

Independent Assurance Statement

To: The Management of Los Angeles County Metropolitan Transportation Authority and Climate Bonds Standard Board (CBSB)

Date: November 02, 2018

Introduction

First Environment, Inc. (First Environment) was engaged by Los Angeles County Metropolitan Transportation Authority (LACMTA) (“Issuer”) to provide independent post-issuance Climate Bond verification of its Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds) as presented in the Official Statement (dated October 12, 2017) and Green Bond Framework (dated September 21, 2017). First Environment conducted the verification from September 20, 2018 to November 2, 2018. First Environment is an approved verifier by the Climate Bonds Standard Board operating for this engagement within the jurisdiction of the United States, specifically the State of California.

Verification Scope

Specific scope for the verification is outlined in the table below:

Issuing Entity	Los Angeles County Metropolitan Transportation Authority
Bond Issuance/s	Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds)
Type of Climate Bond	Use of Proceeds Revenue Bond
Climate Bonds Taxonomy	Transport: Mass Transit
Pre- or Post-Issuance	Post-Issuance
Impact Reporting Period	October 31, 2017 to June 30, 2018
Sources of Information	<ul style="list-style-type: none"> • BNY Mellon Account Statement 7/17-6/18 • BNY Mellon Account Statement 7/18 • BNY Mellon Account Statement 8/18 • BNY Mellon Interest Account Statement 7/18 • Exhibit A: Projects Financed as of June 30, 2018 • BNY Internal System Screenshot of Interest Payment Summary • Construction Account Requisition, November 3, 2017 • Construction Account Requisition, March 14, 2018 • Construction Account Requisition, May 2, 2018 • Construction Account Requisition, May 3, 2018 • Construction Account Requisition, June 5, 2018 • Green Bond Framework, September 21, 2017 • LACMTA Trade Settlement Instruction/Authorization Form Maturing on 10-16-2018 • LACMTA Trade Settlement Instruction/Authorization Form Maturing on 11-14-2018 • LACMTA Trade Settlement Instruction/Authorization Form Maturing on 12-17-2018 • LACMTA Trade Settlement Instruction/Authorization Form Maturing on 1-15-2019

	<ul style="list-style-type: none"> • LACMTA Trade Settlement Instruction/Authorization Form Maturing on 2-13-2019 • Heavy Rail Vehicle Acquisition Program, FTA Quarterly Meeting Review, August 29, 2018 • P3010 Light Rail Vehicle Acquisition, FTA Quarterly Progress Report - August 2018 • Annual Report to CBI for FY ending 6-30-2018 • BNY Account Statement • Historical Estimated Metro Rail Boardings • PROCURE 60 OPTION P3010 LIGHT RAIL VEHICLES • 2018 Energy & Resource Report
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Standards and Auditing Ethics Used for Verification

The following table outlines the Standards, Level of Assurance and Materiality used to conduct this verification:

Standard of Verification	<ul style="list-style-type: none"> • Climate Bonds Standard, Version 2.1 (CBS); • Low-Carbon Transport Sector-Specific Criteria (February, 2017) • Any applicable criteria as defined in LACMTA Green Bonds Framework (September 21, 2017) <p>Limitation of CBS: The Climate Bonds Standard is designed specifically to allow investors, governments, and other stakeholders to prioritize 'low carbon and climate resilient' investments with confidence that the funds are being used to deliver a low carbon and climate resilient economy. It is not a financial standard and does not imply any impact on the credit ratings of specific investments.</p>
Verification Process	<ul style="list-style-type: none"> • The Climate Bonds Standard Assurance Framework • The Climate Bonds Verification Agreement • ISAE 3000 (revised 2013), Assurance Engagement Other than Audits or Reviews of Historic Financial Information. • Applicable professional ethics and quality control principles such as those presented in ISO 14065 for validation and verification bodies (2007).
Level of Assurance	<ul style="list-style-type: none"> • Limited Level of Assurance. <p>The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.</p>
Materiality	<ul style="list-style-type: none"> • Qualitative non-conformities with the most recent Climate Bonds Standard or related Sector-specific criteria are considered material. • Quantitative misstatements greater than five percent of the numeric sector-specific criteria are considered material.

Conclusions

First Environment has performed independent post-issuance Climate Bond verification of LACMTA's Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds) as presented in the Official Statement (October 12, 2017), Green Bonds Framework (September 21,

2017) and subsequent quality assurance and tracking documents. Assessment procedures and results of this verification have been documented and provided to the management of LACMTA and the Climate Bonds Standard Board (Climate Bonds Standard Assurance Report, November 02, 2018).

Based on the evidence collected and the assessments performed, nothing has come to our attention that causes us to believe that LACMTA's Proposition A First Tier Senior Sales Tax Revenue Bonds, Series 2017-A (Green Bonds), used to fund its low carbon public transport infrastructure, has not conformed, in all material respects, with the post-issuance requirements of the Climate Bonds Standard v2.1 and the Low Carbon Transport Sector Criteria v1.0.

Regards,

FIRST ENVIRONMENT, INC.

A handwritten signature in black ink, appearing to read "Phillip J. Ludvigsen". The signature is stylized and cursive, written over a white background.

Phillip J. Ludvigsen, Ph.D.
Lead Verifier