

Independent Assurance Statement

To: Los Angeles County Metropolitan Transportation Authority and the Climate Bond Standards Board

Date: July 22, 2020

Introduction

First Environment, Inc. (First Environment) was engaged by Los Angeles County Metropolitan Transportation Authority (LACMTA) to provide independent pre-issuance Climate Bond verification of its Measure R Junior Subordinate Sales Tax Revenue Refunding Bonds, Series 2020-A (Green Bonds) as presented in the Preliminary Official Statement (Draft, July 14, 2020) and the Framework for Green Bonds (Revised July 2, 2020). First Environment conducted the verification from June 22, 2020 through July 21, 2020. 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	Measure R Junior Subordinate Sales Tax Revenue Refunding Bonds, Series 2020-A (Green Bonds)
Type of Climate Bond	Revenue Bond
Eligibility Sector	Low Carbon Land Transport
Pre- or Post-Issuance	Pre-Issuance
Green Bond Reporting Period	Not Applicable
Sources of Information	<ul style="list-style-type: none"> • Preliminary Official Statement (Draft, July 14, 2020) • Framework for Green Bonds (Revised July 2, 2020) • Climate Bond Information Form (June 30, 2020) • Projects to be Financed (June 30, 2020) • TIFIA Loan Agreements and relevant Amendments, Exhibits and Attachments for the Crenshaw/LAX Transit Project, the Regional Connector Transit Project, the Westside Purple Line Extension Section 1 Project and the Westside Purple Line Extension Section 2 Project (2012-2016) • Monthly Project Status Reports for the Crenshaw/LAX Transit Project, the Regional Connector Transit Project, the Westside Purple Line Extension Section 1 Project and the Westside Purple Line Extension Section 2 Project (May 2020) • Amended and Restated Trust Agreement (February 1, 2014) • 2018 Debt Policy (February 2018) • 2019 Annual Green Bonds Report (2019) • 2019 Energy & Resource Report (2019) • Metro Board Report – Finance, Budget and Audit Committee (April 15, 2020) • Metro Board Report – Short Range Financial Forecast (November 20, 2019)

	<ul style="list-style-type: none"> ISO 14001:2015 Certificate of Implementation and Maintenance of an Environmental Management System (July 18, 2019)
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Standards and Auditing Ethics Used for Verification

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

Standard of Verification	<p>Climate Bonds Standard, Version 3.0 (CBS) (December 2019); CBS Sector Eligibility Criteria: Low Carbon Land Transport, Version 1.0 (February 2017) Climate Bonds Taxonomy (January 2020) 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	<p>The Climate Bonds Standard Assurance Framework, Version 2 (December 2019) The Climate Bonds Verification Agreement (February 10, 2020) The Climate Bonds Standard Guidance for Verifiers, Version 2 (December 2019) ISAE 3000 (Revised), Assurance Engagement Other than Audits or Reviews of Historic Financial Information (December 2013) ISO 14064-3, Specification with Guidance for the Validation and Verification of Greenhouse Gas Assertions (March 2006) Applicable professional ethics and quality control principles such as those presented in ISO 14065 for validation and verification bodies (April 2007)</p>
Level of Assurance	<p>Limited Level of Assurance. 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	<p>Qualitative non-conformities with the most recent Climate Bonds Standard and/or Sector Eligibility Criteria (e.g., Low Carbon Land Transport) criteria are considered material. Quantitative misstatements greater than five percent of the numeric Sector Eligibility Criteria are considered material.</p>

Conclusions

First Environment has performed an independent pre-issuance Climate Bond verification of LACMTA's Measure R Junior Subordinate Sales Tax Revenue Refunding Bonds, Series 2020-A (Green Bonds), as presented in the Preliminary Official Statement (Draft, July 14, 2020) and the

Framework for Green Bonds (Revised July 2, 2020). Detailed results of this verification have been documented and provided to the management of LACMTA and the Climate Bond Standards Board (Climate Bonds Standard Assurance Report, July 21, 2020).

Based on the evidence collected and the assessments performed, nothing has come to our attention that causes us to believe that LACMTA's Measure R Junior Subordinate Sales Tax Revenue Refunding Bonds, Series 2020-A (Green Bonds) used to improve the passenger rail service has not conformed, in all material respects, with the pre-issuance requirements of the Climate Bonds Standard 3.0 and the Low Carbon Land Transport Sector Eligibility Criteria 1.0.

FIRST ENVIRONMENT, INC.

A handwritten signature in black ink, appearing to read "Phillip Ludvigsen". The signature is stylized and cursive.

Phillip Ludvigsen, Ph.D.
Lead Verifier
Senior Associate