) of this Trust Agreement.

**“Junior Subordinate Obligation Holder,”** whenever used herein with respect to Junior Subordinate Obligations, means the person in whose name such Junior Subordinate Obligation is registered.

**“Junior Subordinate Obligation Solitary Default”** means (a) a payment default with respect to any Junior Subordinate Obligations shall have occurred and be continuing while all payments due with respect to Senior Obligations, Subordinate Obligations and deposits to the Fees and Expenses Fund continue to be made on a timely basis, or (b) an Event of Default described in Section 7.01(C) of this Trust Agreement arising from the Authority’s failure to observe or perform a covenant, condition, agreement or provision under this Trust Agreement (other than those referred to in subsection (A) or (B) of Section 7.01) solely affecting Junior Subordinate Obligation Holders, and not affecting Holders of Senior Bonds, Parity Obligations or Subordinate Obligations in any way, shall have occurred and be continuing.

**“Junior Subordinate Obligations”** means the TIFIA Bonds, and any other Bonds of the Authority issued in accordance with Sections 3.07 and 3.08 of this Trust Agreement and secured by a lien and charge on Pledged Revenues that is (a) subordinate to the liens and charges on Pledged Revenues that secure the Senior Obligations, the Subordinate Obligations and the obligation to pay Fees and Expenses, but is (b) senior to the lien and charge on Pledged Revenues that secures (so long as any TIFIA Bond is Outstanding) Swap Termination Payments.

**“Junior Subordinate Obligations Fund”** means the fund by that name established pursuant to Section 5.02(A)(6) of this Trust Agreement.

**“Letter of Credit Account”** means an account by that name established to hold funds that are drawn on Credit Enhancement provided in the form of a letter of credit and that are to be applied to pay the principal of or interest on a Series of Bonds or Subordinate Obligations, which account shall be established pursuant to the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds or Subordinate Obligations.

**“Liquidity Facility”** means, with respect to a Series of Bonds or Subordinate Obligations, a line of credit, letter of credit, standby purchase agreement or similar liquidity facility securing or guaranteeing the payment of purchase price of such Series of Bonds or Subordinate Obligations and issued by a commercial bank, insurance company, pension fund or other financial institution, and delivered or made available to the Trustee, as from time to time supplemented or amended pursuant to its terms.

**“Liquidity Facility Bonds”** means any Bonds or Subordinate Obligations purchased with moneys drawn under (or otherwise obtained pursuant to the terms of) a Liquidity Facility, but excluding any Bonds or Subordinate Obligations no longer considered to be Liquidity Facility Bonds in accordance with the terms of the applicable Liquidity Facility.

**“Liquidity Facility Rate”** means, with respect to a Series of Bonds or Subordinate Obligations, the interest rate per annum, if any, specified as applicable to Liquidity Facility Bonds in the Liquidity Facility delivered in connection with such Series of Bonds or Subordinate Obligations; provided that such rate shall not exceed the maximum fixed rate set forth in such Liquidity Facility.

**“Liquidity Provider”** means, with respect to a Series of Bonds or Subordinate Obligations, the commercial bank, insurance company, pension fund or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Liquidity Facility then in effect with respect to such Series of Bonds or Subordinate Obligations.

**“Local Return”** means 15% of the Measure R Sales Tax (net of refunds and the administrative fee of the State Board of Equalization and net of the Authority’s administrative costs permitted under the Ordinance), calculated on an annual basis, which 15% is, under the Ordinance, allocated to local jurisdictions for street improvements and transit purposes.

**“Mandatory Sinking Account Payment”** means, with respect to Bonds of any Series and maturity, the amount required by the Supplemental Trust Agreement establishing the terms and provisions of such Series of Senior Bonds to be deposited by the Authority in a Sinking Account for the payment of principal of Term Bonds of such Series and maturity.

**“Maturity Date”** means, with respect to a Series of Bonds, the date of maturity or maturities specified in the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

**“Maximum Annual Debt Service”** means the maximum amount of Annual Debt Service becoming due and payable on all Senior Bonds Outstanding and all Parity Obligations outstanding during the period from the date of such calculation through the final maturity date of the Senior Bonds and Parity Obligations, calculated utilizing the assumptions set forth under the definition of Debt Service.

**“Maximum Interest Rate”** means (a) with respect to all Bonds and Subordinate Obligations other than Bonds or Subordinate Obligations supported by a Liquidity Facility, the lesser of (i) 12% per annum and (ii) the maximum rate of interest that may legally be paid on the Bonds and Subordinate Obligations, from time to time, and (b) with respect to Bonds or Subordinate Obligations supported by a Liquidity Facility, the maximum fixed rate of interest that may be paid from time to time on such Bonds or Subordinate Obligations as set forth in



such Liquidity Facility or other agreement between the Authority and the related Liquidity Provider.

**“Measure R Sales Tax”** means the retail transactions and use tax imposed by the Ordinance and approved by a vote of more than two-thirds of the electors of the County at an election held November 4, 2008.

**“Moody’s”** means Moody’s Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

**“Notice Parties”** means, as and to the extent applicable, the Authority, the Trustee, the Credit Provider, if any, for the Series of Bonds to which the notice being given relates, the auction agent, if any, for the Series of Bonds to which the notice being given relates, the broker-dealer, if any, for the Series of Bonds to which the notice being given relates, the Liquidity Provider, if any, for the Series of Bonds to which the notice being given relates, and the remarketing agent, if any, for the Series of Bonds to which the notice being given relates.

**“Obligations”** has the meaning given to such term in the definition of “Debt Service.”

**“One Month USD LIBOR Rate”** means the rate for deposits in U.S. dollars for a one-month maturity that appears on Reuters Screen LIBOR01 Page (or such other page as may replace that page on that service, or such other service as may be nominated by the British Bankers Association, for the purpose of displaying London interbank offered rates for U.S. dollar deposits) as of 11:00 a.m., London time, on the date of determination of such rate, except that, if such rate does not appear on such page on such date, the One Month USD LIBOR Rate means a rate determined on the basis of the rates at which deposits in U.S. dollars for a one-month maturity and in a principal amount of at least U.S. \$1,000,000 are offered at approximately 11:00 a.m., London time, on such date, to prime banks in the London interbank market by three major banks in the London interbank market (herein referred to as the “Reference Banks”) selected by the Trustee (provided, however, that the Trustee may appoint an agent to identify such Reference Banks). The Trustee or its agent is to request the principal London office of each of such Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the One Month LIBOR Rate will be the arithmetic mean of such quotations. If fewer than two quotations are provided, the One Month LIBOR Rate will be the arithmetic mean of the rates quoted by three (if three quotations are not provided, two or one, as applicable) major banks in New York City, selected by the Trustee or its agent, at approximately 11:00 a.m., New York City time, on such date for loans in U.S. dollars to leading European banks in a principal amount of at least U.S. \$1,000,000 having a one-month maturity. If none of the banks in New York City selected by the Trustee or its agent is then quoting rates for such loans, then the One Month LIBOR Rate for the ensuing interest period will mean the One Month LIBOR Rate most recently in effect.

**“Opinion of Bond Counsel”** means a written opinion of a law firm of national standing in the field of public finance selected by the Authority.

**"Ordinance"** means Ordinance No. 08-01, including the Expenditure Plan, adopted by the Authority on July 24, 2008, and any amendments or extensions thereto, together with any future ordinance that is adopted pursuant to the Authority Act from time to time and that is designated as the "Ordinance" hereunder pursuant to a Supplemental Trust Agreement, as such future ordinance may be amended or extended pursuant to the Authority Act or other applicable law.

**"Outstanding,"** when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Trust Agreement except: (1) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions of Bonds) referred to in Section 11.10; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Trust Agreement; provided, however, that in the event the principal of or interest due on any Bonds shall be paid by the Credit Provider pursuant to the Credit Enhancement issued in connection with such Bonds, such Bonds shall remain Outstanding for all purposes and shall not be considered defeased or otherwise satisfied or paid by the Authority and the pledge of Pledged Revenues and all covenants, agreements and other obligations of the Authority to the Holders shall continue to exist and shall run to the benefit of such Credit Provider and such Credit Provider shall be subrogated to the rights of such Holders.

**"Paired Obligations"** means any Series (or portion thereof) of Obligations designated as Paired Obligations in the Supplemental Trust Agreement or other document authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (i) the principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts; and (ii) the interest rates which, taken together, result in an irrevocably fixed interest rate obligation of the Authority for the term of such Obligations.

**"Parity Obligations"** means (i) any indebtedness, installment sale obligation, lease obligation or other obligations of the Authority for borrowed money or (ii) any Interest Rate Swap Agreement (excluding fees and expenses thereon and Swap Termination Payments, which fees and expenses and Swap Termination Payments shall be secured by a lien and charge on the Pledged Revenues subordinate to the liens and charges upon Pledged Revenues that secure the Senior Obligations and payment of principal of and interest on any Subordinate Obligations and which Swap Termination Payments (so long as any Junior Subordinate Obligations are Outstanding) shall be secured by a lien and charge on the Pledged Revenues subordinate to the lien and charge upon Pledged Revenues that secures the Junior Subordinate Obligations) entered into in connection with a Series of Senior Bonds, in each case incurred in accordance with Section 3.05, and in each case having an equal lien and charge upon the Pledged Revenues and therefore being payable on a parity with the Senior Bonds (whether or not any Senior Bonds are Outstanding).

**"Participating Underwriter"** means any of the original underwriters of a Series of Bonds required to comply with Rule 15c2-12.

**"Person"** means an association, corporation, firm, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

**"Pledged Revenues"** means (i) all Pledged Tax Revenues and (ii) all Swap Revenues; provided, however, that after making the required monthly deposits of Pledged Revenues from the Revenue Fund pursuant to Section 5.02 hereof, any remaining amounts transferred to the Authority pursuant to Section 5.02(B) hereof shall be released from the lien of this Trust Agreement and shall no longer constitute Pledged Revenues hereunder. Pledged Revenues shall also include such additional sources of revenue, if any, pledged to pay the Bonds as set forth in a Supplemental Trust Agreement.

**"Pledged Tax Revenues"** means the amounts collected on account of the Measure R Sales Tax (i) less any refunds and the administrative fee deducted by the State Board of Equalization and (ii) less the Local Return.

**"Principal Fund"** means the fund by that name established pursuant to Section 5.02.

**"Principal Office"** means, with respect to the Trustee, the corporate trust office of the Trustee at 633 West Fifth Street, 24<sup>th</sup> Floor, Los Angeles, California 90071, or such other or additional offices as may be designated by the Trustee from time to time, and means, with respect to a Credit Provider or a Liquidity Provider, the office designated as such in writing by such party in a notice delivered to the Trustee and the Authority.

**"Project"** means capital outlay expenditures for transportation purposes, including, without limitation, the carrying out of transportation projects described in the Expenditure Plan, the construction, maintenance, improvement and operation of local streets, roads, and highways, state highways and freeways, and public transit systems including rail, and related purposes permitted by the Ordinance, including planning, environmental reviews, engineering and design costs and related right-of-way acquisition and also including, without limitation, administrative, engineering, inspection, legal, fiscal agent, financial consultant and other fees, bond and other reserve funds, working capital, bond or note interest estimated to accrue during the construction period and for a period of not to exceed three years thereafter, and expenses for all proceedings for the authorization, issuance and sale of Bonds.

**"Projected TIFIA Pledged Revenues"** means TIFIA Pledged Revenues in each Fiscal Year that Debt Service is payable on any Outstanding Bonds and Subordinate Obligations; provided, that future TIFIA Pledged Revenues are calculated in each Fiscal Year using the greater of: (a) Measure R Sales Tax receipts of 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 the Authority within the most recent 18 calendar months immediately preceding the date of calculation, and deducting from such Measure R Sales Tax receipts, (x) any refunds and the administrative fee deducted by the State Board of Equalization, (y) the Local Return, and (z) any Pledged Revenues required to pay Debt Service on Senior Bonds, Subordinate Obligations and fees and expenses required to be paid from amounts in the Fees and Expenses Fund; provided, however, that with respect to the issuance of additional Bonds or Subordinate Obligations pursuant to this Trust Agreement, the calculation of Projected TIFIA Pledged Revenues under (a) and (b) above shall be adjusted to

reflect the amount of TIFIA Pledged Revenues that would have been available to pay TIFIA Debt Service on all Outstanding TIFIA Bonds and Debt Service on all other Junior Subordinate Obligations to be Outstanding after payment of Debt Service on all Bonds and Subordinate Obligations issued under this Trust Agreement which are required by this Trust Agreement to be paid prior to Debt Service on Junior Subordinate Obligations, including Debt Service on the additional Bonds or Subordinate Obligations proposed to be issued, as if such additional Bonds and Subordinate Obligations had been Outstanding during said periods; and provided, further, that if there are not at least such five prior years of Measure R Sales Tax receipts, then the Authority shall instead use Proposition A Sales Tax receipts for such prior five years in place of Measure R Sales Tax receipts, in the calculation of Projected TIFIA Pledged Revenues.

For purposes of this definition only, and only with respect to the tests for additional debt set forth in Sections 3.02(F), 3.06(C) and 3.07(C), (i) the definitions of Assumed Debt Service and Excluded Principal Payments herein shall read as follows:

**“Assumed Debt Service”** means for any Fiscal Year the aggregate amount of principal and interest which would be payable on all commercial paper, bond anticipation notes and grant anticipation notes, if each Excluded Principal Payment were amortized on a level debt service basis or, in the case of bond anticipation notes or grant anticipation notes, another amortization schedule provided by the Authority for a period commencing (a) (i) initially, on the date such debt is incurred and (ii) thereafter, on each date of calculation of such Assumed Debt Service and ending (b) on the earlier of (i) the date specified in writing by the Authority or (ii) the Tax Expiration Date, such Assumed Debt Service to be calculated on a level debt service basis or another amortization schedule provided by the Authority, as set forth above, based on the Maximum Interest Rate, as set forth in a certificate of a consultant, delivered to the Trustee, who may rely conclusively on such certificate, such certificate to be delivered within 30 days of the date of calculation.

**“Excluded Principal Payment”** means each payment of principal of commercial paper, bond anticipation notes or grant anticipation notes which the Authority determines (in a Certificate of the Authority) that the Authority commits to pay with moneys that are not Pledged Revenues but from future debt obligations of the Authority, grants from the State or federal government, or any agency or instrumentality thereof, or any other source of funds of the Authority, upon which determination of the Authority the Trustee may conclusively rely. No such determination shall affect the security for such Bonds, Parity Obligations or Subordinate Obligations or the obligation of the Authority to pay such payments from Pledged Revenues or amounts on deposit in the Reserve Fund, if any. No payment of principal of Bonds, Parity Obligations or Subordinate Obligations may be determined to be an Excluded Principal Payment unless it is due on or prior to the Tax Expiration Date.

and (ii) the definition of Debt Service herein shall be amended by deleting paragraphs (C), (D), (F) and (I) thereof in their entirety and substituting therefor the following:

(C) if any Obligations bear, or if any Obligations proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in

place and the interest on which is intended to be excluded from gross income for federal income tax purposes, the interest rate on such Obligations for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to the Maximum Interest Rate;

(D) if any Obligations bear, or if any Obligations proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in place and the interest on which is intended to be included in gross income for federal income tax purposes, the interest rate on such Obligations shall be calculated at an interest rate equal to the Maximum Interest Rate;

(F) with respect to any Obligations bearing interest, or expected to bear interest, at a fixed interest rate for which an Interest Rate Swap Agreement is in place providing for a net variable interest rate with respect to such Obligations for a specific term, the interest rate on such Obligations shall be assumed to be equal for such term to the sum of (i) the fixed interest rate or rates to be paid on the Obligations, minus (ii) the fixed interest rate receivable by the Authority under such Interest Rate Swap Agreement, plus (iii) the Maximum Interest Rate;

(I) with respect to Obligations bearing interest that is subject to a federal subsidy and such subsidy is not included as Pledged Revenues but instead is applied directly to offset the interest due on such Obligations, the interest rate on such Obligations shall be assumed to be the rate net of such subsidy; provided, however, that if the amount of the federal subsidy is reduced, the interest rate on such Obligations shall be assumed to be the rate net of the subsidy taking into account such reduction, and if the amount of the federal subsidy is eliminated, the interest rate on such Obligations shall be assumed to be the actual interest rate such Obligations bear, without adjustment; and

**"Project Fund"** means the fund or funds by that name established pursuant to Section 5.08 hereof to hold the proceeds of a Series of Bonds or a portion thereof prior to expenditure on the portion of the Project being financed with the proceeds of such Series of Bonds.

**"Proportionate Basis,"** when used with respect to the redemption of Bonds, means that the amount of Bonds of each maturity to be redeemed shall be determined as nearly as practicable by multiplying the total amount of funds available for redemption by the ratio which the amount of Bond Obligation of Bonds of such maturity bears to the amount of all Bond Obligation of Bonds to be redeemed, provided, however that, any Bond may only be redeemed in an Authorized Denomination. For purposes of the foregoing, Term Bonds shall be deemed to mature in the years and in the amounts of the Mandatory Sinking Account Payments, and Capital Appreciation Bonds and Current Interest Bonds maturing or subject to Mandatory Sinking Account Payments in the same year shall be treated as separate maturities. When used with respect to the payment or purchase of a portion of Bonds, "Proportionate Basis" shall have the same meaning set forth above except that "pay" or purchase" shall be substituted for "redeem" or "redemption" and "paid" or "purchased" shall be substituted for "redeemed."

**"Proposition A Sales Tax"** means the retail transactions and use tax imposed by Ordinance No. 16 of the Los Angeles County Transportation Commission and approved by the electors of the County of Los Angeles at an election held November 4, 1980.

**"Purchase Fund"** means a fund by that name established to hold funds to be applied to pay the purchase price of a Series of Bonds, which fund shall be established pursuant to the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

**"Rating Agency"** means, as and to the extent applicable to a Series of Bonds, each of Fitch, Moody's and Standard & Poor's then maintaining a rating on such Series of Bonds at the request of the Authority.

**"Rating Category"** means: (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier; and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

**"Rating Confirmation"** means written evidence from each rating agency then rating any Series of Bonds to the effect that, following the event which requires the Rating Confirmation, the then current rating for such Series of Bonds will not be lowered or withdrawn solely as a result of the occurrence of such event.

**"Rebate Fund"** means that fund by that name established pursuant to Section 5.09.

**"Rebate Instructions"** means, with respect to any Series of Bonds, those calculations and directions required to be delivered to the Trustee by the Authority pursuant to the Tax Certificate delivered in connection with such Series of Bonds.

**"Rebate Requirement"** means, with respect to any Series of Bonds, the Rebate Requirement determined in accordance with the Tax Certificate delivered in connection with such Series of Bonds.

**"Record Date,"** with respect to each Series of Bonds, shall have the meaning specified in the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

**"Redemption Fund"** means the fund by that name established pursuant to Section 5.08.

**"Redemption Price"** means, with respect to any Bond (or portion thereof) the Bond Obligation of such Bond (or portion thereof) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Trust Agreement.

**"Refunding Senior Bonds"** means a Series of Senior Bonds or a portion of a Series of Senior Bonds issued pursuant to the provisions set forth in Section 3.04.

**"Repository"** means the Municipal Securities Rulemaking Board and any other public or private entity designated as a Repository in a Continuing Disclosure Certificate executed and delivered in connection with a Series of Senior Bonds.

**"Reserve Facility"** means any insurance policy, letter of credit or surety bond issued by a Reserve Facility Provider, meeting the requirements set forth in the Supplemental Trust Agreement establishing the related Reserve Fund, and delivered to the Trustee in satisfaction of all or a portion of the Reserve Requirement applicable to one or more Series of Senior Bonds.

**“Reserve Facility Provider”** means any issuer of a Reserve Facility.

**“Reserve Fund”** means any fund by that name established with respect to one or more Series of Senior Bonds pursuant to the Supplemental Trust Agreement establishing the terms and provisions of such Series of Senior Bonds.

**“Reserve Requirement”** with respect to a Series of Senior Bonds for which the Authority shall have established a Reserve Fund shall have the meaning specified in the Supplemental Trust Agreement establishing the terms and provisions of such Series of Senior Bonds.

**“Revenue Fund”** means the Revenue Fund established pursuant to Section 5.01.

**“Rule 15c2-12”** means Securities and Exchange Commission Rule 15c2-12, as supplemented and amended from time to time.

**“Securities Depository”** means DTC, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depository, or no such depositories, as the Authority may designate in a Request of the Authority delivered to the Trustee.

**“Senior Bond”** or **“Senior Bonds”** means the Series 2010 Bonds and any indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes and other obligations, issued under the provisions of Article III of this Trust Agreement, payable from and secured by Pledged Revenues on a parity with the Series 2010 Bonds, but shall not include any Subordinate Obligations or Junior Subordinate Obligations incurred by the Authority as permitted by Sections 3.06 or 3.07 and 3.08, respectively.

**“Senior Obligations”** means, collectively, Senior Bonds and Parity Obligations.

**“Senior Obligation Holder,”** whenever used herein with respect to a Senior Obligation, means the person in whose name such Senior Obligation is registered.

**“Serial Bonds”** means Senior Bonds, maturing in specified years, for which no Mandatory Sinking Account Payments are provided.

**“Series,”** whenever used herein with respect to Bonds or Subordinate Obligations, means all of the Bonds or Subordinate Obligations designated as being of the same series, authenticated and delivered in a simultaneous transaction regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds or Subordinate Obligations thereafter authenticated and delivered upon transfer or exchange in lieu of or in substitution for (but not to refund) such Bonds or Subordinate Obligations as provided herein.

**“Series 2010 Bonds”** means the Authority’s Measure R Senior Sales Tax Revenue Bonds, Series 2010-A and Series 2010-B, issued and Outstanding under the Trust Agreement.

**“Series 2010-A Senior Bonds”** means the Los Angeles County Metropolitan Transportation Authority Measure R Senior Sales Tax Revenue Bonds, Series 2010-A (Taxable Build America Bonds), authorized by, and at any time Outstanding pursuant to, this Trust Agreement and the First Supplemental Trust Agreement.

**"Series 2010-B Senior Bonds"** means the Los Angeles County Metropolitan Transportation Authority Measure R Senior Sales Tax Revenue Bonds, Series 2010-B (Tax-Exempt), authorized by, and at any time Outstanding pursuant to, this Trust Agreement and the First Supplemental Trust Agreement.

**"SIFMA Swap Index"** means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry and Financial Markets Association (formerly the Bond Market Association) ("SIFMA") or by any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Trustee and effective from such date.

**"Sinking Account"** means an account by that name established in the Principal Fund pursuant to Section 5.04 for the payment of Term Bonds.

**"Standard & Poor's"** or **"S&P"** means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation or division shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

**"State"** means the State of California.

**"State Board of Equalization"** means the California State Board of Equalization, which collects the Measure R Sales Tax.

**"Subordinate Obligations"** means any obligations of the Authority issued or incurred in accordance with Section 3.06, and secured, in one or more tiers, by a lien and charge on Pledged Revenues subordinate to the lien and charge on Pledged Revenues that secures the Senior Bonds and Parity Obligations and senior to the lien and charge on Pledged Revenues that secures the Junior Subordinate Obligations.

**"Subordinate Obligation Holder,"** whenever used herein with respect to a Subordinate Obligation, means the person in whose name such Subordinate Obligation is registered.

**"Subordinate Obligations Fund"** means the fund by that name established pursuant to Section 5.02.

**"Subordinate Trust Agreement"** means any indenture, trust agreement or other instrument providing for the issuance of Subordinate Obligations.

**"Supplemental Trust Agreement"** means any supplemental trust agreement hereafter duly executed and delivered, supplementing, modifying or amending this Trust Agreement, but only if and to the extent that such supplemental trust agreement is authorized specifically hereunder.

**"Swap Revenues"** means all regularly-scheduled amounts (but not termination payments) owed or paid to the Authority by any Counterparty under any Interest Rate Swap



Agreement after offset for the regularly-scheduled amounts (but not termination payments) owed or paid by the Authority to such Counterparty under such Interest Rate Swap Agreement.

**“Swap Termination Payments”** means the aggregate amount payable to the Counterparty by the Authority upon termination prior to stated maturity of all or a portion of the Interest Rate Swap Agreement, net of all amounts payable to the Authority by such Counterparty upon early unwind of all or a portion of such Interest Rate Swap Agreement. For the avoidance of doubt, all calculations of such amounts payable under the Interest Rate Swap Agreements shall be made in accordance with the terms of the applicable Interest Rate Swap Agreement.

**“Tax Certificate”** means each Tax Certificate delivered by the Authority at the time of issuance and delivery of a Series of Bonds, as the same may be amended or supplemented in accordance with its terms.

**“Tax Expiration Date”** means June 30, 2039, or such later date to which the levy of the Measure R Sales Tax is extended in accordance with the Authority Act or other applicable law.

**“Term Bonds”** means Senior Bonds payable at or before their specified maturity date or dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Senior Bonds on or before their specified maturity date or dates.

**“TIFIA Bond”** or **“TIFIA Bonds”** means any Bond or Bonds issued by the Authority to the TIFIA Lender that are payable solely from Pledged Revenues, which secure the payment obligations of the Authority to the TIFIA Lender on a loan that is described in the related Supplemental Trust Agreement and which constitute Junior Subordinate Obligations for purposes of this Trust Agreement.

**“TIFIA Debt Service”** shall have such meaning as given in the Supplemental Trust Agreement pursuant to which a Series of TIFIA Bonds is issued.

**“TIFIA Debt Service Account”** means the account by that name established within the Junior Subordinate Obligations Fund pursuant to Section 5.02(A)(6) of this Trust Agreement.

**“TIFIA Debt Service Coverage Ratio”** means the ratio, computed for each Fiscal Year commencing with the Fiscal Year ending after the issuance of any proposed additional Bonds or Subordinate Obligations to be secured by Pledged Revenues and ending on the last Fiscal Year in which any TIFIA Bond is Outstanding or is scheduled to be Outstanding, of (a) Projected TIFIA Pledged Revenues which would be available to be transferred by the Trustee pursuant to the terms of this Trust Agreement for deposit into the Junior Subordinate Obligations Fund, to (b) Debt Service on all Junior Subordinate Obligations Outstanding or scheduled to be Outstanding.

**“TIFIA Debt Service Reserve Account”** means the account by that name established within the Junior Subordinate Obligations Fund pursuant to Section 5.02(A)(6) of this Trust Agreement.

**“TIFIA Fees and Expenses Account”** means the account by that name established within the Junior Subordinate Obligations Fund pursuant to Section 5.02(A)(6) of this Trust Agreement.

“**TIFIA Lender**” means the U.S. Department of Transportation, acting by and through the Federal Highway Administrator, and any other Holder of TIFIA Bonds, which shall be a Junior Subordinate Obligation Holder of the TIFIA Bonds for purposes of this Trust Agreement.

“**TIFIA Pledged Revenues**” means all Pledged Revenues less (a) Debt Service and other amounts due and payable by the Authority with respect to Senior Obligations and Subordinate Obligations Outstanding under this Trust Agreement, and (b) amounts required to be deposited in the Fees and Expenses Fund under this Trust Agreement, which amounts remaining after (a) and (b) shall be available to pay Debt Service on all Outstanding Junior Subordinate Obligations, including the TIFIA Bonds.

“**Trust Agreement**” means this Trust Agreement, dated as of November 1, 2010, between the Authority and the Trustee, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Trust Agreement delivered pursuant to the provisions hereof.

“**Trustee**” means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or its successor, as Trustee as provided in Section 8.01.

“**Variable Rate Indebtedness**” means any indebtedness, including Bonds, Parity Obligations, and Subordinate Obligations, the interest rate on which is not fixed at the time of incurrence of such indebtedness, and has not at some subsequent date been fixed, at a numerical rate or rates for the entire term of such indebtedness.

**SECTION 1.03**      **Content of Certificates.** Every certificate provided for in this Trust Agreement with respect to compliance with any provision hereof shall include: (1) a statement that the person making or giving such certificate has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate is based; (3) a statement that, in the opinion of such person, he or she has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (4) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate given by an officer of the Authority may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant, a financial advisor, an investment banker or an independent consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant, a financial advisor, and investment banker or an independent consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority) upon a certificate or opinion of or representation by an officer of the Authority, unless such counsel, accountant, financial advisor, investment banker or independent consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Authority, or the same counsel, accountant, financial advisor,

investment banker or independent consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Trust Agreement, but different officers, counsel, accountants, financial advisors, investment bankers or independent consultants may certify to different matters, respectively.

## ARTICLE II

### THE BONDS

**SECTION 2.01**     Authorization of Bonds. Bonds may be issued hereunder as fully registered bonds without coupons, in book-entry form or otherwise, from time to time as the issuance thereof is approved by the Authority. The maximum principal amount of Bonds which may be issued hereunder is not limited; subject, however, to any limitations contained in the Act and the Ordinance and to the right of the Authority, which is hereby reserved, to limit the aggregate principal amount of Bonds which may be issued or Outstanding hereunder. The Senior Bonds are designated generally as "Los Angeles County Metropolitan Transportation Authority Measure R Senior Sales Tax Revenue Bonds," each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Senior Bonds. The TIFIA Bonds are designated generally as "Los Angeles County Metropolitan Transportation Authority Measure R Junior Subordinate Sales Tax Revenue Bonds," each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of TIFIA Bonds. The Bonds may be issued in such Series as from time to time shall be established and authorized by the Authority, subject to the covenants, provisions and conditions herein contained.

**SECTION 2.02**     Terms of the Bonds. The Bonds of each Series shall bear interest, if any, at such rate or rates or determined in such manner and payable at such intervals as may be determined by the Authority at the time of issuance thereof pursuant to the Supplemental Trust Agreement under which issued, not to exceed the Maximum Interest Rate, and shall mature and become payable on such date or dates and in such year or years as the Authority may determine by the Supplemental Trust Agreement creating such Series; provided that no Bond shall have a Maturity Date later than the Tax Expiration Date. Principal of and interest on such Bonds shall be payable in such manner as may be specified in the Supplemental Trust Agreement creating such Series. The Bonds of each Series shall be issued in such denominations as may be authorized by the Supplemental Trust Agreement creating such Series.

Unless otherwise provided in the Supplemental Trust Agreement delivered in connection with such Series of Senior Bonds, the Senior Bonds of each Series shall be initially registered in the name of "Cede & Co.," as nominee of the Securities Depository and shall be evidenced by one bond certificate for each maturity of each Series of Senior Bonds. Registered ownership of any Series of Senior Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.10, or in the event the use of the Securities Depository is discontinued, in accordance with the provisions set forth in Section 2.05.

**SECTION 2.03**     Form of Bonds. The Bonds of any Series shall be in such form or forms as may be specified in the Supplemental Trust Agreement creating such Series.

**SECTION 2.04**     Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Authority by the facsimile or manual signature of one or more of its Authorized Representatives. Unless otherwise provided in any Supplemental Trust Agreement, the Bonds shall then be delivered to the Trustee for authentication by the Trustee. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Authority before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority, and also any Bond may be signed and attested on behalf of the Authority by such persons as at the actual date of execution of such Bond shall be the proper officers of the Authority although at the nominal date of such Bond any such person shall not have been such officer of the Authority.

Except as may be otherwise be provided in a Supplemental Trust Agreement establishing the terms and provisions of a Series of Bonds, only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form recited in the Supplemental Trust Agreement creating such Series of Bonds, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Trust Agreement, and such certificate of authentication when manually executed by the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Trust Agreement.

**SECTION 2.05**     Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the register required to be kept pursuant to the provisions of Section 2.07, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee.

Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of the same Series, tenor, maturity and interest rate and a like aggregate principal amount; provided that, unless otherwise provided in any Supplemental Trust Agreement, no registration of transfer may occur during the period established by the Trustee for selection of Bonds for redemption, or of any Bond or portion of a Bond so selected for redemption. The Trustee shall require the Bondholder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

**SECTION 2.06**     Exchange of Bonds. Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same Series, tenor, maturity and interest rate; provided that, unless otherwise provided in any Supplemental Trust Agreement, no exchange may occur during the period established by the Trustee for selection of Bonds for redemption, or of any Bond or portion of a Bond so selected for redemption. The Trustee shall require the Bondholder requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

**SECTION 2.07 Bond Register.** Unless otherwise provided in a Supplemental Trust Agreement delivered in connection with a Series of Bonds, the Trustee will keep or cause to be kept, at its Corporate Trust Office sufficient books for the registration and transfer of each Series of Bonds (the "Bond Register"), which shall at all times be open to inspection during normal business hours by the Authority and each Credit Provider upon reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

**SECTION 2.08 Temporary Bonds.** The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bond may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the Authority, shall be in registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. A temporary Bond may be in the form of a single Bond payable in installments, each on the date, in the amount and at the rate of interest established for the Bonds maturing on such date. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds the Authority will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations of the same Series, tenor and maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds authenticated and delivered hereunder.

**SECTION 2.09 Bonds Mutilated; Lost; Destroyed or Stolen.** If any Bond shall become mutilated, the Authority, at the expense of the Holder of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and interest rate in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by the Trustee and delivered to, or upon the Order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Authority and to the Trustee and, if such evidence be satisfactory to both and indemnity satisfactory to both shall be given, the Authority, at the expense of the Holder, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and interest rate in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of the aforementioned indemnity). The Authority may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Trust Agreement with all other Bonds secured by this Trust Agreement. Neither the Authority nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining

any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

**SECTION 2.10**      **Use of Securities Depository.** Unless otherwise provided in a Supplemental Trust Agreement delivered in connection with a Series of Senior Bonds, notwithstanding any provision of this Trust Agreement to the contrary:

(A) The Senior Bonds shall be delivered and registered as provided in Section 2.02. Registered ownership of any Series of Senior Bonds, or any portion thereof, may not thereafter be transferred except:

(1) To any successor of the Securities Depository or its nominee, or to any substitute depository designated pursuant to clause (2) of this subsection (A) (each, a "substitute depository"); provided that any successor of the Securities Depository or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) To any substitute depository designated by the Authority upon (a) the resignation of the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository or (b) a determination by the Authority that the Securities Depository or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) To any Person as provided below, upon (a) the resignation of the Securities Depository or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository can be obtained or (b) a determination by the Authority that it is in the best interests of the Authority to remove the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository.

(B) In the case of any transfer pursuant to clause (1) or clause (2) of subsection (A) above, upon receipt of the Outstanding Senior Bonds by the Trustee, together with a Statement of the Authority to the Trustee, a single new Senior Bond for each maturity of each Series of Senior Bonds then Outstanding shall be executed and delivered in the aggregate principal amount of the Senior Bonds of such Series then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Statement of the Authority. In the case of any transfer pursuant to clause (3) of subsection (A) hereof, upon receipt of the Outstanding Senior Bonds by the Trustee together with the Statement of the Authority to the Trustee, new Senior Bonds of each Series then Outstanding shall be authorized and prepared by the Authority and authenticated and delivered by the Trustee in such authorized denominations and registered in the names of such Persons as are requested in such a Statement of the Authority, numbered in such manner as the Trustee shall determine, subject to the limitations of Section 2.02.

(C) In the case of partial redemption or an advance refunding of any Series of the Senior Bonds evidencing all or a portion of such amount Outstanding, the Securities Depository

shall make an appropriate notation on such Senior Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee.

(D) The Authority and the Trustee shall be entitled to treat the Person in whose name any Senior Bond is registered as the Bondholder thereof for all purposes of this Trust Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Authority; and the Authority and the Trustee shall have no responsibility for transmitting payments to, communicating with, notifying or otherwise dealing with any Beneficial Owners of the Senior Bonds. Neither the Authority nor the Trustee will have any responsibility or obligations, legal or otherwise, to the Beneficial Owners or to any other party including the Securities Depository or its successor (or substitute depository or its successor), except for the Holder of any Senior Bond.

(E) So long as the Outstanding Senior Bonds are registered in the name of Cede & Co. or its registered assign, the Authority and the Trustee shall cooperate with Cede & Co., as sole registered Bondholder, and its registered assigns in effecting payment of the principal of, redemption premium, if any, purchase price and interest on the Senior Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

### ARTICLE III

#### ISSUANCE OF BONDS

**SECTION 3.01** Issuance of Bonds. Whenever the Authority shall determine to issue a Series of Bonds hereunder, the Authority (i) shall authorize the execution of a Supplemental Trust Agreement specifying the principal amount, and prescribing the forms of Bonds of such Series and providing the terms, conditions, distinctive designation, denominations, date, maturity date or dates, interest rate or rates (or the manner of determining the same), redemption provisions, tender provisions, if any, and place or places of payment of principal or Redemption Price, if any, of and interest on such Bonds, and any other provisions respecting the Bonds of such Series not inconsistent with the terms of this Trust Agreement, (ii) shall execute such Supplemental Trust Agreement and (iii) shall deliver such Supplemental Trust Agreement to the Trustee for execution.

**SECTION 3.02** Issuance of Additional Senior Bonds. Subsequent to the issuance of the Series 2010 Bonds, the Authority may by Supplemental Trust Agreement establish one or more additional Series of Senior Bonds, payable from Pledged Revenues and secured by the pledge made under this Trust Agreement equally and ratably with the Series 2010 Bonds, and the Authority may issue, and the Trustee may authenticate and deliver to the purchasers thereof, Senior Bonds of any Series so established, in such principal amount as shall be determined by the Authority, but only, with respect to each additional Series of Senior Bonds issued subsequent to the Series 2010 Bonds issued under the First Supplemental Trust Agreement, upon compliance by the Authority with the provisions of this Section 3.02, Section 3.03 and any additional requirements set forth in said Supplemental Trust Agreement and subject to the specific conditions set forth below, each of which is hereby made a condition precedent to the issuance of any such additional Series of Senior Bonds.

(A) No Event of Default shall have occurred and then be continuing.

(B) Subject to the provisions of Section 5.05, in the event a Supplemental Trust Agreement providing for the issuance of such Series shall require either (i) the establishment of a Reserve Fund to provide additional security for such Series of Senior Bonds or (ii) that the balance on deposit in an existing Reserve Fund be increased, forthwith upon the receipt of the proceeds of the sale of such Series, to an amount at least equal to the Reserve Requirement with respect to such Series of Senior Bonds and all other Senior Bonds secured by such Reserve Fund to be considered Outstanding upon the issuance of such additional Series of Senior Bonds, the Supplemental Trust Agreement providing for the issuance of such additional Series of Senior Bonds shall require deposit of the amount necessary. Said deposit shall be made as provided in the Supplemental Trust Agreement providing for the issuance of such additional Series of Senior Bonds and may be made from the proceeds of the sale of such Series of Senior Bonds or from other funds of the Authority or from both such sources or may be made in the form of a Reserve Facility.

(C) The aggregate principal amount of Senior Bonds issued hereunder shall not exceed any limitation imposed by the Ordinance or any other law or by any Supplemental Trust Agreement. The Authority shall file with the Trustee a Certificate of the Authority certifying that the issuance of such additional Series of Senior Bonds and the expected use of proceeds thereof is in compliance with the provisions of Section 6.10 hereof.

(D) The Authority shall file with the Trustee and the TIFIA Lender a certificate prepared by a Consultant showing that the amount of Pledged Revenues (excluding Swap Revenues) collected during any 12 consecutive calendar months specified by the Authority within the most recent 18 calendar months immediately preceding the date on which such additional Series of Senior Bonds will become Outstanding shall have been at least equal to 2.5 times Maximum Annual Debt Service on all Series of Senior Bonds and Parity Obligations then Outstanding and the additional Series of Senior Bonds then proposed to be issued, which certificate shall also set forth the computations upon which such certificate is based.

(E) Principal payments of each additional Series of Senior Bonds shall be due on June 1 or December 1 in each year in which principal is to be paid if and to the extent deemed practical in the reasonable judgment of the Authority with regard to the type of Senior Bond to be issued, and, if the interest on such Series of Senior Bonds is to be paid semiannually, such interest payments shall be due on June 1 and December 1 in each year to the extent deemed practical in the reasonable judgment of the Authority with regard to the type of Senior Bond to be issued.

(F) While any TIFIA Bonds are Outstanding, the Authority shall provide the Trustee and the TIFIA Lender, prior to the issuance of such additional Senior Bonds, (i) with a certificate of a Consultant, showing that, upon the issuance of such additional Senior Bonds, Projected TIFIA Pledged Revenues are projected to be at least 1.25 times the annual Debt Service on all Outstanding Junior Subordinate Obligations in each Fiscal Year any TIFIA Bond is or will be Outstanding and (ii) a Certificate showing that in each Fiscal Year that any Senior Bond is Outstanding, the portion of projected Measure R Sales Tax revenues attributable to any expenditure allocation category described in the Ordinance, as determined by the Authority, divided by the Debt Service (treating indebtedness secured directly or indirectly by Measure R Sales Tax revenues on a basis junior to obligations issued under Article III of this Trust Agreement as Obligations in the definition of "Debt Service" for purposes of this Certificate) attributable to all indebtedness secured directly or indirectly by Measure R Sales Tax revenues



for such expenditure allocation category, will not be less than 110% (each certificate provided pursuant to this paragraph (F) shall also set forth the computations upon which such certificate is based).

(G) While any TIFIA Bonds are Outstanding, the Authority shall certify to the Trustee and the TIFIA Lender that the issuance of any additional Senior Bonds (other than Refunding Senior Bonds issued or incurred for purposes of refunding in compliance with the requirements set forth in Section 3.04) will not, in and of itself, result in a downgrade or withdrawal of the then-existing credit rating of any TIFIA Bonds, as confirmed by the Nationally Recognized Rating Agency that provided the most recent private rating of such TIFIA Bonds.

Nothing contained in this Trust Agreement shall prevent or be construed to prevent the Supplemental Trust Agreement providing for the issuance of an additional Series of Senior Bonds from pledging or otherwise providing, in addition to the security given or intended to be given by this Trust Agreement, additional security for the benefit of such additional Series of Senior Bonds or any portion thereof.

In the event additional assets or revenues are included within the definition of "Pledged Revenues" by a Supplemental Trust Agreement, such additional assets or revenues shall be included in the calculations to be provided in subsection (D) above as if the Authority had received such additional assets or revenues as "Pledged Revenues" during all relevant periods of calculation.

**SECTION 3.03 Proceedings for Issuance of Additional Senior Bonds.**

Subsequent to the issuance of the Series 2010 Bonds, before any additional Series of Senior Bonds shall be issued and delivered, the Authority shall file each of the documents identified below with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Senior Bonds have been satisfied).

(A) A Supplemental Trust Agreement authorizing such Series executed by the Authority.

(B) A Certificate of the Authority certifying: (i) that no Event of Default has occurred and is then continuing; and (ii) that the requirements specified in Sections 3.02(B), (C) and (G) hereof have been satisfied by the Authority.

(C) A Certificate of the Authority certifying (on the basis of computations made as of the date of sale of such Series of Senior Bonds) that the requirements of Sections 3.02(D) and (F) are satisfied.

(D) An Opinion of Bond Counsel to the effect that the Supplemental Trust Agreement is being entered into in accordance with this Trust Agreement and that such Series of Senior Bonds, when duly executed by the Authority and authenticated and delivered by the Trustee, will be valid and binding obligations of the Authority.

**SECTION 3.04      Issuance of Refunding Senior Bonds.**

(A) Refunding Senior Bonds may be authorized and issued by the Authority without compliance with the provisions of Sections 3.02(D) or (G) or 3.03(C); provided that the Trustee shall have been provided with a certificate of a Consultant to the effect that Maximum Annual Debt Service on all Senior Bonds Outstanding and all Parity Obligations outstanding following the issuance of such Refunding Senior Bonds is less than or equal to Maximum Annual Debt Service on all Senior Bonds Outstanding and all Parity Obligations outstanding prior to the issuance of such Refunding Senior Bonds. Such Refunding Senior Bonds may be issued in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all or a portion of the following:

- (1) the principal or Redemption Price of the Outstanding Senior Bonds or outstanding Parity Obligations to be refunded;
- (2) all expenses incident to the calling, retiring or paying of such Outstanding Senior Bonds or outstanding Parity Obligations and the Costs of Issuance of such Refunding Senior Bonds;
- (3) any termination payment owed by the Authority to a Counterparty after offset for any payments made to the Authority from such Counterparty under any Interest Rate Swap Agreement that was entered into in connection with the Senior Bonds or Parity Obligations to be refunded;
- (4) interest on all Outstanding Bonds or outstanding Parity Obligations to be refunded to the date such Senior Bonds or Parity Obligations will be called for redemption or paid at maturity;
- (5) interest on the Refunding Senior Bonds from the date thereof to the date of payment or redemption of the Senior Bonds or Parity Obligations to be refunded; and
- (6) funding a Reserve Fund for the Refunding Senior Bonds, if required.

(B) Before such Series of Refunding Senior Bonds shall be issued and delivered pursuant to this Section 3.04, the Authority shall file each of the documents identified below with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Refunding Senior Bonds have been satisfied).

- (1) A Supplemental Trust Agreement authorizing such Series of Refunding Senior Bonds executed by the Authority.
- (2) A Certificate of the Authority certifying that the requirements of Sections 3.02(A), (B), (C) and (F) and 3.04(A) hereof are satisfied.
- (3) If any of the Senior Bonds to be refunded are to be redeemed prior to their stated maturity dates, irrevocable instructions to the Trustee to give the applicable notice of redemption or a waiver of the notice of redemption signed by the Holders of all or the portion of the Senior Bonds or Parity Obligations to be redeemed, or proof that such notice has been given by the Authority; provided, however, that in lieu of such

instructions or waiver or proof of notice of redemption, the Authority may cause to be deposited with the Trustee all of the Senior Bonds and Parity Obligations proposed to be redeemed (whether canceled or uncanceled) with irrevocable instructions to the Trustee to cancel said Senior Bonds or Parity Obligations so to be redeemed upon the exchange and delivery of said Refunding Senior Bonds; and provided further that no provision of this Trust Agreement shall be construed to require the redemption of Senior Bonds prior to their respective maturity dates in connection with the refunding thereof.

(4) An Opinion of Bond Counsel to the effect that the Supplemental Trust Agreement is being entered into in accordance with this Trust Agreement and that such Series of Refunding Senior Bonds, when duly executed by the Authority and authenticated and delivered by the Trustee, will be valid and binding obligations of the Authority.

(5) The proceeds of the sale of the Refunding Senior Bonds shall be applied by the Trustee according to the Order of the Authority to the retirement of the Outstanding Senior Bonds or Parity Obligations for the refunding of which said Refunding Senior Bonds are to be issued, and the other expenses described in Section 3.04(A) hereof. All Senior Bonds or Parity Obligations purchased, redeemed or retired by use of funds received from the sale of Refunding Senior Bonds, and all Senior Bonds surrendered to the Trustee against the issuance of Refunding Senior Bonds, shall be forthwith canceled and shall not be reissued.

**SECTION 3.05**     **Issuance of Parity Obligations.** Parity Obligations may be authorized and issued or incurred by the Authority, provided that the following conditions to the issuance or incurrence of such Parity Obligations are satisfied:

(A) Such Parity Obligations have been duly and legally authorized by the Authority for any lawful purpose;

(B) No Event of Default shall have occurred and then be continuing, as evidenced by the delivery of a Certificate of the Authority to that effect, which Certificate of the Authority shall be filed with the Trustee;

(C) (i) Such Parity Obligations are being issued or incurred for purposes of refunding in compliance with the requirements for the issuance of Refunding Senior Bonds set forth in Section 3.04 or (ii) the Authority shall have placed on file with the Trustee a certificate of a Consultant, upon which the Trustee may conclusively rely certifying (on the basis of calculations made no later than the date of sale or incurrence of such Parity Obligations, as applicable) that the requirements set forth in Sections 3.02(D), (F) and (G) relating to the issuance of an additional Series of Senior Bonds have been satisfied with respect to such Parity Obligations, which certificate shall also set forth the computations upon which such certificate is based; and

(D) As and to the extent applicable, the Trustee shall be designated as paying agent or trustee for such Parity Obligations and the Authority shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Parity Obligations (but the Trustee shall not be responsible for the validity or sufficiency of such proceedings or such Parity Obligations).

**SECTION 3.06**      **Issuance of Subordinate Obligations.** The Authority may issue Subordinate Obligations that are payable as to principal, premium, interest and reserve fund requirements, if any, only out of Pledged Revenues after the prior payment or deposit of all amounts then required to be paid or deposited hereunder from Pledged Revenues for principal, premium, interest and reserve fund requirements, if any, for all Senior Bonds Outstanding and all Parity Obligations outstanding, as the same become due and payable, and at the times and in the amounts as required in this Trust Agreement and in the instrument or instruments pursuant to which any Parity Obligations were issued or incurred, and that are secured by a lien and charge on Pledged Revenues subordinate to the lien and charge on Pledged Revenues that secures the Senior Bonds and Parity Obligations, provided that the following conditions to issuance or incurrence of such Subordinate Obligations are satisfied:

(A) Such Subordinate Obligations have been duly and legally authorized by the Authority for any lawful purpose;

(B) No Event of Default shall have occurred and then be continuing, as evidenced by the delivery to the Trustee of a Certificate of the Authority to that effect;

(C) While any TIFIA Bonds are Outstanding, the Authority shall provide to the Trustee and the TIFIA Lender, prior to the issuance of such Subordinate Obligations, (i) a certificate of a Consultant, showing that, upon the issuance of such Subordinate Obligations, Projected TIFIA Pledged Revenues are projected to be at least 1.25 times the annual Debt Service on all Outstanding Junior Subordinate Obligations in each Fiscal Year any TIFIA Bond is or will be Outstanding, and (ii) a Certificate showing that in each Fiscal Year any 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 the Authority, divided by the Debt Service (treating indebtedness secured directly or indirectly by Measure R Sales Tax revenues on a basis junior to obligations issued under Article III of this Trust Agreement as Obligations in the definition of "Debt Service" for purposes of this Certificate) attributable to all indebtedness secured directly or indirectly by Measure R Sales Tax revenues for such expenditure allocation category, will not be less than 110% (each certificate provided pursuant to this paragraph (C) shall also set forth the computations upon which such certificate is based).

(D) While any TIFIA Bonds are Outstanding, the Authority shall certify to the Trustee and the TIFIA Lender that the issuance of any Subordinate Obligations (other than Subordinate Obligations issued or incurred for purposes of refunding in compliance with the requirements for the issuance of Refunding Senior Bonds set forth in Section 3.04) will not, in and of itself, result in a downgrade or withdrawal of the then-existing credit rating of any TIFIA Bonds, as confirmed by the Nationally Recognized Rating Agency that provided the most recent private rating of such TIFIA Bonds.

(E) Such other conditions and requirements that may be set forth or referenced in the Supplemental Trust Agreement pursuant to which such Subordinate Obligations are being issued, have been satisfied.

(F) As and to the extent applicable, the Trustee shall be designated as paying agent or trustee for such Subordinate Obligations and the Authority shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Subordinate Obligations (but the

Trustee shall not be responsible for the validity or sufficiency of such proceedings or such Subordinate Obligations).

**SECTION 3.07**      **Issuance of Junior Subordinate Obligations.** Junior Subordinate Obligations include the TIFIA Bonds, which are payable as to principal, premium, interest and reserve fund requirements, if any, solely out of Pledged Revenues after the prior payment or deposit of all amounts then required to be paid or deposited hereunder from Pledged Revenues for principal, premium, interest and reserve fund requirements, if any, for all Senior Obligations Outstanding, all Subordinate Obligations Outstanding and all fees and expenses on Interest Rate Swap Agreements (other than Swap Termination Payments, unless consented to by TIFIA Lender pursuant to Section 3.09(F)), Liquidity Provider or Credit Provider fees and expenses and similar obligations secured on a parity therewith, as the same become due and payable, and at the times and in the amounts as required in this Trust Agreement and in the instrument or instruments pursuant to which any Senior Obligations, Subordinate Obligations or such obligations to pay fees and expenses were issued or incurred, and that are secured by liens and charges on Pledged Revenues subordinate to the liens and charges on Pledged Revenues that secure such Senior Obligations, Subordinate Obligations and the fees and expenses required to be paid from amounts in the Fees and Expenses Fund. While any TIFIA Bonds are Outstanding, in order to issue any additional Junior Subordinate Obligations, the following conditions must first be satisfied:

(A) Such additional Junior Subordinate Obligations have been duly and legally authorized by the Authority for any lawful purpose;

(B) No Event of Default shall have occurred and then be continuing, as evidenced by the delivery to the Trustee of a Certificate of the Authority to that effect;

(C) The Authority shall provide to the Trustee and the TIFIA Lender, prior to the issuance of such additional Junior Subordinate Obligations, (i) a certificate of a Consultant, showing that, upon the issuance of such Junior Subordinate Obligations, Projected TIFIA Pledged Revenues are projected to be at least 1.25 times the annual Debt Service on all Junior Subordinate Obligations Outstanding or proposed to be issued in each Fiscal Year any TIFIA Bond is or will be Outstanding, and (ii) a Certificate showing that in each Fiscal Year any Junior Subordinate Obligation is Outstanding, the portion of projected Measure R Sales Tax revenues attributable to any expenditure allocation category described in the Ordinance in each year, as determined by the Authority, divided by the Debt Service (treating indebtedness secured directly or indirectly by Measure R Sales Tax revenues on a basis junior to obligations issued under Article III of this Trust Agreement as Obligations in the definition of "Debt Service" for purposes of this Certificate) attributable to all indebtedness secured directly or indirectly by Measure R Sales Tax revenues for such expenditure allocation category, will not be less than 110% (each certificate provided pursuant to this paragraph (C) shall also set forth the computations upon which such certificate is based);

(D) The Authority shall certify to the Trustee and the TIFIA Lender that the issuance of any additional Junior Subordinate Obligations (other than Junior Subordinate Obligations issued or incurred for purposes of refunding in compliance with the requirements for the issuance of Refunding Senior Bonds set forth in Section 3.04) will not, in and of itself, result in a downgrade or withdrawal of the then-existing credit rating of any TIFIA Bonds, as confirmed by

the Nationally Recognized Rating Agency that provided the most recent private rating of such TIFIA Bonds; and

(E) Such other conditions and requirements that may be set forth or referenced in the Supplemental Trust Agreement pursuant to which such Junior Subordinate Obligations are being issued, have been satisfied.

**SECTION 3.08 Proceedings for Issuance of Junior Subordinate Obligations.**  
Before any additional Junior Subordinate Obligations shall be issued and delivered, the Authority shall file each of the documents identified below with the Trustee and the TIFIA Lender (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Junior Subordinate Obligations have been satisfied):

(A) A Supplemental Trust Agreement authorizing such Junior Subordinate Obligation executed by the Authority.

(B) A Certificate of the Authority certifying: (i) that no Event of Default has occurred and is then continuing.

(C) A Certificate of the Authority certifying (on the basis of computations made as of the date of issuance of such Junior Subordinate Obligations) that the requirements of Section 3.07(C) are satisfied.

(D) A Certificate of the Authority certifying that the requirement of Section 3.07(D) is satisfied.

(E) An Opinion of Bond Counsel to the effect that the Supplemental Trust Agreement is being entered into in accordance with this Trust Agreement and that such Series of TIFIA Bonds or other Junior Subordinate Obligations, when duly executed by the Authority and authenticated and delivered by the Trustee, will be valid and binding obligations of the Authority.

**SECTION 3.09 Limitations on the Issuance of Obligations Payable from Pledged Revenues.** Subsequent to the issuance of the Series 2010 Bonds, the Authority will not, so long as any Bonds are Outstanding, issue or incur any obligations or securities, howsoever denominated, payable in whole or in part from Pledged Revenues except as set forth below.

(A) Senior Bonds authorized pursuant to Sections 3.01 and 3.02.

(B) Refunding Senior Bonds authorized pursuant to Section 3.04.

(C) Parity Obligations authorized pursuant to Section 3.05.

(D) Subordinate Obligations authorized pursuant to Section 3.06.

(E) Junior Subordinate Obligations authorized pursuant to Sections 3.07 and 3.08.

(F) Swap Termination Payments and fees and expenses on Interest Rate Swap Agreements, Liquidity Provider or Credit Provider fees and expenses and other obligations that may be secured under this Trust Agreement by a lien and charge on Pledged Revenues

subordinate to the lien and charge on Pledged Revenues that secures the Senior Bonds, Parity Obligations and Subordinate Obligations; provided, however, that so long as any TIFIA Bonds are Outstanding, Swap Termination Payments shall not be payable from Pledged Revenues on a basis senior to Junior Subordinate Obligations without the prior written consent of the TIFIA Lender.

(G) While any TIFIA Bonds are Outstanding, the Authority shall not issue or incur any Senior Obligations, Subordinate Obligations or Junior Subordinate Obligations bearing interest that exceeds the Maximum Interest Rate without the prior written consent of the TIFIA Lender.

**SECTION 3.10**      **Calculation of Maximum Annual Debt Service with Respect to Senior Bonds and Parity Obligations.** For purposes of this Article III, Maximum Annual Debt Service with respect to Senior Bonds shall be determined no later than the date of delivery of such Senior Bonds, and no earlier than the 60th day preceding the date of pricing or sale of such Senior Bonds, utilizing the assumptions set forth in the definition of Debt Service. For purposes of this Article III, Maximum Annual Debt Service with respect to Parity Obligations shall be determined no later than the date of incurrence of such Parity Obligations utilizing the assumptions set forth in the definition of Debt Service; provided, however, that if a Parity Obligation is contingent upon funds being provided pursuant to such Parity Obligation to pay principal, or purchase price of, or interest on a Senior Bond, such Parity Obligations shall not be considered outstanding until such payment is made thereunder.

**SECTION 3.11**      **Application of Proceeds.** Proceeds of each Series of Bonds shall be applied as specified in the Supplemental Trust Agreement pursuant to which such Series of Bonds is issued.

## ARTICLE IV

### REDEMPTION, TENDER AND PURCHASE OF BONDS

**SECTION 4.01**      **Terms of Redemption, Tender and Purchase.** Each Series of Bonds may be made subject to redemption or mandatory or optional tender and purchase prior to their respective stated maturities, as a whole or in part, at such time or times, upon such terms and conditions and upon such notice and with such effect as may be provided in the Supplemental Trust Agreement establishing the terms and provisions of such Series of Bonds.

**SECTION 4.02**      **Notice of Redemption.** Unless otherwise specified in a Supplemental Trust Agreement establishing the terms and provisions of a Series of Bonds, each notice of redemption shall be mailed by the Trustee, not less than twenty (20) days nor more than ninety (90) days prior to the redemption date, to each Holder and the Repository. With respect to Senior Bonds, a copy of such notice shall also be provided to each of the Notice Parties with respect to such Series of Senior Bonds to which such notice relates. Notice of redemption of Senior Bonds to the Holders, the Repository and the applicable Notice Parties shall be given by first class mail. Each notice of redemption shall state the date of such notice, the date of issue of the Series of Bonds to which such notice relates, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity, if any, to be

redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such CUSIP numbers.

With respect to Senior Bonds, failure by the Trustee to give notice to any Notice Party or the Repository or failure of any Holder, any Notice Party or the Repository to receive notice or any defect in any such notice shall not affect the sufficiency or validity of the proceedings for redemption.

With respect to any notice of optional redemption of Bonds delivered pursuant to this Section 4.02 or any provision of any Supplemental Trust Agreement, unless, upon the giving of such notice, such Bonds shall be deemed to have been paid within the meaning of Article X hereof, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such Bonds to be redeemed, and that if such amounts shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such amounts are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice to the Holders to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the manner in which the notice of redemption was given.

Any notice given pursuant to this Section 4.02 may be rescinded by written notice given to the Trustee by the Authority and the Trustee shall give notice of such rescission as soon thereafter as practicable in the same manner, and to the same Persons, as notice of such redemption was given pursuant to this Section 4.02.

**SECTION 4.03**      **Partial Redemption of Bonds.** Upon surrender of any Bond redeemed in part only, the Authority shall execute (but need not prepare) and the Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations, and of the same Series, maturity and interest rate, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

**SECTION 4.04**      **Effect of Redemption.** Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the redemption date, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall



cease to be entitled to any benefit or security under this Trust Agreement and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption from funds held by the Trustee for such payment and such funds are hereby pledged to such payment. All Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof.

## ARTICLE V PLEGGED REVENUES

### SECTION 5.01     Pledge of Pledged Revenues; Revenue Fund.

(A) As security for the payment of all amounts owing on the Bonds, Parity Obligations and Subordinate Obligations, there are irrevocably pledged to the Trustee: (i) all Pledged Revenues; and (ii) all amounts, including proceeds of the Bonds, held on deposit in the funds and accounts established hereunder (except for amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund), subject to the provision of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in this Trust Agreement. The collateral identified above shall immediately be subject to this pledge, and this pledge shall constitute a first lien on and security interest in such collateral which shall immediately attach to the collateral and be effective, binding and enforceable against the Authority and all others asserting the rights therein, to the extent set forth, and in accordance with, this Trust Agreement irrespective of whether those parties have notice of this pledge and without the need for any physical delivery, recordation, filing or further act. The pledge of Pledged Revenues and all amounts held on deposit in the funds and accounts established hereunder (except for amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund) herein made shall be irrevocable until all of the Bonds, all Parity Obligations and all Subordinate Obligations and amounts owed in connection with the Senior Bonds, Parity Obligations and Subordinate Obligations are no longer Outstanding.

All Senior Bonds and Parity Obligations shall be of equal rank without preference, priority or distinction of any Senior Bonds and Parity Obligations over any other Senior Bonds and Parity Obligations. All TIFIA Bonds shall be of equal rank without preference, priority or distinction of any TIFIA Bond over any other TIFIA Bond.

The Authority shall cause Pledged Tax Revenues to be transmitted by the State Board of Equalization directly to the Trustee. The Trustee shall forthwith deposit in a trust fund, designated as the "Revenue Fund," which fund the Trustee shall establish and maintain, all Pledged Tax Revenues, when and as received by the Trustee. The Pledged Tax Revenues and all other amounts deposited into the Revenue Fund pursuant to this Section 5.01(B), shall be received and held in trust by the Trustee for the benefit of the Holders of the Bonds, the Parity Obligations and Subordinate Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in this Trust Agreement. Investment income on amounts held by the Trustee hereunder (other than amounts held in the Rebate Fund or for which particular instructions, such as with respect to a Project Fund, a Letter of Credit Account or a Purchase Fund, are provided in a Supplemental Trust Agreement), shall also be deposited in the Revenue Fund. All moneys at any time held in the Revenue Fund shall be held in trust for the benefit of the Holders of the Bonds and the holders of Parity Obligations and Subordinate Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in this Trust Agreement. The obligation of the Authority to make payments of principal of, interest on and

redemption premium of Bonds, Parity Obligations and Subordinate Obligations shall be an absolute obligation and shall be payable prior to any allocation of such payments under the Ordinance and shall be payable notwithstanding whether the allocation of any such payments pursuant to the terms of the Ordinance to any line item, subfund or other expenditure category within the sales tax revenue fund established by the Ordinance has the effect of allocating Net Revenues and Interest on Sales Tax Revenues (as such terms are defined in the Ordinance) to such line item, subfund or other expenditure category in an amount that is in excess of the allocation permitted by the Ordinance.

(B) The Bonds are limited obligations of the Authority and are payable as to both principal and interest, and any premium upon redemption thereof, exclusively from the Pledged Revenues and other funds pledged hereunder.

**SECTION 5.02      Allocation of Pledged Tax Revenues.**

(A) So long as any Bonds are Outstanding and Parity Obligations, Subordinate Obligations and all other amounts payable hereunder remain unpaid, the 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 Trustee shall establish, maintain and hold in trust for the benefit of the Holders of the Bonds and, as and to the extent applicable, the holders of Parity Obligations and Subordinate Obligations) 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 specified in paragraphs (1) and (2) below, the 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 Trustee pursuant to Section 3.05 (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); provided further that payments on Interest Rate Swap Agreements that are payable on a parity with 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:

(1) Interest Fund. Following receipt of the Pledged Tax Revenues in each month, the 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 Senior Bonds constituting 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 Senior Bonds constituting 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 Senior Bonds constituting 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 Senior Bonds constituting Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified in writing by the Authority, or if the Authority 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 Senior Bond 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 Senior Bond 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 hereunder 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 the Authority (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 the Authority with respect to Interest Rate Swap Agreements that are Parity Obligations shall be transferred by the Authority to the 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 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 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 Bonds of all Series having annual maturity dates within the next twelve months, plus (c) one-sixth of the aggregate of the Senior Bond Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the Term 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 Senior Bond Mandatory Sinking Account Payments to be paid during the next twelve-month period into the respective Sinking Accounts for the Term 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 the Authority certifies to the 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 any one 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 Bonds of all Series plus the Bond Obligation amount of and redemption premium on the Outstanding Term 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 Bonds and said Term Bonds shall bear to each other, after first deducting for such purposes from said Term Bonds any of said Term Bonds required to be redeemed annually as shall have been redeemed or purchased during the preceding twelve-month period and any of said Term 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 Senior Bond 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 Bonds during such 12-month period; provided that if the Authority certifies to the 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 Trustee shall request from the Authority a Certificate of the Authority 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 the Authority.

(3) Reserve Fund. Upon the occurrence of any deficiency in any Reserve Fund, the Trustee shall make such deposit to such Reserve Fund as is required pursuant to Section 5.05(D), 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 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 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 Trustee shall transfer any remaining Pledged Revenues back to the Revenue Fund. The Trustee shall promptly notify the Authority and the TIFIA Lender of the amount of each such monthly deposit or payment from the Subordinate Obligations Fund to pay debt service or other payments due on Subordinate Obligations.

(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 Authority, 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 (so long as any TIFIA Bonds are Outstanding, unless consented to by the TIFIA Lender pursuant to Section 3.09(F)) shall be payable on a basis subordinate to Junior Subordinate Obligations) owing in such month or the following month by the Authority 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 Authority in connection with Subordinate Obligations (including fees, expenses and similar charges relating to any Liquidity Facility or Credit Enhancement for Subordinate Obligations). The Authority 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 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," the "TIFIA Debt Service Reserve Account" 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 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 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 Authority on the same Business Day or as soon as practicable thereafter, except as otherwise provided in a Supplemental Trust Agreement or as the Authority may otherwise direct in writing (which direction shall not be inconsistent with any other provision of this Trust Agreement), to be used by the Authority, or as directed by the Authority in writing, for any lawful purpose and

after such transfer to the Authority shall be released from the lien of this Trust Agreement and shall no longer constitute "Pledged Revenues" hereunder.

**SECTION 5.03      Application of Interest Fund.** All amounts in the Interest Fund shall be used and withdrawn by the Trustee solely for the purposes of: (a) paying interest on the Senior Bonds as it shall become due and payable (including accrued interest on any Senior Bonds purchased or redeemed prior to maturity pursuant to this Trust Agreement), or for reimbursing a Credit Provider for a drawing for such purposes made on Credit Enhancement provided in the form of an irrevocable, direct-pay letter of credit, and (b) making periodic payments on Interest Rate Swap Agreements, as provided in Section 5.10.

**SECTION 5.04      Application of Principal Fund.**

(A) All amounts in the Principal Fund shall be used and withdrawn by the Trustee solely for the purposes of paying the Bond Obligation of the Senior Bonds when due and payable, except that all amounts in the Sinking Accounts shall be used and withdrawn by the Trustee solely to purchase or redeem or pay at maturity Term Bonds, as provided herein, or for reimbursing the Credit Provider for a drawing for such purposes made on Credit Enhancement provided in the form of an irrevocable, direct-pay letter of credit.

(B) The Trustee shall establish and maintain within the Principal Fund a separate account for the Term Bonds of each Series and maturity, designated as the "\_\_\_\_\_ Sinking Account," inserting therein the Series and maturity designation of such Senior Bonds. On or before the Business Day prior to any date upon which a Mandatory Sinking Account Payment is due, the Trustee shall transfer the amount of such Mandatory Sinking Account Payment (being the principal thereof, in the case of Current Interest Bonds, and the Accreted Value, in the case of Capital Appreciation Bonds) from the Principal Fund to the applicable Sinking Account. With respect to each Sinking Account, on each Mandatory Sinking Account Payment date established for such Sinking Account, the Trustee shall apply the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of such Series and maturity for which such Sinking Account was established, in the manner provided in this Trust Agreement or the Supplemental Trust Agreement pursuant to which such Series of Bonds was created; provided that, at any time prior to giving such notice of such redemption, the Trustee shall, upon receipt of a Request of the Authority, apply moneys in such Sinking Account to the purchase of Term Bonds of such Series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as is directed by the Authority, except that the purchase price (excluding accrued interest, in the case of Current Interest Bonds) shall not exceed the principal amount or Accreted Value thereof. If, during the twelve-month period (or six-month period with respect to Bonds having semi-annual Mandatory Sinking Account Payments) immediately preceding said Mandatory Sinking Account Payment date, the Trustee has purchased Term Bonds of such Series and maturity with moneys in such Sinking Account, or, during said period and prior to giving said notice of redemption, the Authority has deposited Term Bonds of such Series and maturity with the Trustee, or Term Bonds of such Series and maturity were at any time purchased or redeemed by the Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Term Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. All Term Bonds purchased or deposited pursuant to this subsection shall be cancelled by the Trustee and

destroyed by the Trustee and a certificate of destruction shall be delivered to the Authority by the Trustee. Any amounts remaining in a Sinking Account on June 1 of each year following the redemption as of such date of the Term Bonds for which such account was established shall be withdrawn by the Trustee and transferred as soon as practicable to the Authority to be used for any lawful purpose. All Term Bonds purchased from a Sinking Account or deposited by the Authority with the Trustee in a twelve-month period ending May 31 (or in a six-month period ending May 31 or November 30 with respect to Bonds having semi-annual Mandatory Sinking Account Payments) and prior to the giving of notice by the Trustee for redemption from Mandatory Sinking Account Payments for such period shall be allocated first to the next succeeding Mandatory Sinking Account Payment for such Series and maturity of Term Bonds, if any, occurring on the next June 1 or December 1, then as a credit against such future Mandatory Sinking Account Payments for such Series and maturity of Term Bonds as may be specified in a Request of the Authority. All Term Bonds redeemed by the Trustee from the Redemption Fund shall be credited to such future Mandatory Sinking Account Payments for such Series and maturity of Term Bonds as may be specified in a Request of the Authority.

**SECTION 5.05      Establishment, Funding and Application of Reserve Funds.**

The Authority may at its sole discretion at the time of issuance of any Series of Senior Bonds or at any time thereafter by Supplemental Trust Agreement provide for the establishment of a Reserve Fund as additional security for a Series of Senior Bonds. Any Reserve Fund so established by the Authority shall be available to secure one or more Series of Senior Bonds as the Authority shall determine and shall specify in the Supplemental Trust Agreement establishing such Reserve Fund. Any Reserve Fund established by the Authority shall be held by the Trustee and shall comply with the requirements set forth in this Section 5.05.

(A) Subject to Section 5.05(C), all amounts in any Reserve Fund (including all amounts which may be obtained from a Reserve Facility on deposit in such Reserve Fund) shall be used and withdrawn by the Trustee, as hereinafter provided: (i) for the purpose of making up any deficiency in the Interest Fund or the Principal Fund relating to the Senior Bonds of the Series to which such Reserve Fund relates; or (ii) together with any other moneys available therefor, (x) for the payment or redemption of all Senior Bonds then Outstanding of the Series to which such Reserve Fund relates, (y) for the defeasance or redemption of all or a portion of the Senior Bonds then Outstanding of the Series to which such Reserve Fund relates; provided, however, that if funds on deposit in any Reserve Fund are applied to the defeasance or redemption of a portion of the Series of Senior Bonds to which such Reserve Fund relates, the amount on deposit in the Reserve Fund immediately subsequent to such partial defeasance or redemption shall equal the Reserve Requirement applicable to all Senior Bonds of such Series Outstanding immediately subsequent to such partial defeasance or redemption, or (z) for the payment of the final principal and interest payment of the Senior Bonds of such Series. Unless otherwise directed in a Supplemental Trust Agreement, the Trustee shall apply amounts held in cash or Investment Securities in any Reserve Fund prior to applying amounts held in the form of Reserve Facilities in any Reserve Fund, and if there is more than one Reserve Facility being held on deposit in any Reserve Fund, shall, on a pro rata basis with respect to the portion of a Reserve Fund held in the form of a Reserve Facility (calculated by reference to the maximum amount of such Reserve Facility), draw under each Reserve Facility issued with respect to such Reserve Fund, in a timely manner and pursuant to the terms of such Reserve Facility to the extent necessary in order to obtain sufficient funds on or prior to the date such funds are needed to pay the Bond Obligation of, Mandatory Sinking Account Payments with respect to, and interest on the Senior Bonds of the Series to which such Reserve Fund relates when due. Unless otherwise

specified in a Supplemental Trust Agreement, in the event that the Trustee has notice that any payment of principal of or interest on a Senior Bond has been recovered from a Holder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee, pursuant to the terms of, and if so provided by, the terms of the Reserve Facility, if any, securing the Senior Bonds of such Series, shall so notify the issuer thereof and draw on such Reserve Facility to the lesser of the extent required or the maximum amount of such Reserve Facility in order to pay to such Holders the principal and interest so recovered.

(B) The Trustee shall notify the Authority of any deficiency in any Reserve Fund (i) due to a withdrawal from such Reserve Fund for purposes of making up any deficiency in the Interest Fund or the Principal Fund relating to the Senior Bonds of the Series to which such Reserve Fund relates or (ii) resulting from a valuation of Investment Securities held on deposit in such Reserve Fund pursuant to Section 5.11 and shall request that the Authority replenish such deficiency or repay any and all obligations due and payable under the terms of any Reserve Facility comprising part of any Reserve Requirement. Unless otherwise specified in a Supplemental Trust Agreement, upon receipt of such notification from the Trustee, the Authority shall instruct the Trustee to commence setting aside in each month following receipt of Pledged Tax Revenues for deposit in the applicable Reserve Fund an amount equal to one-twelfth of the aggregate amount of each unreplenished prior withdrawal from such Reserve Fund or decrease resulting from a valuation pursuant to Section 5.11 and shall further instruct the Trustee to transfer to each Reserve Facility Provider providing a Reserve Facility satisfying a portion of the Reserve Requirement relating to the Senior Bonds of the Series to which such Reserve Fund relates, an amount equal to one-twelfth of the aggregate amount of any unreplenished prior withdrawal on such Reserve Facility, such amount to be transferred by the Trustee as promptly as possible after receipt of the Pledged Tax Revenues each month, commencing with the month following the Authority's receipt of notification from the Trustee of withdrawal or decrease resulting from a valuation, as applicable, until the balance on deposit in such Reserve Fund is at least equal to the Reserve Requirement relating to the Senior Bonds of the Series to which such Reserve Fund relates.

(C) Unless the Authority shall otherwise direct in writing, any amounts in any Reserve Fund in excess of the Reserve Requirement relating to the Senior Bonds of the Series to which such Reserve Fund relates shall be transferred by the Trustee to the Authority on the Business Day following June 1 of each year; provided that such amounts shall be transferred only from the portion of such Reserve Fund held in the form of cash or Investment Securities. In addition, amounts on deposit in any Reserve Fund shall be transferred by the Trustee to the Authority upon the defeasance, retirement or refunding of Senior Bonds of the Series to which such Reserve Fund relates or upon the replacement of cash on deposit in such Reserve Fund with one or more Reserve Facilities in accordance with Section 5.05(A) or Section 5.05(B). The Reserve Requirement shall be calculated on each June 1 and upon the issuance or retirement of a Series of Senior Bonds and upon the defeasance of all or a portion of a Series of Senior Bonds.

**SECTION 5.06** Application of Subordinate Obligations Fund. All moneys in the Subordinate Obligations Fund shall be applied to the payment of principal of and interest on Subordinate Obligations in accordance with Section 5.02(A)(4).

**SECTION 5.07** Application of Fees and Expenses Fund. All amounts in the Fees and Expenses Fund shall be used and withdrawn by the Trustee solely for the purpose of



paying fees, expenses and similar charges owed by the Authority in connection with the Senior Bonds, any Parity Obligations or any Subordinate Obligations as such amounts shall become due and payable.

**SECTION 5.08      Establishment, Funding and Application of Project Fund.**

Proceeds of Bonds which are to be used to pay Costs of the Project shall be deposited into a Fund or Funds which individually and collectively shall be designated the "Los Angeles County Metropolitan Transportation Authority Measure R Sales Tax Revenue Bonds Project Fund" (the "Project Fund"), which may be held either by the Authority or the Trustee or part by the Authority and part by the Trustee, all as provided by this Trust Agreement and relevant Supplemental Trust Agreements. The Project Fund shall be deemed to be part of the sales tax revenue fund referred to in the Ordinance. All moneys in the Project Fund shall be held and disbursed as provided in the Supplemental Trust Agreement or Supplemental Trust Agreements under which such Fund or Funds were created. Within the Project Fund there are hereby established the following subfunds:

- (1) the Transit Capital Subfund, consisting of the New Rail/Bus Rapid Transit Capital Projects Account, the Metrolink Capital Improvement Projects Account and the Metro Rail Capital Account;
- (2) the Highway Capital Subfund; and
- (3) the Operations Subfund, consisting of the Rail Operations Account and the Bus Operations Account.

The Authority may by Supplemental Trust Agreement create additional accounts and subaccounts within the subfunds described above. The Trustee shall transfer moneys between and among such subfunds, accounts and subaccounts to the extent held by it upon the receipt of a Request of the Authority.

**SECTION 5.09      Rebate Fund.**

(A) Upon receipt of funds to be applied to the Rebate Requirement, the Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary in order to comply with the terms and requirements of each Tax Certificate as directed in writing by the Authority. Subject to the transfer provisions provided in paragraph (C) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the federal government of the United States of America, and neither the Trustee nor any Holder nor any other Person shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Trust Agreement and by the applicable Tax Certificates. The Authority hereby covenants to comply with the directions contained in each Tax Certificate and the Trustee hereby covenants to comply with all written instructions of the Authority delivered to the Trustee pursuant to each Tax Certificate (which instructions shall state the actual amounts to be deposited in or withdrawn from the Rebate Fund and shall not require the Trustee to make any calculations with respect thereto). The Trustee shall be deemed conclusively to have complied with the provisions of this Section 5.09(A) if it follows such instructions of the Authority, and the Trustee shall have no liability or responsibility to enforce

compliance by the Authority with the terms of any Tax Certificate nor to make computations in connection therewith.

(B) Pursuant to each Tax Certificate, an amount shall be deposited in the Rebate Fund by the Authority so that the balance of the amount on deposit thereto shall be equal to the Rebate Requirement applicable to the Series of Bonds to which such Tax Certificate relates. Computations of each Rebate Requirement shall be furnished by or on behalf of the Authority to the Trustee in accordance with the applicable Tax Certificate.

(C) The Trustee shall invest all amounts held in the Rebate Fund, pursuant to written instructions of the Authority, in Investment Securities, subject to the restrictions set forth in the applicable Tax Certificate. Money shall not be transferred from the Rebate Fund except as provided in paragraph (D) below.

(D) Upon receipt of Rebate Instructions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States of America, as so directed. In addition, if the Rebate Instructions so direct, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by the Rebate Instructions. Any funds remaining in the Rebate Fund after redemption and payment of all of a Series of Bonds and payment and satisfaction of any Rebate Requirement applicable to such Series of Bonds, shall be withdrawn and remitted to the Authority in accordance with a Request of the Authority.

(E) Notwithstanding any other provision of this Trust Agreement, including in particular Article X thereof, the obligation to remit the Rebate Requirement applicable to each Series of Bonds to the federal government of the United States of America and to comply with all other requirements of this Section and each Tax Certificate shall survive the defeasance or payment in full of the Bonds.

**SECTION 5.10 Payment Provisions Applicable to Interest Rate Swap Agreements.** In the event the Authority shall enter into an Interest Rate Swap Agreement in connection with a Series of Senior Bonds, the amounts received by the Authority, if any, pursuant to such Interest Rate Swap Agreement shall also be applied to the deposits required hereunder. If the Authority so designates in a Supplemental Trust Agreement establishing the terms and provisions of such Series of Senior Bonds (or if such Interest Rate Swap Agreement is entered into subsequent to the issuance of such Series of Senior Bonds, if the Authority so designates in a Certificate of the Authority delivered to the Trustee concurrently with the execution of such Interest Rate Swap Agreement), regularly-scheduled payments payable under such Interest Rate Swap Agreement (excluding Swap Termination Payments, which shall in all cases be payable from, and secured by, Pledged Revenues on a junior and subordinate basis to Senior Obligations, Subordinate Obligations and Junior Subordinate Obligations, and excluding payments of fees and expenses incurred in connection with Interest Rate Swap Agreements, which shall in all cases be payable from, and secured by, Pledged Revenues on a subordinate basis to Senior Obligations and Subordinate Obligations) shall constitute Senior Obligations under this Trust Agreement, and, in such event, the Authority shall pay or cause to be paid to the Trustee for deposit in the Interest Fund, at the times and in the manner provided by Section 5.02, the amounts to be paid pursuant to such Interest Rate Swap Agreement, as if such amounts were additional interest due on the Series of Senior Bonds to which such Interest Rate Swap Agreement relates, and the Trustee shall pay to the Counterparty to such Interest Rate Swap Agreement, to the extent required thereunder, from amounts deposited in the Interest Fund for

the payment of interest on the Series of Senior Bonds with respect to which such Interest Rate Swap Agreement was entered into.

**SECTION 5.11 Investment in Funds and Accounts.** All moneys in any of the funds and accounts held by the Trustee and established pursuant to this Trust Agreement shall be invested, as directed by the Authority, solely in Investment Securities. All Investment Securities shall, as directed by the Authority in writing or by telephone, promptly confirmed in writing, be acquired subject to the limitations set forth in Section 6.08, the limitations as to maturities hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be established by Request of the Authority. If and to the extent the Trustee does not receive investment instructions from the Authority with respect to the moneys in the funds and accounts held by the Trustee pursuant to this Trust Agreement, such moneys shall be invested in Investment Securities described in clause (12) of the definition thereof and the Trustee shall thereupon request investment instructions from the Authority for such moneys.

Unless otherwise provided in a Supplemental Trust Agreement establishing such Reserve Fund, moneys in any Reserve Fund shall be invested in Investment Securities maturing in not more than five years, or having a put option or demand option providing funds upon request for the purpose of payment of the Bonds to which such Reserve Fund relates as provided herein. Moneys in the remaining funds and accounts shall be invested in Investment Securities maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Trustee.

Unless otherwise provided in a Supplemental Trust Agreement establishing the terms and provisions of a Series of Bonds or a Request of the Authority: (i) all interest, profits and other income received from the investment of moneys in the Interest Fund representing accrued interest or capitalized interest shall be retained in the Interest Fund; (ii) all interest, profits and other income received from the investment of moneys in a Reserve Fund shall be retained in such Reserve Fund to the extent of any deficiency therein, and otherwise shall be transferred to the Revenue Fund; (iii) all interest, profits and other income received from the investment of moneys in a Costs of Issuance Fund shall be transferred to the Revenue Fund; (iv) all interest, profits and other income received from the investment of moneys in the Project Fund shall be retained in the Project Fund, unless the Authority shall direct that such earnings be transferred to the Rebate Fund; (v) all interest, profits and other income received from the investment of moneys in the Rebate Fund shall be retained in the Rebate Fund, except as otherwise provided in Section 5.09, (vi) all interest, profits and other income received from the investment of moneys in any Purchase Fund shall be retained in such Purchase Fund; and (vii) all interest, profits and other income received from the investment of moneys in any other fund or account shall be transferred to the Revenue Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Securities equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Securities shall be credited to the fund or account from which such accrued interest was paid.

Unless otherwise provided in a Supplemental Trust Agreement establishing such Reserve Fund, all Investment Securities credited to any Reserve Fund shall be valued (at market value) as of June 1 and December 1 of each year (or the next succeeding Business Day if such day is not a Business Day), such market value to be determined by the Trustee in the manner then currently employed by the Trustee or in any other manner consistent with corporate trust industry standards. Notwithstanding anything to the contrary herein, in making any valuations of

investments hereunder, the Trustee may utilize and rely on computerized securities pricing services that may be available to it, including those available through its regular accounting system.

The Trustee may commingle any of the funds or accounts established pursuant to this Trust Agreement (except the Rebate Fund and any Purchase Fund) into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Trust Agreement. The Trustee may act as principal or agent in the making or disposing of any investment and, with the prior written consent of the Authority may impose its customary charge therefor. The Trustee may sell at the best price obtainable, or present for redemption, any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Securities are credited. The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance herewith.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

**SECTION 5.12      Application of Junior Subordinate Obligations Fund.** All moneys in the Junior Subordinate Obligations Fund shall be allocated, in accordance with any Supplemental Trust Agreement relating to Junior Subordinate Obligations, and in the following priority, to (i) first, ratably on a parity basis, the Junior Subordinate Debt Service Account to pay when due the principal of and interest on any Junior Subordinate Obligations, other than TIFIA Bonds, and the TIFIA Debt Service Account to pay when due the principal of and interest on any TIFIA Bonds, (ii) second, ratably on a parity basis, the Junior Subordinate Debt Service Reserve Account in the amount, if any, of any applicable reserve requirement or required balance, to be used to make up any shortfalls in the payment of principal or interest with respect to Junior Subordinate Obligations, other than TIFIA Bonds, and the TIFIA Debt Service Reserve Account in the amount of any applicable reserve requirement or required balance, to be used to make up any shortfalls in the payment of principal or interest with respect to TIFIA Bonds, and (iii) lastly, the TIFIA Fees and Expenses Account, to pay fees and expenses due with respect to any TIFIA Bond, all as specified in any Supplemental Trust Agreement relating to such Junior Subordinate Obligations.

## ARTICLE VI

### COVENANTS OF THE AUTHORITY

**SECTION 6.01      Punctual Payments.** The Authority will punctually pay or cause to be paid the principal or Redemption Price of and interest on all the Bonds, in strict conformity with the terms of the Bonds and of this Trust Agreement, according to the true intent and meaning thereof, and shall punctually pay or cause to be paid all Mandatory Sinking Account Payments, but in each case only out of Pledged Revenues as provided in this Trust Agreement.

**SECTION 6.02**      **Extension of Payment of Bonds.** The Authority will not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any Bonds or claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Trust Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

**SECTION 6.03**      **Waiver of Laws.** The Authority will not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension of law now or at any time hereafter in force that may affect the covenants and agreements contained in this Trust Agreement or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

**SECTION 6.04**      **Further Assurances.** The Authority will make, execute and deliver any and all such instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and for the better assuring and confirming unto the Holders of the Bonds of the rights and benefits provided in this Trust Agreement.

**SECTION 6.05**      **Against Encumbrances.** The Authority will not create any pledge, lien or charge upon any of the Pledged Tax Revenues having priority over or having parity with the lien of the Bonds except only as permitted in Sections 3.05, 3.06, 3.07, 3.08, and 3.09.

**SECTION 6.06**      **Accounting Records.** The Authority will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Pledged Revenues. Such books of record and account shall be available for inspection by the Trustee at reasonable hours and under reasonable circumstances; provided, the Trustee shall have no duty or obligation to inspect such books of record and account.

**SECTION 6.07      Collection of Pledged Tax Revenues.**

(A) The Authority covenants and agrees that it has duly levied the Measure R Sales Tax in accordance with the Authority Act, pursuant to and in accordance with the Ordinance, duly passed and adopted by the Authority. The Ordinance will not be amended, modified or altered so long as any of the Bonds are Outstanding in any manner which would reduce the amount of or timing of receipt of Pledged Tax Revenues, and the Authority will continue to levy and collect the Measure R Sales Tax to the full amount permitted by law. The Authority further covenants that it has entered into an agreement with the State Board of Equalization under and pursuant to which the State Board of Equalization will process and supervise collection of the Measure R Sales Tax and will transmit Pledged Tax Revenues directly to the Trustee. Said agreement will be continued in effect so long as any Bonds are Outstanding and shall not be amended, modified or altered without the written consent of the Trustee so long as any of the Bonds are Outstanding. The Authority will receive and hold in trust for (and remit immediately to) the Trustee any Pledged Tax Revenues paid to the Authority by the State Board of Equalization.

(B) Pledged Tax Revenues received by the Trustee shall be transmitted to the Authority pursuant to Section 5.02; provided that, during the continuance of an Event of Default, any Pledged Tax Revenues received by the Trustee shall be applied as set forth in Section 7.02.

(C) The Authority covenants and agrees to separately account for all Pledged Revenues and to provide to the Trustee access to such accounting records at reasonable hours and under reasonable circumstances.

(D) The Authority covenants that so long as the Bonds are Outstanding, it will not, to the best of its ability, suffer or permit any change, modification or alteration to be made to the Act which would materially and adversely affect the rights of Bondholders.

**SECTION 6.08      Tax Covenants.** The Authority covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of, or any federal subsidy with respect to, the interest on the Senior Bonds under section 103 of the Code; provided that, prior to the issuance of any Series of Senior Bonds, the Authority may exclude the application of the covenants contained in this Section 6.08 and Section 5.09 to such Series of Senior Bonds. The Authority will not directly or indirectly use or permit the use of any proceeds of the Senior Bonds or any other funds of the Authority, or take or omit to take any action that would cause the Senior Bonds to be "arbitrage bonds" within the meaning of section 148(a) of the Code. To that end, the Authority will comply with all requirements of the Tax Certificate relating to each Series of Senior Bonds. In the event that at any time the Authority is of the opinion that for purposes of this Section 6.08 it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Trust Agreement, the Authority shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Without limiting the generality of the foregoing, the Authority agrees that there shall be paid from time to time all amounts required to be rebated to the federal government of the United States of America pursuant to section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Senior Bonds from time to time. The Authority specifically covenants to pay or cause to be paid to the federal government of the

United States of America the Rebate Requirement with respect to each Series of Senior Bonds at the times and in the amounts determined under and as described in the Tax Certificate executed and delivered in connection with such Series of Senior Bonds.

Notwithstanding any provision of this Section 6.08, Section 5.09 and any Tax Certificate, if the Authority shall receive an Opinion of Bond Counsel to the effect that any action required under this Section 6.08, Section 5.09 or any Tax Certificate is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of, or any federal subsidy with respect to, the interest on the Senior Bonds pursuant to section 103 of the Code, the Authority and the Trustee may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

Notwithstanding any provisions of this Trust Agreement, including particularly Article X, the covenants and obligations set forth in this Section 6.08 shall survive the defeasance of the Senior Bonds or any Series thereof.

**SECTION 6.09 Continuing Disclosure.** Upon the issuance of any Series of Senior Bonds requiring an undertaking regarding continuing disclosure under Rule 15c2-12, the Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed and delivered in connection with such Series of Senior Bonds. Notwithstanding any other provision of this Trust Agreement, failure of the Authority to comply with the provisions of any Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee shall, at the written request of any Participating Underwriter or of the Holders of at least 25% aggregate principal amount of any Series of Senior Bonds then Outstanding (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, reasonable fees and expenses of its attorneys), or any Holder thereof or beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Section 6.09.

**SECTION 6.10 Compliance with Allocation and Expenditure Requirements of the Ordinance.** The Authority hereby covenants and agrees that it shall comply with the Ordinance. In conformance with Section 7 of the Ordinance, the Authority hereby covenants and agrees that it shall deposit or allocate the proceeds of the Bonds, Parity Obligations and Subordinate Obligations in the appropriate subfunds and accounts of the Project Fund and shall account for the expenditure of such proceeds in accordance with the expenditure allocation categories defined in the Ordinance. In order to preserve its ability to comply with such expenditure allocation requirements during the entire period that the Measure R Sales Tax is levied, the Authority covenants and agrees that at the time of issuance of any Series of Bonds, Parity Obligations or Subordinate Obligations the portion of projected Measure R Sales Tax revenues attributable to such category in each year, as determined by the Authority, divided by the Debt Service (treating indebtedness secured directly or indirectly by Measure R Sales Tax revenues on a basis junior to obligations issued under Article III of this Trust Agreement as Obligations in the definition of "Debt Service" for purposes of this certificate) attributable to all indebtedness secured directly or indirectly by Measure R Sales Tax revenues for any expenditure allocation category defined in the Ordinance shall not be less than 110%.

**SECTION 6.11**      **TIFIA Debt Service Coverage Ratio.** While any TIFIA Bonds are Outstanding, the TIFIA Debt Service Coverage Ratio for the Fiscal Year just ended and for each Fiscal Year during which a TIFIA Bond is or will be Outstanding shall be at least equal to 125%; provided, that satisfaction of such covenant shall be evidenced by a Certificate of the Authority to be provided to the TIFIA Lender not later than 90 days after the beginning of each Fiscal Year. Such Certificate shall also set forth the computations upon which such Certificate is based.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

**SECTION 7.01**      **Events of Default.** The following events shall be Events of Default:

(A) default in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise, or default in the redemption from any Sinking Account of any Bonds in the amounts and at the times provided therefor;

(B) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(C) if the Authority shall fail to observe or perform any covenant, condition, agreement or provision in this Trust Agreement on its part to be observed or performed, other than as referred to in subsection (A) or (B) of this Section, for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, has been given to the Authority by the Trustee or by any Credit Provider; except that, if such failure can be remedied but not within such 60-day period and if the Authority has taken all action reasonably possible to remedy such failure within such 60-day period, such failure shall not become an Event of Default for so long as the Authority shall diligently proceed to remedy the same in accordance with and subject to any directions or limitations of time established by the Trustee;

(D) if any payment default shall exist under any agreement governing any Parity Obligations and such default shall continue beyond the grace period, if any, provided for with respect to such default;

(E) if the Authority files a petition in voluntary bankruptcy for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself;

(F) if a court of competent jurisdiction shall enter an order, judgment or decree declaring the Authority insolvent, or adjudging it bankrupt, or appointing a trustee or receiver of the Authority, or approving a petition filed against the Authority seeking reorganization of the Authority under any applicable law or statute of the United States of America or any state



thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

(G) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the Pledged Revenues, and such custody or control shall not be terminated within 60 days from the date of assumption of such custody or control.

**SECTION 7.02 Application of Pledged Revenues and Other Funds After Default; No Acceleration.** If an Event of Default shall occur and be continuing, the Trustee shall apply all Pledged Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Trust Agreement (excluding the Rebate Fund and any Purchase Fund and except as otherwise provided in this Trust Agreement) as follows and in the following order:

(1) to the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds and Parity Obligations, including the costs and expenses of the Trustee and the Bondholders in declaring such Event of Default, and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel and other agents) incurred in and about the performance of its powers and duties under this Trust Agreement;

(2) to the payment of the whole amount of Bond Obligation then due and payable on the Senior Bonds and Parity Obligations (upon presentation of the Senior Bonds and Parity Obligations to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Trust Agreement (including Section 9.02), with interest on such Bond Obligation, at the rate or rates of interest borne by the respective Senior Bonds and Parity Obligations, to the payment to the persons entitled thereto of all installments of interest then due and payable and the unpaid principal or Redemption Price of any Senior Bonds and Parity Obligations which shall have become due, whether at maturity, by call for redemption or otherwise, in the order of their due dates, with interest on the overdue Senior Bond Obligation and Parity Obligations at the rate borne by the respective Senior Bonds and Parity Obligations, and, if the amount available shall not be sufficient to pay in full all the Senior Bonds and Parity Obligations then due and payable on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Accreted Value (plus accrued interest) due on such date to the persons entitled thereto, without any discrimination or preference;

(3) to the extent Pledged Revenues are available therefor, to be transferred to the trustee for the Subordinate Obligations in the amount necessary for payment of the whole amount then due and payable on the Subordinate Obligations;

(4) to the extent Pledged Revenues are available therefor, to be used to pay fees and expenses then due and payable with respect to Interest Rate Swap Agreements (other than Swap Termination Payments, unless consented to by the TIFIA Lender pursuant to Section 3.09(F)), Liquidity Facilities and Credit Enhancement for any Senior Obligations and Subordinate Obligations.

(5) to the extent Pledged Revenues are available therefor, to the payment of the whole amount of Bond Obligation then due and payable on the Junior Subordinate Obligations (upon presentation of the Junior Subordinate Obligations to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Trust Agreement (including Section 9.02), with interest on such Bond Obligation, at the rate or rates of interest borne by the respective Junior Subordinate Obligations, to the payment to the persons entitled thereto of all installments of interest then due and payable and the unpaid principal or Redemption Price of any Junior Subordinate Obligations which shall have become due, whether at maturity, by call for redemption or otherwise, in the order of their due dates, with interest on the overdue Bond Obligation at the rate borne by the respective Junior Subordinate Obligations, and, if the amount available shall not be sufficient to pay in full all the Junior Subordinate Obligations when due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Accreted Value (plus accrued interest) due on such date to the persons entitled thereto, without any discrimination or preference; and

(6) to the payment of all other obligations then due and payable hereunder.

Notwithstanding anything in this Trust Agreement to the contrary, in no event are the Bonds and the Subordinate Obligations subject to acceleration if any Event of Default occurs and is continuing; provided, however, that the accelerated payment of Liquidity Facility Bonds or reimbursement obligations relating to Liquidity Facility Bonds pursuant to the term-out provisions of any related Liquidity Facility, letter of credit reimbursement agreement or similar agreement between the Authority and the related Liquidity Provider shall not be considered to be an acceleration for purposes of this paragraph.

**SECTION 7.03 Trustee to Represent Bondholders.** The Trustee is hereby irrevocably appointed (and the successive respective Holders of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Bonds, this Trust Agreement, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee in its discretion may, and, with respect to any Series of Bonds for which a Credit Enhancement has been provided, upon the written request of the Credit Provider providing such Credit Enhancement, or if such Credit Provider is then failing to make a payment required pursuant to such Credit Enhancement, upon the written request of the Holders of not less than a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Holders by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Holders under this Trust Agreement, the Act or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Pledged Tax Revenues and other assets pledged under this Trust Agreement, pending such proceedings; provided, however, that, with respect to any Series of Bonds for

which a Credit Enhancement has been provided, the Trustee may only act with the consent of the Credit Provider providing such Credit Enhancement. All rights of action under this Trust Agreement or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of this Trust Agreement (including Section 7.05).

Notwithstanding the foregoing, so long as any Senior Obligation remains Outstanding, all references in this Section 7.03 to "a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding" shall be deemed to read "a majority in aggregate amount of Bond Obligation of the Senior Bonds then Outstanding"; provided, however, that during any Junior Subordinate Obligation Solitary Default, "a majority in aggregate amount of Bond Obligation of the Bonds Outstanding" shall be deemed to read "a majority in aggregate amount of Bond Obligation of the Junior Subordinate Obligations then Outstanding."

**SECTION 7.04 Bondholders' Direction of Proceedings.** Anything in this Trust Agreement to the contrary (except provisions relating to the rights of a Credit Provider to direct proceedings as set forth in Section 7.10) notwithstanding, the Holders of a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee and upon furnishing the Trustee with indemnification satisfactory to it, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder; provided that such direction shall not be otherwise than in accordance with law and the provisions of this Trust Agreement, that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders or holders of Parity Obligations not parties to such direction.

Notwithstanding the foregoing, so long as any Senior Obligation remains Outstanding, all references in this Section 7.04 to "a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding" shall be deemed to read "a majority in aggregate amount of Bond Obligation of the Senior Bonds then Outstanding"; provided, however, that during any Junior Subordinate Obligation Solitary Default, "a majority in aggregate amount of Bond Obligation of the Bonds Outstanding" shall be deemed to read "a majority in aggregate amount of Bond Obligation of the Junior Subordinate Obligations then Outstanding."

**SECTION 7.05 Limitation on Bondholders' Right to Sue.** No Holder of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Trust Agreement, the Act or any other applicable law with respect to such Bond, unless: (1) such Holder shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Holders of not less than a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Holder or said Holders shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; provided, however, that the

written consent of a Credit Provider providing a Credit Enhancement with respect to a Series of Bonds shall be required if the Credit Enhancement with respect to such Series of Bonds is in full force and effect and if the Credit Provider providing such Credit Enhancement is not then failing to make a payment as required in connection therewith.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Trust Agreement or the rights of any other Holders of Bonds, or to enforce any right under this Trust Agreement, the Act or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of this Trust Agreement.

Notwithstanding the foregoing, so long as any Senior Obligation remains Outstanding, all references in this Section 7.05 to "a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding" shall be deemed to read "a majority in aggregate amount of Bond Obligation of the Senior Bonds then Outstanding"; provided, however, that during any Junior Subordinate Obligation Solitary Default, "a majority in aggregate amount of Bond Obligation of the Bonds Outstanding" shall be deemed to read "a majority in aggregate amount of Bond Obligation of the Junior Subordinate Obligations then Outstanding."

**SECTION 7.06**      **Absolute Obligation of the Authority.** Nothing in Section 7.05 or in any other provision of this Trust Agreement, or in the Bonds, contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the Bonds to the respective Holders of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Pledged Revenues and other assets herein pledged therefor, or affect or impair the right of such Holders, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

**SECTION 7.07**      **Termination of Proceedings.** In case any proceedings taken by the Trustee, any Credit Provider or any one or more Bondholders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, any Credit Provider or the Bondholders, then in every such case the Authority, the Trustee, each Credit Provider and the Bondholders, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee, each Credit Provider and the Bondholders shall continue as though no such proceedings had been taken.

**SECTION 7.08**      **Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee, to any Credit Provider or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

**SECTION 7.09**      **No Waiver of Default.** No delay or omission of the Trustee, any Credit Provider or of any Holder of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Trust Agreement to the Trustee, to any Credit Provider or to the Holders of the Bonds may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by Trustee or by any Credit Provider or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

## **ARTICLE VIII**

### **THE TRUSTEE**

**SECTION 8.01**      **Appointment, Duties Immunities and Liabilities of Trustee.**

(A) U.S. Bank National Association is hereby appointed as Trustee under this Trust Agreement and hereby accepts the trust imposed upon it as Trustee hereunder and to perform all the functions and duties of the Trustee hereunder, subject to the terms and conditions set forth in this Trust Agreement. The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied covenants shall be read into this Trust Agreement against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(B) The Authority may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (E) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and each Credit Provider then providing a Credit Enhancement for any Series of Bonds, and thereupon shall appoint a successor Trustee by an instrument in writing.

Notwithstanding the foregoing, so long as any Senior Bond remains Outstanding, all references in this Section 8.01(B) to "a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding" shall be deemed to read "a majority in aggregate amount of Bond Obligation of the Senior Bonds then Outstanding"; provided, however, that during any Junior Subordinate Obligation Solitary Default, "a majority in aggregate amount of Bond Obligation of the Bonds Outstanding" shall be deemed to read "a majority in aggregate amount of Bond Obligation of the Junior Subordinate Obligations then Outstanding."

(C) The Trustee may at any time resign by giving written notice of such resignation to the Authority and each Credit Provider then insuring any Series of Bonds and by giving the Bondholders notice of such resignation by mail at the addresses shown on the registration books maintained by the Trustee. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(D) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bondholder (on behalf of himself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Trust Agreement, shall signify its acceptance of such appointment by executing and delivering to the Authority, each Credit Provider then insuring any Series of Bonds and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Trust Agreement and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall give notice of the succession of such Trustee to the trusts hereunder by mail to the Bondholders at the addresses shown on the registration books maintained by the Trustee. If the Authority fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(E) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company or bank having the powers of a trust company having (or, if such trust company or bank is a member of a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$100,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company or bank holding company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (E), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

**SECTION 8.02**      **Accounting Records and Monthly Statements.** The Trustee shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Bonds, including proceeds of each Series of Bonds and moneys derived from, pledged to, or to be used to make payments on each Series of Bonds. Such records shall specify the account or fund to which each deposit and each investment (or portion thereof) held by the Trustee is allocated and shall set forth, in the case of each investment security, (a) its purchase price, (b) identifying information, including par amount, coupon rate, and payment dates, (c) the amount received at maturity or its sale price, as the case may be, including accrued interest, (d) the amounts and dates of any payments made with respect thereto, and (e) the dates of acquisition and disposition or maturity. The Trustee shall furnish the Authority with a monthly statement which shall include a summary of all deposits and all investment transactions related to each Series of Bonds then Outstanding, such statement to be provided to the Authority no later than the fifth Business Day of the month following the month to which such statement relates, the first such monthly statement to be provided by the fifth Business Day of the month immediately following the month in which the Series 2010 Bonds are delivered by the Trustee pursuant to the provisions of this Trust Agreement.

**SECTION 8.03**      **Merger or Consolidation.** Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (E) of Section 8.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

**SECTION 8.04**      **Liability of Trustee.**

(A) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee assumes no responsibility for the correctness of the same (other than the certificate of authentication of the Trustee on each Bond), and makes no representations as to the validity or sufficiency of this Trust Agreement, or of the Bonds, as to the sufficiency of the Pledged Revenues or the priority of the lien of this Trust Agreement thereon, or as to the financial or technical feasibility of any portion of the Project and shall not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence, willful misconduct or breach of the express terms and conditions hereof. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Holder of a Bond may be entitled to take, with like effect as if the Trustee was not the Trustee under this Trust Agreement. The Trustee may in good faith hold any other form of indebtedness of the Authority, own, accept or negotiate any drafts, bills of exchange, acceptances or obligations of the Authority and make disbursements for the Authority and enter into any commercial or business arrangement therewith, without limitation.

(B) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Trustee was negligent in ascertaining the

pertinent facts. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder.

(C) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

(D) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any Credit Provider or any of the Bondholders pursuant to the provisions of this Trust Agreement, including, without limitation, the provisions of Article VII hereof, unless such Credit Provider or such Bondholders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby; provided, however, that no security or indemnity shall be requested or required for the Trustee to deliver a notice to obtain funds under the Credit Enhancement delivered in connection with any Series of Bonds in order to pay principal of and interest on such Series of Bonds.

(E) No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder or in the exercise of its rights or powers.

(F) The Trustee shall not be deemed to have knowledge of, and shall not be required to take any action with respect to, any Event of Default (other than an Event of Default described in subsections (A) or (B) of Section 7.01) or event that would, with the giving of notice, the passage of time or both, constitute an Event of Default, unless the Trustee shall have actual knowledge of such event or shall have been notified of such event by the Authority, any Credit Provider then providing a Credit Enhancement for a Series of Bonds or the Holders of twenty-five percent (25%) of the Bond Obligation Outstanding. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain, monitor or inquire as to the performance or observance by the Authority of the terms, conditions, covenants or agreements set forth in Article VI hereof (including, without limitation, the covenants of the Authority set forth in Section 5.09 and 6.08 hereof, other than the covenants of the Authority to make payments with respect to the Bonds when due as set forth in Section 6.01 and to file with the Trustee when due, such reports and certifications as the Authority is required to file with the Trustee hereunder.

(G) No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(H) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, requisition, bond, debenture, coupon or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Authority, personally or by agent or attorney.



(I) The Trustee shall not be responsible for:

(1) the application or handling by the Authority of any Pledged Revenues or other moneys transferred to or pursuant to any Requisition or Request of the Authority in accordance with the terms and conditions hereof;

(2) the application and handling by the Authority of any other fund or account designated to be held by the Authority hereunder;

(3) any error or omission by the Authority in making any computation or giving any instruction pursuant to Section 5.09 and Section 6.08 and may rely conclusively on the Rebate Instructions and any computations or instructions furnished to it by the Authority in connection with the requirements of Section 5.09, Section 6.08 and each Tax Certificate;

(4) the construction, operation or maintenance of any portion of the Project by the Authority.

(J) Whether or not therein expressly so provided, every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VIII.

(K) The Trustee agrees to accept and act upon written instructions and/or directions provided by Electronic Means pursuant hereto, provided, however, that: (i) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, and (ii) such originally executed instructions and/or directions shall be signed on behalf of the Authority by an Authorized Representative and shall be signed on behalf of any other party by a person authorized to sign for the party delivering such instructions and/or directions, which person shall provide such documentation as the Trustee shall request in order to evidence such authorization.

**SECTION 8.05 Right of Trustee to Rely on Documents and Opinions.** The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, counsel of or to the Authority, and may request an opinion of counsel, with regard to legal questions, including, without limitation, legal questions relating to proposed modifications or amendments of this Trust Agreement, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

Whenever in the administration of the trusts imposed upon it by this Trust Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, including, without limitation, matters relating to proposed modifications or amendments of this Trust Agreement, the Trustee may request a Certificate of the Authority and such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by such Certificate of the Authority, and such Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Trust Agreement in reliance upon such

Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable. The Trustee may also rely conclusively on any report, statement, requisition, facsimile transmission, electronic mail or certification of any certified public accountant, investment banker, financial consultant, or other expert selected by the Authority or selected by the Trustee with due care in connection with matters required to be proven or ascertained in connection with its administration of the trusts created hereby.

**SECTION 8.06      Compensation and Indemnification of Trustee.** The Authority covenants to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the Authority will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Trust Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, default or willful misconduct. The Authority, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damages, liability or expense incurred without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of the trusts created hereby, including costs and expenses (including attorneys' fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Authority under this Section 8.06 shall survive the discharge of the Bonds and this Trust Agreement and the resignation or removal of the Trustee.

## ARTICLE IX

### MODIFICATION OR AMENDMENT OF THIS TRUST AGREEMENT

#### SECTION 9.01      Amendments Permitted.

(A) (1) This Trust Agreement and the rights and obligations of the Authority, the Holders of the Senior Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Trust Agreement, which the Authority and the Trustee may enter into when the written consent of the Holders of a majority in aggregate amount of Bond Obligation of the Senior Bonds (or, if such Supplemental Trust Agreement is only applicable to a Series of Senior Bonds, such Series of Senior Bonds) then Outstanding shall have been filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Senior Bonds of any particular maturity remain Outstanding, the consent of the Holders of such Senior Bonds shall not be required and such Senior Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Senior Bonds Outstanding under this Section.

(2) No such modification or amendment shall (a) extend the maturity of any Senior Bond, or reduce the amount of principal thereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided for the payment of any Senior Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Senior Bond so affected, or (b) reduce

the aforesaid percentage of Bond Obligation the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Pledged Revenues and other assets pledged under this Trust Agreement prior to or on a parity with the lien created by this Trust Agreement, or deprive the Holders of the Senior Bonds of the lien created by this Trust Agreement on such Pledged Revenues and other assets (in each case, except as expressly provided in this Trust Agreement), without the consent of the Holders of all of the Senior Bonds then Outstanding. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Trust Agreement, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution and delivery by the Authority and the Trustee of any Supplemental Trust Agreement pursuant to this Section 9.01(A), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Trust Agreement to the Holders of the Senior Bonds at the addresses shown on the registration books of the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement.

(B) This Trust Agreement and the rights and obligations of the Authority, of the Trustee and of the Holders of the Senior Bonds may also be modified or amended from time to time and at any time by a Supplemental Trust Agreement, which the Authority and the Trustee may enter into without the consent of any Bondholders, but only to the extent that such modification or amendment is permitted by the Act and does not materially and adversely affect the interests of the Holders of the Senior Bonds and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority in this Trust Agreement contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Senior Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Trust Agreement, or in regard to matters or questions arising under this Trust Agreement, as the Authority may deem necessary or desirable, and which shall not materially and adversely affect the interests of the Holders of the Senior Bonds;

(3) to modify, amend or supplement this Trust Agreement in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially and adversely affect the interests of the Holders of the Senior Bonds;

(4) to provide for the issuance of an additional Series of Senior Bonds pursuant to the provisions of Article III hereof;

(5) to make modifications or adjustments necessary, appropriate or desirable to provide for the issuance or incurrence, as applicable, of Capital Appreciation Bonds, Parity Obligations, Subordinate Obligations, Junior Subordinate Obligations or Variable Rate Indebtedness, with such interest rate, payment, maturity and other terms as the

Authority may deem desirable; subject to the provisions of Sections 3.02, 3.03, 3.05, 3.06, 3.07, 3.08 and 3.09; provided that no such amendment shall materially and adversely affect the interests of any Holder of any Senior Bonds;

(6) to make modifications or adjustments necessary, appropriate or desirable to provide for change from one interest rate mode to another in connection with any Series of Senior Bonds;

(7) to make modifications or adjustments necessary, appropriate or desirable to accommodate Credit Enhancements, Liquidity Facilities and Reserve Facilities;

(8) to make modifications or adjustments necessary, appropriate or desirable to provide for the appointment of an auction agent, a broker-dealer, a remarketing agent, a tender agent and/or a paying agent in connection with any Series of Senior Bonds;

(9) to modify the auction provisions applicable to any Series of Senior Bonds in accordance with the terms and provisions set forth in the Supplemental Trust Agreement establishing the terms and provisions of such Series of Senior Bonds;

(10) to provide for any additional covenants or agreements necessary to maintain the tax-exempt status of, or any federal subsidy with respect to, interest on any Series of Senior Bonds;

(11) to provide for the issuance of Senior Bonds in book-entry form or bearer form and/or to modify or eliminate the book-entry registration system for any Series of Senior Bonds;

(12) to modify, alter, amend or supplement this Trust Agreement in any other respect, including amendments that would otherwise be described in Section 9.01(A), if the effective date of such amendments is a date on which all Senior Bonds affected thereby are subject to mandatory tender for purchase pursuant to the provisions of this Trust Agreement or if notice of the proposed amendments is given to Holders of the affected Senior Bonds at least 30 days before the proposed effective date of such amendments and, on or before such effective date, such Holders have the right to demand purchase of their Senior Bonds pursuant to the provisions of this Trust Agreement or if all Senior Bonds affected thereby are in an auction mode and a successful auction is held following notice of such amendment; and

(13) for any other purpose that does not materially and adversely affect the interests of the Holders of the Senior Bonds.

Any Supplemental Trust Agreement entered into pursuant to this Section shall be deemed not to materially adversely affect the interest of Holders to the extent that (i) such Holders' Bonds are secured by Credit Enhancement and (ii) the relevant Credit Provider shall have given its written consent to such Supplemental Trust Agreement as provided in Section 9.01(A); provided that such Credit Provider is not in default of its obligations under such Credit Enhancement.

(C) With respect to any amendments to this Trust Agreement, the Trustee shall provide notice of such amendment to TIFIA Lender at least 30 days prior to the effective date of

such amendment and shall provide the TIFIA Lender with a copy of the executed amendment within 30 days of its effective date.

(D) So long as any TIFIA Bond is Outstanding, any amendment to the Trust Agreement having a material and adverse effect on the TIFIA Lender shall not be effective unless the Trustee shall receive the written consent of the TIFIA Lender to such amendment; provided, however, that no material and adverse effect shall be deemed to occur as a result of the Authority's issuance of additional Senior Bonds, Parity Obligations or Subordinate Obligations in compliance with the conditions set forth in Article III hereof. In addition, so long as any TIFIA Bond is Outstanding, the Authority shall provide the TIFIA Lender, within 30 days of its effective date, with a copy of any Supplemental Trust Agreement or other instrument pursuant to which any Senior Bonds, Parity Obligations or Subordinate Obligations are issued.

**SECTION 9.02**     **Effect of Supplemental Trust Agreement.** From and after the time any Supplemental Trust Agreement becomes effective pursuant to this Article, this Trust Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the Authority, the Trustee and all Holders of Bonds Outstanding and all holders of Parity Obligations and Subordinate Obligations shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Trust Agreement shall be deemed to be part of the terms and conditions of this Trust Agreement for any and all purposes.

**SECTION 9.03**     **Endorsement of Bonds; Preparation of New Bonds.** Bonds delivered after any Supplemental Trust Agreement becomes effective pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such Supplemental Trust Agreement, and, in that case, upon demand of the Holder of any Bond Outstanding at the time of such execution and presentation of his Bond for such purpose at the Corporate Trust Office or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Trust Agreement shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the Trustee, to any modification or amendment contained in such Supplemental Trust Agreement, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand of the Holders of any Bonds then Outstanding shall be exchanged at the Corporate Trust Office, without cost to any Bondholder, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts of the same Series, tenor and maturity.

**SECTION 9.04**     **Amendment of Particular Bonds.** The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

## ARTICLE X

### DEFEASANCE

**SECTION 10.01**     **Discharge of Trust Agreement.** Bonds of any Series or a portion thereof may be paid by the Authority in any of the following ways:

(A)    by paying or causing to be paid the Bond Obligation of and interest on such Outstanding Bonds, as and when they become due and payable;

(B)    by depositing with the Trustee, an escrow agent or other fiduciary, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem such Outstanding Bonds; or

(C)    by delivering to the Trustee, for cancellation by it, such Outstanding Bonds.

If the Authority shall pay all Series for which any Bonds are Outstanding and also pay or cause to be paid all other sums payable hereunder by the Authority, then and in that case, at the election of the Authority (evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Trust Agreement), and notwithstanding that any Bonds shall not have been surrendered for payment, this Trust Agreement and the pledge of Pledged Revenues and other assets made under this Trust Agreement and all covenants, agreements and other obligations of the Authority under this Trust Agreement shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon Request of the Authority, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the Authority all moneys or securities or other property held by it pursuant to this Trust Agreement which, as evidenced by a verification report, upon which the Trustee may conclusively rely, from an independent certified public accountant, a firm of independent certified public accountants or other independent consulting firm, are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

**SECTION 10.02**     **Discharge of Liability on Bonds.** Upon the deposit with the Trustee, escrow agent or other fiduciary, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bond shall cease, terminate and be completely discharged, provided that the Holder thereof shall thereafter be entitled to the payment of the principal of and premium, if any, and interest on the Bonds, and the Authority shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment.

If the Bonds being discharged are Variable Rate Indebtedness, (i) the Bonds shall be redeemed at the first possible redemption date or purchase date applicable to such Bonds and to the extent the rate of interest payable on such Bonds prior to such redemption or purchase date is

not known, such rate of interest shall be assumed to be the maximum rate payable thereon or (ii) the Trustee shall receive a confirmation from the Rating Agency then rating the Bonds that the defeasance will not result in the reduction or withdrawal of the then-current ratings on the Bonds.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Notwithstanding anything in this Section 10.02 to the contrary, if the principal of or interest on a Series of Bonds shall be paid by a Credit Provider pursuant to the Credit Enhancement issued in connection with such Series of Bonds, the obligations of the Authority shall not be deemed to be satisfied or considered paid by the Authority by virtue of such payments, and the right, title and interest of the Authority herein and hereto and the obligations of the Authority hereunder shall not be discharged and shall continue to exist and to run to the benefit of such Credit Provider, and such Credit Provider shall be subrogated to the rights of the Holders of the Bonds of such Series.

**SECTION 10.03 Deposit of Money or Securities.** Whenever in this Trust Agreement it is provided or permitted that there be deposited with or held in trust money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Trust Agreement and shall be:

(A) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(B) Defeasance Securities the principal of and interest on which when due will, in the opinion of an independent certified public accountant, a firm of independent certified public accountants or other independent consulting firm delivered to the Trustee (as confirmed by a verification report upon which verification report the Trustee may conclusively rely), provide money sufficient to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Trust Agreement or by Request of the Authority) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds.

**SECTION 10.04 Payment of Bonds After Discharge of Trust Agreement.** Any moneys held by the Trustee in trust for the payment of the principal, Redemption Price, or interest on any Bond and remaining unclaimed for one year after such principal, Redemption

Price, or interest has become due and payable (whether at maturity or upon call for redemption as provided in this Trust Agreement), if such moneys were so held at such date, or one year after the date of deposit of such principal, Redemption Price or interest on any Bond if such moneys were deposited after the date when such Bond became due and payable, shall be repaid to the Authority free from the trusts created by this Trust Agreement, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee may (at the cost of the Authority) first mail to the Holders of any Bonds remaining unpaid at the addresses shown on the registration books maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof. All moneys held by or on behalf of the Trustee for the payment of principal or Accreted Value of or interest or premium on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Holders thereof and the Trustee shall not be required to pay Holders any interest on, or be liable to the Holders or any other person (other than the Authority) for interest earned on, moneys so held. Any interest earned thereon shall belong to the Authority and shall be deposited upon receipt by the Trustee into the Revenue Fund.

**SECTION 10.05** **TIFIA Bonds Not Subject to Defeasance.** Notwithstanding Sections 10.01(B), 10.02 and 10.03 hereof, TIFIA Bonds shall not be subject to defeasance by depositing with a trustee, escrow agent or other fiduciary, in trust, before maturity, money or securities to pay or redeem such TIFIA Bonds. TIFIA Bonds may be paid by the Authority and their liability under this Trust Agreement discharged only in accordance with Section 10.01(A) or (C) hereof.

## ARTICLE XI

### SUBORDINATION PROVISIONS RELATING TO JUNIOR SUBORDINATE OBLIGATIONS

**SECTION 11.01 Agreement to Subordinate.** All Junior Subordinate Obligations shall be subordinated, to the extent and in the manner provided in this Article XI, to the prior payment in full of the Senior Obligations and Subordinate Obligations then due and payable and any deposits then required to be made to the Fees and Expenses Fund.

**SECTION 11.02 Subordinated Pledge of Revenues.** All Pledged Revenues are pledged, on a subordinate and junior basis to the pledge of Pledged Revenues securing Senior Obligations, Subordinate Obligations and any payments and deposits required to be made to the Fees and Expenses Fund, to secure the payment of Junior Subordinate Obligations. In accordance with Section 5.02, Junior Subordinate Obligations are junior and subordinate in all respects to the Senior Obligations, Subordinate Obligations and any payments and deposits required to be made to the Fees and Expenses Fund as to lien on and source and security for payment from the Pledged Revenues, and as otherwise provided in this Article XI.

**SECTION 11.03 Liquidation; Dissolution; Bankruptcy.** Upon any distribution to creditors of the Authority following an Event of Default under Section 7.01(E), (F) or (G):

(A) Holders of the Senior Obligations shall be entitled to receive payment, pursuant to Section 7.02, in cash, of the interest on and principal or Redemption Price, if applicable, of such



Senior Obligations then due and payable and other amounts then payable with respect thereto, then holders of the Subordinate Obligations shall be entitled to receive payment, pursuant to Section 7.02, in cash, of the interest on and principal or Redemption Price, if applicable, of such Subordinate Obligations then due and payable and other amounts then payable with respect thereto, then any deposits required to be paid into the Fees and Expenses Fund must be made, in each case before any Holder of Junior Subordinate Obligations shall be entitled to receive any payment of principal of or interest on such Junior Subordinate Obligations, pursuant to Section 7.02; and

(B) until the interest and principal or Redemption Price, if applicable, of Senior Obligations and Subordinate Obligations then due and payable are paid, and any deposits required to be paid into the Fees and Expenses Fund are made, in accordance with Section 7.02, in cash, any distribution to which Holders of Junior Subordinate Obligations would be entitled but for this Article XI shall be made to the Trustee for the benefit of the Holders of the Senior Obligations and holders of Subordinate Obligations and creditors of the Fees and Expenses Fund as their interests may appear.

For purposes of this Section 11.03, a distribution may consist of cash, securities or other property, by set-off or otherwise.

#### **SECTION 11.04 Relationship Upon Default of Senior Obligations, Subordinate Obligations and Junior Subordinate Obligations.**

##### **(A) Relationship of Subordinate Obligations and Junior Subordinate Obligations to the Senior Obligations.**

(1) If any Event of Default with respect to the Senior Obligations shall have occurred and be continuing, the Holders of all the Outstanding Senior Obligations shall be entitled to receive payment in full of all principal of and interest on the Senior Obligations then due and payable, before the holders of the Subordinate Obligations and Holders of Junior Subordinate Obligations are entitled to receive from the Pledged Revenues any payment of principal of and interest on the Subordinate Obligations and Junior Subordinate Obligations then due and payable.

(2) No Holder of the Senior Obligations shall be prejudiced in his right to enforce subordination of the Subordinate Obligations and Junior Subordinate Obligations by any act or failure to act on the part of the Trustee.

(3) The provisions of (1) and (2) above are solely for the purpose of defining the relative rights of the Holders of the Senior Obligations on the one hand, and the holders of Subordinate Obligations and Holders of Junior Subordinate Obligations on the other hand; and nothing herein shall impair, as between the Authority and the holders of the Subordinate Obligations and Holders of Junior Subordinate Obligations, the obligation of the Authority, which is unconditional and absolute, to pay to the holders of the Subordinate Obligations and Holders of Junior Subordinate Obligations the principal of and interest thereon then due and payable in accordance with their terms; nor shall anything therein prevent the holders of Subordinate Obligations and Holders of Junior Subordinate Obligations from exercising all remedies otherwise permitted by applicable law or hereunder upon default hereunder, subject to the limitations contained in this

Article XI and the rights under (1) and (2) above of the Holders of the Senior Obligations to receive cash, property or securities otherwise payable or deliverable to the holders of the Subordinate Obligations and Holders of Junior Subordinate Obligations.

(B) Relationship of Junior Subordinate Obligations to the Subordinate Obligations.

(1) If any Event of Default with respect to the Subordinate Obligations shall have occurred and be continuing, the holders of all the Outstanding Subordinate Obligations shall be entitled to receive payment in full of all principal of and interest on all the Subordinate Obligations then due and payable before the Holders of the Junior Subordinate Obligations are entitled to receive from the Pledged Revenues payment of principal of and interest on the Junior Subordinate Obligations then due and payable.

(2) No holder of the Subordinate Obligations shall be prejudiced in their rights to enforce subordination of the Junior Subordinate Obligations by any act or failure to act on the part of the Trustee or any other party.

(3) The provisions of (1) and (2) above are solely for the purpose of defining the relative rights of the holders of the Subordinate Obligations on the one hand, and the Holders of Junior Subordinate Obligations on the other hand; and nothing herein shall impair, as between the Authority and the Holders of the Junior Subordinate Obligations, the obligation of the Authority, which is unconditional and absolute, to pay to the Holders of the Junior Subordinate Obligations principal of and interest thereon then due and payable in accordance with their terms; nor shall anything therein prevent the Holders of the Junior Subordinate Obligations from exercising all remedies otherwise permitted by applicable law or hereunder upon default hereunder, subject to the limitations contained in this Article XI and the rights under (1) and (2) above of the holders of the Subordinate Obligations to receive cash, property or securities otherwise payable or deliverable to the Holders of the Junior Subordinate Obligations.

**SECTION 11.05 When Distribution Must be Paid Over.** In the event that the Authority or the Trustee shall make any payment to the Holder of any Junior Subordinate Obligations at the time when such payment is prohibited by Section 11.04, such payment shall be held by such Holder in trust for the benefit of, and shall be paid forthwith over and delivered to, the Trustee for the benefit of the Holders of Senior Obligations and the Holders of Subordinate Obligations (first to the Holders of Senior Obligations and pro rata as to each of such Holders on the basis of the principal amount then due and payable on the Senior Obligations held by them and second to the holders of Subordinate Obligations and pro rata as to each of such holders on the basis of the principal amount then due and payable on the Subordinate Obligations held by them) as their respective interests may appear, for application to the payment of all amounts then due and payable under the Senior Obligations and the Subordinate Obligations.

**SECTION 11.06 Limitation on Exercise of Remedies by Holders of Junior Subordinate Obligations.** All rights and remedies of Junior Subordinate Obligation Holders are subject to the provisions and limitations set forth in Article VII of this Trust Agreement.

**SECTION 11.07 Subordination May Not Be Impaired by Authority or Holder.** No right of any Holder of the Senior Obligations or holder of the Subordinate Obligations to

enforce the subordination of the Junior Subordinate Obligations shall be impaired by any act or failure to act by the Authority or such holder.

**SECTION 11.08 Distribution or Notice.** Whenever a distribution is to be made or a notice given to the Holders of Senior Obligations or the holders of Subordinate Obligations, the distribution may be made and the notice given to the Trustee. Any notice provided by the Trustee to the Holders of Senior Obligations or holders of Subordinate Obligations shall also be provided by the Trustee to the TIFIA Lender.

**SECTION 11.09 Delivery of Certificates.** Notwithstanding anything herein to the contrary, any certificate required to be delivered to the TIFIA Lender hereunder shall be considered delivered upon receipt by the TIFIA Lender. Any such delivery may be made by Electronic Means.

## ARTICLE XII

### MISCELLANEOUS

**SECTION 12.01 Liability of Authority Limited to Pledged Revenues.** Notwithstanding anything in this Trust Agreement or in the Bonds contained, the Authority shall not be required to advance any moneys derived from any source other than the Pledged Revenues and other assets pledged hereunder for any of the purposes in this Trust Agreement mentioned, whether for the payment of the principal or Redemption Price of or interest on the Bonds or for any other purpose of this Trust Agreement.

**SECTION 12.02 Successor Is Deemed Included in All References to Predecessor.** Whenever in this Trust Agreement either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**SECTION 12.03 Limitation of Rights.** Nothing in this Trust Agreement, the Bonds, Parity Obligations or Subordinate Obligations expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Authority, the Trustee, the Holders of the Senior Obligations, the holders of the Subordinate Obligations, any Counterparty, Liquidity Provider or Credit Provider, and the Holders of the Junior Subordinate Obligations, any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee and the Holders of the Senior Obligations, the holders of the Subordinate Obligations, any Counterparty, Liquidity Provider or Credit Provider, and the Holders of the Junior Subordinate Obligations.

**SECTION 12.04 Waiver of Notice.** Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**SECTION 12.05 Destruction or Delivery of Canceled Bonds.** Whenever in this Trust Agreement provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee may, in its sole discretion, in lieu of such cancellation and delivery, destroy such Bonds, and deliver a certificate of such destruction to the Authority.

**SECTION 12.06 Severability of Invalid Provisions.** If any one or more of the provisions contained in this Trust Agreement or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provisions or provisions shall be deemed severable from the remaining provisions contained in this Trust Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have adopted this Trust Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

**SECTION 12.07 Notices.** Any notice to or demand may be served or presented, and such demand may be made and shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class mail postage prepaid, in a post office letter box, addressed, as the case may be, to the parties as listed below. Any such communication may also be sent by Electronic Means, receipt of which shall be confirmed.

Trustee: U.S. Bank National Association  
633 West Fifth Street  
24<sup>th</sup> Floor  
Mail Stop: LM-CA-T24T  
Los Angeles, California 90071  
Attention: Corporate Trust Services  
Telephone: (213) 615-6047  
Fax: (213) 615-6197

Authority: Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, California 90012  
Attention: Treasurer  
Telephone: (213) 922-4047  
Fax: (213) 922-4027

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

With copies to:

United States Department of Transportation  
Federal Transit Administration  
Regional Office 9  
201 Mission Street, Suite 1650  
San Francisco, California 94105  
Attention: Administrator  
Telephone: (415) 744-2801  
Facsimile: (415) 744-2726

and also to:

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

**SECTION 12.08 Evidence of Rights of Bondholders.** Any request, consent or other instrument required or permitted by this Trust Agreement to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the bond registration books held by the Trustee. The Trustee may establish a record date as of which to measure consent of the Holders in order to determine whether the requisite consents are received.

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

**SECTION 12.09 Disqualified Bonds.** In determining whether the Holders of the requisite aggregate Bond Obligation of Bonds have concurred in any demand, request, direction, consent or waiver under this Trust Agreement, Bonds that are owned or held by or for the

account of the Authority, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlled by, or under direct or indirect common control with, the Authority. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

**SECTION 12.10 Money Held for Particular Bonds.** The money held by the Trustee for the payment of the interest, principal, Redemption Price or purchase price due on any date with respect to particular Bonds or Subordinate Obligations (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds or Subordinate Obligations entitled thereto, subject, however, to the provisions of Section 10.04.

**SECTION 12.11 Funds and Accounts.** Any fund required by this Trust Agreement to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the protection of the security of the Bonds and the rights of every holder thereof.

**SECTION 12.12 Limitations on Rights of Credit Providers, Liquidity Providers, Reserve Facility Providers.** A Supplemental Trust Agreement establishing the terms and provisions of a Series of Bonds or Subordinate Obligations may provide that any Credit Provider, Liquidity Provider or Reserve Facility Provider may exercise any right under this Trust Agreement given to the Holders of the Bonds or Subordinate Obligations to which such Credit Enhancement, Liquidity Facility or Reserve Facility relates. All provisions under this Trust Agreement authorizing the exercise of rights by a Credit Provider, a Liquidity Provider or a Reserve Facility Provider with respect to consents, approvals, directions, waivers, appointments, requests or other actions, shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider, Liquidity Provider or Reserve Facility Provider were not mentioned therein (i) during any period during which there is a default by such Credit Provider, Liquidity Provider or Reserve Facility Provider under the applicable Credit Enhancement, Liquidity Facility or Reserve Facility or (ii) after the applicable Credit Enhancement, Liquidity Facility or Reserve Facility shall at any time for any reason cease to be valid and binding on the provider thereof, or shall be declared to be null and void by final, non-appealable judgment of a court of competent jurisdiction, or after the Credit Enhancement, Liquidity Facility or Reserve Facility has been rescinded, repudiated by the provider thereof or terminated, or after a receiver, conservator or liquidator has been appointed for the provider thereof. All provisions relating to the rights of a Credit Provider, Liquidity Provider or Reserve Facility Provider shall be of no further force and effect if all amounts owing to such Credit Provider, Liquidity Provider or Reserve Facility Provider shall have been paid pursuant to the terms of the applicable Credit Enhancement, Liquidity Facility or Reserve Facility and such Credit Enhancement, Liquidity Facility or Reserve Facility shall no longer be in effect.

**SECTION 12.13** Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement.

All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

**SECTION 12.14** Waiver of Personal Liability. No Board member, officer, agent or employee of the Authority or the Trustee shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent or employee of the Authority or the Trustee from the performance of any of any official duty provided by law or by this Trust Agreement.

**SECTION 12.15** Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State of California.

**SECTION 12.16** Business Day. Except as specifically set forth in this Trust Agreement or a Supplemental Trust Agreement, transfers which would otherwise become due on any day which is not a Business Day shall become due or shall be made on the next succeeding Business Day with the same effect as if made on such prior date.

**SECTION 12.17** Effective Date of Trust Agreement. This Trust Agreement shall take effect upon its execution and delivery.

**SECTION 12.18** Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement by their officers thereunto duly authorized as of the day and year first written above.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

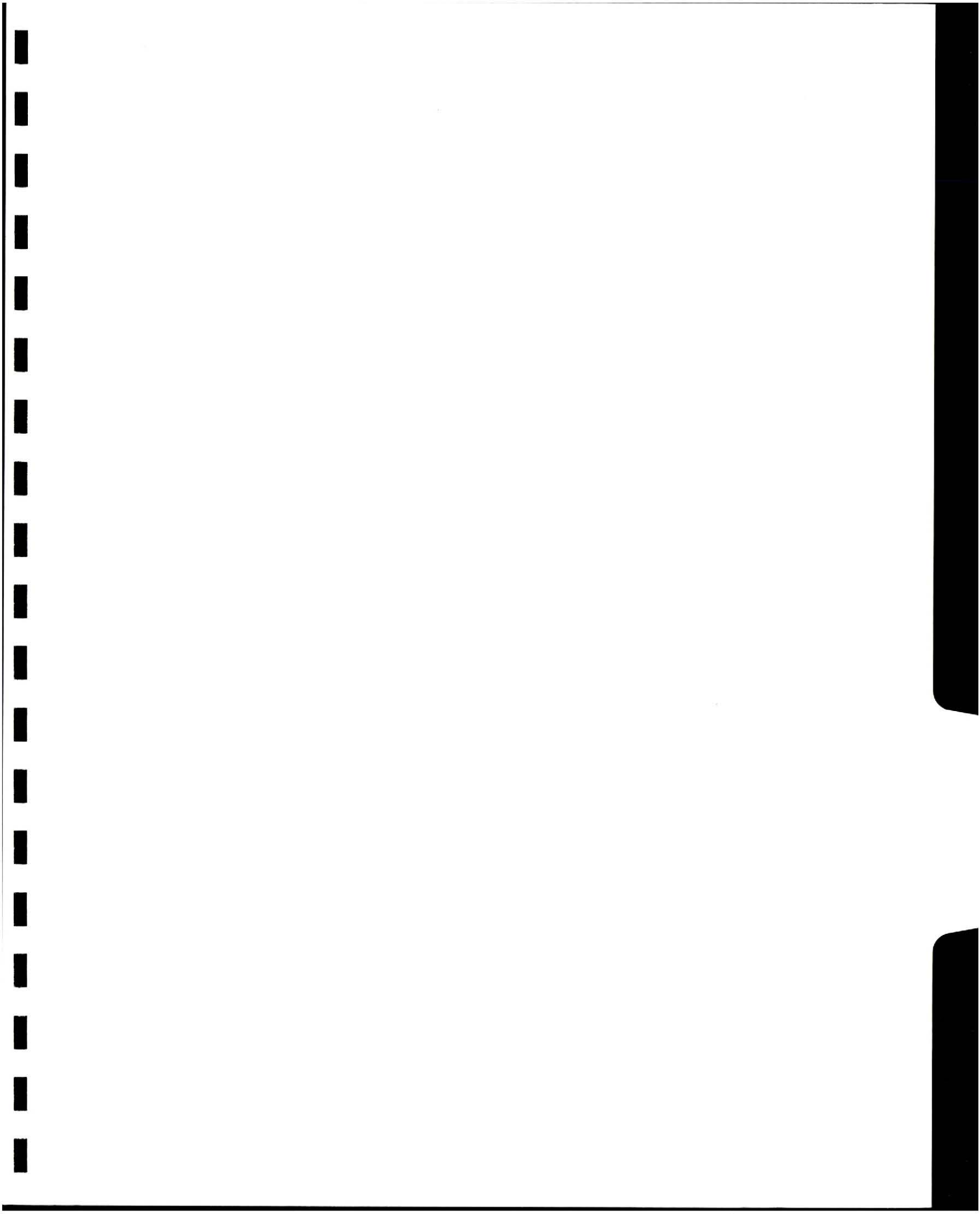
By:   
Name: Terry Matsumoto  
Title: Chief Financial Services Officer

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By:   
Authorized Officer







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SECOND SUPPLEMENTAL TRUST AGREEMENT

between the

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

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Dated as of February 20, 2014

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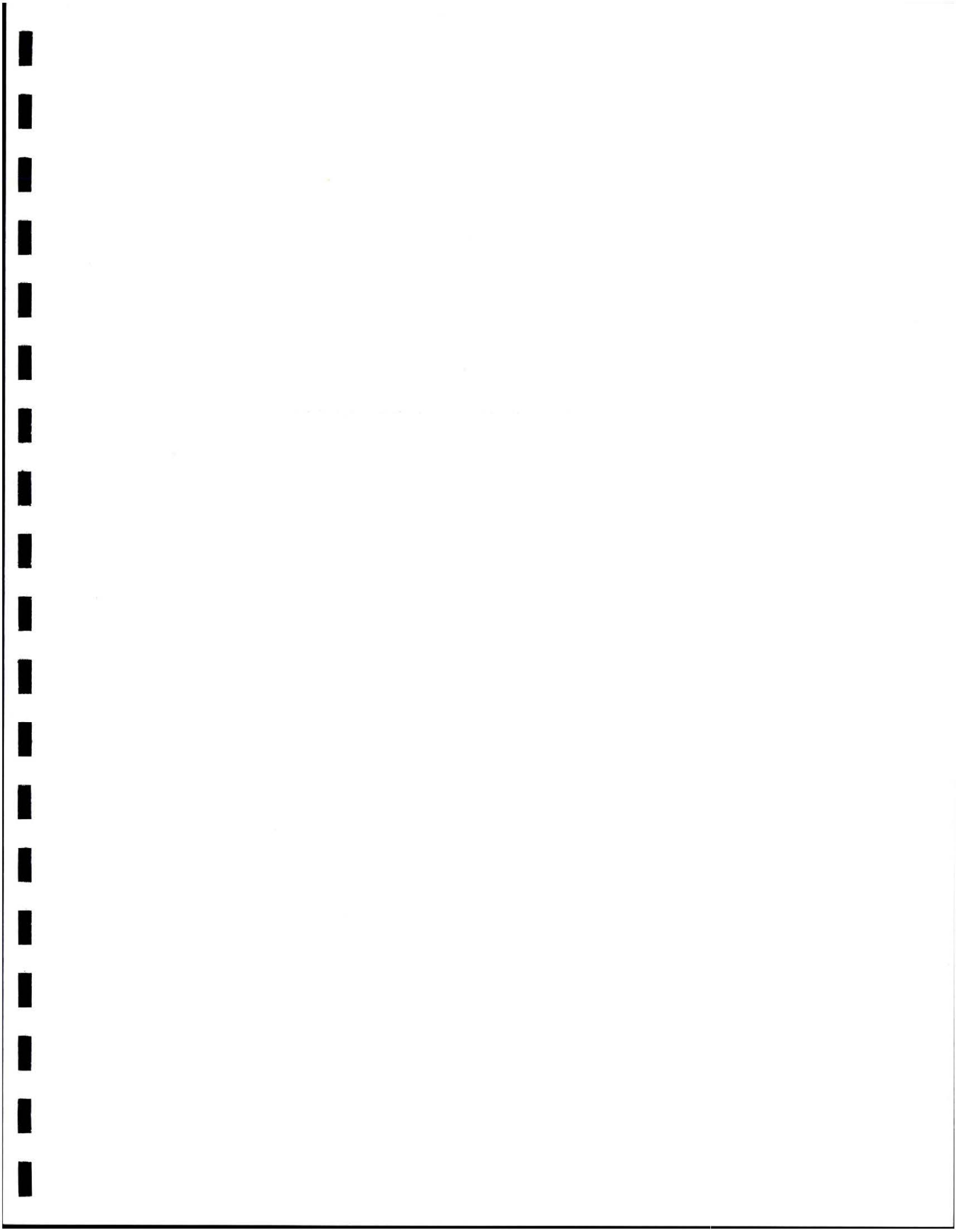
relating to

\$160,000,000  
Los Angeles County Metropolitan  
Transportation Authority  
Measure R Junior Subordinate Sales Tax Revenue Bond,  
2014-A TIFIA Series  
(Regional Connector TIFIA Loan)

(Supplemental to the Amended and Restated Trust Agreement dated as of February 1, 2014)

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SECOND SUPPLEMENTAL TRUST AGREEMENT  
(Supplemental to the Amended and Restated Trust Agreement dated as of February 1, 2014)

relating to

\$160,000,000  
Los Angeles County Metropolitan Transportation Authority  
Measure R Junior Subordinate Sales Tax Revenue Bond,  
2014-A TIFIA Series  
(Regional Connector TIFIA Loan)

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This SECOND SUPPLEMENTAL TRUST AGREEMENT, dated as of February 20, 2014 (this "Second Supplemental Trust Agreement"), between the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (the "Authority") and U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee");

**WITNESSETH:**

WHEREAS, this Second Supplemental Trust Agreement is supplemental to the Trust Agreement, dated as of November 1, 2010, as supplemented and amended by the First Supplemental Trust Agreement, dated as of November 1, 2010, and the Amended and Restated Trust Agreement, dated as of February 1, 2014 (as further supplemented and amended from time to time pursuant to its terms, the "Trust Agreement"), between the Authority and the Trustee;

WHEREAS, the Trust Agreement provides that it may be amended or supplemented from time to time as authorized by a Supplemental Trust Agreement;

WHEREAS, the Authority and the Trustee desire to enter into this Second Supplemental Trust Agreement to set forth the terms of the Authority's obligations to the TIFIA Lender (as defined below), relating to the execution and delivery of a TIFIA Loan Agreement dated as of February 20, 2014 (the "2014-A TIFIA Loan Agreement") authorizing and setting forth the terms and conditions of a TIFIA Loan (the "2014-A TIFIA Loan") from the TIFIA Lender to the Authority, which 2014-A TIFIA Loan is to be evidenced by a bond entitled "Los Angeles County Metropolitan Transportation Authority Measure R Junior Subordinate Sales Tax Revenue Bond, 2014-A TIFIA Series (Regional Connector TIFIA Loan)" (the "2014-A TIFIA Bond"), to be issued in a principal amount not to exceed \$160,000,000;

WHEREAS, the 2014-A TIFIA Bond is being issued as a Junior Subordinate Obligation and as a Bond under the Trust Agreement;

WHEREAS, the 2014-A TIFIA Loan Agreement is being entered into as indebtedness under, pursuant to and in accordance with the Act, and the proceeds of the 2014-A TIFIA Loan may be disbursed by the TIFIA Lender to be used to finance the Regional Connector Project, as provided in this Second Supplemental Trust Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Second Supplemental Trust Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Second Supplemental Trust Agreement;

NOW, THEREFORE, the parties hereto agree, as follows:

## ARTICLE XII

### DEFINITIONS

#### SECTION 12.01. Definitions.

(A) **Definitions.** Capitalized terms used herein and not defined herein shall have the definitions ascribed to such terms in Section 1.02 of the Trust Agreement.

(B) **Additional Definitions.** Unless the context otherwise requires, the following terms shall, for all purposes of this Second Supplemental Trust Agreement, have the following meanings:

**Authorized Denomination** means, with respect to the 2014-A TIFIA Bond, initially the principal amount of the 2014-A TIFIA Bond.

**Business Day** means any day other than a Saturday, a Sunday or day on which the offices of the Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, Washington, D.C., or Los Angeles, California.

**Government** means the United States of America and its departments and agencies.

**Issue Date** means February 20, 2014.

**Regional Connector Project** means the Project as defined in the 2014-A TIFIA Loan Agreement.

**Second Supplemental Trust Agreement** means this Second Supplemental Trust Agreement, dated as of February 20, 2014, between the Authority and the Trustee.

**Semi-Annual Payment Date** means each June 1 and December 1 or if such day is not a Business Day, then the Business Day succeeding such June 1 or December 1.

**TIFIA Lender** means the U.S. Department of Transportation, acting by and through the Federal Highway Administrator, and its successors and assigns.

**2014-A TIFIA Bond** means the Los Angeles County Metropolitan Transportation Authority Measure R Junior Subordinate Sales Tax Revenue Bond, 2014-A TIFIA Series



(Regional Connector TIFIA Loan), authorized by Article XIII of this Second Supplemental Trust Agreement.

**2014-A TIFIA Debt Service** means, with respect to any Semi-Annual Payment Date occurring on or after the 2014-A TIFIA Debt Service Payment Commencement Date, the principal and/or interest required to be paid on the 2014-A TIFIA Loan on such Semi-Annual Payment Date as shown on **Exhibit F** of the 2014-A TIFIA Loan Agreement in accordance with the provisions of Section 9 of the 2014-A TIFIA Loan Agreement).

**2014-A TIFIA Debt Service Payment Commencement Date** means December 1, 2019, or if such date is not a Business Day, then the Business Day immediately succeeding that date.

**2014-A TIFIA Debt Service Reserve Required Balance** means five percent (5%) of the principal of the 2014-A TIFIA Loan at any time outstanding which shall be funded, at the Authority's discretion, through semi-annual or annual payments by the Authority from the Pledged Revenues on deposit in the Revenue Fund pursuant to this Trust Agreement; provided, however, that, initially, the 2014-A TIFIA Debt Service Reserve Account must be fully funded at the 2014-A TIFIA Debt Service Reserve Required Balance prior to the 2014-A TIFIA Debt Service Payment Commencement Date and the 2014-A TIFIA Debt Service Reserve Account must be fully funded at the 2014-A TIFIA Debt Service Reserve Required Balance on or before each subsequent Semi-Annual Payment Date.

**2014-A TIFIA Loan Agreement** means the TIFIA Loan Agreement, dated as of February 20, 2014, by and between the TIFIA Lender and the Authority, relating to the Regional Connector Project.

### ARTICLE XIII

#### AUTHORIZATION OF THE 2014-A TIFIA BOND

**SECTION 13.01. Authorization; Principal Amount, Designation and Series.** The Authority hereby approves the terms and provisions of the 2014-A TIFIA Loan Agreement substantially in form and substance contained in Exhibit A to this Second Supplement Trust Agreement. Pursuant to the provisions of the Trust Agreement and the provisions of the Act, and to evidence the principal, interest and other payment obligations of the Authority under the 2014-A TIFIA Loan Agreement, a Bond entitled to the benefit, protection and security of such provisions, is hereby authorized in the aggregate principal amount not to exceed \$160,000,000. Such Bond shall be designated as, and shall be distinguished from the Junior Subordinate Obligations of all other Series by the title, "Los Angeles County Metropolitan Transportation Authority Measure R Junior Subordinate Sales Tax Revenue Bond, 2014-A TIFIA Series (Regional Connector TIFIA Loan)."

**SECTION 13.02. Priority and Lien.** The principal and interest payment obligations pursuant to the 2014-A TIFIA Loan Agreement and evidenced by the 2014-A TIFIA Bond shall

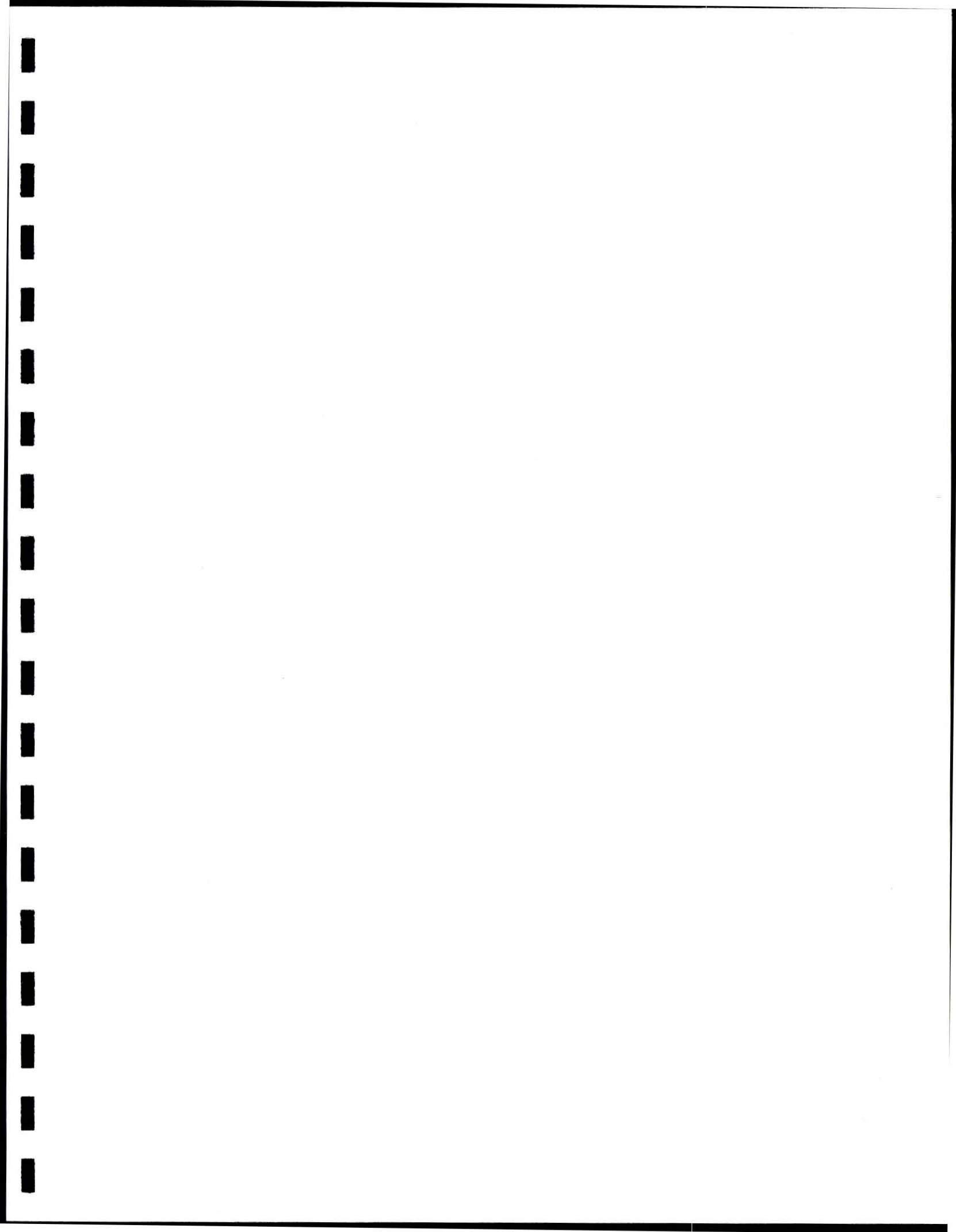


EXHIBIT A

[FORM OF 2014-A TIFIA LOAN AGREEMENT]

The form of 2014-A TIFIA Loan Agreement is attached hereto as Exhibit A for reference purposes only. In the event of any inconsistency between the terms of the Trust Agreement and the 2014-A TIFIA Loan Agreement, the terms of the Trust Agreement shall govern.

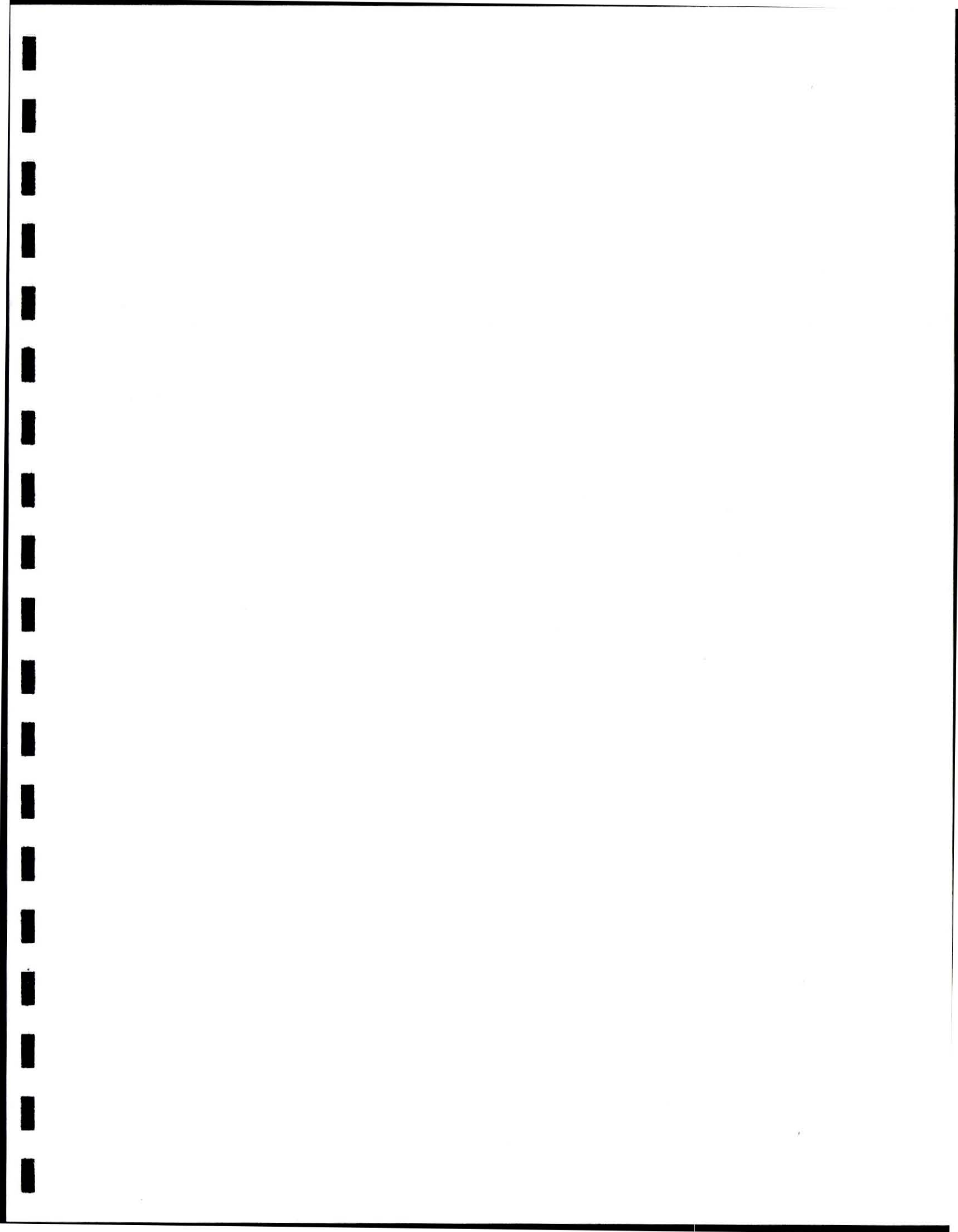


EXHIBIT B

[FORM OF 2014-A TIFIA BOND]

Neither the faith and credit nor the taxing power of the State of California or any public agency, other than the Los Angeles County Metropolitan Transportation Authority, is pledged to the payment of the principal of, or interest on, this 2014-A TIFIA Bond.

No. R-1

\$160,000,000

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY  
MEASURE R JUNIOR SUBORDINATE SALES TAX REVENUE BOND  
2014-A TIFIA SERIES  
(REGIONAL CONNECTOR TIFIA LOAN)

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

**Maturity Date:** June 1, 2036

**Maximum**

**Principal Amount:** ONE HUNDRED SIXTY MILLION AND NO/100 DOLLARS

**Interest Rate:** 3.50%

**Issue Date:** February 20, 2014

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a public entity duly organized and existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Pledged Revenues hereinafter referenced) to the order of the United States Department of Transportation, acting by and through the Federal Highway Administrator, and its successors and assigns (the "TIFIA Lender" and "Holder"), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all disbursements (the "Disbursements") made by the TIFIA Lender (such lesser amount, together with any interest that is capitalized and added to principal in accordance with the provisions of the TIFIA Loan Agreement, dated February 20, 2014, by and between the Authority and the TIFIA Lender (the "2014-A TIFIA Loan Agreement"), being hereinafter referred to as the "Outstanding TIFIA Loan Balance"), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the 2014-A TIFIA Loan Agreement) on the Outstanding TIFIA Loan Balance, and all fees, costs and other amounts payable in connection therewith, all as more fully described in the below-referenced 2014-A TIFIA Loan Agreement, which is hereby made a part hereof. Each Disbursement made by the TIFIA Lender to the Authority pursuant to the 2014-A TIFIA Loan Agreement, and each prepayment made on account of the Outstanding TIFIA Loan Balance, shall be recorded by or on behalf of the TIFIA Lender and endorsed on the

This 2014-A TIFIA Bond is transferable or exchangeable for other authorized denominations by the registered owner hereof, in person or by its attorney duly authorized in writing, at the corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender and cancellation of this 2014-A TIFIA Bond. Upon such transfer a new fully registered 2014-A TIFIA Bond without coupons, of authorized denomination or denominations, of the same series, tenor, maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange herefor.

Pursuant to the Second Supplement, the Holder of this 2014-A TIFIA Bond shall at all times be the party to the 2014-A TIFIA Loan Agreement having all rights and obligations of the "TIFIA Lender" under the 2014-A TIFIA Loan Agreement. The Trustee shall not register any transfer or exchange of this 2014-A TIFIA Bond unless the Holder's prospective transferee delivers to the Trustee a letter substantially in the form as set forth in Exhibit C attached to the Second Supplement.

ANY DELAY ON THE PART OF THE TIFIA LENDER in exercising any right hereunder or under the 2014-A TIFIA Loan Agreement shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this 2014-A TIFIA Bond, and in the issuing of this 2014-A TIFIA Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this 2014-A TIFIA Bond, together with all other indebtedness of the Authority pertaining to the Pledged Revenues, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of indebtedness permitted to be issued under the Trust Agreement or the Act.

This 2014-A TIFIA Bond is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State of California shall govern its construction to the extent such federal laws are not applicable.

This 2014-A TIFIA Bond shall not be entitled to any benefit under the Trust Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY has caused this 2014-A TIFIA Bond to be executed in its  
name and on its behalf by its Chief Financial Services Officer by manual or facsimile signature,  
and this 2014-A TIFIA Bond to be dated as of the Issue Date specified above.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

By: \_\_\_\_\_  
Chief Financial Services Officer

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This is the 2014-A TIFIA Bond described in the within mentioned Trust Agreement and registered on the date set forth below.

Dated: February 20, 2014

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

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



ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto

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(Name, Address and Tax Identification or Social Security Number of Assignee) the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) \_\_\_\_\_ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

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

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

Note: This signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.





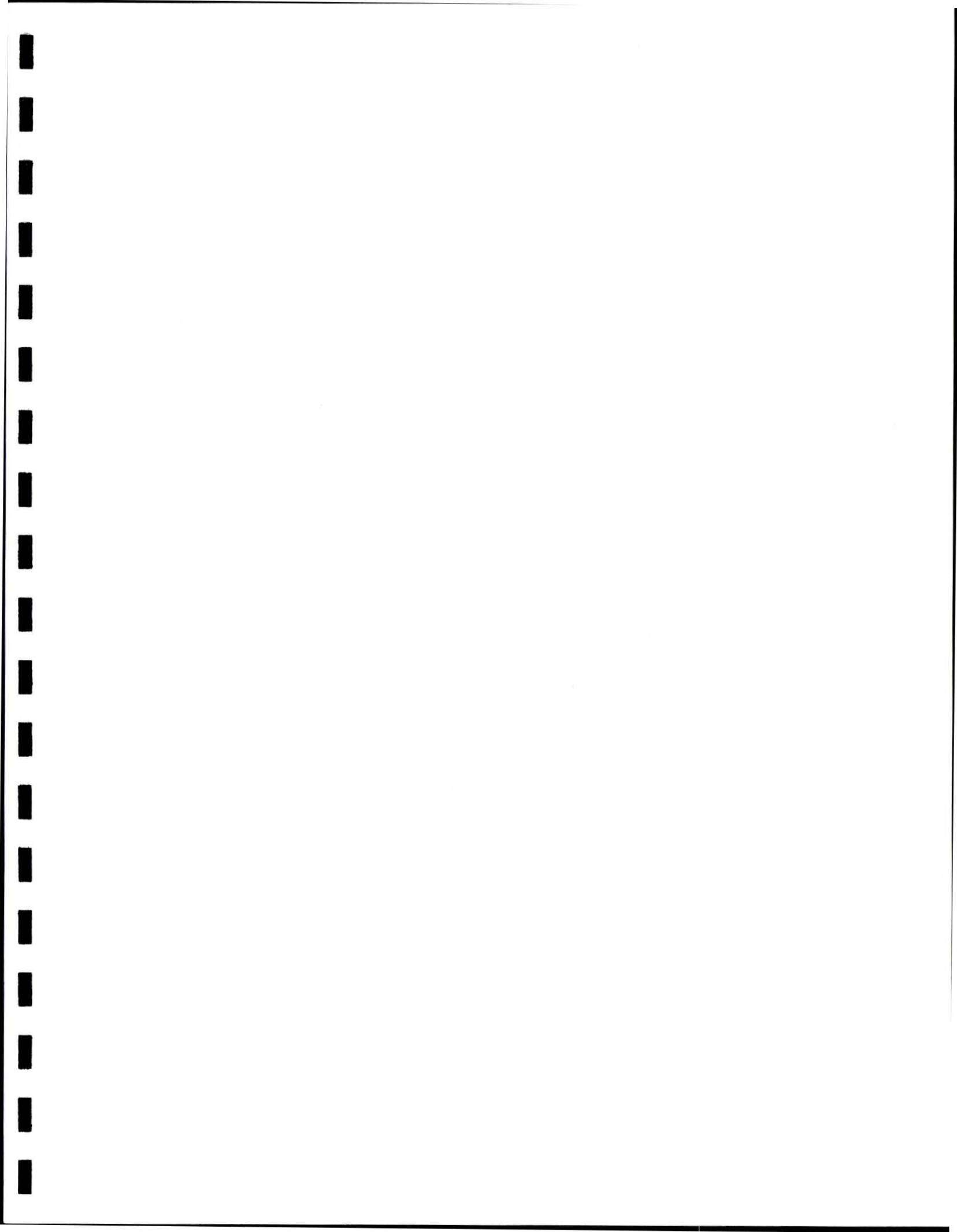


EXHIBIT C

FORM OF TRANSFEREE'S LETTER

U.S. Bank National Association,  
as Trustee  
633 West Fifth Street  
24<sup>th</sup> Floor  
Los Angeles, California 90071

Re: Los Angeles County Metropolitan Transportation Authority Measure R  
Junior Subordinate Sales Tax Revenue Bond, 2014-A TIFIA Series  
(Regional Connector TIFIA Loan)

Ladies and Gentlemen:

The undersigned representative of \_\_\_\_\_ (the "Purchaser"), hereby certifies, represents and warrants for the benefit of U.S. Bank National Association, as trustee (the "Trustee"), that the Purchaser is a party to the 2014-A TIFIA Loan Agreement having all rights and obligations of the "TIFIA Lender" thereunder. The Purchaser understands that in connection with any future transfer or exchange of the Los Angeles County Metropolitan Transportation Authority Measure R Junior Subordinate Sales Tax Revenue Bond, 2014-A TIFIA Series (Regional Connector TIFIA Loan) (the "2014-A TIFIA Bond") by the Purchaser, there must be delivered to the Trustee a letter of the transferee in substantially the form of Exhibit C to the Second Supplemental Trust Agreement.

The undersigned Purchaser hereby further represents as follows:

1. The Purchaser has full power and authority to carry on its business as now conducted, deliver this letter and make the representations contained herein.
2. The Purchaser has knowledge and experience in financial and business matters that make it capable of evaluating the 2014-A TIFIA Bond and the risks associated with the purchase of the 2014-A TIFIA Bond; has the ability to bear the economic risk of an investment in the 2014-A TIFIA Bond; and is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended.
3. The Purchaser has conducted its own investigation of the financial condition of the Authority, the 2014-A TIFIA Bond, the Trust Agreement and the Pledged Revenues, and has obtained such information regarding the 2014-A TIFIA Bond, such facilities and the Authority and its operations, financial condition and financial prospects as the Purchaser deems necessary to make an informed investment decision with respect to the purchase of the 2014-A TIFIA Bond.
4. The Purchaser is purchasing the 2014-A TIFIA Bond for its own account solely and not with a present view to any distribution of the 2014-A TIFIA Bond or any interest therein or portion thereof or without a present intention of distributing or reselling the

2014-A TIFIA Bond or any interest therein or portion thereof, provided that the Purchaser retains the right at any time to dispose of the 2014-A TIFIA Bond or any interest therein or portion thereof as it may determine to be in its best interests, subject to the requirements and provisions of the Trust Agreement. In the event that the Purchaser disposes of the 2014-A TIFIA Bond or any part thereof in the future, the Purchaser understands that it has the responsibility for complying with any applicable federal and state securities laws and all rules and regulations promulgated pursuant thereto.

5. The Purchaser understands that the 2014-A TIFIA Bond is a limited obligation of the Authority secured solely by a subordinate pledge of and subordinate lien on the Pledged Revenues as defined and provided in the Trust Agreement and the Authority is not obligated to pay the 2014-A TIFIA Bond except from said Pledged Revenues. The 2014-A TIFIA Bond does not constitute a debt or liability of the State of California or any political subdivision of the State other than the Authority. Neither the full faith and credit nor the taxing power of the State of California or any political subdivision of the State of California is pledged to the payment of principal of or interest on the 2014-A TIFIA Bond.

6. The Purchaser acknowledges that the 2014-A TIFIA Bond has not been registered under the under the Securities Act of 1933, as amended, and that such registration is not legally required. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any subsequent disposition of the 2014-A TIFIA Bond, and further acknowledges that any current exemption from registration of the 2014-A TIFIA Bond does not affect or diminish this requirement.

7. In entering into this transaction, the Purchaser has not relied upon any representations or opinions of the Authority (except as with respect to representations, warranties and covenants made by the Authority in the Trust Agreement), its counsel, Fulbright & Jaworski LLP (a member of Norton Rose Fulbright) or other counsel to the Authority relating to the legal consequences or other aspects of its investment in the 2014-A TIFIA Bond.

8. The Purchaser has been informed that the 2014-A TIFIA Bond (i) has not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, and (ii) will not be listed on any stock or other securities exchange.

9. None of the Authority, its governing body, or any of its employees, counsel or agents will have any responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the Authority or its financial condition or regarding the 2014-A TIFIA Bond, the provision for payment thereof, or the sufficiency of any security therefor. No written information has been provided by the Authority to the Purchaser with respect to the 2014-A TIFIA Bond. The Purchaser acknowledges that, as between the Purchaser and all of such parties, the Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the 2014-A TIFIA Bond.

Terms not defined herein shall have the meanings given to them under the Amended and Restated Trust Agreement, dated as of February 1, 2014, as supplemented and amended to date, including as supplemented by the Second Supplemental Trust Agreement, dated as of February 20, 2014 (as so supplemented, the "Trust Agreement"), each by and between the Los Angeles County Metropolitan Transportation Authority and U.S. Bank National Association, as Trustee.

IN WITNESS WHEREOF, the undersigned representative has hereunto executed this letter as of the \_\_\_\_\_ day of \_\_\_\_\_.

[PURCHASER]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[MUST BE SIGNED BY ACTUAL PURCHASER –  
MAY NOT BE SIGNED BY NOMINEE OR AGENT]

