

**Metro**

Metropolitan Transportation Authority

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metro.net**FINANCE, BUDGET AND AUDIT COMMITTEE
NOVEMBER 5, 2014****SUBJECT: PROPOSITION A BONDS****ACTION: AUTHORIZE COMPETITIVE SALE OF REFUNDING BONDS****RECOMMENDATION**

Adopt a resolution, Attachment A, that:

- i) Authorizes the issuance of bonds by competitive sale to refund the Prop A 2005-A Bonds ("the 2005-A Bonds") in one or more transactions through June 30, 2015, consistent with the Debt Policy
- ii) Approves the forms of Notices of Intention to Sell Bonds, Notices Inviting Bids, Supplemental Trust Agreements, Bonds, and Preliminary Official Statements, all subject to modification as set forth in the resolution
- iii) Authorizes taking all action necessary to achieve the foregoing, including, without limitation, the further development and execution of bond documentation associated with the issuance of the bonds.

(Requires separate, simple majority Board vote.)**ISSUE**

Low interest rates offer an opportunity for Metro to lower its debt service costs by refunding the outstanding 2005-A bonds, which funded facilities and bus capital projects and refunded commercial paper. Approximately \$185 million of the outstanding 2005-A bonds become callable on July 1, 2015. It is our expectation that the 2005-A bonds will be refunded through two competitive sales; the first sale in late 2014 or early 2015, depending on market conditions, and a sale of the remaining bonds within 90 days of July 1, 2015. We have asked for the authority to sell the refunding bonds in one or more transactions through June 30, 2015 to allow flexibility in scheduling a sale or sales. We anticipate that all of the callable bonds will be refunded to achieve approximately \$20 million in present value savings over the life of the bonds, or \$1.0 million savings per year.

Typically, we request authority for a specific single transaction. However, approximately 17% of the 2005-A bonds are considered an advance refunding of previously issued bonds and per tax regulations must be subsequently refunded as a current refunding. IRS tax rules consider a current refunding as one in which the bonds are issued within

90 days of the call date. Also, the ultimate amount of bonds to be refunded will depend on interest rates at the time of the bond sale. It may make sense to refund the bonds that can be advance refunded as soon as possible to take advantage of currently low rates or wait to refund all of the bonds as a current refunding and also take advantage of the savings from lower negative arbitrage. Hence, we are seeking broader authority to allow more flexibility in scheduling the refunding.

DISCUSSION

The Debt Policy establishes criteria to evaluate refunding opportunities. Consistent with the Debt Policy criteria for evaluating refunding opportunities, the projected savings from the Prop A 2005-A refunding candidates currently exceed 80% of the call option value or provide a minimum net present value savings of 3% of the refunded par amount.

The Prop A refunding bonds will be sold as fixed rate bonds. The refunding bonds will be issued using a competitive process where prospective underwriters bid for the refunding bonds on the date of sale. The refunding bonds will be sold to the underwriter offering the lowest true interest cost. The timing of the bond sale is contingent upon our ability to take advantage of favorable market conditions as they arise. In the event that bids do not meet our criteria, all bids will be rejected and the sale rescheduled.

DETERMINATION OF SAFETY IMPACT

Approval of this report will not impact the safety of Metro's patrons or employees.

FINANCIAL IMPACT

The costs of issuance for the bonds will be paid from proceeds of the financing and will be budget neutral. Bond principal and bond interest expense for the Prop A 2005-A bonds are included in the FY15 budget in project 610306, account 51101 for principal and account 51121 for interest. If issued, the Refunding Bonds will generate a positive variance in the debt service accounts for the Prop A 2005-A bonds beginning in FY16 and subsequent years.

ALTERNATIVES

The Board could defer the refunding to a later time. This is not recommended because recent market conditions have been favorable for the refunding. Market conditions over time may change, thereby increasing the risk that interest rates will increase and eliminate potential savings.

The Board could decide not to give staff the broad authority to conduct multiple transactions. This alternative is not recommended as it would reduce our flexibility in accessing the market.

NEXT STEPS

- Further develop bond issuance documentation and publish the sales notices
- Obtain credit ratings
- Distribute the preliminary official statement to prospective underwriters and potential investors
- Initiate pre-marketing effort
- Receive electronic bids from underwriters
- Finalize bond documentation and deliver the bonds

ATTACHMENT

A. Authorizing Resolution for Issuance

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Nalini Ahuja
Executive Director, Finance and Budget



Arthur T. Leahy
Chief Executive Officer

**RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY AUTHORIZING THE ISSUANCE
AND SALE OF ONE OR MORE SERIES OF ITS PROPOSITION A FIRST
TIER SENIOR SALES TAX REVENUE REFUNDING BONDS AND
APPROVING OTHER RELATED MATTERS**

(PROPOSITION A SALES TAX)

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the "LACMTA"), as successor to the Los Angeles County Transportation Commission (the "Commission"), is authorized, under Chapter 5 of Division 12 of the California Public Utilities Code (the "Act"), to issue bonds to finance and refinance the acquisition, construction or rehabilitation of facilities to be used as part of a countywide transportation system; and

WHEREAS, pursuant to the provisions of Section 130350 of the California Public Utilities Code, the Commission was authorized to adopt a retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the County of Los Angeles (the "County") subject to the approval by the voters of the County; and

WHEREAS, the Commission, by Ordinance No. 16 adopted on August 20, 1980 ("Ordinance No. 16"), imposed a 1/2 of 1% retail transactions and use tax upon retail sales of tangible personal property and upon the storage, use or other consumption of tangible personal property in the County, the proceeds of the tax to be used for public transit purposes (the "Proposition A Tax"), and such tax was approved by the electors of the County on November 4, 1980; and

WHEREAS, the revenues received by the LACMTA from the imposition of the Proposition A Tax are, by statute, directed to be used for public transit purposes, which purposes include a pledge of such tax to secure any bonds issued pursuant to the Act and include the payments or provision for the payment of the principal of the bonds and any premium, interest on the bonds and the costs of issuance of the bonds; and

WHEREAS, the LACMTA, on an on-going basis, is planning and engineering a County-wide public transportation system (the "Public Transportation System") to serve the County and on an on-going basis is constructing portions of the Public Transportation System; and

WHEREAS, to facilitate the development and construction of the Public Transportation System, as authorized by the Act, pursuant to the terms of a Trust Agreement, dated as of July 1, 1986, as amended and supplemented (the "Trust Agreement") between the Commission, as predecessor to the LACMTA, and First Interstate Bank of California, the predecessor trustee to The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), the LACMTA has issued several series of bonds, including its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2005-A (the "Series 2005-A Bonds"), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2007-A (the "Series 2007-A Bonds"), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2008-A1, Series 2008-A2, Series 2008-A3 and Series 2008-A4 (collectively, the "Series 2008-A Bonds"), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2008-B (the

“Series 2008-B Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2009-A (the “Series 2009-A Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2011-A (the “Series 2011-A Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2011-B (the “Series 2011-B Bonds”), its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2012-A (the “Series 2012-A Bonds”) and its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2013-A (the “Series 2013-A Bonds,” and collectively with the Series 2005-A Bonds, the Series 2007-A Bonds, the Series 2008-A Bonds, the Series 2008-B Bonds, the Series 2009-A Bonds, the Series 2011-A Bonds, the Series 2011-B Bonds, the Series 2012-A and Series 2013-A Bonds (the “Prior Outstanding Senior Lien Bonds”); and

WHEREAS, the LACMTA now desires to provide for the issuance from time to time of one or more series of its Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds pursuant to the terms of the Trust Agreement (the “Refunding Bonds”) to: (a) refund all or a portion of the outstanding Series 2005-A Bonds (the Series 2005-A Bonds so refunded shall be collectively referred to herein as the “Refunded Bonds”); (b) fund or make provision for one or more reserve funds or accounts, if necessary, for the Refunding Bonds; and (c) pay certain costs related thereto; and

WHEREAS, the LACMTA desires to sell the Refunding Bonds on a competitive basis in accordance with the LACMTA’S Debt Policy; and

WHEREAS, the LACMTA may issue the Refunding Bonds in one series in one transaction or may issue the Refunding Bonds in more than one series in separate transactions at different times, and the form of the documents prepared for review by the Board of Directors of the LACMTA (the “Board”) and approved under this Resolution are appropriate for one issuance and/or the first bond issuance, and will form the basis for additional documents to be prepared for any second or subsequent issuance; and

WHEREAS, forms of the following documents are on file with the Secretary of the Board and have been made available to the members of the Board:

(a) a Supplemental Trust Agreement (the “Supplemental Trust Agreement”) between the LACMTA and the Trustee, one or more forms of which will be used, from time to time, in connection with the issuance of the Refunding Bonds;

(b) a Preliminary Official Statement (the “Preliminary Official Statement”), one or more forms of which will be used, from time to time, in connection with the offer and sale of the Refunding Bonds;

(c) a Notice Inviting Bids (the “Notice Inviting Bids”), one or more forms of which will be used, from time to time, to set forth the terms and the manner in which proposals from qualified bidders for the purchase of the Refunding Bonds shall be received;

(d) a Notice of Intention to Sell Bonds (the “Notice of Intention to Sell Bonds”), one or more forms of which will be published, from time to time, in *The Bond*

Buyer (or such other publication as may be selected by a Designated Officer (as defined below)); and

(e) a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), to be executed by the LACMTA, one or more forms of which will be used, from time to time, in order to assist the underwriters of the Refunding Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5); and

WHEREAS, the LACMTA has been advised by its Bond Counsel that such documents are in appropriate form, and the LACMTA hereby acknowledges that said documents will be modified and amended to reflect the various details applicable to each series of the Refunding Bonds, including completion to reflect the results of the sale(s) of such Refunding Bonds, and to reflect current disclosures and conditions at the time of, and documentation of, any subsequent issuance; and

WHEREAS, the Board of the LACMTA hereby acknowledges that Section V(B) of the Debt Policy of the LACMTA contemplates that the LACMTA will achieve certain levels of target savings on any issuance of refunding bonds; and

WHEREAS, the Board of the LACMTA desires to permit the issuance of the Refunding Bonds so long as the issuance thereof complies with the interest savings or other provisions of the Debt Policy of the LACMTA; and

WHEREAS, the LACMTA has pledged the Proposition A Tax, less the 25% allocated to local jurisdictions and less the State Board of Equalization’s costs of administering the Proposition A Tax (as further defined in the Trust Agreement, the “Pledged Revenues”) pursuant to the terms of the Trust Agreement to secure the Prior Outstanding Senior Lien Bonds and certain other obligations of the LACMTA, and once issued, the Refunding Bonds will be “Bonds” as defined in the Trust Agreement and will be secured by the pledge of the Pledged Revenues under the Trust Agreement; and

WHEREAS, the LACMTA desires to designate the Executive Director, Finance and Budget of the LACMTA as an “Authorized Commission Representative” and an “Authorized Authority Representative” for all purposes under the Trust Agreement and each applicable Supplemental Trust Agreement; and

WHEREAS, terms used in this Resolution and not otherwise defined herein shall have the meanings assigned to them in the Trust Agreement and each applicable Supplemental Trust Agreement;

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

Section 1. Findings. The LACMTA hereby finds and determines that the issuance of one or more series of its Refunding Bonds under the Trust Agreement to refund all or a portion of the Series 2005-A Bonds (provided that the refunding of the Refunded Bonds is consistent with the LACMTA’s Debt Policy as in effect at the time of pricing of the applicable series of

Refunding Bonds), to fund or make provision for one or more reserve funds or accounts, if necessary, for the Refunding Bonds and to pay certain costs related to the issuance of the Refunding Bonds thereto is in the public interest.

Section 2. Issuance of Refunding Bonds. The Board of the LACMTA hereby authorizes the issuance by the LACMTA of one or more series of Refunding Bonds and from time to time in a total aggregate principal amount not to exceed \$205,000,000 to refund all or a portion of the Series 2005-A Bonds (provided that the refunding of the Series 2005-A Bonds is consistent with the LACMTA's Debt Policy as in effect at the time of pricing of the applicable series of Refunding Bonds as determined and calculated at the discretion of the Treasurer of the LACMTA, which shall be conclusive for all purposes of this Resolution), to fund or make provision for one or more reserve funds or accounts, if necessary, and to pay certain costs related to the issuance of the Refunding Bonds. The LACMTA hereby specifies that each series of Refunding Bonds shall not mature later than July 1, 2035. The Chair of the LACMTA, any Vice Chair of the LACMTA, any Chief Executive Officer ("CEO") of the LACMTA, any Executive Director, Finance and Budget of the LACMTA, any Treasurer, any Assistant Treasurer of the LACMTA, or any such officer serving in an acting or interim capacity, and any written designee of any of them (each a "Designated Officer"), acting in accordance with this Section 2, are each hereby severally authorized to determine the actual aggregate principal amount of each Series of Refunding Bonds to be issued (not in excess of the maximum amount set forth above) and to direct the execution and authentication of each such Series of Refunding Bonds in such amount.

Section 3. Terms of Refunding Bonds. The Refunding Bonds shall, when issued, be in the aggregate principal amounts, bear interest at fixed interest rates and be dated as shall be provided in the applicable Supplemental Trust Agreement. The Refunding Bonds may be issued as serial bonds or as term bonds or as both serial bonds and term bonds, all as set forth in the applicable Supplemental Trust Agreement. Interest on the Refunding Bonds shall be paid on the dates set forth in the applicable Supplemental Trust Agreement. The Refunding Bonds shall be subject to redemption at the option of the LACMTA on such terms and conditions as shall be set forth in the applicable Supplemental Trust Agreement. The Refunding Bonds shall also be subject to mandatory sinking fund redemption as shall be set forth in the applicable Supplemental Trust Agreement.

Execution and delivery of each Supplemental Trust Agreement, which document(s) will contain the maturities, interest rates and the fixed interest payment obligations of the LACMTA within parameters set forth in this Resolution, shall constitute conclusive evidence of the LACMTA's approval of such maturities, interest rates and payment obligations.

Section 4. Special Obligations. The Refunding Bonds shall be special obligations of the LACMTA secured by a pledge of, and payable from, the Pledged Revenues and from the funds and accounts held by the Trustee pursuant to the terms of the Trust Agreement.

Section 5. Form of Refunding Bonds. The Refunding Bonds and the Trustee's Certificate of Authentication to appear thereon shall be in substantially the form set forth in Exhibit A to the Supplemental Trust Agreement on file with the Secretary of the Board and made available to the Board, with such necessary or appropriate variations, omissions and insertions as permitted or required by the Trust Agreement or each applicable Supplemental Trust Agreement

or as appropriate to adequately reflect the terms of such Refunding Bonds and the obligation represented thereby.

Section 6. Execution of Refunding Bonds. Each of the Refunding Bonds shall be executed on behalf of the LACMTA by any Designated Officer and any such execution may be by manual or facsimile signature, and each bond shall be authenticated by the endorsement of the Trustee or an agent of the Trustee. Any facsimile signature of such Designated Officer(s) shall have the same force and effect as if such officer(s) had manually signed each of such Refunding Bonds.

Section 7. Approval of Documents; Authorization for Execution. The forms of the Supplemental Trust Agreement, the Notice Inviting Bids, the Notice of Intention to Sell and the Continuing Disclosure Certificate on file with the Secretary of the Board and made available to the Board are hereby approved. Each of the Designated Officers is hereby severally authorized and directed to have prepared and to execute, acknowledge and deliver in the name of and on behalf of the LACMTA one or more Supplemental Trust Agreements, one or more Notices Inviting Bids, one or more Notices of Intention to Sell Bonds and one or more Continuing Disclosure Certificates (any Supplemental Trust Agreement, any Notice Inviting Bids, any Notice of Intention to Sell Bonds and any Continuing Disclosure Certificate shall be collectively referred to as the “Related Documents” and each a “Related Document”), in each case, substantially in the forms on file with the Secretary of the Board and made available to the Board with such changes therein as shall be approved by the Designated Officer executing the same, and the execution thereof shall constitute conclusive evidence of the LACMTA’s approval of any and all changes or revisions therein from such forms.

Section 8. Sale of Refunding Bonds.

(a) Each Designated Officer is hereby authorized, from time to time, to choose such times and dates as such Designated Officer shall, in his or her discretion, deem to be necessary or desirable to provide for the sale of the Refunding Bonds, to receive proposals from qualified bidders for the purchase of the Refunding Bonds (through the receipt of sealed written bids and/or the receipt of bids through the use of computerized bidding systems) upon the terms and in the manner set forth in the Notice Inviting Bids.

(b) Each Designated Officer is hereby authorized and directed to execute the Notices Inviting Bids, from time to time, in such form as the Designated Officer executing the same shall approve, and call for bids for the sale of the Refunding Bonds from qualified bidders in accordance with the Notice Inviting Bids.

(c) Each Designated Officer is authorized and directed to cause any Notice Inviting Bids to be published at least once in *The Los Angeles Daily Journal* (or such other publication as may be selected by a Designated Officer) not less than five days prior to the sale of the Refunding Bonds and to print and distribute (including via electronic methods) any Notice Inviting Bids to such municipal broker-dealers, banking and financial institutions and other persons as the Designated Officer deems necessary or

desirable, and any such action previously taken is hereby confirmed, ratified and approved.

(d) Each Designated Officer is hereby authorized and directed to cause the Notices of Intention to Sell Bonds to be published from time to time (after completion, modification or correction thereof reflecting the terms of the Refunding Bonds, as approved by said Designated Officer, such approval to be conclusively evidenced by such publication) in *The Bond Buyer* (or such other publication as may be selected by a Designated Officer), a financial publication generally circulated throughout the State of California, at least five days prior to the sale of the Refunding Bonds in accordance with Section 53692 of the Government Code of the State of California and any such action previously taken is hereby confirmed, ratified and approved.

(e) Each Designated Officer is hereby authorized and directed for and on behalf of the LACMTA to accept the best bid for the Refunding Bonds received from qualified bidders pursuant to and subject to the terms and conditions set forth in this Resolution and the Notice Inviting Bids herein approved and to award the Refunding Bonds, from time to time, to such best bidder(s).

(f) Each Designated Officer is hereby authorized and directed to take any other action such Designated Officer determines is necessary or desirable to cause any such competitive sale to comply with the Debt Policy of the LACMTA and applicable law.

(g) Each Designated Officer, on behalf of the LACMTA, is further authorized and directed to cause notice to be provided to the California Debt and Investment Advisory Commission (“CDIAC”) of the proposed sale of the Refunding Bonds, said notice to be provided in accordance with Section 8855 et seq. of the California Government Code, to file the notice of final sale with CDIAC, to file the rebates and notices required under section 148(f) and 149(e) of the Internal Revenue Code of 1986, as amended, and to file such additional notices and reports as are deemed necessary or desirable by such Designated Officer in connection with the Refunding Bonds, and any prior such notices are hereby ratified, confirmed and approved.

Section 9. Preliminary Official Statement and Official Statement. The form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board is hereby approved. Each Preliminary Official Statement shall be substantially in the form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board with such changes as a Designated Officer approves (such approval to be conclusively evidenced by the execution and delivery of the certificate referenced in the following sentence). In connection with the issuance of the Refunding Bonds, the LACMTA hereby authorizes the circulation in electronic and/or printed form of one or more Preliminary Official Statements. The Preliminary Official Statement(s) shall contain a description of the finances and operations of the LACMTA, a description of the Proposition A Tax and a description of historical receipts of sales tax revenues substantially in the form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board with such changes as any Designated Officer determines are appropriate or necessary. Each

Preliminary Official Statement shall also contain a description of the applicable Refunding Bonds and the terms and conditions of the applicable Supplemental Trust Agreement together with such information and description as a Designated Officer determines is appropriate or necessary. Each Preliminary Official Statement shall be circulated for use in selling the Refunding Bonds at such time or times as a Designated Officer shall deem such Preliminary Official Statement to be final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, said determination to be conclusively evidenced by a certificate signed by said Designated Officer to said effect.

Upon the sale of any Series of Bonds, any Designated Officer shall provide for the preparation, publication, execution and delivery in electronic and/or printed form of one or more final Official Statements in substantially the form of the Preliminary Official Statement on file with the Secretary of the Board and made available to the Board with such changes as any Designated Officer determines are appropriate or necessary. Any Designated Officer is hereby authorized and directed to execute and deliver one or more final Official Statements in the name and on behalf of the LACMTA. One or more supplements to the final Official Statement(s) or revised final Official Statement(s) may be prepared and delivered reflecting updated and revised information as any Designated Officer deems appropriate or necessary. Each Official Statement shall be circulated for use in selling the Refunding Bonds at such time or times as any Designated Officer deems appropriate.

Section 10. Bond Insurance. In connection with the sale of all or a portion of the Refunding Bonds, the Designated Officers are hereby authorized on behalf of the LACMTA to purchase or otherwise arrange for the provision of (including the payment of such premiums, fees and other costs and expenses as such Designated Officer determines acceptable), one or more policies of municipal bond insurance to support the timely payment of principal of and interest on all or a portion of the Refunding Bonds, said municipal bond insurance to contain such terms and conditions as such Designated Officer(s) shall determine is appropriate or necessary for the issuance of the Refunding Bonds.

Section 11. Authorized Commission Representative/Authorized Authority Representative. The Board hereby designates the Executive Director, Finance and Budget of the LACMTA as an Authorized Commission Representative and an Authorized Authority Representative for all purposes under the Trust Agreement and with respect to all bonds outstanding under the Trust Agreement. Such appointment shall remain in effect until modified by resolution.

Section 12. Additional Authorization. The Designated Officers, for and on behalf of the LACMTA, be and they hereby are authorized and directed to do any and all things necessary to effect the execution and delivery of the Refunding Bonds and the Related Documents and to carry out the terms thereof. The Designated Officers and all other officers, agents and employees of the LACMTA are further authorized and directed, for and on behalf of the LACMTA, to execute all papers, documents, certificates and other instruments that may be required in order to carry out the authority conferred by this Resolution or the provisions of the Trust Agreement, each Supplemental Trust Agreement and the Related Documents or to evidence said authority and its exercise. The foregoing authorization includes, but is in no way limited to, the direction (from time to time) by a Designated Officer of the investments in

Permitted Investments (defined in the Trust Agreement) of the proceeds of the Refunding Bonds and of the Pledged Revenues including the execution and delivery of investment agreements related thereto, the execution by a Designated Officer and the delivery of one or more tax certificates as required by the Supplemental Trust Agreement for the purpose of complying with the rebate requirements of the Internal Revenue Code of 1986, as amended; the execution by a Designated Officer and delivery of one or more escrow agreements and related certificates related to the refunding and defeasance of all or any portion of the Refunded Bonds, the execution by a Designated Officer of any documents necessary in connection with obtaining bond insurance on all or a portion of the Refunding Bonds, and the execution and delivery of documents required by The Depository Trust Company in connection with the Book-Entry Bonds. All actions heretofore taken by the officers, agents and employees of the LACMTA in furtherance of this Resolution are hereby confirmed, ratified and approved.

Section 13. Continuing Authority of Designated Officers. The authority of any individual serving as a Designated Officer under this Resolution by a written designation signed by Chair of the LACMTA, any Vice Chair of the LACMTA, any CEO of the LACMTA, any Executive Director, Finance and Budget of the LACMTA, any Treasurer of the LACMTA, or any Assistant Treasurer of the LACMTA shall remain valid notwithstanding the fact that the individual officer of the LACMTA signing such designation ceases to be an officer of the LACMTA, unless such designation specifically provides otherwise.

Section 14. Further Actions. From and after the delivery of the Refunding Bonds, the Designated Officers and each of them are hereby authorized and directed to amend, supplement or otherwise modify any Related Document at any time and from time to time and in any manner determined to be necessary or desirable by the Designated Officer executing such amendment, supplement or modification, the execution of such amendment, supplement or other modification being conclusive evidence of LACMTA's approval thereof.

Section 15. Costs of Issuance. The LACMTA authorizes funds of the LACMTA together with the proceeds of the Refunding Bonds to be used to pay costs of issuance of the Refunding Bonds, including but not limited to costs of attorneys, accountants, verification agents, financial advisors, trustees, escrow agents, the costs associated with rating agencies, bond insurance and surety bonds, printing, publication and mailing expenses and any related filing fees.

Section 16. Investment Agreements. In connection with the issuance of the Refunding Bonds, each of the Designated Officers is hereby authorized and directed to terminate, amend, assign or otherwise dispose of any investment agreement relating to any of the Refunded Bonds in such manner and on such terms and provisions as any such Designated Officer shall determine is appropriate or necessary.

Section 17. Effective Date. This Resolution shall be effective upon adoption.