



# Board Document

Consent Item (C)

OVERVIEW			
PRESENTATION NAME	Second Lien Dedicated Revenue Bonds, Series 2025A	DOCUMENT NO.	300035
ACTION OR INFORMATION	Action		
STRATEGIC TRANSFORMATION PLAN GOAL	Service excellence; Sustainability;		
RESOLUTION	Yes		
EXECUTIVE OWNER			
EXECUTIVE TEAM OWNER	Olumide, Yetunde;		
ORGANIZATION	Finance		
DOCUMENT INITIATOR	Stacey J. Graham		
OTHER INFORMATION			
COMMITTEE	Board Meeting (Consent)	COMMITTEE DATE	6/26/2025
PURPOSE/KEY HIGHLIGHTS	The issue of Second Lien Dedicated Revenue Bonds Series 2025A advances Metro’s Strategic Transformation Plan goals of service excellence by supporting capital investment projects and promoting sustainability by leveraging dedicated funding to achieve additional resources to support Metro's capital project needs.		
DISCUSSION	Resolution 2020-12 established a bond indenture which leveraged \$470M of annual Dedicated Capital Revenues as security for bonds with a four-times Additional Bonds Test (ABT) for senior lien concomitant with capacity for subordinate liens with a lower ABT. Resolution 2023-23 created a second lien by leveraging annual Dedicated Capital Revenues as security for second priority lien bonds with a one and one-half times ABT. Resolution 2025-10		



## Board Document

	<p>authorized debt issuance through a negotiated sale method to fund a portion of the FY2026 Capital Budget in an amount not to exceed \$653.5 million exclusive of expenses and any bond premium or discount to help fund the FY2026 Capital Plan.</p> <p>The proposed Supplemental Resolution authorizes the issuance of Second Lien Dedicated Capital Revenues Bonds, Series 2025A under the following parameters:</p> <ul style="list-style-type: none"><li>• Subordinate to 2020A, 2021A, and 2023A bonds</li><li>• On parity with Second Lien Dedicated Capital Revenues Bonds, Series 2023A and 2024A</li><li>• 35-year maximum maturity</li><li>• Par Issuance not to exceed \$653.5 million</li><li>• Average interest not to exceed 7.0 percent</li><li>• No capitalized debt service requirements</li><li>• Rated by at least two credit rating agencies</li><li>• Negotiated Sales Method</li></ul>
<b>INTERESTED PARTIES</b>	<p>Frasca &amp; Associates LLC Hogan Lovells Truist Securities S&amp;P Global Ratings Kroll Bond Rating Agency ImageMaster, LLC Barclays PLC Seibert Williams Shank &amp; Co., LLC Loop Capital Markets LLC Truist Bank Securities Ramirez &amp; Co. Inc. Cabrera Capital Markets LLC Bank of New York Mellon Orrick, Herrington &amp; Sutcliffe, LLP</p>
<b>RECOMMENDATION/NEXT STEPS</b>	<p>Approve the proposed Supplemental Resolution to authorize the issuance of Second Lien Dedicated Capital Revenues Bonds, Series 2025A. Next steps following approval include the following:</p> <ul style="list-style-type: none"><li>• June 30 - Week of Marketing to Investors</li><li>• July 7 - Week of Bond Pricing</li></ul>



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	<ul style="list-style-type: none"><li>July 21 - Week of Bond Closing</li></ul>
<b>FUNDING IMPACT</b>	Resolution 2025-10 authorized debt issuance through a negotiated sale method to fund a portion of the FY2026 Capital Budget. The cost of issuance will be paid from debt proceeds; therefore, there is no adverse funding impact to the FY2026 budget.

**PRESENTED AND ADOPTED: \_\_\_\_\_, 2025**

**WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

**2025-\_\_**

**2025A SUPPLEMENTAL SECOND LIEN BOND RESOLUTION**

**Supplementing**

**Second Lien Dedicated Capital Funding Revenue Bond Resolution 2023-23  
Adopted July 27, 2023**

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## **2025A SUPPLEMENTAL SECOND LIEN BOND RESOLUTION**

### **Supplementing**

#### **Second Lien Dedicated Capital Funding Revenue Bond Resolution 2023-23 Adopted July 27, 2023**

**BE IT RESOLVED** by the Board of Directors (the "Board") of **WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY** (the "Authority"), as follows:

### **ARTICLE I. DEFINITIONS AND STATUTORY AUTHORITY**

**Section 1.01 Supplemental Second Lien Resolution.** This 2025A Supplemental Second Lien Bond Resolution (the "Supplemental Second Lien Resolution") is supplemental to, amends, and is adopted in accordance with Article II, Article IX and Article X of Resolution 2023-23 of the Authority adopted on July 27, 2023, entitled "Second Lien Dedicated Capital Funding Revenue Bond Resolution" (the "Second Lien Resolution").

#### **Section 1.02 Definitions**

1. All capitalized terms which are used but not otherwise defined in this Supplemental Second Lien Resolution shall have the same meanings, respectively, as such terms are given by Section 101 of the Second Lien Resolution.

2. In this Supplemental Second Lien Resolution:

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

"Electronic Means" shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Second Lien Trustee as available for use in connection with its services hereunder.

"Second Lien Trustee" shall mean The Bank of New York Mellon, a New York banking corporation.

"Series 2025A Second Lien Bonds" shall mean the Second Lien Dedicated Revenue Bonds, Series 2025A, authorized by Article II of this Supplemental Second Lien Resolution.

**Section 1.03 Authority for this Supplemental Second Lien Resolution.** This Supplemental Second Lien Resolution is adopted pursuant to the provisions of the Compact and the Second Lien Resolution.

### **ARTICLE II. AUTHORIZATION OF SERIES 2025A SECOND LIEN BONDS**

**Section 2.01 Authorized Principal Amount, Designation, Purpose and Series.** Pursuant to the provisions of the Second Lien Resolution, and in order to finance Capital Costs, Second Lien

Obligations entitled to the benefit, protection and security of the provisions of the Second Lien Resolution are hereby authorized to be issued in an aggregate principal amount, not taking into account any premium on or any original issue discount or underwriter's discount from the principal, not exceeding \$653,500,000.

Such Second Lien Obligations authorized by this Supplemental Second Lien Resolution shall be designated as, and shall be distinguished from the Second Lien Obligations of all other Series by the title, "Second Lien Dedicated Revenue Bonds, Series 2025A" pursuant to and subject to the terms, conditions and limitations established in the Second Lien Resolution and this Supplemental Second Lien Resolution. Notwithstanding any other provision hereof, to the extent provided in one or more Certificates of Determination, such Series 2025A Second Lien Bonds may be issued in one or more Series or subseries, on the same or on different dates, with such further or different designations as set forth in such Certificates of Determination. The Series 2025A Second Lien Bonds shall be issued as Tax-Exempt Second Lien Obligations.

**Section 2.02 Dates, Maturities, Principal Amounts and Interest.** The Series 2025A Second Lien Bonds shall be dated the date or dates determined in the related Certificate of Determination and shall bear interest from such date or dates. The Series 2025A Second Lien Bonds shall mature on the date or dates and in the year or years and principal amount or amounts, and shall bear interest at the rate or rates per annum, or in the manner determined in the related Certificate of Determination.

**Section 2.03 Interest Payments.** Interest on the Series 2025A Second Lien Bonds shall be payable on such date or dates as may be determined pursuant to the related Certificate of Determination. Except as otherwise provided in the related Certificate of Determination, interest on the Series 2025A Second Lien Bonds shall be computed on the basis of twelve 30-day months and a 360-day year.

**Section 2.04 Denominations, Numbers and Letters.** Unless otherwise provided in the related Certificate of Determination, the Series 2025A Second Lien Bonds shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The Series 2025A Second Lien Bonds shall be lettered as provided in the related Certificate of Determination and shall be numbered from one consecutively upwards.

**Section 2.05 Places of Payment and Paying Agent.** Except as otherwise provided in the related Certificate of Determination, principal and Redemption Price of the Series 2025A Second Lien Bonds shall be payable to the registered owner of each Series 2025A Bond when due upon presentation of such Series 2025A Bond at the designated corporate trust office of The Bank of New York Mellon, as Second Lien Trustee. Except as otherwise provided in the related Certificate of Determination, interest on the registered Series 2025A Second Lien Bonds will be paid by check or draft mailed on the interest payment date by The Bank of New York Mellon, as Paying Agent, to the registered owner at the owner's address as it appears on the registration books or, at the option of any Owner of at least one million dollars (\$1,000,000) in principal amount of the Series 2025A Second Lien Bonds, by wire transfer in immediately available funds on each interest payment date to such Owner thereof upon written notice from such Owner to the Second Lien Trustee, at such address as the Second Lien Trustee may from time to time notify such Owner, containing the wire transfer address (which shall be in the continental United States) to which such Owner wishes to have such wire directed, if such written notice is received not less than twenty (20) calendar days prior to the related interest payment date (such notice may refer to multiple interest payments).

**Section 2.06 Sinking Fund Redemptions.** The Series 2025A Second Lien Bonds, if any, determined in the related Certificate of Determination shall be subject to redemption in part, by lot, on each date in the year or years determined in the Certificate of Determination at the principal amount thereof plus accrued interest up to but not including the date of redemption thereof, from mandatory

Sinking Fund Installments which are required to be made in amounts sufficient to redeem on each such date the principal amount of such Series 2025A Second Lien Bonds.

**Section 2.07 Redemption Terms.** The Series 2025A Second Lien Bonds may be subject to redemption prior to maturity, at the option of the Authority, upon notice as provided in Article IV of the Second Lien Resolution, at any time as a whole or in part (and by lot within a maturity if less than all of a maturity is to be redeemed), from maturities (and, if applicable, applied against Sinking Fund Installments) designated by the Authority on and after the date and in the years and at the Redemption Prices (expressed as a percentage of principal amount) determined in the related Certificate of Determination, plus accrued interest up to but not including the redemption date.

**Section 2.08 Delegation to an Authorized Officer.**

1. There is hereby delegated to each Authorized Officer, subject to the limitations contained in this Supplemental Second Lien Resolution, the following powers with respect to the Series 2025A Second Lien Bonds:

(a) to determine the principal amount of the Series 2025A Second Lien Bonds, and any original issue discount or premium with respect to any of the Series 2025A Second Lien Bonds, to be issued to accomplish the purposes authorized by Section 2.01 of this Supplemental Second Lien Resolution which principal amount shall not exceed the principal amount permitted by Section 2.01 of this Supplemental Second Lien Resolution;

(b) to determine the maturity date and principal amount of each maturity of the Series 2025A Second Lien Bonds and the amount and due date of each Sinking Fund Installment if any; provided, however, that the Series 2025A Second Lien Bonds shall not mature later than July 15, 2060;

(c) to determine the date or dates which the Series 2025A Second Lien Bonds shall be dated and the interest rate or rates of the Series 2025A Second Lien Bonds or the manner of determining such interest rate or rates; provided, however, that the all-in true interest cost with respect to the Series 2025A Second Lien Bonds (as determined by an Authorized Officer of the Authority which determination shall be conclusive) shall not exceed six percent (6.00%) per annum;

(d) if applicable, to determine the purchase price for the Series 2025A Second Lien Bonds to be paid by the Underwriters referred to in the Bond Purchase Agreement described in Section 2.09 of this Supplemental Second Lien Resolution, which price may include such original issue discount and original issue premium as shall be determined in the related Certificate of Determination;

(e) to take all actions required for the Series 2025A Second Lien Bonds to be eligible under the rules and regulations of The Depository Trust Company ("DTC") for investment and trading as uncertificated securities, to execute and deliver a standard form of letter of representation with DTC and, notwithstanding any provisions to the contrary contained in this Supplemental Second Lien Resolution, to include in the related Certificate of Determination such terms and provisions as may be appropriate or necessary to provide for uncertificated securities in lieu of Series 2025A Second Lien Bonds issuable in fully registered form;

(f) to determine the Redemption Price or Redemption Prices, if any, and the redemption terms, if any, for the Series 2025A Second Lien Bonds; provided, however, that if the Series 2025A Second Lien Bonds are to be redeemable at the election of the Authority, the Redemption Price shall not be greater than one hundred three percent (103%) of the principal



amount of the Series 2025A Second Lien Bonds to be redeemed, plus accrued interest thereon up to but not including the date of redemption;

(g) to determine the advisability, as compared to an unenhanced transaction, of obtaining a policy of bond insurance or a surety bond as a Second Lien Credit Facility, to select a provider thereof and to determine and accept the terms and provisions and price thereof, to determine such other matters related thereto as in the opinion of the Authorized Officer executing the related Certificate of Determination shall be considered necessary or appropriate and to effect such determinations by entering into any reasonable contractual arrangements required by such Second Lien Credit Facility provider; provided, however, that such Authorized Officer estimates, based upon the advice of the Authority's financial advisors, Frasca & Associates, LLC, that the interest savings on the Series 2025A Second Lien Bonds to be realized by purchasing such Second Lien Credit Facility shall be greater than the premium paid for the purchase of such Second Lien Credit Facility;

(h) to select additional Underwriters (as defined below) as may be prudent in the judgment of the Authorized Officer;

(i) to direct the proceeds of the Series 2025A Second Lien Bonds consistent with Section 3.01 hereof;

(j) to make such changes in or from the form of this Supplemental Second Lien Resolution as may be necessary or desirable in order to cure any ambiguities, inconsistencies or other defects; and

(k) to determine such other matters specified in or permitted by (i) Sections 202 and 203 of the Second Lien Resolution, as applicable, or (ii) this Supplemental Second Lien Resolution.

2. Any Authorized Officer is hereby authorized to proceed with the offering and sale of the Series 2025A Second Lien Bonds when that Authorized Officer deems such offering and sale advisable and to pay any Costs of Issuance associated with such offering and sale from the proceeds of the Series 2025A Second Lien Bonds.

3. Any Authorized Officer shall execute one or more Certificates of Determination evidencing the determinations made pursuant to subsection 1 of this Section 2.08 and any such Certificate of Determination shall be conclusive evidence of the determinations of such Authorized Officer, as stated therein. Any Certificate of Determination shall be delivered to the Second Lien Trustee prior to the authentication and delivery of the Series 2025A Second Lien Bonds by the Second Lien Trustee. Determinations set forth in the Certificate of Determination shall have the same effect as if set forth in this Supplemental Second Lien Resolution.

**Section 2.09 Sale of Series 2025A Second Lien Bonds.** In accordance with Section 401 of the Authority's Debt Management Policy Guidelines adopted by Board Resolution 2025-10, the sale of the Series 2025A Second Lien Bonds on a negotiated basis is hereby approved. Each Authorized Officer is hereby authorized to sell and award the Series 2025A Second Lien Bonds to the underwriters (the "Underwriters") then approved by the Authority and referred to in the Bond Purchase Agreement (the "Bond Purchase Agreement"), which Bond Purchase Agreement shall be substantially in the form attached hereto as Exhibit B, with such revisions to reflect the terms and provisions of the Series 2025A Second Lien Bonds as may be approved by the Authorized Officer executing the Bond Purchase Agreement, and with such other changes, omissions, insertions and revisions as such Authorized Officer shall deem advisable. Each Authorized Officer

is hereby authorized to agree to the selection of the representative of the Underwriters as referred to in the Bond Purchase Agreement and to execute and deliver the Bond Purchase Agreement for and on behalf and in the name of the Authority with such changes, omissions, insertions and revisions as may be approved by the Authorized Officer executing the Bond Purchase Agreement, said execution being conclusive evidence of such approval and concurrence in the selection of the representative of the Underwriters.

Each Authorized Officer is hereby authorized to make public and to authorize the use and distribution by said Underwriters or other appropriate parties of a preliminary official statement (the "Preliminary Official Statement") in connection with the public offering of the Series 2025A Second Lien Bonds, in substantially the form attached hereto as Exhibit C, with such changes, omissions, insertions and revisions as such officer shall deem advisable. The Authority authorizes any of said officers to deliver a certification to the effect that such Preliminary Official Statement, together with such other documents, if any, described in such certificate, was deemed final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, as applicable.

Each Authorized Officer is hereby authorized to make public and to authorize distribution of a final Official Statement in substantially the form of the Preliminary Official Statement, but reflecting the provisions of the Certificate of Determination, together with such changes, omissions, insertions and revisions as such Authorized Officer shall deem advisable, to sign such Official Statement and to deliver such Official Statement to the purchasers of the Series 2025A Second Lien Bonds, such execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

Each Authorized Officer is hereby authorized to execute and deliver for and on behalf and in the name of the Authority, to the extent determined by such Authorized Officer to be necessary or convenient, a Continuing Disclosure Agreement, substantially in the form attached as Exhibit D to the Form of Preliminary Official Statement, with such changes, omissions, insertions and revisions as such Authorized Officer shall deem advisable (the "Continuing Disclosure Agreement"), said execution being conclusive evidence of the approval of such changes, omissions, insertions and revisions.

The proceeds of the good faith deposit, if any, received by the Authority from the Underwriters under the terms of the Bond Purchase Agreement may be invested by the Authority pending application of the proceeds of such good faith deposit for the purposes provided in Section 2.01 of this Supplemental Second Lien Resolution at the time of the issuance and delivery of such Series 2025A Second Lien Bonds.

Each Authorized Officer is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts necessary or proper, including the indemnification of the Underwriters and other service providers as provided for in such documents and instruments for carrying out the Bond Purchase Agreement, the Continuing Disclosure Agreement, the terms of any Second Lien Credit Facility, and the issuance, sale and delivery of the Series 2025A Second Lien Bonds and for implementing the terms of the Series 2025A Second Lien Bonds, and in accordance with the requirements of the Code, and the transactions contemplated hereby or thereby, including ongoing payments for debt service, Second Lien Trustee fees and charges and other applicable fees and services.

When reference is made in this Supplemental Second Lien Resolution to the authorization of an Authorized Officer to do any act, such act may be accomplished by any of such officers individually.

**Section 2.10 Form of Series 2025A Second Lien Bonds and Second Lien Trustee's Authentication Certificate.** Subject to the provisions of the Second Lien Resolution, the form of registered Series 2025A Second Lien Bonds and the Second Lien Trustee's certificate of authentication shall be substantially in the form attached hereto as Exhibit A including, if necessary, any changes to comply with the requirements of DTC or the provisions of this Supplemental Second Lien Resolution or any Certificate of Determination.

### **ARTICLE III. DISPOSITION OF SERIES 2025A SECOND LIEN BOND PROCEEDS**

**Section 3.01 Disposition of Series 2025A Second Lien Bond Proceeds.** The proceeds of the sale of the Series 2025A Second Lien Bonds, other than accrued interest, if any, shall be deposited, simultaneously with the issuance and delivery of the Series 2025A Second Lien Bonds, at one time or from time to time in one or more Series or subseries, in each case in amounts as determined in any Certificate of Determination as follows:

1. in the Second Lien Proceeds Account which is hereby established in the Second Lien Proceeds Fund to be applied to the payment of all or any part of the Capital Costs; and
2. the balance of such proceeds, exclusive of accrued interest, shall be deposited in the Second Lien Costs of Issuance Account or a separate account established with the Second Lien Trustee pursuant to the Certificate of Determination and applied to the payment of Costs of Issuance.

Unless otherwise provided in a Certificate of Determination, the accrued interest, if any, and any capitalized interest, received on the sale of the Series 2025A Second Lien Bonds shall be deposited in the Second Lien Debt Service Fund.

### **ARTICLE IV. TAX COVENANTS AND DEFEASANCE**

**Section 4.01 Tax Covenants Relating to the Series 2025A Second Lien Bonds.** The Authority covenants that, in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2025A Second Lien Bonds, the Authority will satisfy, or take such actions as are necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, the Authority agrees to comply with such written instructions as may be provided by Bond Counsel. In furtherance of the covenant contained in the preceding sentence, the Authority agrees to continually comply with the provisions of any "Arbitrage and Use of Proceeds Certificate" executed by the Authority in connection with the execution and delivery of any Series 2025A Second Lien Bonds, as amended from time to time.

Notwithstanding any other provision of the Second Lien Resolution to the contrary, upon the Authority's failure to observe, or refusal to comply with, the above covenant (a) the Owners of the Series 2025A Second Lien Bonds, or the Second Lien Trustee acting on their behalf, shall be entitled to the rights and remedies provided to Owners or the Second Lien Trustee under Section 702 of the Second Lien Resolution, and (b) neither the Owners of the Second Lien Obligation of any Series or holders of any Second Lien Parity Debt (other than the Series 2025A Second Lien Bonds or the Second Lien Trustee acting on their behalf), nor the Second Lien Trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to the Owners, the Second Lien Parity Debt holders or the Second Lien Trustee under the Second Lien Resolution based upon the Authority's failure to observe, or refusal to comply with, the above covenant.

**Section 4.02 Defeasance.** In the event the Authority shall seek, prior to the maturity or redemption date thereof, to pay or cause to be paid, within the meaning and with the effect expressed in the Second Lien Resolution, all or less than all Outstanding Series 2025A Second Lien Bonds and the provisions of Section 4.01 hereof shall then be of any force or effect, then, notwithstanding the provisions of Article XI of the Second Lien Resolution, the obligations of the Authority to comply with the requirements of Section 4.01 hereof shall survive such payment or provision for payment.

## **ARTICLE V. NOTICES**

**Section 5.01 Notices.** Unless otherwise specified in the Second Lien Resolution, any notice required or permitted to be given under or in connection with the Second Lien Resolution shall be in writing and shall be mailed by first-class mail, registered or certified, return receipt requested, or express mail, postage prepaid, or sent by Electronic Means confirmed by mailing (by first-class mail, registered or certified, return receipt requested, or express mail, postage prepaid) written confirmation at substantially the same time as such delivery by Electronic Means, or personally delivered to an officer of the receiving party. All such communications shall be mailed, sent or delivered to the addresses or numbers set forth below, or as to each party at such other address or numbers as shall be designated by such party in a written notice to the other parties:

The Authority:	Washington Metropolitan Area Transit Authority 300 7th Street, SW Washington, DC 20024 Attention: Robert Haas, Vice President and Treasurer Telephone: (202) 962-2353 Facsimile: (202) 962-2801 Email: <a href="mailto:RMHaas@wmata.com">RMHaas@wmata.com</a>
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The Second Lien Trustee:	1 Pershing Plaza – 4th Floor AIM # 07D-0400 Jersey City, NJ 07399 Attention: Corporate Trust Services Telephone: (201) 413-4659 Email: <a href="mailto:Barbara.Kaczmar@bny.com">Barbara.Kaczmar@bny.com</a>
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The Second Lien Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to the Second Lien Resolution and related financing documents and delivered using Electronic Means; provided, however, that the Authority shall provide to the Second Lien Trustee an incumbency certificate listing those of its Authorized Officers with the authority to provide such Instructions ("Authorized Funds Transfer Officers") and containing specimen signatures of such designated Authorized Funds Transfers Officers, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Second Lien Trustee Instructions using Electronic Means and the Second Lien Trustee in its discretion elects to act upon such Instructions, the Second Lien Trustee's understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Second Lien Trustee cannot determine the identity of the actual sender of such Instructions and that the Second Lien Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Funds Transfer Officer listed on the incumbency certificate provided to the Second Lien Trustee have been sent by such Authorized Funds Transfer Officer. The Authority shall be responsible for ensuring that only such Authorized Funds Transfer Officers designated hereunder transmit such Instructions to the Second Lien Trustee and that the Authority and all such Authorized Funds Transfer Officers are solely

responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Second Lien Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Second Lien Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Second Lien Trustee, including without limitation the risk of the Second Lien Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Second Lien Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Second Lien Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

In order to timely close on the Series 2025A Second Lien Bonds, this Supplemental Second Lien Resolution shall be effective immediately.

Reviewed for form and legal sufficiency,

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Patricia Y. Lee  
Executive Vice President, Chief Legal Officer and  
General Counsel

WMATA File Structure No:  
4.1 Bonds

## EXHIBIT A

### Form of Series 2025A Second Lien Bond

*Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or its agent for registration of transfer, exchange or payment, and any certificate issued is registered by the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.*

*As provided in the Second Lien Resolution referred to herein, until the termination of the system of book-entry-only transfers through DTC and notwithstanding any other provision of the Second Lien Resolution to the contrary, a portion of the principal amount of this Second Lien Bond may be paid or redeemed without surrender hereof to the Paying Agent. DTC or a nominee, transferee or assignee of DTC of this Second Lien Bond may not rely upon the principal amount indicated hereon as the principal amount hereof outstanding and unpaid. The principal amount hereof outstanding and unpaid shall for all purposes be the amount determined in the manner provided in the Second Lien Resolution.*

#### WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY SECOND LIEN DEDICATED REVENUE BONDS SERIES 2025A

REGISTERED  
NO. 25AR-\_\_\_\_\_ DOLLARS  
\$ \_\_\_\_\_

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
_____ %	July 15, 20__	[DATE, 2025]	

Registered Owner: CEDE & CO.

Principal Sum: DOLLARS

The WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY (herein called the "Authority"), a body corporate and politic created by Compact defined below, acknowledges itself indebted to, and for value received hereby promises to pay to the Registered Owner stated above, or registered assigns, on the Maturity Date set forth above, but solely from the Second Lien Trust Estate defined below, upon presentation and surrender of this Second Lien Bond at the corporate trust office of The Bank of New York Mellon, as Paying Agent (the "Paying Agent"), designated for such payment, the Principal Sum set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay to the Registered Owner hereof interest on such Principal Sum, such payment to be made by the Paying Agent, but solely from the Second Lien Trust Estate, from the Dated Date set forth above or such later date to which interest has been paid, at the Interest Rate per annum set forth above, payable on January 15, 2026, and semi-annually thereafter on January 15 and July 15 in each year, until the Authority's obligation with respect to the payment of such Principal Sum shall be discharged. Interest on the Series 2025A Second Lien Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest will be paid by check mailed on the interest payment date by the Paying Agent to the Registered Owner at its address as it appears on the registration records or, at the option of any Owner of at least one million dollars (\$1,000,000) in principal amount of the Series 2025A Second Lien Bonds, by wire transfer in

immediately available funds on each interest payment date to such Owner, provided such Owner has notified the Second Lien Trustee (as hereinafter defined) in writing of such Owner's wire transfer address (which shall be in the continental United States) at least 15 days prior to the relevant payment date. *In the event that any payment date is not a business day, payment will be made on the next business day with the same force and effect as if made on the nominal date provided in the Second Lien Resolution and no interest shall accrue during the intervening period with respect to any payment so deferred.*

This Second Lien Bond is a special and limited obligation of the Authority and is one of a duly authorized issue of obligations of the Authority issued under and pursuant to the Washington Metropolitan Area Transit Authority Compact, an interstate compact by and among the State of Maryland, the Commonwealth of Virginia and the District of Columbia, as amended and supplemented (herein called the "Compact"), and under and pursuant to a resolution of the Authority adopted on July 27, 2023, entitled "Second Lien Dedicated Capital Funding Bond Resolution 2023-23," as supplemented and amended (the "Second Lien Resolution"), and particularly as supplemented by a 2025-\_\_ Supplemental Second Lien Bond Resolution of the Authority adopted on \_\_\_\_, 2025 (the "Supplemental Second Lien Resolution"). This Second Lien Bond is one of a series of Bonds designated as "Second Lien Dedicated Revenue Bonds, Series 2025A " (herein called the "Series 2025A Second Lien Bonds"), issued in the aggregate principal amount of \$\_\_\_\_ under said Second Lien Resolution. All capitalized terms used but not otherwise defined have the respective meanings ascribed by the Second Lien Resolution.

*Copies of the Second Lien Resolution, as supplemented and amended, are on file at the office of the Authority and at the designated corporate trust office of The Bank of New York Mellon, which as of the Dated Date is located in Pittsburgh, Pennsylvania, as Second Lien Trustee under the Supplemental Second Lien Resolution, or its successor as Second Lien Trustee (herein called the "Second Lien Trustee"), and reference to the Second Lien Resolution and any and all supplements thereto and modifications and amendments thereof and to the Compact is hereby made for a complete description of the pledge and covenants securing the Series 2025A Second Lien Bonds, the nature, extent and manner of enforcement of, and limitations with respect to, such pledge, the rights and remedies of the registered owners of the Series 2025A Second Lien Bonds with respect thereto, and the terms and conditions upon which the Series 2025A Second Lien Bonds are issued and may be issued thereunder.*

This Second Lien Bond is a special and limited obligation of the Authority, secured by a pledge, subject only to the provisions of the Second Lien Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Second Lien Resolution, of all right, title and interest of the Authority in the "Second Lien Trust Estate," being (i) subordinate to the obligations of the Authority in respect of Senior Lien Obligations as provided by the Senior Lien Resolution, all Dedicated Capital Funding Revenues, (ii) the proceeds of the sale of the Second Lien Obligations, (iii) all Funds, Accounts and Subaccounts established by the Second Lien Resolution (other than the Clearing Account, except to the extent provided in Section 504, and any rebate fund established pursuant to a tax certificate or agreement executed by the Authority in connection with the Series 2025A Second Lien Bonds), including the investments, if any, thereof, and (iv) all funds, moneys and securities and any and all other rights and interest in property, whether tangible or intangible, from time to time hereafter received by the Second Lien Trustee as additional security under the Second Lien Resolution.

To the extent provided in the Second Lien Resolution, Bonds may be issued from time to time pursuant to Supplemental Second Lien Resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Second Lien Resolution. The aggregate principal amount of Bonds which may be issued under the Second Lien Resolution is not limited except as provided in the Second Lien Resolution, and all Bonds issued and to be issued under the Second Lien Resolution are and will be equally secured by the pledge



and covenants made therein, except as otherwise expressly provided or permitted in the Second Lien Resolution.

The events specified in the Second Lien Resolution as such shall constitute Events of Default and the Second Lien Trustee and the Owners shall have the rights and remedies provided by the Second Lien Resolution.

To the extent provided in the Second Lien Resolution, Second Lien Parity Debt, secured on a parity with the Second Lien Bonds with respect to all right, title and interest of the Authority in the Second Lien Trust Estate may be issued or entered into by the Authority. The aggregate principal amount of Second Lien Parity Debt which may be issued or entered into under the Second Lien Resolution is not limited except as provided in the Second Lien Resolution.

To the extent and in the manner permitted by the terms of the Second Lien Resolution, modification or amendment of the Second Lien Resolution and of the rights and obligations of the Authority and of the Owners of the Second Lien Bonds may be made by a Supplemental Second Lien Resolution, in certain instances without the written consent of the Owners of the Second Lien Bonds. Reference is made to the Second Lien Resolution for the terms and provisions thereof relating to amendments and supplements.

The registration of this Second Lien Bond is transferable as provided in the Second Lien Resolution, only upon the books of the Authority kept for that purpose, at the above mentioned office of the Second Lien Trustee by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this Second Lien Bond together with a written instrument of transfer satisfactory to the Second Lien Trustee, duly executed by the Registered Owner or the duly authorized attorney, and thereupon a new registered Series 2025A Second Lien Bond (in the same aggregate principal amount, interest rate and maturity) shall be issued to the transferee in exchange therefor as provided in the Second Lien Resolution, and upon payment of the charges therein prescribed. The Authority and each Fiduciary, including the Second Lien Trustee and any Paying Agent, may deem and treat the person in whose name this Second Lien Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or any Redemption Price hereof and interest due hereon and for all other purposes.

The Series 2025A Second Lien Bonds are issued by means of a book-entry-only system, with no physical distribution of bond certificates to be made except as provided in the Second Lien Resolution. One or more bond certificates for each maturity, registered in the name of the Securities Depository Nominee, is being issued for deposit with the Securities Depository and immobilized in its custody. The book-entry-only system will evidence positions held in the Series 2025A Second Lien Bonds by the Securities Depository's participants; beneficial ownership of the Series 2025A Second Lien Bonds, in the principal amount of \$5,000 or any integral multiple thereof, shall be evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Authority and the Second Lien Trustee will recognize the Securities Depository Nominee, while the Registered Owner of this Second Lien Bond, as the owner of this Second Lien Bond for all purposes, including payments of principal of and any Redemption Price and interest on this Second Lien Bond, notices and voting. Transfers of principal, interest and any Redemption Price payments to participants of the Securities Depository will be the responsibility of the Securities Depository, and transfers of principal, interest and any Redemption Price payments to beneficial owners of the Series 2025A Second Lien Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. Neither the Authority nor the Second Lien Trustee will be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository

Nominee, its participants or persons acting through such participants. While the Securities Depository Nominee is the owner of this Second Lien Bond, notwithstanding any provisions herein contained to the contrary, payments of principal of and any Redemption Price and interest on this Second Lien Bond shall be made in accordance with existing arrangements among the Second Lien Trustee, the Authority and the Securities Depository. In the event the Series 2025A Second Lien Bonds are no longer held in book-entry-only form, the Series 2025A Second Lien Bonds would be issuable in the form of fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

The Series 2025A Second Lien Bonds are [not subject to optional redemption prior to maturity, except that the Series 2025A Second Lien Bonds maturing on or after July 15, 20\_ shall be] subject to redemption prior to maturity in whole or in part in any authorized denomination, on any date on or after July 15, [20\_\_], at the option of the Authority, at the redemption price of [\_\_%] of the principal amount of the Series 2025A Second Lien Bonds to be redeemed, plus accrued interest thereon up to but not including the date of redemption.

[The Series 2025A Second Lien Bonds maturing on July 15, 20\_\_, shall be subject to mandatory sinking fund redemption at par plus accrued interest up to but not including the redemption date, without premium, in the years and amounts as follows:

INSERT SINKING FUND SCHEDULE]

This Second Lien Bond is payable upon redemption at the above-mentioned office or agency of the Paying Agent. Notice of redemption shall be given no less than thirty (30) days nor more than forty-five (45) days before the redemption date, to the Registered Owners of any Series 2025A Second Lien Bonds or portions of Series 2025A Second Lien Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry records of The Bank of New York Mellon, as the Second Lien Registrar, and otherwise all in the manner and upon the terms and conditions set forth in the Second Lien Resolution. If notice of redemption shall have given as aforesaid, then the Series 2025A Second Lien Bonds or portions thereof so called for redemptions shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid up to but not including the redemption date, and, upon presentation and surrender thereof at the office specified in such notice such Series 2025A Second Lien Bonds or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid up to but not including the redemption date, and, from and after the redemption date interest on such Series 2025A Second Lien Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Any redemption notice or other notice required by the Second Lien Resolution shall be sent only to the Securities Depository Nominee, initially Cede & Co., as nominee of DTC, and will not be published so long as the Series 2025A Second Lien Bonds are held in book-entry-only form.

The Compact provides that neither the Directors of the Authority nor any person executing the Series 2025A Second Lien Bonds shall be liable personally on the Series 2025A Second Lien Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts and things required by law and the Second Lien Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Second Lien Bond, exist, have happened and have been performed and that the issue of the Series 2025A Second Lien Bonds, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by law.

This Second Lien Bond shall not be entitled to any benefit under the Second Lien Resolution or be valid or become obligatory for any purpose until this Second Lien Bond shall have been authenticated

by the execution by the Second Lien Trustee of the Second Lien Trustee's Certificate of Authentication hereon.

**IN WITNESS WHEREOF**, the **WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY** has caused this Second Lien Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Authorized Officer as of the Dated Date.

**WASHINGTON METROPOLITAN AREA  
TRANSIT AUTHORITY**

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Authorized Officer

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This Series 2025A Second Lien Bond is one of the Series 2025A Second Lien Bonds described in the within-mentioned Resolution adopted by the Washington Metropolitan Area Transit Authority on July 27, 2023, as supplemented by the 2025A Supplemental Second Lien Bond Resolution adopted on \_\_\_\_\_, 2025.

**THE BANK OF NEW YORK MELLON**

By: \_\_\_\_\_  
Authorized Officer

Date of Authentication: \_\_\_\_\_, 2025

## **EXHIBIT B**

### **Form of Bond Purchase Agreement**

## **EXHIBIT C**

### **Form of Preliminary Official Statement**

## EXHIBIT B

### BOND PURCHASE AGREEMENT

**[\$653,500,000]**

**Washington Metropolitan Area Transit Authority  
Second Lien Dedicated Revenue Bonds,  
Series 2025A**

[July 10, 2025]

Washington Metropolitan Area Transit Authority  
300 Seventh Street, S.W.  
Washington, DC 20024

Ladies and Gentlemen:

Barclays Capital Inc. (the “Representative”), acting on behalf of itself and the underwriters who are the signatories hereto (collectively, the “Underwriters”), hereby, jointly and severally, offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with the Washington Metropolitan Area Transit Authority (the “Authority”), whereby the Underwriters will purchase and the Authority will sell the Bonds (as defined and described below). The Underwriters are making this offer subject to the acceptance by the Authority at or before 5:00 P.M., New York, New York Time, on the date hereof. If the Authority accepts this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind both the Authority and the Underwriters. The Underwriters may withdraw this Purchase Agreement upon written notice delivered by the Representative to the Authority at any time before the Authority accepts this Purchase Agreement. All capitalized terms used herein and not defined shall have the meanings given to them in the Second Lien Dedicated Capital Funding Revenue Bond Resolution 2023-23, adopted by the Authority’s Board of Directors on July 27, 2023 (the “Second Lien Bond Resolution”), as supplemented by the 2025A Supplemental Second Lien Bond Resolution, adopted by the Authority’s Board of Directors on [June 26, 2025] (the “2025A Supplemental Second Lien Bond Resolution”, and together with the Second Lien Bond Resolution, the “Resolution”), or in the Official Statement identified below.

#### **1. Purchase and Sale.**

(a) Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the Authority, and the Authority hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of its Second Lien Dedicated Revenue Bonds, Series 2025A, in the original aggregate principal amount of \$[653,500,000] (the “Bonds”). The purchase price for the Bonds is \$[\_\_\_\_\_] (consisting of the aggregate principal amount of the Bonds, plus net original issue premium of \$[\_\_\_\_\_] and less an Underwriters’ discount of \$[\_\_\_\_\_]).

(b) The Authority acknowledges and agrees that: (a) the primary role of the Underwriters, as underwriters, is to purchase securities for resale to investors in an arm’s length commercial transaction between the Authority and the Underwriters and the Underwriters have financial and other interests that differ from those of the Authority; (b) the Underwriters are acting

solely as principals and are not acting as municipal advisors within the meaning of Section 15B of the Securities Exchange Act of 1934, financial advisors or fiduciaries to the Authority and have not assumed any advisory or fiduciary responsibility to the Authority with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Authority on other matters); (c) the only obligations the Underwriters have to the Authority with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (d) the Authority has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

## **2. Description and Purpose of the Bonds.**

(a) The Bonds shall be dated the date of delivery. The Bonds are to be issued and sold by the Authority pursuant to the terms of the Resolution and in accordance with the provisions of the Washington Metropolitan Area Transit Authority Compact (the “Compact”). The Bonds, together with all other bonds issued under the Second Lien Bond Resolution (the “Second Lien Obligations”), will constitute special, limited obligations of the Authority secured solely by the Second Lien Trust Estate, which includes the Dedicated Capital Funding Revenues, pledged therefor by the Resolution. The Second Lien Obligations currently outstanding are the Authority’s \$797,800,000 Second Lien Dedicated Revenue Bonds, Series 2023A (Sustainability – Climate Transition Bonds) and the Authority’s \$635,990,000 Second Lien Dedicated Revenue Bonds, Series 2024A (Sustainability – Climate Transition Bonds). The pledge created by the Resolution, however, insofar as it relates to any portion of the Second Lien Trust Estate pledged to the payment of the Pre-2018 Bonds, as defined below, is subordinate in all respects to the pledge created by the 2003 Bond Resolution, as amended, for the payment of the Pre-2018 Bonds. “Pre-2018 Bond or Bonds” means the \$197,370,000 Gross Revenue Transit Refunding Bonds, Series 2017A, and the \$496,500,000 Gross Revenue Transit Bonds, Series 2017B, of the Authority at any time outstanding under the 2003 Bond Resolution. In addition, the pledge of the Dedicated Capital Funding Revenues created by the Resolution is subordinate in all respects to the prior pledge for the payment of the Authority’s \$545,000,000 Dedicated Revenue Bonds, Series 2020A, the \$784,425,000 Dedicated Revenue Bonds, Series 2021A and the \$392,000,000 Dedicated Revenue Bonds, Series 2023A (collectively, the “Senior Lien Obligations”), pursuant to the Dedicated Capital Funding Bond Resolution adopted by the Authority on April 23, 2020, as amended and supplemented (the “Senior Lien Resolution”).

(b) The proceeds of the Bonds will be used, together with certain other funds, to (i) finance Capital Costs, and (ii) pay certain costs of issuing the Bonds, including the Underwriters’ discount. The Bonds will mature on the dates and in the amounts and will bear interest and will be subject to redemption prior to maturity as set forth on Schedule 1 hereto, and payable as provided in the Resolution.

**3. Closing.** At 10:00 A.M., Eastern Time, on [July 22, 2025], or at such other time or date as the Representative and the Authority may mutually agree upon as the date and time of the closing (the “Closing” or the “Closing Date”), the Authority will deliver or cause to be delivered to the Underwriters, at the offices of Hogan Lovells US LLP, Washington, D.C. (“Bond Counsel”), or at such other place as the Representative and the Authority may mutually agree upon, the Bonds, through the facilities of The Depository Trust Company, New York, New York (“DTC”), duly



executed and authenticated, and the other documents specified in Section 8. At the Closing, (a) upon satisfaction of the conditions herein specified, the Underwriters shall accept the delivery of the Bonds and pay the purchase price therefor in immediately available federal funds payable to the order of the Trustee for the account of the Authority and (b) the Authority shall deliver or cause to be delivered the Bonds to the Underwriters through the facilities of DTC in definitive or temporary form, duly executed by the Authority and in the authorized denominations as specified by the Representative at the Closing and the Authority shall deliver the other documents hereinafter mentioned. The Bonds shall be made available to the Underwriters at least one (1) business day before the Closing Date for purposes of inspection.

**4. Representations of Underwriters.** The Underwriters agree to make a public offering of the Bonds at the initial offering prices or yields set forth in the Official Statement; provided, however, the Underwriters reserve the right to change such initial public offering prices as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Bonds (but in all cases subject to the requirements of Section 5 hereof), and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by one or more of the Underwriters at prices lower than the public offering prices or yields greater than the yields set forth therein (but in all cases subject to the requirements of Section 5 hereof).

**5. Establishment of Issue Price.**

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit E, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. As applicable, all actions to be taken by the Authority under this Section 5 to establish the issue price of the Bonds may be taken on behalf of the Authority by the Authority’s municipal advisors and any notice or report to be provided to the Authority may be provided to the Authority’s municipal advisors.

(b) The Authority represents that it will treat the first price at which 10% of each separate maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% Test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that

maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (ii) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Authority when the Underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the sale date.

The Authority acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(d) The Representative confirms that:

- (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(1) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires;

(B) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires

(e) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section 5. Further, for purposes of this Section 5:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling

group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

## **6. Delivery of the Official Statement and Other Documents.**

(a) The Underwriters have distributed copies of the Preliminary Official Statement dated [June 26, 2025], which together with the cover page, inside cover page and appendices thereto, is herein defined as the “Preliminary Official Statement”. By its acceptance hereof, the Authority hereby ratifies, confirms and approves the legally permissible use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement (in printed form and electronic form) and represents that such Preliminary Official Statement is deemed final by the Authority as of its date under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”) except for the omission of such information as is permitted under Rule 15c2-12. The form of the final Official Statement of the Authority relating to the Bonds, dated [July 10, 2025], including the cover page and Appendices thereto, and any revisions, amendments or supplements thereto, as have been approved by the Authority, Bond Counsel, and the Representative, is referred to herein as (the “Official Statement”). The Authority authorizes, approves, ratifies and confirms the distribution of the Preliminary Official Statement and the Official Statement in paper and electronic format by the Underwriters in connection with the public offering and sale of the Bonds.

(b) The Authority agrees to provide to the Representative in “designated electronic format” or word-searchable PDF format (as defined by Municipal Securities Rulemaking Board (the “MSRB”) Rule G-32) and, at such addresses as the Underwriters specify, as many copies of the Official Statement as the Underwriters reasonably request as necessary to comply with MSRB Rule G-32 and all other applicable rules of the MSRB. The Authority agrees to deliver the Official Statement no later than seven (7) business days from the execution of this Purchase Agreement, and in any event, no later than two (2) business days prior to the Closing.

(c) The Authority authorizes the Representative to file, to the extent required by applicable Securities and Exchange Commission (“SEC”) or MSRB rule, and the Representative agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including submission to the MSRB’s Electronic Municipal Market Access System (“EMMA”))

or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above) within one (1) business day of receipt of the executed Official Statement by the Underwriters. If a supplement or an amendment to the Official Statement is prepared in accordance with subsection 6(d) hereof during the “primary offering disclosure period,” and if required by applicable SEC or MSRB rule, the Representative shall also make the required submission of the supplement to the Official Statement to EMMA. The “primary offering disclosure period” is used as defined in MSRB Rule G-32 and shall end on the 25th day after the Closing.

(d) If, during the period from the date of this Purchase Agreement to and including the date which is 25 days after the “End of the Underwriting Period” (as hereinafter defined), either the Representative or the Authority obtains knowledge that there exists any event which, in the opinion of the Representative and counsel to the Underwriters or in the opinion of the Authority or the Authority’s disclosure counsel, requires a supplement or amendment to the Official Statement so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading at the time it is delivered to a purchaser or “potential customer” (as defined for the purposes of Rule 15c2-12), the Authority will supplement or amend or cause to be supplemented or amended the Official Statement in form and substance mutually agreed upon by the Representative and the Authority and will furnish to the Underwriters such supplement or amendment in sufficient quantities to permit the Underwriters to comply with the requirements of Rule 15c2-12, at the Authority’s expense; provided, however that, the obligation of the Authority to know or provide information within the knowledge of the Authority is limited to providing information that is in the actual knowledge of, or reasonably should have been in the actual knowledge of, the Executive Officers of the Authority listed in the Official Statement or their respective successors.

(e) For the purpose of the preceding paragraph, the “End of the Underwriting Period” (as defined in Rule 15c2-12) shall mean the Closing, unless the Representative notifies the Authority in writing before the Closing or the end of each extended period, whichever is applicable, that the underwriting period must be extended, in which case the End of the Underwriting Period shall be the date set forth in such writing, but in no event later than ninety (90) days after the Closing.

(f) In order to assist the Underwriters in complying with Rule 15c2-12, the Authority will undertake, pursuant to the Continuing Disclosure Agreement, dated as of [July 22, 2025], by the Authority (the “Continuing Disclosure Agreement”), to provide annual financial information and notices of the occurrence of specified events. A description of the Continuing Disclosure Agreement is set forth in, and a form of such agreement is attached as an appendix to, the Preliminary Official Statement and the Official Statement.

**7. Representations.** The Authority represents to and agrees with the Underwriters that:

(a) The Authority is, and will be at the date of the Closing, a body corporate and politic, existing pursuant to the Compact and the Capital Transportation Act, with the powers and authority, among others, set forth in the Compact and the Capital Transportation Act, having full power and authority to carry out and consummate all transactions contemplated by this Purchase

Agreement, the Official Statement, the Continuing Disclosure Agreement, the Dedicated Funding Grant Agreements, as defined below, and the Resolution. “Dedicated Funding Grant Agreements” shall mean, collectively, (i) that certain Agreement For Award and Use of Dedicated Funding Grant, dated October 22, 2020, by and between the Authority and the District of Columbia, (ii) the Washington Metropolitan Area Transit Authority Dedicated Capital Funding Agreement, dated September 26, 2019, entered into by and between the Authority and the State of Maryland, acting by and through the Washington Suburban Transit District and the Maryland Department of Transportation and (iii) the Washington Metropolitan Area Transit Authority Capital Fund Agreement, dated May 1, 2019, between the Authority and the Commonwealth of Virginia, acting by and through the Virginia Department of Rail and Public Transportation.

(b) On July 27, 2023, the Authority duly adopted the Second Lien Bond Resolution and on [June 26, 2025], the Authority duly adopted the 2025A Supplemental Second Lien Bond Resolution, each in accordance with the requirements of all applicable laws and the procedural rules of the Authority, authorizing the execution, delivery and performance of the action required in connection with the issuance of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Agreement, and that the Second Lien Bond Resolution and the 2025A Supplemental Second Lien Bond Resolution are in full force and effect and have not been amended or supplemented since [June 26, 2025].

(c) The Authority adopted Resolutions 2019-13, 2019-32 and 2019-35 in accordance with the requirements of all applicable laws and the procedural rules of the Authority, authorizing the execution, delivery and performance of the action required in connection with the Dedicated Funding Grant Agreements, and that such agreements are in full force and effect.

(d) The execution and delivery of the Bonds, this Purchase Agreement, the Continuing Disclosure Agreement, the Official Statement and the Dedicated Funding Grant Agreements, compliance with the provisions herein and therein, under the circumstances contemplated hereby, will not conflict with the or constitute on the part of the Authority, a breach of or default under the Capital Transportation Act, the Compact, or any material agreement or other instrument to which the Authority is a party or by which the Authority is bound or any existing law, administrative regulation, court order or consent decree to which the Authority is subject.

(e) All consents, approvals and permits that are required for the due authorization by the Authority of its obligations under this Purchase Agreement, the Continuing Disclosure Agreement, the Official Statement, the Dedicated Funding Grant Agreements and the Resolution have been obtained, and when delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Purchase Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding special obligations of the Authority in conformity with, and entitled to the benefit and security of, the Resolution, enforceable against the Authority in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights to the extent applicable and by the exercise of judicial discretion in appropriate cases.

(f) The Resolution creates in favor of the Bonds a pledge and lien on the rights of the Authority in and to the Second Lien Trust Estate on a parity with the lien on the Second Lien

Obligations. The pledge created by the Resolution, insofar as it relates to any portion of the Second Lien Trust Estate pledged to the payment of the Pre-2018 Bonds, is subordinate in all respects to the pledge created by the 2003 Bond Resolution for the payment of the Pre-2018 Bonds. In addition, the pledge of the Dedicated Capital Funding Revenues created by the Resolution is subordinate in all respects to the prior pledge for the payment of the Senior Lien Obligations pursuant to the Senior Lien Resolution.

(g) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board, governmental agency or body pending, or, to the Authority's knowledge, threatened against or affecting the Authority, wherein an unfavorable decision, ruling or finding would (i) adversely affect the applicable transactions contemplated by the Bonds, this Purchase Agreement, the Continuing Disclosure Agreement, the Official Statement, the Dedicated Funding Grant Agreements or the Resolution, (ii) restrain or enjoin the issuance or delivery of the Bonds, or in any way contest or affect the validity of the Bonds, the Capital Transportation Act, the Compact, this Purchase Agreement, the Continuing Disclosure Agreement, the Dedicated Funding Grant Agreements or the Resolution, (iii) restrain or enjoin the pledge or application of any moneys or security provided for the payment of the Bonds, (iv) adversely affect the existence or powers of the Authority insofar as they relate to the authorization, sale and issuance of the Bonds or such pledge or application of moneys and security, or any applicable agreement or instrument to which the Authority is a party and which is used or is contemplated for use in the consummation of the applicable transactions contemplated by the Bonds, this Purchase Agreement, the Continuing Disclosure Agreement, the Official Statement, the Dedicated Funding Grant Agreements and the Resolution, (v) otherwise adversely affect the Bonds, this Purchase Agreement, the Continuing Disclosure Agreement, the Dedicated Funding Grant Agreements or the Resolution, or any agreement or instrument to which the Authority is or is expected to be a party and which is used or contemplated for use in the consummation of the applicable transactions contemplated by any of the foregoing, or (vi) adversely affect the business of the Authority.

(h) The Authority's audited financial statements for the fiscal years ended June 30, 2024 and 2023, present fairly the financial position of the Authority as of the date indicated and the results of operations of the Authority for the periods specified, and such financial statements have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects for the periods involved. There has been no material adverse change in the financial position or results of operations of the Authority from those set forth in such financial statements that has not been disclosed to the Underwriters.

(i) Except as disclosed in the Preliminary Official Statement and the Official Statement, this Purchase Agreement, the Continuing Disclosure Agreement, the Dedicated Funding Grant Agreements and the Resolution are, and at the Closing will be, in full force and effect in accordance with their terms and, as of the Closing, will not have been amended, modified or supplemented in any material respect by the Authority, and to the extent the Authority can control any other parties thereto, by any other parties thereto.

(j) The Authority is not in default in the payment of principal or interest on any bond, note or other general or limited obligation for borrowed money nor is it in default under any agreement or instrument under which any obligation for borrowed money has been issued, and no

event of which the Authority has notice or knowledge has occurred under the provisions of any such instrument or agreement which, with or without the lapse of time or the giving of notice, or both, constitutes or would constitute a default thereunder.

(k) Any certificate or copy of any certificate signed by any official of the Authority and delivered to the Underwriters pursuant hereto or in connection herewith shall be deemed a representation by the Authority to the Underwriters as to the truth of the statements made therein.

(l) This Purchase Agreement, the Continuing Disclosure Agreement, the Dedicated Funding Grant Agreements and the Resolution are legal, valid and binding obligations of the Authority in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and have been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and are currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(m) Between the date hereof and the time of the Closing, the Authority shall not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Authority, except for such borrowings as may be described in or contemplated by the Official Statement.

(n) Except for information which is permitted to be omitted pursuant to Rule 15c2-12(b)(1), the Preliminary Official Statement, as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(o) The Official Statement is, as of its date and at all times after the date of the Official Statement, up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(p) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the time of the Closing, the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(q) If between the date hereof and the time of Closing, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Representative thereof, and if, in the opinion of the Representative,



such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Authority) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Representative.

(r) Except as disclosed in the Preliminary Official Statement and the Official Statement, during the last five (5) years, the Authority has not failed to comply in all material respects with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

All representations, warranties and agreements of the Authority shall remain operative and in full force and effect (unless expressly waived in writing by the Underwriters), regardless of any investigations made by any Underwriter or on the Underwriters' behalf and shall survive the delivery of the Bonds.

**8. Conditions Precedent.** The Underwriters have entered into this Purchase Agreement in reliance upon the representations and agreements of the Authority contained herein and the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the Closing Date.

(a) The Underwriters' obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(i) The representations of the Authority contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(ii) At the time of the Closing, this Purchase Agreement, the Continuing Disclosure Agreement, the Dedicated Funding Grant Agreements and the Resolution shall be in full force and effect, and this Purchase Agreement, the Continuing Disclosure Agreement, the Dedicated Funding Grant Agreements and the Resolution, together with the Official Statement, shall not have been amended, modified or supplemented in any material respect except as described in the Official Statement or as may have been agreed to in writing by the Underwriters, and the Authority shall have duly adopted and published and there shall be in full force and effect such further resolutions as shall be necessary in connection with the transactions contemplated hereby and thereby.

(iii) The Authority shall perform or have performed all of its obligations required or specified in this Purchase Agreement, the Continuing Disclosure Agreement, the Official Statement, the Dedicated Funding Grant Agreements and the Resolution to be performed at or prior to Closing.

(iv) Evidence satisfactory to the Underwriters to the effect that the Bonds have received a rating of “\_\_\_” (with a \_\_\_ outlook), from Standard & Poor's (“S&P”); and a rating of “\_\_\_” (with a \_\_\_ outlook), from Kroll Bond Rating Agency (“Kroll”) (collectively, the “Rating Letters”), which ratings remain in effect on the date of Closing.

(v) No event shall have occurred, or information become known, which, in the Underwriters' reasonable opinion, renders untrue in any material respect any statement or information contained in the Official Statement or causes the Official Statement to contain an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and which have not been amended as provided in this Purchase Agreement to correct such misstatement or disclose such omission.

(vi) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change, in the condition, financial or otherwise, of the Authority, from that set forth in the Official Statement that in the reasonable judgment of the Underwriters, is material and adverse and that makes it, in the reasonable judgment of the Underwriters, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement.

(vii) At or prior to the Closing, the Representative shall receive the following documents (in each case with only such changes as the Representative shall approve):

(1) (A) the approving opinion of Bond Counsel, dated the date of the Closing, substantially in the form of Appendix B to the Official Statement, addressed to the Underwriters directly or by a reliance letter; (B) the supplemental opinion of Bond Counsel dated the date of the Closing, substantially in the form of or covering the matters set forth in Exhibit A hereto, and (C) the opinions of Hogan Lovells US LLP, as disclosure counsel, dated the date of closing, substantially in the forms of or covering the matters set forth in Exhibit D hereto;

(2) the opinion of Patricia Y. Lee, Executive Vice President, Chief Legal Officer & General Counsel to the Authority, dated the date of the Closing, substantially in the form of Exhibit B hereto;

(3) the opinion of Orrick, Herrington and Sutcliffe LLP, counsel to the Underwriters, dated the date of the Closing, substantially in the form of Exhibit C hereto;

(4) a certificate, dated the date of Closing, duly executed by appropriate officers of the Authority, satisfactory to the Underwriters and in form and substance satisfactory to counsel to the Underwriters, to the effect that, (i) the representations, warranties and agreements of the Authority herein are true and correct as of the date of the Closing; and (ii) except as disclosed in the Preliminary Official Statement and the Official Statement, no legal proceedings are pending or, to the Authority's knowledge, threatened: (A) contesting or affecting the validity or authority for the issuance of the Bonds or seeking to restrain or enjoin the issuance or delivery of the Bonds, (B) contesting or affecting the Second Lien Trust Estate under the Resolution, (C) contesting or affecting the validity of the Resolution or this Purchase Agreement, (D) contesting the completeness or accuracy of the Official Statement, (E) contesting the power of the officials of the Authority or their authority with respect to the Resolution, the Bonds, the Official

Statement or this Purchase Agreement, or (F) in any way contesting the statutory powers of the Authority;

(5) (A) a certificate of the General Manager and Chief Executive Officer of the Authority, certifying that he has (i) reviewed the Preliminary Official Statement in its entirety and that the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading and (ii) reviewed the Official Statement in its entirety and that the Official Statement, as of its date and as of the date of the Closing, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; (B) a certificate of the Executive Vice President and Chief Financial Officer of the Authority, certifying that she has (i) reviewed the Preliminary Official Statement in its entirety and that the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading and (ii) reviewed the Official Statement in its entirety and that the Official Statement, as of its date and as of the date of the Closing, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;

(6) executed or certified copies of the specimen Bonds, the Certificate(s) of Determination, the Continuing Disclosure Agreement, the Official Statement, the Dedicated Funding Grant Agreements and the Resolution;

(7) an Arbitrage and Use of Proceeds Certificate, dated the date of Closing, signed by an appropriate officer of the Authority in form and substance satisfactory to Underwriters' Counsel and Bond Counsel;

(8) a certificate, dated the date of Closing, executed by appropriate officers of Frasca & Associates, LLC, the Financial Advisor to the Authority, in form and substance satisfactory to Underwriters' Counsel;

(9) a certificate of an appropriate officer of the Trustee as to the due acceptance of its appointment as the Trustee under the Resolution, and the due authentication and delivery of the Bonds by the Trustee;

(10) a copy of the "blue sky" survey with respect to the Bonds;

(11) the Rating Letters;

(12) certificates required under the Resolution in connection with the issuance of the Bonds; and

(13) such additional legal opinions, certificates, proceedings, instruments and other documents, as may be reasonably required by the Underwriters, or as Bond Counsel or counsel to the Underwriters may reasonably request, to evidence compliance by the Authority with legal requirements, the truth and accuracy, as of the date of the Closing, of all representations herein contained, the exemption of amounts received (whether characterized as interest or discount) by holders of the Bonds from federal and state income taxation, and the due performance or satisfaction by the Authority at or prior to such date of all agreements then to be performed and all conditions then to be satisfied as contemplated under this Purchase Agreement.

(b) If the Authority shall be unable to satisfy the conditions of the Underwriters' obligations contained in Section 8(a) of this Purchase Agreement, this Purchase Agreement may be terminated by the Underwriters at, or at any time before, the time of the Closing. Notice of such termination shall be given by the Representative to the Authority in writing, or by telephone confirmed in writing. The performance by the Authority of any and all conditions contained in Section 8(a) of this Purchase Agreement for the benefit of the Underwriters may be waived by the Representative.

**9. Termination.** The Underwriters will have the right, before the time of Closing, to cancel their obligation to purchase the Bonds, by written notice by the Representative to the Authority, if between the date hereof and the time of Closing:

(a) legislation has been enacted or a decision has been rendered by a federal court of the United States or the United States Tax Court, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency has been made or proposed to be made with respect to federal taxation of interest on the Bonds, or other action or events have occurred which have the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith, including the tax status of bonds issued by the Authority for which it is the obligor under the Internal Revenue Code of 1986, as amended (the "Code"), any of which, in the reasonable opinion of the Representative, would make it impracticable or inadvisable to proceed with the offer, sale or delivery of the Bonds on the terms and in the manner contemplated in the Preliminary Official Statement and the Official Statement, or

(b) legislation has been enacted, or actively considered for enactment with an effective date being prior to the date of the issuance of the Bonds, or a decision by a court of the United States has been rendered, or a ruling or regulation by the SEC or other governmental agency having jurisdiction of the subject matter has been made, the effect of which is that the Bonds are not exempt from the registration or other requirements of the Securities Act of 1933, as amended and as then in effect, or that the Indenture is not exempt from the qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect, or

(c) a stop order, ruling or regulation by the SEC has been issued or made, the effect of which is that the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement is or would be in violation of any provision of the Securities Act of 1933, as amended

and as then in effect, or of the Securities Exchange Act of 1934, as amended and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect, or

(d) there exists any event which in the reasonable judgment of the Representative either (i) makes untrue or incorrect any statement or information of a material fact contained in the Official Statement or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading, and, in either such event the Authority refuses to permit the Official Statement to be supplemented to correct or supply such statement or information, or the statement or information as supplemented is such as in the reasonable judgment of the Representative would make it impracticable or inadvisable to proceed with the offer, sale or delivery of the Bonds on the terms and in the manner contemplated in the Official Statement, or

(e) there has occurred any outbreak or escalation of hostilities involving the United States or any national or international calamity or crisis, including a financial crisis, or escalation thereof, which is material, adverse and, in the reasonable judgment of the Representative, would make it impracticable or inadvisable to proceed with the offer, sale or delivery of the Bonds on the terms and in the manner contemplated in the Official Statement, or

(f) there is in force a general suspension of trading on the New York Stock Exchange, that would make it impracticable or inadvisable to proceed with the offer, sale or delivery of the Bonds on the terms and in the manner contemplated in the Official Statement, or

(g) a general banking moratorium has been declared by Federal, Authority or New York authorities, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Representative, would make it impracticable or inadvisable to proceed with the offer, sale or delivery of the Bonds on the terms and in the manner contemplated in the Official Statement, or

(h) there has occurred since June 30, 2024, any material adverse change in the affairs of the Authority from that reflected in the financial information and data of the Authority included in or as an appendix to the Official Statement, other than as previously disclosed to the Underwriters, or

(i) there shall have occurred a material disruption in securities settlement, commercial banking, payment or clearance services in the United States, or

(j) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that as of the date of this Purchase Agreement has published a rating on the Bonds (or has been asked to furnish a rating on the Bonds), which action reflects a change or possible adverse change in the ratings accorded to the Bonds, or

(k) any new restriction on transactions in securities materially affecting the market for securities similar to the Bonds shall have been established by the SEC, any other federal agency or the Congress of the United States, or by executive order, or

(l) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any

authority for or the validity Bonds, the Capital Transportation Act, the Compact, this Purchase Agreement, the Continuing Disclosure Agreement, the Dedicated Funding Grant Agreements or the Resolution.

#### **10. Indemnification.**

(a) The Authority shall indemnify and hold harmless, to the extent permitted by law, the Underwriters and their respective directors, officers, employees and agents and each person who controls any Underwriter within the meaning of Section 15 of the 1933 Act (any such person being therein sometimes called an “Underwriter Indemnatee”), against any and all losses, claims, damages or liabilities, joint or several, (i) to which any such Underwriter Indemnatee may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement of a material fact set forth in the Preliminary Official Statement or the Official Statement or any amendment or supplement to either, or arise out of or are based upon the omission to state therein a material fact which is necessary in order to make the statements made therein, in the light of the circumstances in which they were made, not misleading, except such indemnification shall not extend to statements in the Preliminary Official Statement or the Official Statement under the caption “UNDERWRITING,” and (ii) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected with the written consent of the Authority (which consent shall not be unreasonably withheld); and will reimburse any legal or other expenses reasonably incurred by any such Underwriter Indemnatee in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity agreement shall not be construed as a limitation on any other liability which the Authority may otherwise have to any Underwriter Indemnatee.

(b) The Underwriters shall indemnify and hold harmless, to the extent permitted by law, the Authority and its directors, officers, members, employees and agents and each person who controls the Authority within the meaning of Section 15 of the 1933 Act (any such person being therein sometimes called an “Authority Indemnitees”), against any and all losses, claims, damages or liabilities, joint or several, to which such Authority Indemnatee may become subject under any statute or at law or in equity or otherwise, and shall promptly reimburse any such Authority Indemnatee for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in, or the omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, in the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereof, under the caption “UNDERWRITING.” This indemnity agreement shall not be construed as a limitation on any other liability which the Underwriters may otherwise have to any Authority Indemnatee. The liability of any Underwriter obligations under this Section 10 shall not exceed the amount of its pro rata compensation under this Purchase Agreement.

(c) For purposes of subsection (a) or (b) above, an “Indemnified Party” means an Underwriter Indemnatee or an Authority Indemnatee as the context dictates and an “Indemnifying Party” means the Authority or an Underwriter who is under the obligation to indemnify an

Indemnified Party under this Section 10. An Indemnified Party shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against an Indemnifying Party, notify the Indemnifying Party in writing of the commencement thereof, but the omission to notify the Indemnifying Party of any such action shall not relieve the Indemnifying Party from any liability that it may have to such Indemnified Party otherwise than under the indemnity agreement contained herein. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so to assume the defense thereof, the Indemnifying Party will not be liable to such Indemnified Party under this paragraph for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation. If the Indemnifying Party shall not have employed counsel to manage the defense of any such action or if the Indemnified Party shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), such Indemnified Party shall have the right to retain legal counsel of its own choosing and the reasonable legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party. An Indemnifying Party shall not be liable for any settlement of any such action effected without its consent by any Indemnified Party, which consent shall not be unreasonably withheld, but if settled with the consent of the Indemnifying Party or if there be a final judgment for the plaintiff in any such action against the Indemnifying Party or any Indemnified Party, with or without the consent of the Indemnifying Party, the Indemnifying Party agrees to indemnify and hold harmless such Indemnified Party to the extent provided herein.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an Indemnified Party under subsection (a) or (b) above, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of the losses, claims, damages, liabilities or expenses referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Authority on the one hand and the Underwriters on the other from the offering of the Bonds or (ii) if the allocation provided by clause (i) above is not permitted by applicable law in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Authority on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses as well as any other relevant equitable considerations. The relative benefits received by the Authority on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Authority bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Authority or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an Indemnified Party as a result of the losses, claims, damages,

liabilities or expenses referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any action or claim which is the subject to this subsection (d). Notwithstanding the provisions of this subsection (d), each Underwriter shall not have any obligation under this subsection (d) to contribute an amount in excess of the amount of its pro rata compensation under this Purchase Agreement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

**11. Expenses.** All expenses and costs of the Authority incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including the costs of printing or reproduction of the Bonds, the Resolution and the Official Statement in reasonable quantities, fees of consultants and advisors, fees of rating agencies, advertising expenses, fees and expenses of the Trustee and its counsel and fees and expenses of counsel to the Authority and Bond Counsel, shall be paid by the Authority from the proceeds of the Bonds or other revenues of the Authority. The Authority shall be solely responsible for and shall pay for any expenses incurred by the Underwriters on behalf of the Authority's employees and representatives which are incidental to implementing this Purchase Agreement, including, but not limited to, reasonable costs for meals, transportation and lodging of employees and representatives. The Underwriters shall pay, from the expense component of the Underwriters' discount, where applicable, only the cost of all advertising expenses in connection with the public offering of the Bonds and all other expenses incurred by it in connection with the public offering and distribution of the Bonds, including the fees of DTC and fees relating to obtaining a CUSIP number assignment for the Bonds; the fees and disbursements of counsel to the Underwriters, including such fees and disbursements incident to the qualification of the Bonds for sale under the "blue sky" securities law of various jurisdictions and the preparation of any "blue sky" survey; and expenses incurred by the Underwriters that are incidental to the implementing of this Purchase Agreement, including without limitation, meals, transportation and lodging. The Authority shall be under no obligation to pay any expenses incident to the performance by the Underwriters of their obligations hereunder except as set forth herein. The Authority acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds. The Authority and Underwriters acknowledge that expenses included in the expense component of the Underwriter's discount are based upon estimates. The Authority and Underwriters agree that in the event the aggregate estimated expenses exceed the aggregate actual expenses incurred by the Underwriters in an amount equal to or greater than \$1,000 (the "Reimbursement Threshold"), the Underwriters shall reimburse to the Authority the aggregate amount of expenses equal to or greater than the Reimbursement Threshold. For the avoidance of doubt, the Authority acknowledges and agrees that in the event the aggregate estimated expenses exceed the aggregate actual expenses incurred by the Underwriters in an amount less than the Reimbursement Threshold, no reimbursement will be made by the Underwriters. The Authority acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.



**12. Use of Documents.** The Authority hereby authorizes the Underwriters to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Resolution, and the information contained herein and therein.

**13. Qualification of Securities.** The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and to provide for the continuance of such qualification; *provided, however*, that the Authority will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

**14. Notices.** Any notice or other communication to be given to the Authority under this Purchase Agreement may be given by delivering the same in writing to Washington Metropolitan Area Transit Authority, 300 Seventh Street S.W. Washington, DC 20024, Attention: Yetunde Olumide, Executive Vice President and Chief Financial Officer, and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to Barclays Capital Inc., 2099 Pennsylvania Ave NW, 4th Floor, Washington, D.C. 20006, Attention: David Ardayfio.

**15. Benefit.** This Purchase Agreement is made solely for the benefit of the Authority and the Underwriters (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Authority contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 9 (and in all events the agreements of the Authority pursuant to Sections 10 and 11 hereof shall remain in full force and effect notwithstanding the termination of this Purchase Agreement under Section 9 hereof).

**16. Governing Law.** The rights and obligations of the parties to this Purchase Agreement shall be governed by, construed and enforced in accordance with the laws of the District of Columbia and in courts located within the District of Columbia. This Purchase Agreement may not be assigned by the Authority or the Underwriters.

**17. Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

**18. Entire Agreement.** This Purchase Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, other than those set forth herein.

[Signature page to follow]

Very truly yours,

BARCLAYS CAPITAL INC.  
SIEBERT WILLIAMS SHANK & CO. LLC  
CABRERA CAPITAL MARKETS, LLC  
LOOP CAPITAL MARKETS, LLC  
SAMUEL RAMIREZ & CO., INC.  
TRUIST SECURITIES, INC.

**BARCLAYS CAPITAL INC.,**  
as Representative of the Underwriters

By:\_\_\_\_\_

Name: David Ardayfio  
Title: Managing Director

Signature Page  
WMATA 2025A Bonds  
Bond Purchase Agreement

Approved and Agreed on July \_\_\_\_, 2025

**WASHINGTON METROPOLITAN AREA  
TRANSIT AUTHORITY**

By: \_\_\_\_\_  
Robert M. Haas  
Vice President and Treasurer

Signature Page  
WMATA 2025A Bonds  
Bond Purchase Agreement

## **SCHEDULE I**

### **Maturity Date, Principal Amounts, Interest Rates, Yields and Prices**

\_\_\_\_\_  
\* Priced to the optional call date of \_\_\_\_\_.

## **SCHEDULE I**

(continued)

### **Redemption Provisions**

#### **Optional Redemption**

The Bonds maturing on or after July 15, 20\_\_, shall be subject to redemption prior to maturity, in whole or in part in any authorized denomination, on any date on or after July 15, 20\_\_, at the option of the Authority, at the redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest up to but not including the redemption date.

#### **Mandatory Sinking Fund Redemption**

The Bonds maturing on July 15, \_\_ and bearing interest at a rate of \_\_\_\_\_%, shall be subject to mandatory sinking fund redemption at par plus accrued interest up to but not including the redemption date, without premium, in the years and amounts as follows:

\$[\_\_\_\_\_] **Term Bonds**  
**Due July 15, 20\_\_**  
\_\_\_\_\_ %

<b>Year</b>	<b>Amount</b>
<b>(July 15)</b>	
_____	_____

\_\_\_\_\_  
\* Final Maturity

**SCHEDULE I**

(continued)

**Maturities of Bonds that Fail the 10% Test**  
**and to which the Hold-the-Offering-Price Rule Applies**

None

[End of Schedule I]

## **EXHIBIT A**

### **FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL**

[\_\_\_\_\_] \_\_, 2025

Barclays Capital Inc.,  
as representative of the Underwriters  
2099 Pennsylvania Ave NW  
4th Floor  
Washington, D.C. 20006

**[\$653,500,000]  
Washington Metropolitan Area Transit Authority  
Second Lien Dedicated Revenue Bonds,  
Series 2025A**

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Washington Metropolitan Area Transit Authority (the “Authority”) of its \$[653,500,000] Second Lien Dedicated Revenue Bonds, Series 2025A (the “Series 2025A Second Lien Bonds”), dated [July 22, 2025], and the sale of the Series 2025A Second Lien Bonds pursuant to the Bond Purchase Agreement, dated [July 10, 2025] (the “Bond Purchase Agreement”), by and between Barclays Capital Inc., as representative of the Underwriters, and the Authority. The Series 2025A Second Lien Bonds are being issued under the authority of the Washington Metropolitan Area Transit Authority Compact by and among the State of Maryland, the Commonwealth of Virginia, and the District of Columbia and the Second Lien Dedicated Capital Funding Bond Resolution adopted by the Authority's Board of Directors (the “Board”) on July 27, 2023, as supplemented and amended to the date hereof, and in particular as supplemented in connection with the issuance of the Series 2025A Second Lien Bonds by the 2025A Supplemental Second Lien Bond Resolution adopted by the Authority on [June 26, 2025] (collectively, the “Resolution”). Capitalized terms not defined herein have the meanings set forth in the Bond Purchase Agreement.

In rendering the following opinion, we have examined a copy of the Resolution, the Preliminary Official Statement of the Authority dated [June 26, 2025] with respect to the Series 2025A Second Lien Bonds (the “Preliminary Official Statement”), the Official Statement of the Authority dated [July 10, 2025] with respect to the Series 2025A Second Lien Bonds (the “Official Statement”), a certified transcript of the record of proceedings of the Board taken preliminary to and in authorization of the Series 2025A Second Lien Bonds and such other documents, proceedings and matters of law as we deem necessary to form an appropriate basis for us to render this opinion letter. As to questions of fact, we have relied upon the representations of the Board and other parties contained in the Resolution and in the certified proceedings and have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and

completeness of all documents submitted to us, the authenticity of all original documents and the conformity to authentic original documents of all documents submitted to us as copies (including telecopies), without undertaking to verify the same by independent investigation.

Based upon, subject to, and as limited by the foregoing, it is our opinion that, as of the date hereof and under existing law, the Series 2025A Second Lien Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended.

The opinion expressed in the preceding paragraph is based on our opinion of even date herewith (subject to the qualifications contained therein) relating to the Series 2025A Second Lien Bonds.

\* \* \* \* \*

In our capacity as bond counsel to the Board, we have not been engaged nor have we undertaken to review or verify the accuracy, completeness or sufficiency of the Preliminary Official Statement, the Official Statement or other offering material relating to the Series 2025A Second Lien Bonds, except that in our capacity as bond counsel we have reviewed the information contained in the Preliminary Official Statement and the Official Statement under the captions “THE SERIES 2025A SECOND LIEN BONDS” (other than the information set forth under the captions “Book-Entry-Only Bonds”), “SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS” and “APPENDIX A – Form of Master Resolution,” solely to determine whether such information and summaries conform to the Series 2025A Second Lien Bonds and the Resolution. The summary descriptions in the Preliminary Official Statement under such captions, as of the date of the Preliminary Official Statement and as of the date Bond Purchase Agreement and the summary descriptions in the Official Statement under such captions, as of the date of the Official Statement and as of the date hereof, insofar as such descriptions purport to describe or summarize certain provisions of the Series 2025A Second Lien Bonds and the Resolution, are accurate summaries of such provisions in all material respects (meaning that the material terms of such provisions are accurately described). In addition, the statements in the Preliminary Official Statement and the Official Statement under the caption “TAX MATTERS” purporting to describe or summarize our opinions concerning certain federal tax matters relating to the Series 2025A Second Lien Bonds have been reviewed by us and are accurate summaries of such opinions in all material respects (meaning that the material terms of such opinions are accurately described).

This letter is furnished by us as Bond Counsel with respect to the Series 2025A Second Lien Bonds. No attorney-client relationship has existed or exists between our firm and yourselves in connection with the Series 2025A Second Lien Bonds or by virtue of this letter.

We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this letter. This letter is furnished to you by us, as bond counsel to the Board, solely for your use in connection with the issuance of the Series 2025A Second Lien Bonds on the date hereof and may not be relied upon by any other persons. This letter should not be quoted in whole or in part



or otherwise referred to, nor be filed with or furnished to any governmental agency or other person or entity, without the prior written consent of this firm.

We also consent to the inclusion of the form of Bond Counsel Opinion attached as Appendix B to the Official Statement.

Very truly yours,

## **EXHIBIT B**

### **FORM OF AUTHORITY'S GENERAL COUNSEL OPINION**

[\_\_\_\_\_] \_\_, 2025

Washington Metropolitan Area Transit Authority  
300 Seventh Street, S.W.  
Washington, DC 20024

Hogan Lovells US LLP  
555 Thirteenth Street, NW  
Washington, DC 20004

Barclays Capital Inc.,  
as representative of the Underwriters  
2099 Pennsylvania Ave NW  
4th Floor  
Washington, D.C. 20006

The Bank of New York Mellon  
500 Ross Street, 12<sup>th</sup> Floor  
Pittsburgh, PA 15262

**[\$653,500,000]**

**Washington Metropolitan Area Transit Authority  
Second Lien Dedicated Revenue Bonds,  
Series 2025A**

Ladies and Gentlemen:

This opinion is rendered in connection with the issuance, sale and delivery by the Washington Metropolitan Area Transit Authority (the "Authority") of its \$[653,500,000] Second Lien Dedicated Revenue Bonds, Series 2025A (the "Bonds"). Capitalized terms used in this opinion and not otherwise defined in this opinion shall have the meanings assigned to those terms in the Resolution, as defined below.

I have examined such statutes, including, but not limited to, the Compact (Pub. L. No. 89-774), as amended; the National Capital Transportation Act of 1960 (Pub. L. No. 86-669, now repealed, and collectively referred to with the National Capital Transportation Acts of 1965 (Pub. L. No. 89-173), 1967 (Pub. L. No. 90-220), 1969 (Pub. L. No. 91-143), 1972 (Pub. L. No. 92-349), and the National Capital Transportation Amendments Acts of 1979 (Pub. L. No. 96-184) and 1990 (Pub. L. No. 101-551), all as amended, as the Capital Transportation Act); court decisions and legal proceedings and such certified proceedings of the Authority; certifications of officials of the Authority and such other documents, records, certificates, letters, instruments and papers as I deemed necessary to render this opinion. In addition, I have examined originals of the following documents as executed:

1. The Bonds.
2. The Second Lien Dedicated Capital Funding Bond Resolution, adopted by the Authority on July 27, 2023 (the "Second Lien Bond Resolution"), and the 2025A Supplemental Second Lien Bond Resolution, adopted by the Authority on [June 26, 2025] (the "Supplemental Resolution," and together with the Second Lien Bond Resolution, the "Resolution"), in connection with this transaction.

3. A Preliminary Official Statement dated [June 26, 2025] (the “Preliminary Official Statement”), and a final Official Statement dated [July 10, 2025] (the “Official Statement”), relating to the Bonds.

4. The Bond Purchase Agreement dated [July 10, 2025] (the “Purchase Agreement”), among the Authority and the Underwriters, relating to the Bonds.

5. The Continuing Disclosure Agreement by the Authority dated as of [July 22, 2025] (the “Continuing Disclosure Agreement”).

6. The Certificate of Determination by the Authority dated as of [July 22, 2025] (the “Certificate of Determination”).

7. Those other documents, records, certificates, letters and instruments as I deemed relevant and necessary in order to render the opinions set forth below, including separate certificates regarding the Official Statement executed by (i) Randy Clarke, General Manager and Chief Executive Officer of the Authority and (ii) Yetunde Olumide, Executive Vice President and Chief Financial Officer of the Authority.

Based on the foregoing, I am of the opinion, as of this date, and under existing law, that:

1. The Authority is a duly organized and validly existing interstate compact agency and instrumentality of the District of Columbia (the “District”), the State of Maryland (the “State”), and the Commonwealth of Virginia (the “Commonwealth”), created with the consent of the United States Congress in Public Law 89-774, as amended.

2. The Authority has the power, authority and legal right under the Compact and the laws applicable to the Authority to (i) adopt the Resolution, (ii) execute, issue, sell and deliver the Bonds in order to finance the costs related to the financing described in the Purchase Agreement, (iii) enter into the transactions to be effected by the Resolution, the Certificate of Determination, the Purchase Agreement and the Continuing Disclosure Agreement (collectively, the “Authority Documents”) and the Bonds, (iv) secure the Bonds as provided in the Resolution, (v) appoint The Bank of New York Mellon as Second Lien Trustee, Paying Agent and Second Lien Registrar under the Resolution and the Certificate of Determination, and (vi) enter into, execute and deliver, incur the obligations provided for it in, and perform and observe the terms and provisions of the obligations imposed on it by, and covenants given by it in, the Authority Documents.

3. Pursuant to the Compact, on July 27, 2023, the Board of Directors for the Authority (the “Board”) duly adopted the Second Lien Bond Resolution and on [June 26, 2025], the Board duly adopted the Supplemental Resolution, each in accordance with all applicable legal requirements, conditions and proceedings. The Second Lien Bond Resolution and the Supplemental Resolution are in full force and effect and have not been amended or supplemented since [June 26, 2025].

4. The Bonds have been duly authorized, executed and delivered by the Authority, constitute legal, valid and binding special and limited obligations of the Authority, enforceable upon the Authority in accordance with their terms, and are secured by and entitled to the benefits of the Resolution.

5. The Authority Documents have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by other parties thereto, constitute legal, valid and binding obligations of the Authority, enforceable upon the Authority in accordance with their terms.

6. The rights of the Bondholders and the enforceability of the Bonds, the Resolution and the other Authority Documents may be subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights, in effect on or after the date of this opinion, to the extent constitutionally applicable, and (ii) the exercise of judicial discretion.

7. To the best of my knowledge, after due investigation, the Authority has not committed or failed to perform any act which, if committed or not performed, as the case may be, adversely affects (i) its organization, existence or boundaries or (ii) its power, authority or right to (a) issue or sell the Bonds, (b) enter into the transactions to be effected by the Authority Documents, (c) enter into, execute and deliver the Authority Documents, (d) incur and perform its obligations under the Bonds and the Authority Documents, or (e) provide security for the Bonds in accordance with the terms of the Resolution.

8. All actions on the part of the Authority legally required (i) for the (a) adoption of the Resolution, (b) issuance, execution and sale of, and performance of the Authority's obligations under the Bonds, (c) execution and delivery of, and performance of the Authority's obligations under, the Authority Documents, and (d) distribution and use of the Preliminary Official Statement and the Official Statement, and (ii) to implement the Resolution and to carry out the transactions required to be carried out by the Authority as provided in the Authority Documents have been duly, properly and effectively taken or obtained, whether required by the Compact, the Resolution or otherwise, and all such actions comply fully with all laws, acts, rules and regulations applicable to the Authority. All actions and proceedings authorizing the issuance and sale of the Bonds, approving the Authority Documents and authorizing the execution and delivery of the Authority Documents on behalf of the Authority are in full force and effect and have not been amended, modified, revoked, repealed, rescinded or superseded. No further approval, authorization, consent, order, filing or registration with, or withholding of objection on the part of, any governmental department or agency or regulatory body, federal or District or the electorate, is legally required in connection with (w) the authorization, execution, issuance and sale of, performance by the Authority of its obligations under, or compliance by the Authority with the terms and conditions of, the Bonds, (x) the authorization, execution and delivery of, performance by the Authority of its obligations under, or compliance by the Authority with the terms and conditions of, the Authority Documents, (y) carrying out the transactions contemplated in the Resolution and the other Authority Documents in the manner and under the terms and conditions provided in the Authority Documents, or (z) the distribution and use of the Preliminary Official Statement and the Official Statement.

9. No litigation, at law or in equity, action, suit, inquiry, hearing, investigation, controversy or proceeding of any kind or nature is pending before or by any judicial or administrative court, public board, tribunal, agency or body or, to the best of my knowledge (after due investigation, including conversations with the senior executives and the financial management team of the Authority), threatened against or affecting the Authority which (i) in any

way or in any manner questions, contests or challenges (a) the enactment, validity or enforceability of the Compact, (b) the creation, organization, existence or boundaries of the Authority, (c) the adoption, validity or enforceability of the Resolution, (d) the authority or ability of the Authority to issue debt, (e) the validity of indebtedness incurred pursuant to the Compact, (f) any authority or proceeding related to the authorization, execution, issuance, sale and delivery of any of the Authority Documents to which the Authority is a party, (g) the Authority's power, authority or right to (A) execute, issue, sell and deliver the Bonds in book-entry form or (B) execute and deliver, and perform and observe its obligations under, the Authority Documents, (h) the validity or enforceability of the Bonds or any of the other Authority Documents, (i) the transactions of the Authority under the Authority Documents or (j) the entitlement of any of the officials of the Authority to their respective offices, (ii) seeks to restrain or enjoin the execution, issuance, sale or delivery of, or payment for, the Bonds in book-entry form or any other bonds of the Authority, the execution or delivery of the Bonds, the execution or delivery of any of the Authority Documents or the performance by the Authority of its obligations under the Authority Documents or (iii) may adversely affect the transactions described in the Authority Documents. No authority or proceedings encompassed by the foregoing has been repealed, revoked, rescinded, amended or superseded, and all are in full force and effect.

10. Neither the adoption of the Resolution nor the execution, issuance, sale and delivery of the Bonds nor the Authority's execution and delivery of the Authority Documents nor the performance by the Authority of its obligations under the Authority Documents nor the distribution or use of the Official Statement (i) contravenes any applicable District, State or Commonwealth or federal law, regulation, resolution or any constitutional or statutory provision, including, but not limited to, the Compact, (ii) violates any order, rule, injunction, determination, award, judgment, decree or writ of any court to which the Authority is bound, or (iii) conflicts with or constitutes a breach of, is a default under, or results in a violation of, any note, mortgage, deed of trust or other evidence of indebtedness, or any agreement, contract, indenture, document or other instrument, to which the Authority is a party or by which it is bound or to which its property is subject.

11. Based upon my participation in the preparation of the Preliminary Official Statement and the Official Statement as Executive Vice President, Chief Legal Officer & General Counsel for the Authority, and after due investigation, which included my review and approval of the certificates regarding the Official Statement executed by Mr. Clarke and Ms. Olumide (except for any information and discussions contained in the statements related to DTC, Cede & Co., the operation of the book-entry system, and Appendix B and Appendix C, and the other financial and statistical data included therein, as to all of which I express no opinion), as of the date hereof nothing has come to my attention which causes me to believe that the Preliminary Official Statement as of its date, and the final Official Statement as of its date and as of the date hereof contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Yours truly,

Patricia Y. Lee

Executive Vice President, Chief Legal Officer & General Counsel

**EXHIBIT C**  
**FORM OF OPINION OF UNDERWRITERS' COUNSEL**

[\_\_\_\_\_] \_\_, 2025

Barclays Capital Inc.,  
as representative of the Underwriters  
2099 Pennsylvania Ave NW  
4th Floor  
Washington, D.C. 20006

\$[653,500,000]  
Washington Metropolitan Area Transit Authority  
Second Lien Dedicated Revenue Bonds,  
Series 2025A

Ladies and Gentlemen:

We have acted as counsel for you as the representative (the "Representative") acting on behalf of yourself and the other underwriters named in the hereinafter defined Bond Purchase Agreement (the "Underwriters"), in connection with the purchase by the Underwriters from the Washington Metropolitan Area Transit Authority (the "Authority") of the Washington Metropolitan Area Transit Authority Second Lien Dedicated Revenue Bonds, Series 2025A, in the aggregate principal amount of \$[653,500,000] (the "Bonds"), pursuant to the Bond Purchase Agreement, dated [July 10, 2025] (the "Bond Purchase Agreement"), between the Underwriters and the Authority. The Bonds are being issued pursuant to (i) the Second Lien Dedicated Capital Funding Bond Resolution, adopted by the Authority's Board of Directors on July 27, 2023, and (ii) the 2025A Supplemental Second Lien Bond Resolution adopted by the Authority's Board of Directors on [June 26, 2025] (collectively, the "Resolution"). The proceeds of the Series 2025A Second Lien Bonds will be used to (a) finance Capital Costs (as defined in the Resolution) and (b) pay certain costs of issuing the Series 2025A Second Lien Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Purchase Agreement.

In that connection, we have reviewed the Resolution, the posted Preliminary Official Statement of the Authority, dated [June 26, 2025], with respect to the Bonds (the "Preliminary Official Statement"), the posted Official Statement of the Authority, dated [July 10, 2025], with respect to the Bonds (the "Official Statement"), the Continuing Disclosure Agreement, dated [July 22, 2025], with respect to the Bonds (the "Continuing Disclosure Agreement"), the Bond Purchase Agreement, certificates of the Authority, the Borrower, the Trustee, and others, the opinions referred to in Section 8(a)(vii) of the Bond Purchase Agreement and such records and documents, and we have made such investigations of law, as we have deemed necessary to render the opinions and conclusions set forth herein.

In arriving at the opinions and conclusions expressed herein, we are not expressing any opinion or view on, and with your permission are assuming and relying on, without independent assessment

or inquiry, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above, including the accuracy of all factual matters represented and legal conclusions contained therein, including (without limitation) all representations and legal conclusions regarding the valid existence of the Authority, the due authorization, issuance, delivery, validity and enforceability of the Bonds and the exclusion of interest thereon from gross income for federal income tax purposes, and the legality, validity and enforceability of the Resolution, the Continuing Disclosure Agreement and any laws, documents and instruments that may be related to the authorization, issuance or payment of security for the Bonds. We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine. Our opinions and conclusions are limited to matters of federal securities laws, and we assume no responsibility with respect to the applicability or effect of any other laws.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions and conclusions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as your counsel, to assist you in part of your responsibility with respect to the Preliminary Official Statement and the Official Statement, we participated in conferences with your representatives and representatives of the Authority, Hogan Lovells US LLP, as bond counsel and as disclosure counsel to the Authority, Frasca & Associates, LLC, as-municipal advisor to the Authority, and others, during which the contents of the Preliminary Official Statement or the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences (which, with respect to the Preliminary Official Statement, did not extend beyond the date of the Bond Purchase Agreement, and with respect to the Official Statement did not extend beyond its date), and in reliance thereon, on oral and written statements and representations of the Authority and others and on the records, documents, certificates, opinions and matters herein mentioned, we advise you as a matter of fact and not opinion that, during the course of our representation of you on this matter, (a) no facts had come to the attention of the attorneys in our firm rendering legal services to you in connection with the Preliminary Official Statement which caused us to believe as of the date of the Preliminary Official Statement and as of the date of the Bond Purchase Agreement, based on the documents, drafts and facts in existence and reviewed as of those dates, that the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission Rule 15c2-12 or otherwise left blank and any other differences with the information in the Official Statement), and (b) no facts had come to the attention of the attorneys in our firm rendering legal service to you in connection with the Official Statement which caused us to believe that the Official Statement as of its date, and as of the date hereof, contained or contains any untrue



statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, we expressly exclude from the scope of this paragraph and express no view or conclusion, with respect to both the Preliminary Official Statement and the Official Statement, about any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about verification, feasibility, valuation, appraisals, absorption, real estate or environmental matters, relationship among the parties, litigation, any management discussion and analysis, appendices, or any information about book-entry, DTC, Cede & Co., ratings, rating agencies, tax exemption, municipal advisors, underwriters, underwriting, or referred to therein or omitted therefrom. No responsibility is undertaken or conclusion expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Official Statement or the Official Statement.

3. The Continuing Disclosure Agreement satisfies the requirements contained in S.E.C. Rule 15c2-12(b)(5) (the “Rule”) for an undertaking by the Authority for the benefit of the holders of the Bonds as required by the Rule; provided that, for purposes of this opinion, we are not expressing any view regarding the content of the Official Statement that is not expressly stated in numbered paragraph 2 of this letter.

We are furnishing this letter to you pursuant to Section 8(a)(vii)(3) of the Bond Purchase Agreement solely for your benefit as representative of the Underwriters in connection with the original delivery of the Bonds on the date hereof. We disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

## **EXHIBIT D-I**

### **FORM OF OPINION OF DISCLOSURE COUNSEL TO REPRESENTATIVE**

[\_\_\_\_\_] \_\_, 2025

Barclays Capital Inc.,  
as representative of the Underwriters  
2099 Pennsylvania Ave NW  
4th Floor  
Washington, D.C. 20006

**[\$653,500,000]  
Washington Metropolitan Area Transit Authority  
Second Lien Dedicated Revenue Bonds,  
Series 2025A**

Ladies and Gentlemen:

We have acted as disclosure counsel to the Washington Metropolitan Area Transit Authority (the "Authority") of its \$[653,500,000] Second Lien Dedicated Revenue Bonds, Series 2025A (the "Bonds"), dated [July 22, 2025], and the sale of the Bonds pursuant to the Bond Purchase Agreement, dated [July 10, 2025] (the "Bond Purchase Agreement"), by and between Barclays Capital Inc., as representative of the Underwriters, and the Authority. The Bonds are being issued under the authority of the Washington Metropolitan Area Transit Authority Compact by and among the State of Maryland, the Commonwealth of Virginia, and the District of Columbia and the Second Lien Dedicated Capital Funding Bond Resolution adopted by the Authority's Board of Directors on July 27, 2023, as supplemented and amended to the date hereof, and in particular as supplemented in connection with the issuance of the Bonds by the 2025A Supplemental Second Lien Bond Resolution adopted by the Authority on [June 26, 2025] (collectively, the "Resolution"). This letter is furnished to you pursuant to the Bond Purchase Agreement. All capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Bond Purchase Agreement.

You have acted as the Underwriters in connection with the issuance of the Bonds. We have not represented the Underwriters in connection with the offer and sale of the Bonds (including, without limitation, the Bond Purchase Agreement or the qualification of the Bonds for sale in any jurisdiction). We have not undertaken, nor do we assume any obligations or responsibilities of the Underwriters as they relate to the preparation or review of the Official Statement.

c/o Barclays Capital Inc.,  
as representative of the Underwriters

For purposes of the opinions expressed in this letter, which are set forth in paragraphs (a) and (b) below (the “Opinions”), we have examined the following:

1. An executed copy of the Bond Purchase Agreement.
2. A copy of the Preliminary Official Statement dated [June 26, 2025], relating to the Bonds (the “Preliminary Official Statement”).
3. A copy of the final Official Statement dated [July 10, 2025], relating to the Bonds (the “Official Statement”).
4. Executed copies of the Resolution.
5. Certificates dated the date hereof of certain officers of the Authority as to the representations and warranties of the Authority set forth in the Bond Purchase Agreement and other matters relating to the Bonds.

The scope of our engagement has been limited as described in this letter and has not included any independent review or investigation of factual or other matters, including the organization, existence, good standing, assets, business or affairs of the Authority. In fact, we have relied on representations contained in certificates of certain officers of the Authority as to these and other matters within the knowledge of the Authority and have assumed the accuracy, completeness, and authenticity of such certificates, which we have not independently verified. Similarly, to the extent that we have examined records, documents, agreements, and certificates related to the Bonds or the transactions contemplated by the Preliminary Official Statement and the Official Statement, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all documents submitted to us, the authenticity of all original documents and the conformity to authentic original documents of all documents submitted to us as copies (including telecopies). We have also reviewed and are relying upon the delivery of opinion letters dated of even date herewith of Hogan Lovells US LLP, Bond Counsel, and Patricia Y. Lee, Executive Vice President, Chief Legal Officer & General Counsel to the Authority. The Opinions are based as to matters of law solely on the federal securities laws, and we express no opinion as to any other laws, statutes, ordinances, rules or regulations (including without limitation any federal or state tax laws or regulations or state securities or “blue sky” laws or regulations). This letter is given, and all statements herein are made, in the context of the foregoing.

Based upon, subject to and limited by the foregoing, it is our opinion, as of the date hereof and under existing law, that:

- (a) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended.

c/o Barclays Capital Inc.,  
as representative of the Underwriters

(b) The Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended.

\* \* \* \* \*

During the course of the preparation of the Preliminary Official Statement and the Official Statement, we participated in conferences with representatives of and counsel to the Authority, with Frasca & Associates, LLC, as municipal advisor to the Authority, with Bond Counsel and with representatives of and counsel to the Underwriters. Our procedures followed in assisting with the preparation of the Preliminary Official Statement and the Official Statement and our review thereof did not constitute an independent investigation of information furnished to us by the Authority or by others in connection with the preparation of the Preliminary Official Statement and the Official Statement or an independent evaluation of the materiality to the Authority, the Authority's business, or the offering of any information whether or not described in the Preliminary Official Statement and the Official Statement. The limitations inherent in the role of outside counsel are such that we cannot and do not assume responsibility for or pass on the accuracy, completeness, or fairness of statements made in the Preliminary Official Statement and the Official Statement, but on the basis of the conferences we attended and our review of the documents furnished to us listed above, we may state that no facts have come to the attention of the attorneys in our firm working on this matter which cause us to believe that the information included in the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, or in the Official Statement as of its date and the date hereof (other than the information listed below as to which we express no view) contained or contains an untrue statement of a material fact, or omitted or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. We express no view as to the information set forth in the Preliminary Official Statement and the Official Statement under the captions "LITIGATION" or "UNDERWRITING," in Appendix C, and other demographic, economic, financial and statistical information and data and any forecasts, estimates, projections, pro forma data, assumptions and expressions of opinion, any relationship among the parties, and other information and data concerning the Depository Trust Company included or incorporated by reference in the Preliminary Official Statement or the Official Statement or omitted therefrom.

\* \* \* \* \*

We call your attention to the fact that our responsibility to and representation of the Authority as disclosure counsel has been limited to those specific matters as to which our attention was required for the purpose of furnishing our letter to the Authority and this letter to you. We express no opinion or view herein as to the qualification of the Bonds for sale in any jurisdiction or any matters other than those specifically addressed in the letter. We also make no representation as to the adequacy of this letter for your purposes.

c/o Barclays Capital Inc.,  
as representative of the Underwriters

We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this letter. There should be no implication, by virtue of this letter, that we have advised you or anyone other than the Authority as to the disclosures contained in the Preliminary Official Statement and the Official Statement relating to the Bonds. This letter has been prepared solely for your use in connection with your purchase of the Bonds under the Bond Purchase Agreement and may not be relied upon by you or any other party in connection with any future resale or transfer of the Bonds or quoted in whole or in part or otherwise be referred to, nor be filed with or furnished to or relied upon by any governmental agency or other person or entity, without the prior written consent of this firm.

Very truly yours,

## **EXHIBIT D-2**

### **FORM OF OPINION OF DISCLOSURE COUNSEL TO AUTHORITY**

[\_\_\_\_\_] \_\_, 2025

Washington Metropolitan Area Transit Authority  
300 Seventh Street, S.W.  
Washington, DC 20024

**[\$653,500,000]  
Washington Metropolitan Area Transit Authority  
Second Lien Dedicated Revenue Bonds,  
Series 2025A**

Ladies and Gentlemen:

We have acted as disclosure counsel to the Washington Metropolitan Area Transit Authority (the "Authority") of its \$[653,500,000] Second Lien Dedicated Revenue Bonds, Series 2025A (the "Bonds"), dated [July 22, 2025], and the sale of the Series 2025A Second Lien Bonds pursuant to the Bond Purchase Agreement, dated [July 10, 2025] (the "Bond Purchase Agreement"), by and between Barclays Capital Inc., as representative of the Underwriters, and the Authority. The Bonds are being issued under the authority of the Washington Metropolitan Area Transit Authority Compact by and among the State of Maryland, the Commonwealth of Virginia, and the District of Columbia and the Second Lien Dedicated Capital Funding Bond Resolution adopted by the Authority's Board of Directors on July 27, 2023, as supplemented and amended to the date hereof, and in particular as supplemented in connection with the issuance of the Bonds by the 2025A Supplemental Second Lien Bond Resolution adopted by the Authority on [June 26, 2025] (collectively, the "Resolution"). All capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Bond Purchase Agreement.

For purposes of the opinions expressed in this letter, which are set forth in paragraphs (a) and (b) below (the "Opinions"), we have examined the following:

1. An executed copy of the Bond Purchase Agreement.
2. A copy of the Preliminary Official Statement dated [June 26, 2025], relating to the Bonds (the "Preliminary Official Statement").
3. A copy of the final Official Statement dated [July 10, 2025], relating to the Bonds (the "Official Statement").

4. Executed copies of the Resolution.

5. Certificates dated the date hereof of certain officers of the Authority as to the representations and warranties of the Authority set forth in the Bond Purchase Agreement and other matters relating to the Bonds.

The scope of our engagement has been limited as described in this letter and has not included any independent review or investigation of factual or other matters, including the organization, existence, good standing, assets, business or affairs of the Authority. In fact, we have relied on representations contained in the certificates of certain officers of the Authority as to these and other matters within the knowledge of the Authority and have assumed the accuracy, completeness and authenticity of such certificates, which we have not independently verified. Similarly, to the extent that we have examined records, documents, agreements and certifications related to the Bonds or the transactions contemplated by the Preliminary Official Statement and the Official Statement, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all documents submitted to us, the authenticity of all original documents and the conformity to authentic original documents of all documents submitted to us as copies (including telecopies). We have also reviewed and are relying upon the delivery of opinion letters dated of even date herewith of Hogan Lovells US LLP, Bond Counsel, and the Executive Vice President, Chief Legal Officer & General Counsel to the Authority. The Opinions are based as to matters of law solely on the federal securities laws, and we express no opinion as to any other laws, statutes, ordinances, rules or regulations (including without limitation any federal or state tax laws or regulations or state securities or “blue sky” laws or regulations). This letter is given, and all statements herein are made, in the context of the foregoing.

Based upon, subject to and limited by the foregoing, it is our opinion, as of the date hereof and under existing law, that:

(a) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended.

(b) The Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended.

\* \* \* \* \*

We have advised the Authority in connection with the preparation of the Official Statement that, as an “issuer” of the Bonds, as defined by Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Authority is responsible for the disclosures contained in the Preliminary Official Statement and the Official Statement and in particular for making determinations concerning the materiality of various matters. In our capacity as disclosure counsel to the Authority, we rendered advice to the Authority on the applicable legal standards to be used in making those determinations concerning materiality

in the context of this bond issuance. During the course of the preparation of the Preliminary Official Statement and the Official Statement, we participated in conferences with representatives of and counsel to the Authority, with the Municipal Advisor to the Authority, with Bond Counsel and with representatives of and counsel to the Underwriters. Our procedures followed in assisting with the preparation of the Preliminary Official Statement and the Official Statement and our review thereof did not constitute an independent investigation of information furnished to us by the Authority or by others in connection with the preparation of the Preliminary Official Statement and the Official Statement or an independent evaluation of the materiality to the Authority, the Authority's business, or the offering of any information whether or not described in the Preliminary Official Statement and the Official Statement. The limitations inherent in the role of outside counsel are such that we cannot and do not assume responsibility for or pass on the accuracy, completeness and fairness of statements made in the Preliminary Official Statement and the Official Statement, but on the basis of the conferences we attended and our review of the documents furnished to us listed above, we may state that no facts have come to the attention of the attorneys in our firm working on this matter which cause us to believe that the information included in the Preliminary Official Statement as of its date and as of the date of the Bond Purchase Agreement, or in the Official Statement as of its date and the date hereof, (other than the information listed below as to which we express no view) contained or contains an untrue statement of a material fact, or omitted or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. We express no view as to the information set forth in the Preliminary Official Statement and the Official Statement under the captions "LITIGATION" or "UNDERWRITING," in Appendix C, and other demographic, economic, financial and statistical information and data and any forecasts, estimates, projections, pro forma data, assumptions and expressions of opinion and any relationship among the parties, and other information and data concerning the Depository Trust Company, included or incorporated by reference in the Preliminary Official Statement or the Official Statement or omitted therefrom.

\* \* \* \* \*

We call your attention to the fact that, as disclosure counsel to the Authority, our responsibility to and representation of the Authority is limited to those specific matters as to which our attention was required for the purpose of providing the advice described above. We express no opinion or view herein as to qualification of the Bonds for sale in any jurisdictions or any matters other than those specifically addressed herein.

We assume no obligation to advise the Authority of any changes in the foregoing subsequent to the delivery of this letter. This letter has been prepared solely for the Authority's use in connection with its initial offering and sale of the Bonds under the Bond Purchase Agreement, and may not be relied upon by you or any other party in connection with any future resale or transfer of the Bonds or quoted in whole or in part or otherwise be referred to, nor be filed with or furnished to



Washington Metropolitan Area  
Transit Authority

or relied upon any governmental agency or other person or entity, without the prior written consent of this firm.

Very truly yours,

## **EXHIBIT E**

### **CERTIFICATE OF THE UNDERWRITER**

#### **Form of Issue Price Certificate**

**[\$653,500,000]**

**Washington Metropolitan Area Transit Authority  
Second Lien Dedicated Revenue Bonds,  
Series 2025A**

The undersigned, Barclays Capital Inc., as representative of the underwriters (the "Representative"), on behalf of itself and Siebert Williams Shank & Co. LLC, Cabrera Capital Markets, LLC, Loop Capital Markets, LLC, Samuel Ramirez & Co., Inc., and Truist Securities, Inc. (together, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "Bonds").

The Representative and the Washington Metropolitan Area Transit Authority (the "Issuer"), have executed a Bond Purchase Agreement (the "Bond Purchase Agreement") in connection with the Bonds on the Sale Date. The Representative has not modified the Bond Purchase Agreement since its execution on the Sale Date.

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) ***Issuer*** means the Washington Metropolitan Area Transit Authority.

(b) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) ***Sale Date*** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds [July 10, 2025].

(e) ***Underwriter*** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations of the Issuer set forth in the Issuer's Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Hogan Lovells US LLP, bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group

BARCLAYS CAPITAL INC.  
SIEBERT WILLIAMS SHANK & CO. LLC  
CABRERA CAPITAL MARKETS, LLC  
LOOP CAPITAL MARKETS, LLC  
SAMUEL RAMIREZ & CO., INC.  
TRUIST SECURITIES, INC.

**BARCLAYS CAPITAL INC.,**  
as Representative of the Underwriters

By:\_\_\_\_\_

Name:

Title:

Signature Page  
WMATA 2025A Bonds  
Issue Price Certificate

**Schedule A**

**Washington Metropolitan Area Transit Authority  
Second Lien Dedicated Revenue Bonds,  
Series 2025A**

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\* Priced to the optional call date of July 15, 20\_\_

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## EXHIBIT C

### PRELIMINARY OFFICIAL STATEMENT DATED JUNE 26, 2025

#### NEW ISSUE – BOOK ENTRY ONLY

RATINGS:  
S&P: "AA"  
Kroll: " " "  
(See "RATINGS" herein.)

*In the opinion of Bond Counsel to the Authority, to be delivered upon the issuance of the Series 2025A Second Lien Bonds, under existing law and assuming compliance by the Authority with requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be met subsequent to the issuance of the Series 2025A Second Lien Bonds, with which the Authority has certified, represented and covenanted its compliance, interest on the Series 2025A Second Lien Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel to the Authority observes that interest on the Series 2025A Second Lien Bonds included in the adjusted financial statement income of certain corporations is not excluded from the computation of the federal corporate alternative minimum tax. Also in the opinion of Bond Counsel to the Authority, to be delivered upon the issuance of the Series 2025A Second Lien Bonds, under existing law, interest on the Series 2025A Second Lien Bonds is exempt from all current Maryland, Virginia and District of Columbia personal income taxes. See "TAX MATTERS" for a more detailed description.*



**\$653,500,000\***  
**WASHINGTON METROPOLITAN AREA**  
**TRANSIT AUTHORITY**  
**Second Lien Dedicated Revenue Bonds, Series 2025A**

**Dated: Date of Delivery**

**Due: July 15, as shown on inside cover page**

**The Series 2025A Second Lien Bonds.** The above-captioned Bonds (the "**Series 2025A Second Lien Bonds**") will be special obligations of the Washington Metropolitan Area Transit Authority (the "**Authority**") issued pursuant to the terms of the Second Lien Dedicated Capital Funding Revenue Bond Resolution 2023-23 adopted by the Authority on July 27, 2023 (the "**Second Lien Master Resolution**") as supplemented by the 2025A Supplemental Second Lien Bond Resolution adopted by the Authority on June 26, 2025 (the "**Second Lien Supplemental Resolution**" and, together with the Second Lien Master Resolution, the "**Second Lien Resolution**"). The Series 2025A Second Lien Bonds will be issued in authorized denominations of \$5,000 or any integral multiple thereof. The Bank of New York Mellon, New York, New York, is the Trustee under the Second Lien Resolution.

**Maturity, principal amount, interest rate, yield and price information for the Series 2025A Second Lien Bonds is located on the inside cover page of this Official Statement.**

**Purpose.** Proceeds of the Series 2025A Second Lien Bonds are expected to be used to (i) finance Capital Costs, and (ii) pay certain costs of issuance relating to the Series 2025A Second Lien Bonds. See "INTRODUCTION" and "PLAN OF FINANCE/SOURCES AND USES OF FUNDS."

**Security.** The Series 2025A Second Lien Bonds, together with all other bonds issued under the Second Lien Master Resolution (the "**Second Lien Obligations**"), are special, limited obligations of the Authority payable solely from and secured solely by the Second Lien Trust Estate, subject to the terms and conditions of the Second Lien Resolution. The Second Lien Obligations outstanding as of July 15, 2025 (assuming that all scheduled debt service payments are made on such date) will be the Series 2023A Second Lien Bonds and the Series 2024A Second Lien Bonds, as further described herein, in the aggregate principal amount of \$1,412,805,000. The Series 2025A Second Lien Bonds are secured and payable on a basis that is subordinated to the prior pledge of the Dedicated Capital Funding Revenues for payment of Senior Lien Obligations issued and outstanding from time to time under the Senior Lien Resolution. As of July 15, 2025 (assuming that all scheduled debt service payments are made on such date), Senior Lien Obligations

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

will be outstanding in the aggregate principal amount of \$1,609,205,000. The Second Lien Trust Estate consists primarily of a second lien pledge of the Dedicated Capital Funding Revenues which are derived from statutorily defined payments from the District of Columbia (the "**District**"), the State of Maryland ("**Maryland**"), and the Commonwealth of Virginia (the "**Commonwealth**" and, together with the District and Maryland, the "**States**"). The payment of the Dedicated Capital Funding Revenues by each of the States is subject to appropriation and allocation of funds by the States as well as compliance by the Authority with certain requirements set out in the Dedicated Revenue Statutes and Dedicated Funding Grant Agreements. See "SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS" and "CERTAIN INVESTMENT CONSIDERATIONS."

The Series 2025A Second Lien Bonds do not constitute a debt or legal obligation of and do not create a lien upon any other revenues of the Authority or on revenues of the States, the Participating Jurisdictions (as defined herein) or the United States of America. The full faith and credit of the States, the Participating Jurisdictions and the United States of America are not pledged to the payment of the Series 2025A Second Lien Bonds, and none of the foregoing are liable thereon. The Authority has no taxing power. See "SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS" and "CERTAIN INVESTMENT CONSIDERATIONS."

**Redemption.** The Series 2025A Second Lien Bonds are subject to redemption prior to maturity as described in "THE SERIES 2025A SECOND LIEN BONDS – Redemption Prior to Maturity."

**Interest Payment Dates.** The Series 2025A Second Lien Bonds will bear interest from their date of delivery at the rates set forth on the inside cover page hereof. Interest on the Series 2025A Second Lien Bonds is payable semiannually on each January 15 and July 15, commencing January 15, 2026, computed on the basis of a 360-day year comprised of twelve 30-day months.

**Delivery Date.** It is expected that the Series 2025A Second Lien Bonds will be available for delivery to Depository Trust Company on or about July \_\_, 2025.

**This cover page contains certain information for quick reference only. It is not a summary of the Series 2025A Second Lien Bonds or this Official Statement. Investors must read the entire Official Statement, including the Appendices, which are an integral part hereof, to obtain information essential to the making of an informed investment decision regarding the Series 2025A Second Lien Bonds. Capitalized terms used and not defined on this cover page have the respective meanings assigned to them elsewhere in this Official Statement and in Appendix A – "FORM OF SECOND LIEN MASTER RESOLUTION."**

*The Series 2025A Second Lien Bonds are offered when, as and if issued by the Authority and accepted by the Underwriters. Legal matters with respect to the Series 2025A Second Lien Bonds are subject to the approval of Hogan Lovells US LLP, Bond Counsel. Certain legal matters will be passed upon for the Authority by its Executive Vice President, Chief Legal Officer and General Counsel, Patricia Y. Lee, Esq. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP. Hogan Lovells US LLP, as Disclosure Counsel to the Authority, will deliver an opinion regarding certain matters to the Authority and the Underwriters. Frasca & Associates, LLC has acted as Municipal Advisor to the Authority in connection with the offering and issuance of the Series 2025A Second Lien Bonds.*

**Barclays**

**Cabrera Capital Markets, LLC**

**Ramirez & Co., Inc.**

July \_\_, 2025

**Siebert Williams Shank**

**Loop Capital Markets**

**Truist Securities**

\* Preliminary, subject to change.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIPS**

**\$653,500,000\***  
**WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**  
**Second Lien Dedicated Revenue Bonds, Series 2025A**  
**(CUSIP six-digit No. 93878Y)<sup>†</sup>**

\$ \_\_\_\_\_ % Term Bond due July 15, \_\_\_\_ Yield: \_\_\_\_\_ % Price: \_\_\_\_\_ CUSIP<sup>†</sup>: \_\_\_\_

\$ \_\_\_\_\_ % Term Bond due July 15, \_\_\_\_ Yield: \_\_\_\_\_ % Price: \_\_\_\_\_ CUSIP<sup>†</sup>: \_\_\_\_

\$ \_\_\_\_\_ % Term Bond due July 15, \_\_\_\_ Yield: \_\_\_\_\_ % Price: \_\_\_\_\_ CUSIP<sup>†</sup>: \_\_\_\_

<sup>†</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. None of the Authority, the Municipal Advisor or the Underwriters takes any responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of the owners of the Series 2025A Second Lien Bonds. The CUSIP number for any maturity of the Series 2025A Second Lien Bonds may be changed after the issuance of the Series 2025A Second Lien Bonds as the result of various subsequent actions, including, without limitation, a refunding of all or a portion of such maturity or the procurement of secondary market insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2025A Second Lien Bonds.

\* Preliminary, subject to change.

## NOTICE

**No Offering May Be Made Except by this Official Statement.** No dealer, broker, salesperson or other person has been authorized by the Authority or the Underwriters to give any information or to make representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Authority, Frasca & Associates, LLC (the "**Municipal Advisor**") or the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof.

**No Unlawful Offers or Solicitations.** The information in this Official Statement is not complete and may be changed. This Official Statement is not an offer to sell the Series 2025A Second Lien Bonds and is not soliciting an offer to buy the Series 2025A Second Lien Bonds in any jurisdiction where the offer or sale is not permitted.

**Use of this Official Statement.** This Official Statement is submitted in connection with the sale of the Series 2025A Second Lien Bonds described in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement among the Authority, the Underwriters, and the purchasers or owners of any offered Series 2025A Second Lien Bonds. This Official Statement is being provided to prospective purchasers either in bound printed form ("**Original Bound Format**") or in electronic format on the following website: [www.munios.com](http://www.munios.com). This Official Statement may be relied upon only if it is in its Original Bound Format or if it is printed in full directly from such website.

**Preparation of this Official Statement.** The information set forth herein has been furnished by the Authority and includes information obtained from other sources, all of which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other party. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

**Order and Placement of Materials; Hyperlinks.** The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the cover page, the inside cover page and the Appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Series 2025A Second Lien Bonds is made only by means of this entire Official Statement. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

**Public Offering Prices.** The Underwriters may offer and sell the Series 2025A Second Lien Bonds to certain dealers (including dealers depositing the Series 2025A Second Lien Bonds into investment trusts) and others at prices lower than the initial offering prices or yields higher than the initial offering yields for the Series 2025A Second Lien Bonds. Subsequent to the initial offering, the offering prices and yields for the Series 2025A Second Lien Bonds may be changed from time to time by the Underwriters.

**No Recommendation or Registration.** The Series 2025A Second Lien Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense. The Series 2025A Second Lien Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemption contained in Section 3(a)(2) of such act; and the Second Lien Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such act.



**WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

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Attention: Treasurer's Office

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## SUMMARY

*The following summary is subject in all respects to more complete information contained elsewhere in this Official Statement, and in no event should this summary be separated from this Official Statement. Capitalized terms used herein and not otherwise defined have the respective meanings given such terms in **Appendix A**. Certain key definitions below are in an abbreviated format and are subject to the complete definitions of such terms in the Second Lien Master Resolution and the Senior Lien Resolution. See **Appendices A and E**.*

- Issuer:** Washington Metropolitan Area Transit Authority (the "**Authority**"), an interstate compact agency and instrumentality of the District of Columbia (the "**District**"), the State of Maryland ("**Maryland**"), and the Commonwealth of Virginia (the "**Commonwealth**" and, together with the District and Maryland, the "**States**" and each a "**State**").
- Issue:** \$\_\_\_\_\_ \* Second Lien Dedicated Revenue Bonds, Series 2025A (the "**Series 2025A Second Lien Bonds**").
- Dated Date:** July \_\_, 2025.
- Denominations:** \$5,000 and integral multiples thereof.
- Interest:** The Series 2025A Second Lien Bonds will bear interest at the rates set forth on the inside cover page hereof, payable semiannually on January 15 and July 15, commencing January 15, 2026, computed on the basis of a 360-day year comprised of twelve 30-day months.
- Redemption:** The Series 2025A Second Lien Bonds are subject to redemption prior to maturity as described under "THE SERIES 2025A SECOND LIEN BONDS – Redemption Prior to Maturity."
- Authority for Issuance:** The Series 2025A Second Lien Bonds will be issued under the authority of the Washington Metropolitan Area Transit Authority Compact, by and among the States, dated November 20, 1966, as amended (the "**Compact**"), and the Second Lien Dedicated Capital Funding Revenue Bond Resolution 2023-23 adopted by the Authority's Board of Directors (the "**Board**") on July 27, 2023 (the "**Second Lien Master Resolution**"), as supplemented by the 2025A Supplemental Second Lien Bond Resolution adopted by the Board on June 26, 2025 (the "**Second Lien Supplemental Resolution**" and, together with the Second Lien Master Resolution, the "**Second Lien Resolution**"). See **Appendix A**.
- Purpose:** Proceeds of the Series 2025A Second Lien Bonds are expected to be used to (i) finance Capital Costs, and (ii) pay certain costs of issuance relating to the Series 2025A Second Lien Bonds. See "PLAN OF FINANCE/SOURCES AND USES OF FUNDS."
- Key Terms:** "*Capital Costs*" shall mean the costs of the Authority related to the implementation of the Authority's capital budget, as amended or supplemented from time to time, adopted or in effect for a particular Fiscal Year, as provided in the Compact.
- "Commonwealth Dedicated Funding Grant Agreement"* shall mean that certain Washington Metropolitan Area Transit Authority Capital Fund Agreement, dated May 1, 2019, entered into by and between the Authority and the Commonwealth acting by and through the Virginia Department of Rail and Public Transportation.

\* Preliminary, subject to change.

*"Dedicated Capital Funding Revenues"* shall mean only those funds received by the Authority from the States pursuant to the Dedicated Revenue Statutes as the same exist as of April 23, 2020. Dedicated Capital Funding Revenues do not include (a) those funds under Va. Code § 33.2 3401.B.1, which are ineligible for use as security for debt, (b) any funds in excess of the respective amounts set forth in the Dedicated Revenue Statutes as of April 23, 2020, as a result of any amendment to any of the Dedicated Revenue Statutes unless the Authority amends the Second Lien Master Resolution in accordance with its terms to pledge such increased funds as part of the Second Lien Trust Estate under the Second Lien Master Resolution or (c) any other revenues, taxes, charges, assessments or other moneys paid to the Authority.

*"Dedicated Funding Grant Agreements"* shall mean collectively, the Commonwealth Dedicated Funding Grant Agreement, the District Dedicated Funding Grant Agreement (as defined below) and the Maryland Dedicated Funding Grant Agreement (as defined below).

*"Dedicated Revenue Statutes"* shall mean the following legislative enactments: D.C. Code § 1-325.401; Va. Code § 33.2-3401; and Md. Transit Code Ann. §10-205(g).

*"District Dedicated Funding Grant Agreement"* shall mean that certain Agreement for Award and Use of Dedicated Funding Grant, dated October 22, 2020, by and between the Authority and the District.

*"Maryland Dedicated Funding Grant Agreement"* shall mean that certain Washington Metropolitan Area Transit Authority Dedicated Capital Funding Agreement, dated September 26, 2019, entered into by and between the Authority and Maryland, acting by and through the Washington Suburban Transit District and the Maryland Department of Transportation.

*"Pre-2018 Bonds"* means the Authority's Gross Revenue Transit Refunding Bonds, Series 2017A, outstanding as of July 1, 2025 (assuming all scheduled debt service payments are made on such date) in the aggregate principal amount of \$135,110,000, and the Authority's Gross Revenue Transit Bonds, Series 2017B, outstanding as of July 1, 2025 (assuming all scheduled debt service payments are made on such date) in the aggregate principal amount of \$408,830,000, at any time outstanding under the 2003 Bond Resolution.

*"Senior Lien Resolution"* shall mean the Dedicated Capital Funding Bond Resolution adopted by the Authority on April 23, 2020, as amended and supplemented. **See Appendix E.**

*"Senior Lien Obligations"* shall mean the bonds and other obligations issued and outstanding from time to time under the Senior Lien Resolution, which Senior Lien Obligations have a lien on the Dedicated Capital Funding Revenues prior to the lien thereon of the Series 2025A Second Lien Bonds and other Second Lien Obligations issued under the Second Lien Master Resolution.

*"Senior Trust Estate"* shall mean the trust estate securing the Senior Lien Obligations pledged under the Senior Lien Resolution.

*"Transit System"* means the facilities, including all real and personal property and all rights, interests, property and appurtenances incidental thereto or used or useful in connection therewith, constructed or acquired by the Authority as part of its regional rail and bus transit

system, but excluding Air Rights, Parking Facilities, and Joint Development Projects (as such terms are defined in the Second Lien Master Resolution).

*"2003 Bond Resolution"* shall mean the Gross Revenue Bond Resolution 2003-53, adopted by the Authority on September 23, 2003, as the same from time to time has been or may be amended or supplemented in accordance with its terms, including without limitation as amended by Resolution 2018-47 (the 2018 Supplemental Bond Resolution Supplementing and Amending Gross Revenue Bond Resolution 2003-53), adopted by the Authority on November 15, 2018 as supplemented and amended by Resolution 2020-14 (the 2020 Supplemental Bond Resolution Supplementing and Amending Gross Revenue Bond Resolution 2003-53), adopted by the Authority on April 23, 2020.

**Security for the  
Series 2025A**

**Second Lien Bonds:**

The Second Lien Master Resolution pledges the Second Lien Trust Estate as security for the payment of the Series 2025A Second Lien Bonds (subordinated to the prior pledge for the payment of Senior Lien Obligations pursuant to the Senior Lien Resolution). The Series 2025A Second Lien Bonds will be issued on parity with all other Second Lien Obligations and Second Lien Parity Debt as provided in the Second Lien Master Resolution. The Second Lien Obligations outstanding as of July 15, 2025 (assuming that all scheduled debt service payments are made on such date) will be the Series 2023A Second Lien Bonds and the Series 2024A Second Lien Bonds, as further described herein, in the aggregate principal amount of \$1,412,805,000.

The "Second Lien Trust Estate" is defined to mean, but subordinate to the obligations of the Authority in respect of the Senior Lien Obligations pursuant to the Senior Lien Resolution, all rights, title and interests of the Authority in: (1) all Dedicated Capital Funding Revenues; (2) the proceeds of the sale of the Second Lien Obligations; (3) all Funds, Accounts and Subaccounts established by the Second Lien Master Resolution (except to the extent otherwise provided in the Second Lien Master Resolution) including the investments, if any, thereof; and (4) all funds, moneys and securities and any and all other rights and interests in property, from time to time, pledged as additional security for the Second Lien Obligations under the terms of the Second Lien Master Resolution or as provided by any Supplemental Resolution to the Second Lien Master Resolution.

Under the 2003 Bond Resolution, the Dedicated Capital Funding Revenues are pledged to the payment of the Pre-2018 Bonds, and the pledge of the Dedicated Capital Funding Revenues created by the Second Lien Master Resolution is subordinate in all respects to that pledge created by the 2003 Bond Resolution. Each of the States has been directed by the Authority to pay their respective Dedicated Capital Funding Revenues directly to the Clearing Account Agent (as defined in the Senior Lien Resolution) for deposit into a Clearing Account established in the name of the Authority and held uninvested and administered by the Clearing Account Agent. So long as any Pre-2018 Bonds are outstanding, no Senior Lien Obligations nor Second Lien Obligations including the Series 2025A Second Lien Bonds, nor the Trustee shall have any right to any payment from Dedicated Capital Funding Revenues unless and until the Dedicated Capital Funding Revenues shall (a) first be deposited as provided in the 2003 Bond Resolution and (b) applied as provided in said 2003 Bond Resolution.

The balance of the Dedicated Capital Funding Revenues shall then be transferred to the Trustee and deposited into the Revenue Fund (as defined in the Senior Lien Resolution), and applied to meet the funding requirements under the Senior Lien Resolution. The pledge of the Dedicated Capital Funding Revenues created by the Second Lien Master Resolution is subordinate in all respects to the prior pledge for the payment of Senior Lien

Obligations pursuant to the Senior Lien Resolution. Upon application of the Dedicated Capital Funding Revenues first to meet the funding requirements of the Pre-2018 Bonds if required under the 2003 Bond Resolution and then to meet the requirements under the Senior Lien Resolution, the balance of all Dedicated Capital Funding Revenues are to be deposited into the Second Lien Debt Service Fund (as defined in the Second Lien Master Resolution) established under the Second Lien Master Resolution as soon as practicable thereafter. See "SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Flow of Funds" and **Appendix A**.

**Dedicated Capital  
Funding Revenues:**

In 2018, each of the States passed legislation to direct Dedicated Capital Funding Revenues totaling in the aggregate approximately \$500 million annually to the Authority, subject to appropriation by the applicable governing body, to fund the Authority's capital programs and purposes. **The Dedicated Capital Funding Revenues of the Authority are subject to appropriation and allocation of funds by each State and are disbursed upon certain conditions being met by the Authority.** See "SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS." Pursuant to the Dedicated Revenue Statutes, the States are obligated, subject to the limitations described more fully herein (see "CERTAIN INVESTMENT CONSIDERATIONS"), to provide funding to the Authority for their proportional share of the Authority's capital programs and purposes of the Transit System. If a State were to fail to timely make a required Dedicated Capital Funding Revenue payment, in addition to any enforcement action that might be available pursuant to the Dedicated Revenue Statutes, the Compact and any of the related Dedicated Funding Grant Agreements, the Authority could exercise the termination for convenience provisions within its capital projects construction agreements or issue stop work orders, in each case for capital projects located inside the boundaries of the nonpaying State in order to pay debt service or any other indebtedness related to the Authority's capital programs. See "CAPITAL IMPROVEMENT PROGRAM."

Under the District Dedicated Revenue Statute, there has been established a special non-reverting WMATA Dedicated Financing Fund (the "**WMATA Dedicated Financing Fund**") to be funded in an amount of not less than \$178.5 million of general retail sales tax revenue to be deposited annually into the WMATA Dedicated Financing Fund for disbursement to the Authority for its capital improvements, including payment on borrowings for such capital improvements. The WMATA Dedicated Financing Fund is administered by the Mayor subject to certain terms and conditions more fully detailed in the District Dedicated Funding Grant Agreement. See "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – *District of Columbia*," "CERTAIN INVESTMENT CONSIDERATIONS," and "CAPITAL IMPROVEMENT PROGRAM."

Under the Maryland Dedicated Revenue Statute, the Governor is required to include in the state budget an appropriation of at least \$167 million annually to be used to pay the capital costs of the Authority. The appropriated funding is provided to the Maryland Department of Transportation for the purpose of providing annual grants to the Washington Suburban Transit District to pay the capital costs of the Authority. The Dedicated Capital Funding Revenues are disbursed upon receipt of an invoice from the Authority and pursuant to the Maryland Dedicated Funding Grant Agreement. Disbursements of Maryland Dedicated Capital Funding Revenues are subject to certain terms and conditions more fully detailed in the Maryland Dedicated Funding Grant Agreement. See "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – *State of Maryland*," "CERTAIN INVESTMENT CONSIDERATIONS," and "CAPITAL IMPROVEMENT PROGRAM."

Under the Commonwealth Dedicated Revenue Statutes, the Virginia Comptroller is required to (i) establish a non-reverting WMATA capital fund consisting of non-restricted and restricted accounts; (ii) accumulate revenues from a variety of tax sources and transportation funds, calculated to generate an aggregate of approximately \$154.5 million of revenues, into such WMATA capital fund; and (iii) disburse such funds to the Authority on a monthly basis solely and exclusively for capital improvements. *See* "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – *Commonwealth of Virginia*." The Authority may use only the non-restricted portion of the funds for the payment of or security for debt service on bonds or any other indebtedness related to the Authority's capital programs, including the Series 2025A Second Lien Bonds, subject to certain terms and conditions more fully detailed in the Commonwealth Dedicated Funding Grant Agreement. *See* "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – *Commonwealth of Virginia*," "CERTAIN INVESTMENT CONSIDERATIONS," and "CAPITAL IMPROVEMENT PROGRAM."

**Debt Service  
Deposits:**

Promptly upon receipt thereof, the Trustee shall deposit to the Senior Lien Debt Service Fund Dedicated Capital Funding Revenues in the amount, if any, required so that the balance in said Fund shall equal Accrued Debt Service on the Senior Lien Obligations and shall then be deposited to the Second Lien Debt Service Fund an amount equal to Accrued Debt Service on the Second Lien Obligations. Accrued Debt Service on the Second Lien Obligations means as of any date of calculation, an amount equal to the sum of the amounts of accrued and unpaid Debt Service with respect to all Second Lien Obligations and Second Lien Parity Debt, calculating accrued Debt Service with respect to each Second Lien Obligation at an the amount equal to the sum of (i) as estimated by an Authorized Officer, interest on the Second Lien Obligations and interest components of Second Lien Parity Debt accrued and unpaid and to accrue to the next Debt Service Payment Date, and (ii) Principal Installments due and unpaid and that portion of the Principal Installment for such Second Lien Obligations and Second Lien Parity Debt next due which would have accrued (if deemed to accrue in the manner set forth in the definition of "**Debt Service**") to the next Debt Service Payment Date. For purposes of calculating Second Lien Debt Service Fund deposits, Principal Installments shall not include amounts that an Authorized Officer has notified the Trustee are to be paid from sources other than Dedicated Capital Funding Revenues, nor shall Accrued Debt Service on the Second Lien Obligations include any amounts that, as certified by an Authorized Officer, have been set aside under the Second Lien Master Resolution or otherwise in trust for the payment thereof. *See* "SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Flow of Funds."

**Senior Indebtedness:** The Senior Lien Obligations issued and outstanding under the Senior Lien Resolution as of July 15, 2025 (assuming that all scheduled debt service payments are made on such date) will be the Authority's Dedicated Revenue Bonds, Series 2020A (the "**Series 2020A Senior Lien Bonds**"), outstanding in the aggregate principal amount of \$503,895,000, the Authority's Dedicated Revenue Bonds, Series 2021A (the "**Series 2021A Senior Lien Bonds**"), outstanding in the aggregate principal amount of \$726,930,000, and the Authority's Dedicated Revenue Bonds, Series 2023A (the "**Series 2023A Senior Lien Bonds**"), outstanding in the aggregate principal amount of \$378,380,000. The Senior Lien Resolution prohibits the Authority from creating a new pledge of or lien on the Senior Trust Estate that is superior to the pledge that secures the Senior Lien Obligations. However, the Authority may create a pledge of or lien on the Senior Lien Trust Estate that is on parity with the pledge that secures the Senior Lien Obligations, and in that connection incur additional senior indebtedness ("**Senior Lien Parity Obligations**" and "**Senior Lien Parity Debt**"), provided certain conditions set forth in the Senior Lien Resolution are satisfied. For information about the conditions set forth in the Senior Lien Resolution for

the issuance of Senior Lien Parity Obligations, see **Appendix E – "FORM OF SENIOR LIEN RESOLUTION."**

**Second Lien  
Obligations and  
Other Indebtedness:**

Under the Second Lien Master Resolution, the Authority may create a pledge of or lien on the Second Lien Trust Estate that is on parity with the pledge that secures the Series 2025A Second Lien Bonds and in that connection incur additional indebtedness ("**Second Lien Obligations**") and Second Lien Parity Debt, provided certain conditions set forth in the Second Lien Master Resolution are satisfied. The Second Lien Obligations issued and outstanding under the Second Lien Master Resolution as of July 15, 2025 (assuming that all scheduled debt service payments are made on such date) will be the Authority's Second Lien Dedicated Revenue Bonds, Series 2023A (the "**Series 2023A Second Lien Bonds**"), in the aggregate principal amount of \$776,815,000, and the Authority's Second Lien Dedicated Revenue Bonds, Series 2024A (the "**Series 2024A Second Lien Bonds**"), in the aggregate principal amount of \$635,990,000.

The Authority may issue one or more Series of Second Lien Obligations under the Second Lien Master Resolution payable from the Dedicated Capital Funding Revenues to pay, or to provide for the payment of, all or part of the Capital Costs. Such Second Lien Obligations are to be issued upon receipt by the Trustee of a certificate of an Authorized Officer certifying, based on the Authority's records, that Dedicated Capital Funding Revenues for any twelve (12) consecutive months out of the last eighteen (18) months immediately preceding the incurrence or issuance of such Second Lien Obligations, shall at least equal 150% of the sum of: (a) the Maximum Annual Debt Service (with respect to all Senior Lien Obligations, Senior Lien Parity Debt, Second Lien Obligations and Second Lien Parity Debt, including the Second Lien Obligations being incurred or issued) for the period commencing with the Fiscal Year next following the incurrence or issuance of such Second Lien Obligations and ending with the Fiscal Year which includes the latest maturity or payment date of any Outstanding Second Lien Obligations plus (b) maximum annual aggregate debt service on any outstanding Pre-2018 Bonds issued under the 2003 Bond Resolution for the period commencing with the Fiscal Year next following the incurrence or issuance of such Second Lien Obligations and ending with the Fiscal Year which includes the latest maturity or payment date of any outstanding Pre-2018 Bonds; provided, however, that for the purpose of the foregoing clause (b), there shall be excluded from the calculation any debt service on the Pre-2018 Bonds to the extent that Gross Revenues as defined and described in the 2003 Bond Resolution were sufficient to pay debt service on Pre-2018 Bonds during such 12-month period.

For information on the conditions precedent to the issuance of additional indebtedness including indebtedness junior to the Series 2025A Second Lien Bonds, *see* "SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Second Lien Parity Obligations and Additional Indebtedness."

**Certain Investment  
Considerations:**

The purchase and ownership of the Series 2025A Second Lien Bonds involve investment risks and other considerations, some of which are discussed in this Official Statement. For a description of certain of such risks and other considerations, *see* "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues," "THE AUTHORITY – Regional Changes in Customer Behavior" and "CERTAIN INVESTMENT CONSIDERATIONS."



**Continuing  
Disclosure:**

The Authority will undertake in a continuing disclosure agreement for the Series 2025A Second Lien Bonds to provide annual financial information, operating data and event notices as required by Rule 15c2-12, as more fully described in "CONTINUING DISCLOSURE." See **Appendix D**.

**Ratings:**

S&P and Kroll have assigned ratings to the Series 2025A Second Lien Bonds of "\_\_\_" (with a \_\_\_\_\_ outlook) and "\_\_\_" (with a \_\_\_\_\_ outlook), respectively. See "RATINGS."

**Additional  
Information:**

Brief descriptions of and references to the Authority, the Series 2025A Second Lien Bonds, additional outstanding indebtedness of the Authority, the Compact, the Senior Lien Resolution, the Second Lien Resolution, the Transit System, the Dedicated Revenue Statutes, other applicable legislation, the Dedicated Funding Grant Agreements and other funding sources for capital improvement and operating costs are included in this Official Statement. Such descriptions are subject to the provisions of such documents and laws and do not purport to be comprehensive or definitive. All references thereto are qualified in their entirety by reference to such documents and laws, copies of which are available for inspection at the principal office of the Authority at 300 7th Street, S.W., Washington, D.C. 20024.

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## OFFICIAL STATEMENT

Relating to

\$ \_\_\_\_\_ \*

### WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY Second Lien Dedicated Revenue Bonds, Series 2025A

## INTRODUCTION

This Official Statement, including the cover page, inside cover page and Appendices hereto, is provided to set forth certain information pertaining to the Washington Metropolitan Area Transit Authority (the "**Authority**") and its \$ \_\_\_\_\_ \* Second Lien Dedicated Revenue Bonds, Series 2025A (the "**Series 2025A Second Lien Bonds**"). The Series 2025A Second Lien Bonds will be issued under the authority of the Washington Metropolitan Area Transit Authority Compact, as amended (the "**Compact**"), by and among the State of Maryland ("**Maryland**"), the Commonwealth of Virginia (the "**Commonwealth**"), and the District of Columbia (the "**District**") and, together with the Commonwealth and Maryland, the "**States**" and each a "**State**") dated November 20, 1966 and the Second Lien Dedicated Capital Funding Revenue Bond Resolution 2023-23 adopted by the Authority's Board of Directors (the "**Board**") on July 27, 2023 (the "**Second Lien Master Resolution**"), as supplemented by the 2025A Supplemental Second Lien Bond Resolution adopted by the Board on June 26, 2025 (the "**Second Lien Supplemental Resolution**" and, together with the Second Lien Master Resolution, the "**Second Lien Resolution**"). The Bank of New York Mellon, New York, New York, is the Trustee under the Second Lien Resolution (the "**Trustee**" or the "**Second Lien Trustee**").

The Authority is an interstate compact agency that was created effective February 20, 1967, pursuant to the Compact and to the National Capital Transportation Act of 1960 (P.L. 86-669, now repealed) (collectively referred to with the National Capital Transportation Acts of 1965 (P.L. 89-173), 1967 (P.L. 90-220), 1969 (P.L. 91-143), 1972 (P.L. 92-349), and the National Capital Transportation Amendments Acts of 1979 (P.L. 96-184), 1990 (P.L. 101-551), the Washington Metropolitan Area Transit Regulation Compact Amendments of 1997 (P.L. 105-151), 2009 (P.L. 111-62) all as amended, as the "**Capital Transportation Act**"). The Authority is an instrumentality and agency of Maryland, the Commonwealth and the District, the signatory parties to the Compact.

The Authority is responsible for the development, financing, and operation of mass transit facilities (the "**Transit System**"), consisting of a rapid rail system ("**Metrorail**"), a bus transit system ("**Metrobus**"), and a paratransit service ("**MetroAccess**") under the Americans With Disabilities Act ("**ADA**"), each offering transit services to those portions of the Washington, D.C. metropolitan area consisting of the District, the cities of Alexandria, Falls Church and Fairfax, Virginia, and the counties of Arlington, Fairfax and Loudoun, Virginia, and political subdivisions of the Commonwealth located within those counties, and the counties of Anne Arundel, Charles, Montgomery, and Prince George's, Maryland, and political subdivisions of Maryland located within those counties (the "**Transit Zone**" and the identified political subdivisions referred to as the "**Participating Jurisdictions**"). For the Fiscal Year ended June 30, 2024, the Authority provided approximately 143.5 million unlinked Metrorail trips, 117.5 million unlinked Metrobus trips, and 1.4 million MetroAccess trips.<sup>1</sup>

<sup>1</sup> See Annual Comprehensive Financial Report for the Fiscal Years ended June 30, 2024 and 2023, at p. 136.

\* Preliminary, subject to change.

Proceeds of the Series 2025A Second Lien Bonds are expected to be used to (i) finance Capital Costs, and (ii) pay certain costs of issuance relating to the Series 2025A Second Lien Bonds. See "PLAN OF FINANCE/SOURCES AND USES OF FUNDS."

**The Series 2025A Second Lien Bonds are special, limited obligations of the Authority payable solely from the Second Lien Trust Estate pledged by the Second Lien Resolution. The Series 2025A Second Lien Bonds do not constitute a debt or legal obligation of and do not create a lien upon any other revenues of the Authority or revenues of the Participating Jurisdictions, of the States, or of the United States of America. The full faith and credit of the Participating Jurisdictions, the States, or United States of America are not pledged to the payment of the Series 2025A Second Lien Bonds, and none of the foregoing are liable thereon. The full faith and credit of the Authority is not pledged to the Series 2025A Second Lien Bonds.**

This Official Statement contains information relating principally to the organization, operation, and economic resources of the Authority, and includes certain financial and other information supplementing the most recent basic financial statements of the Authority, which are found in the Authority's Annual Comprehensive Financial Report for the Fiscal Years ended June 30, 2024, and 2023 ("**Financial Report**"). The following portion of the Financial Report for Fiscal Year 2024 is incorporated herein by reference: the information under the heading "Financial Section," from pages 22-97, inclusive (collectively, the "**Fiscal Year 2024 Audited Financial Statements**"). The Authority's Financial Report for Fiscal Years ended June 30, 2024 and 2023 can be found at <https://www.wmata.com/about/records/upload/Annual-Comprehensive-Financial-Report-for-the-Fiscal-Years-Ended-June-30-2024-and-2023.pdf>. Unless expressly stated otherwise herein, no other information is incorporated by reference in this Official Statement. Persons considering a purchase of the Series 2025A Second Lien Bonds should rely only on information contained in this Official Statement or expressly incorporated by reference herein.

*References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.*

Capitalized terms used herein and not otherwise defined have the meanings set forth in **Appendix A – "FORM OF SECOND LIEN MASTER RESOLUTION."**

## **FORWARD-LOOKING STATEMENTS**

This Official Statement, and particularly the information contained under the captions "**PLAN OF FINANCE/SOURCES AND USES OF FUNDS**," "**DEBT SERVICE REQUIREMENTS; PROJECTED COVERAGE**," "**CERTAIN AUTHORITY FINANCIAL INFORMATION – Annual Budget**," and "**CERTAIN INVESTMENT CONSIDERATIONS**," contain statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "anticipate," "expect," "assume," "estimate," "projection," "plan," "budget," "forecast," "intend," and similar expressions identify forward-looking statements. The words or phrases "to date," "now," "currently," and the like are intended to mean as of the date of this Official Statement. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those

differences may be material. For a discussion of certain of such risks and possible variations in results, *see* the information under "CERTAIN INVESTMENT CONSIDERATIONS."

## PLAN OF FINANCE/SOURCES AND USES OF FUNDS

### Plan of Finance

Proceeds of the Series 2025A Second Lien Bonds are expected to be used to (i) finance certain Capital Costs, and (ii) pay certain costs of issuance relating to the Series 2025A Second Lien Bonds.

### Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2025A Second Lien Bonds.

#### Sources

Par Amount	\$
[Net] Original Issue Premium [Discount] <sup>(1)</sup>	_____
<b>Total Sources</b>	\$ _____

#### Uses

Deposit to the Second Lien Proceeds Account in the Second Lien Proceeds Fund for Capital Costs	\$
Deposit to 2025A Second Lien Costs of Issuance Account	
Underwriters' Discount <sup>(2)</sup>	_____
<b>Total Uses</b>	\$ _____

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<sup>(1)</sup> See "TAX MATTERS."

<sup>(2)</sup> See "UNDERWRITING."

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## **THE SERIES 2025A SECOND LIEN BONDS**

### **General**

The Series 2025A Second Lien Bonds will be dated the date of their delivery, will mature on July 15 as shown on the inside cover page and will bear interest at the rates set forth on the inside cover page hereof, payable semiannually on January 15 and July 15, commencing January 15, 2026, until their final payment or maturity. Interest shall be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days each. The Series 2025A Second Lien Bonds shall be issuable only as fully registered bonds in denominations of \$5,000 and multiples thereof.

Principal of and premium, if any, on the Series 2025A Second Lien Bonds shall be payable to the registered owners upon the surrender of Series 2025A Second Lien Bonds at the principal corporate trust office of the Trustee. Interest on the Series 2025A Second Lien Bonds shall be payable by check or draft of the Trustee mailed to the respective Owners at their addresses as they appear on the Record Date on the registration books kept by the Trustee; provided, however, that in the case of a Securities Depository or Owner of \$1,000,000 or more in aggregate principal amount of Series 2025A Second Lien Bonds, upon the written request of such Owner to the Trustee, received on or prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest when due shall be made by wire transfer of immediately available funds to the bank account number on file with the Trustee. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee. Principal, premium, if any, and interest on the Series 2025A Second Lien Bonds shall be payable in lawful money of the United States of America.

If the date for payment of the principal of, premium, if any, or interest on any of the Series 2025A Second Lien Bonds shall be other than a Business Day, then the date for such payment shall be the next succeeding day which is a Business Day, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

### **Redemption Prior to Maturity**

#### *Optional Redemption*

The Series 2025A Second Lien Bonds maturing on or after July 15, \_\_\_\_, shall be subject to redemption prior to maturity, in whole or in part in any authorized denomination, on any date on or after July 15, \_\_\_\_, at the option of the Authority, at the redemption price of 100% of the principal amount of the Series 2025A Second Lien Bonds to be redeemed, plus accrued interest up to but not including the redemption date.

#### *Mandatory Sinking Fund Redemption*

The Series 2025A Second Lien Bonds maturing on July 15, \_\_\_\_ and bearing interest at a rate of \_\_\_\_% shall be subject to mandatory sinking fund redemption at par plus accrued interest up to but not including the redemption date, without premium, in the years and amounts as follows:

\$ \_\_\_\_\_ **Term Bonds**  
**Due July 15, \_\_\_\_**  
\_\_\_\_\_%

<b><u>Year</u></b> <b><u>(July 15)</u></b>	<b><u>Amount</u></b>
	\$

(1)

\_\_\_\_\_  
(1) Final Maturity

The Series 2025A Second Lien Bonds maturing on July 15, \_\_\_\_ and bearing interest at a rate of \_\_\_\_% shall be subject to mandatory sinking fund redemption at par plus accrued interest up to but not including the redemption date, without premium, in the years and amounts as follows:

\$ \_\_\_\_\_ **Term Bonds**  
**Due July 15, \_\_\_\_**  
\_\_\_\_\_%

<b><u>Year</u></b> <b><u>(July 15)</u></b>	<b><u>Amount</u></b>
	\$

(1)

\_\_\_\_\_  
(1) Final Maturity

The Series 2025A Second Lien Bonds maturing on July 15, \_\_\_\_ and bearing interest at a rate of \_\_\_\_% shall be subject to mandatory sinking fund redemption at par plus accrued interest up to but not including the redemption date, without premium, in the years and amounts as follows:

\$ \_\_\_\_\_ **Term Bonds**  
**Due July 15, \_\_\_\_**  
\_\_\_\_\_%

<b><u>Year</u></b> <b><u>(July 15)</u></b>	<b><u>Amount</u></b>
	\$

(1)

\_\_\_\_\_  
(1) Final Maturity

Any amount accumulated in the Second Lien Debt Service Fund up to the unsatisfied balance of each Sinking Fund Installment for the Series 2025A Second Lien Bonds may, and if so directed in writing by an Authorized Officer, shall, be applied (together with amounts accumulated in the Second Lien Debt Service Fund with respect to interest on the Series 2025A Second Lien Bonds for which such Sinking Fund Installment was established) by the Trustee prior to the fifteenth (15<sup>th</sup>) day preceding the due date of such Sinking Fund Installment as follows: (i) to the purchase of Series 2025A Second Lien Bonds of the maturity and interest rate for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the principal amount of such Series 2025A Second Lien Bonds

plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as the Authority shall direct; or (ii) to the redemption of such Series 2025A Second Lien Bonds if then redeemable by their terms at the price(s) set forth above.

Upon the purchase or redemption of any Series 2025A Second Lien Bond pursuant to the provisions of the Second Lien Resolution summarized in the preceding paragraph, an amount equal to the principal amount of the Series 2025A Second Lien Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due with respect to the Series 2025A Second Lien Bonds of such maturity, and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Installment shall be credited against future Sinking Fund Installments as specified by the Authority at the time of such purchase or redemption.

#### *Selection of Series 2025A Second Lien Bonds to be Redeemed in Partial Redemption*

If less than all of the Outstanding Series 2025A Second Lien Bonds of a particular maturity and interest rate are to be redeemed, the Trustee shall select, as directed by the Authority (as to the maturities selected, timing of such selection, manner of such selection or otherwise) or otherwise in such manner as the Trustee in its discretion shall deem appropriate and fair, the numbers of the Series 2025A Second Lien Bonds to be redeemed and portions of any thereof to be redeemed in part (and, if applicable, applied against Sinking Fund Installments). Series 2025A Second Lien Bonds of denominations equal or less than the minimum authorized denomination thereof may be redeemed only as a whole. Series 2025A Second Lien Bonds of denominations of more than the minimum authorized denomination thereof may be redeemed either as a whole or in part (which, if redeemed in part, must assure that the portion of the Series 2025A Second Lien Bond which is not redeemed is an authorized denomination). If the Series 2025A Second Lien Bonds are registered in book-entry-only form and so long as DTC or a successor securities depository is the sole registered owner of the Series 2025A Second Lien Bonds, partial redemptions will be done in accordance with DTC procedures. It is the Authority's intent that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Authority and the beneficial owners be made in accordance with these same proportional provisions. However, the Authority can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among beneficial owners on such a proportional basis.

#### *Notice of Redemption*

Upon notification from the Authority of its election to redeem the Series 2025A Second Lien Bonds, the Trustee is required under the Second Lien Resolution to give notice of such redemption to the holders of the Series 2025A Second Lien Bonds. Under the Second Lien Resolution, the redemption notice must include: (i) CUSIP numbers; (ii) maturities; (iii) interest rate (if any maturity bears interest at different rates and all Series 2025A Second Lien Bonds of such maturity are not being redeemed); (iv) the letters, numbers, or other distinguishing marks (if less than all Series 2025A Second Lien Bonds of any like tenor, maturity, and interest rate are being redeemed); (v) if a partial redemption, the portions of the principal amount to be redeemed; and (vi) the redemption date and place. If a redemption is conditional, the redemption notice must include all conditions that must be satisfied. A redemption notice will also include the redemption price, together with interest accrued to the redemption date, and that from and after such date interest thereon will cease to accrue and be payable. Under the Second Lien Resolution, a redemption notice must be given to the holders of the Series 2025A Second Lien Bonds to be redeemed not less than 30 days nor more than 45 days before the redemption date.

Failure to give any such notice to any particular bondholder will not affect the validity of the proceedings for the redemption of the Series 2025A Second Lien Bonds not owned by such bondholder and failure of any bondholder to receive such notice will not affect the validity of the proposed redemption of

the Series 2025A Second Lien Bonds. The Authority may provide notices of redemption at such additional times as it may determine necessary or appropriate.

Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of money sufficient to pay the redemption price or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. The Trustee will notify affected bondholders of such rescission as promptly as practicable upon the failure of such condition or the occurrence of such other event.

### **Book-Entry-Only Bonds**

The Series 2025A Second Lien Bonds will be issued as fully registered bonds, registered in the name of Cede & Co., as Registered Bondholder and nominee for The Depository Trust Company ("**DTC**"). Beneficial ownership interests in the Series 2025A Second Lien Bonds will be available in book-entry-only form. Purchasers of beneficial ownership interests in the Series 2025A Second Lien Bonds will not receive certificates representing their interests in the Series 2025A Second Lien Bonds purchased. See **Appendix C** – "BOOK-ENTRY-ONLY SYSTEM PROCEDURES."

Principal of and interest on the Series 2025A Second Lien Bonds are payable through a securities depository as described in **Appendix C**.

*None of the Authority, the Underwriters, or the Trustee has any responsibility or obligation to any beneficial owner with respect to: (i) the accuracy of any records maintained by DTC or any DTC Participant; (ii) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the owners of the Series 2025A Second Lien Bonds; (iii) the payment by DTC or any DTC Participant of any amount received with respect to the Series 2025A Second Lien Bonds; (iv) any consent given or other action taken by DTC or its nominee as the owner of the Series 2025A Second Lien Bonds; or (v) any other related matter.*

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## DEBT SERVICE REQUIREMENTS; PROJECTED COVERAGE

### Debt Service for Series 2025A Second Lien Bonds

The following schedule shows, for each 12-month period commencing on July 1 of any year and ending on June 30 the following year ("**Fiscal Year**" or "**FY**"), the estimated total debt service (excluding any optional prior redemptions) payable for the Series 2025A Second Lien Bonds through their final maturity date.

**TABLE 1**

#### Annual Debt Service Requirements for Series 2025A Second Lien Bonds

<u>FY Ending June 30</u>	<u>Principal<sup>(1)</sup></u>	<u>Interest<sup>(2)</sup></u>	<u>Total Debt Service</u>
2026	\$	\$	\$
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
2056			
2057			
2058			
2059			
2060			
2061			
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

Figures in the table may not sum due to rounding.

<sup>(1)</sup> Payable on July 15.

<sup>(2)</sup> Payable on January 15 and July 15, commencing January 15, 2026.

<sup>(3)</sup> Payable pursuant to mandatory sinking fund redemption provisions. See "THE SERIES 2025A SECOND LIEN BONDS – Redemption Prior to Maturity – Mandatory Sinking Fund Redemption."

## **Projected Debt Service Coverage**

The following TABLE 2 shows the Authority's estimated total combined debt service requirements for the Pre-2018 Bonds, the Senior Lien Obligations and the Second Lien Bonds to be paid through their respective maturity dates and projected debt service coverage.

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TABLE 2

**Available Dedicated Capital Funding Revenues and Projected  
Combined Debt Service Coverage (\$000s)**

Fiscal Year Ending June 30	[A]	[B]	[C=A-B]	Bond Debt Service				[H=A/G]	[I=C/G]
	Dedicated	Pre-2018	Available					Gross	Net
	Capital	Bond	Dedicated	[D]	[E]	[F]		Combined	Combined
	Funding	Debt	Capital	Outstanding	Outstanding	Series 2025A		Debt Service	Debt Service
Revenues <sup>(1)(7)</sup>	Service <sup>(2)</sup>	Funding	Senior Lien	Second Lien	Second Lien	[G=D+E+F]		Coverage <sup>(1)(7)(8)</sup>	Coverage <sup>(1)(8)</sup>
		Revenues	Obligations <sup>(3)</sup>	Bonds <sup>(4)(6)</sup>	Bonds <sup>(5)(6)</sup>	Total			
2026	\$470,000	\$ 54,244	\$415,756	\$117,030	\$ 81,690	\$	\$	x	x
2027	470,000	54,226	415,774	117,032	81,688				
2028	470,000	54,210	415,790	117,035	81,689				
2029	470,000	54,186	415,814	117,032	81,689				
2030	470,000	54,172	415,828	117,034	81,688				
2031	470,000	54,157	415,843	117,035	81,690				
2032	470,000	54,139	415,861	117,032	81,691				
2033	470,000	54,142	415,858	117,034	81,687				
2034	470,000	54,106	415,894	117,033	81,689				
2035	470,000	54,050	415,950	117,034	81,687				
2036	470,000	35,522	434,478	117,033	81,692				
2037	470,000	35,520	434,480	117,034	81,687				
2038	470,000	35,523	434,477	117,035	81,686				
2039	470,000	35,519	434,481	117,034	81,686				
2040	470,000	35,519	434,481	117,034	81,690				
2041	470,000	35,520	434,480	117,029	81,694				
2042	470,000	35,522	434,478	117,029	81,691				
2043	470,000	35,521	434,479	117,033	81,689				
2044	470,000	--	470,000	117,032	81,688				
2045	470,000	--	470,000	117,029	81,691				
2046	470,000	--	470,000	117,033	81,690				
2047	470,000	--	470,000	77,889	120,832				
2048	470,000	--	470,000	25,869	86,599				
2049	470,000	--	470,000	25,868	86,603				
2050	470,000	--	470,000	25,865	86,601				
2051	470,000	--	470,000	25,870	86,599				
2052	470,000	--	470,000	25,867	86,601				
2053	470,000	--	470,000	--	112,470				
2054	470,000	--	470,000	--	112,470				
2055	470,000	--	470,000	--	112,470				
2056	470,000	--	470,000	--	112,469				
2057	470,000	--	470,000	--	112,467				
2058	470,000	--	470,000	--	112,469				
2059	470,000	--	470,000	--	112,469				
2060	470,000	--	470,000	--	112,466				
2061	470,000	--	470,000	--	--				

<sup>(1)</sup> Does not include funds estimated to be deposited to the Virginia WMATA Capital Fund Restricted Account which are not available to pay debt service. Assumes that the revenues calculated according to the Commonwealth Dedicated Revenue Statutes for deposit to the WMATA Capital Fund Non-Restricted Account are deposited in each future Fiscal Year. See "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – Commonwealth of Virginia." However, there is no certainty that revenues estimated for the Non-Restricted Account will be deposited each fiscal year as anticipated, or that other Dedicated Capital Funding Revenues will be received by the Authority, in which case the debt service coverage shown on this TABLE 2 may not be achieved in a particular fiscal year.

<sup>(2)</sup> Includes debt service on the Pre-2018 Bonds issued under the 2003 Bond Resolution, which have a priority lien on the Dedicated Capital Funding Revenues. See "SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Flow of Funds" and "OTHER OUTSTANDING DEBT – Security for Outstanding Gross Revenue Obligations."

<sup>(3)</sup> Outstanding Senior Lien Obligations are the Series 2020A Senior Lien Bonds, the Series 2021A Senior Lien Bonds and the Series 2023A Senior Lien Bonds. See "SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Outstanding Senior Lien Obligations."

<sup>(4)</sup> Outstanding Second Lien Obligations are the Series 2023A Second Lien Bonds and the Series 2024A Second Lien Bonds. See "SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Second Lien Parity Obligations and Additional Indebtedness."

<sup>(5)</sup> See TABLE 1.

<sup>(6)</sup> See "SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Second Lien Parity Obligations and Additional Indebtedness" for a discussion of the tests which must be met for the issuance by the Authority of additional indebtedness under the Second Lien Master Resolution.

<sup>(7)</sup> Assumes Dedicated Capital Funding Revenues are not needed in order to pay debt service on the Pre-2018 Bonds prior to transfer for payment of debt service on the Senior Lien Obligations, and then on the Second Lien Bonds. See "OBLIGATIONS OF THE PARTICIPATING JURISDICTIONS FOR MATTERS OTHER THAN SENIOR AND SECOND LIEN OBLIGATIONS."

<sup>(8)</sup> Projected. See "FORWARD-LOOKING STATEMENTS."

## SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS

### Dedicated Revenue Statutes

The "Keeping Metro Safe, Reliable & Affordable" Plan (the "**KMSRA Plan**"), which was adopted as the Authority's Strategic Plan by the Board of Directors on March 28, 2019, outlined \$15.0 billion in capital projects over the next 10 years, requiring approximately \$1.5 billion in average annual capital investments for capital projects to keep the Transit System safe and reliable. Each of the States has adopted legislation providing for funding that collectively directs approximately \$500 million in new annual funding, subject to respective annual appropriations by each State, to the Authority exclusively for capital projects and purposes (i.e., the Dedicated Capital Funding Revenues) to fund its commitment under the KMSRA Plan. The Authority began receiving Dedicated Capital Funding Revenues from the States in Fiscal Year 2019. *See* "Dedicated Capital Funding Revenues – *Historical Dedicated Capital Funding Revenues*" under this caption. The Series 2025A Second Lien Bonds and additional Second Lien Obligations issued under the Second Lien Resolution are secured only by the Second Lien Trust Estate, which does not include (a) any funds in the hereinafter defined Restricted Account of the Commonwealth's WMATA Capital Fund, (b) any funds in excess of the respective amounts set forth in the Dedicated Revenue Statutes as of April 23, 2020, as a result of any amendment to any such Dedicated Revenue Statutes unless the Authority amends the Resolution to pledge such increased funds as part of the Second Lien Trust Estate, or (c) any other revenues of the Transit System.

As required under Enactment Clause 8 of the Commonwealth Dedicated Revenue Statutes, the Board adopted the Authority's Strategic Transformation Plan that superseded the KMSRA Plan entitled "Your Metro, The Way Forward" in February 2023 (the "**Strategic Plan**"). *See* "THE AUTHORITY – Strategic Transformation Plan."

### Dedicated Capital Funding Revenues

#### *District of Columbia*

#### WMATA Dedicated Financing Fund

On September 5, 2018, the District enacted its Fiscal Year 2019 Budget Support Act of 2018 ("**District Dedicated Revenue Statute**"), which included a section to establish a special fund, the WMATA Dedicated Financing Fund, which is administered by the Mayor in accordance with such statute.<sup>2</sup> The District Dedicated Revenue Statute provides that there is to be deposited into the WMATA Dedicated Financing Fund general retail sales tax revenue as follows: (1) in the District's fiscal year 2019 (ending September 30), \$178.5 million; (2) in the District's fiscal year 2020, \$178.5 million; and (3) in the District's fiscal year 2021, and each successive year, an amount equal to the District's allocation of the Authority's jurisdictional formula, applied to the total annual Authority capital funding need of \$500 million.<sup>3</sup>

Money in the WMATA Dedicated Financing Fund is to be distributed to the Authority on a semi-annual basis, with one payment due October 1 and one payment due April 1.<sup>4</sup> Under the District Dedicated Revenue Statute, money deposited into the WMATA Dedicated Financing Fund shall not revert to the unrestricted fund balance of the general fund of the District at the end of any fiscal year of the District, or at any other time. Subject to authorization in an approved budget and financial plan, any funds appropriated

<sup>2</sup> D.C. Code §1-325.401(a).

<sup>3</sup> D.C. Code §1-325.401(b).

<sup>4</sup> D.C. Code §1-325.401(c)(2).

in the WMATA Dedicated Financing Fund shall be continually available without regard to fiscal year limitation.<sup>5</sup>

The District levies a general retail sales tax, currently six percent (6.0%), on the sale of tangible property, selected services, medical marijuana, some sweetened beverages and food sold in vending machines. Other sales and use tax rates range from 10 percent (10.0%) to eighteen percent (18.0%). In addition to the District's obligations under the District Dedicated Revenue Statute, portions of certain general retail sales taxes and sales and use taxes are also dedicated to other specific purposes, including the payment of debt service on revenue bonds issued by the District or to related entities to fund projects in the District.

TABLE 3 shows historical general sales tax revenue received by the District for its fiscal years 2016-2024 and estimated revenue for its fiscal year 2025.

**TABLE 3**

<b>Fiscal Year<sup>(1)</sup></b>	<b>General Sales Tax Revenue (\$000s)<sup>(2)</sup></b>
2016	\$1,343,074
2017	1,419,197
2018	1,492,567
2019	1,597,727
2020	1,222,446
2021	1,202,736
2022	1,702,383
2023	1,921,543
2024	2,001,987
2025	2,050,696 <sup>(3)</sup>

<sup>(1)</sup> Ended September 30.

<sup>(2)</sup> On October 1, 2018, the District increased its general sales tax from 5.75% to 6%. Pursuant to the FY 2025 Budget Support Act, the sales tax rates are anticipated to increase to 6.5% in fiscal year 2026 and to 7% in fiscal year 2027 and thereafter.

<sup>(3)</sup> Estimated. See "CERTAIN INVESTMENT CONSIDERATIONS – Changes in Economic Outlook."

Sources – Government of the District of Columbia's Office of the Chief Financial Officer February 2025 Revenue Estimates Letter.

The February 2025 Revenue Estimates Letter, which is referenced as the source for TABLE 3, contains actual, estimated and projected revenue amounts for the previous, current and future fiscal years, respectively, for the District. This Letter also includes discussions of the District's economy, national and regional economics and risks to the forecasts in the Letter. Reference to this Letter is for informational purposes only, and the information in this Letter is not incorporated into, and is not a part of, this Official Statement. Furthermore, the Authority does not assume responsibility for the contents, accuracy or completeness of the information contained in the Letter.

The District has made the full payment due to the WMATA Dedicated Financing Fund for each fiscal year through fiscal year 2025. The Authority cannot, however, predict the extent or the manner in which the economic outlook for the District, the region or the United States will impact the District's general

<sup>5</sup> D.C. Code §1-325.401(d).

retail sales tax revenue in the future. See "CERTAIN INVESTMENT CONSIDERATIONS – Changes in Economic Outlook."

#### District Dedicated Funding Grant Agreement

The Authority and the District entered into an initial Dedicated Funding Grant Agreement dated February 14, 2020 with a term beginning on October 1, 2019 and terminating on September 30, 2020. Such agreement provided that the District would pay the Dedicated Funding Grant to the Authority on a semi-annual basis with one payment due October 1 and one payment due April 1, with each payment being made in response to an invoice provided by the Authority. The Authority sent the October 1, 2019 and April 1, 2020 invoices on February 14, 2020. The October 1, 2019 payment was received on March 9, 2020 and the April 1, 2020 payment was received on that date. See TABLE 5 under this caption.

The Authority and the District subsequently entered into a Dedicated Funding Grant Agreement, dated October 22, 2020 (the "**District Dedicated Funding Grant Agreement**"), which provides for the disbursement of the District Dedicated Capital Funding Revenues from the WMATA Dedicated Financing Fund to the Authority. **The District Dedicated Funding Grant Agreement provides that any commitment or agreement of the District required by the District Dedicated Funding Grant Agreement shall be subject to the annual appropriation and allocation of funds and other limitations on expenditures or obligations under District and federal law. The District Dedicated Funding Grant Agreement also provides that it shall not constitute an obligation of the District until funds are duly appropriated and allocated and semi-annual payments become due pursuant to the District Dedicated Funding Grant Agreement.** In addition, a Capital Funding Agreement ("CFA" or the "**Capital Funding Agreement**") to which both the Authority and the District are parties is incorporated by reference as a material requirement of the District Dedicated Funding Grant Agreement. The District is not required to make any Dedicated Capital Funding Revenue payment ("**Dedicated Funding Grant**") under the District Dedicated Funding Grant Agreement unless and until a CFA that covers the corresponding time period is signed by the Authority and the District.

The District Dedicated Funding Grant Agreement requires the District to provide a Dedicated Funding Grant to the Authority in the amount provided in D.C. Code §1-325.401, except that the District may reduce its Dedicated Funding Grant in a Fiscal Year by a proportional amount if either Maryland or the Commonwealth does not pay its full amount of dedicated funding in the Authority's Fiscal Year. The District is to pay the Dedicated Funding Grant to the Authority on a semi-annual basis, with one payment due October 1 and one payment due April 1. The District Dedicated Funding Grant Agreement requires that the District annually provide the Authority with written notice that funds have been, are intended to be, or will not be appropriated to cover the Dedicated Funding Grant for the upcoming Fiscal Year of the Authority.

Under the District Dedicated Funding Grant Agreement, the Dedicated Funding Grant may be expended by the Authority only for State of Good Repair Capital Projects ("**State of Good Repair Capital Projects**") in the Authority's then-current approved Capital Improvement Program ("**CIP**") and capital budget or for debt service payments on borrowings designed to address State of Good Repair Capital Projects. See "CAPITAL IMPROVEMENT PROGRAM." The Dedicated Funding Grant may not be used for purposes of Transit System expansion or for operating expenses. If there are unexpended Dedicated Grant funds in the capital budget at the end of any Fiscal Year, the unexpended funds are "rolled over" to the succeeding Fiscal Year for programming by the Board through the CFA process as part of the funding for State of Good Repair Capital Projects shown in the capital budget. The unexpended funds shall not reduce funding requirements for the succeeding year's Dedicated Funding Grant to the capital budget, subject to the provisions of the District Dedicated Funding Grant Agreement.

The District Dedicated Funding Grant Agreement requires that, within 45 days after the end of each quarter, the Authority prepare and submit to the District a capital budget/CIP progress report with respect to each State of Good Repair Capital Project funded by the District Dedicated Funding Grant Agreement and included in the capital budget. In addition, under the District Dedicated Funding Grant Agreement, the Authority has certain annual reporting requirements relating to capital expenditures, and indirect and overhead costs.

The term of the District Dedicated Grant Funding Agreement began on October 1, 2020 and terminates on September 30, 2026. Under the District Dedicated Grant Funding Agreement, the District may, if legally permitted, exercise options to renew the District Dedicated Grant Funding Agreement no more than six (6) times, each for a six (6) year period (each a "**Successive Term**"), or any fraction of a Successive Term, which taken together with any additional fractions equaling a six (6) year period shall constitute one Successive Term. In addition, the District may terminate the District Dedicated Grant Funding Agreement if the Authority expends or fails to expend funds in a manner or for a purpose not authorized by the District Dedicated Grant Funding Agreement. Finally, the District must provide the Authority notice as soon as possible of any proposed change in law that would render the funding contemplated in the District Dedicated Grant Funding Agreement impossible.

**The District Dedicated Grant Funding Agreement explicitly states that all obligations of the District are subject to discretionary annual appropriation and allocation of funds by the Council and in no circumstance is the District responsible under the District Dedicated Grant Funding Agreement for the dedicated funding commitments or other obligations of the Commonwealth or Maryland.**

*State of Maryland*

Transportation Trust Fund

On April 25, 2018, Maryland adopted the Maryland Metro/Transit Funding Act ("**Maryland Dedicated Revenue Statute**") requiring the Governor to include in Maryland's budget an appropriation of \$167 million from the revenues available for the Maryland capital program in the Maryland Transportation Trust Fund (the "**Trust Fund**") and for the Maryland Department of Transportation ("**MDOT**") to provide an annual grant of at least \$167 million to the Washington Suburban Transit District ("**WSTD**") to be used to pay the capital costs of the Authority.<sup>6</sup> Under Maryland law, after meeting its debt service requirements, MDOT may use the funds in the Trust Fund for any lawful purpose related to the exercise of its rights, powers, duties, and obligations.<sup>7</sup> The Maryland Dedicated Revenue Statute provides that such grant to WSTD is in addition to existing appropriations for the benefit of the Authority.<sup>8</sup>

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<sup>6</sup> Md. Transp. Code §10-205(g)(1).

<sup>7</sup> Md. Transp. Code §3-216(d).

<sup>8</sup> Md. Transp. Code §10-205(g)(3).

TABLE 4 below shows the historical amount of revenues deposited in the Trust Fund for Maryland's fiscal years 2015 through 2024.

**TABLE 4**  
**Historical MDOT Transportation Trust Fund Revenues (\$000s)**

<u>Fiscal Year</u>	<u>Corporation Income Tax</u>	<u>Fuel Tax</u>	<u>Titling Tax</u>	<u>Sales and Use Tax</u>	<u>Motor Vehicle Licenses and Registration</u>	<u>Operating Revenues</u>	<u>Investment Income</u>	<u>Other Fees and Revenues</u>	<u>Total</u>
2015	\$148,949	\$827,830	\$744,597	\$28,424	\$310,385	\$414,290	\$2,090	\$340,622	\$2,817,187
2016	167,957	923,216	805,348	28,416	312,771	436,571	3,819	358,097	3,036,195
2017	131,160	981,555	829,305	29,142	316,742	441,420	627	375,500	3,105,451
2018	135,321	987,506	813,673	29,257	317,433	459,912	2,322	348,286	3,093,710
2019	170,452	1,043,835	857,453	31,823	326,555	453,306	2,928	354,242	3,240,595
2020	191,739	1,050,605	846,764	31,686	328,496	394,338	1,918	308,574	3,154,120
2021	267,065	998,216	976,727	21,373	363,489	283,621	--	394,842	3,305,333
2022	310,717	1,082,520	1,021,300	35,487	351,013	389,569	--	411,802	3,602,408
2023	331,433	1,268,649	1,027,541	41,330	359,959	413,142	--	361,662	3,803,716
2024	415,722	1,361,800	1,050,980	44,578	336,715	417,606	--	322,651	3,950,052

Source – Maryland Department of Transportation Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024 ("Taxes Pledged to Bonds and Net Revenues as Defined for Purposes of the Consolidated Transportation Bond Coverage Test Last Ten Fiscal Years," page 115).

The Annual Comprehensive Financial Report, which can be found at <https://www.marylandcomptroller.gov/reports/annual-comprehensive-financial-report-acfr.html> contains additional information and footnotes relating to the Trust Fund revenues. **This website is included for reference only, and the information contained therein is not incorporated into, and is not a part of, this Official Statement.**

Maryland has made the full payment due to the WMATA Dedicated Financing Fund for each fiscal year through fiscal year 2025. The Authority cannot, however, predict the extent or the manner in which the economic outlook for Maryland, the region or the United States will impact the Trust Fund. See "CERTAIN INVESTMENT CONSIDERATIONS – Changes in Economic Outlook."

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### Maryland Dedicated Funding Grant Agreement

The Authority and Maryland, acting by and through WSTD and MDOT, have entered into a WMATA Dedicated Capital Funding Grant Agreement, dated September 26, 2019 (the "**Maryland Dedicated Funding Grant Agreement**"), which provides for the disbursement of the Maryland Dedicated Capital Funding Revenues to the Authority. **The Maryland Dedicated Funding Grant Agreement provides that the commitment or agreement of Maryland required by the Maryland Dedicated Funding Grant Agreement shall be subject to the annual appropriation and allocation of funds and other limitations on expenditures or obligations under the law of Maryland or under other applicable law.**

The Maryland Dedicated Funding Grant Agreement provides that Maryland is required under Transportation Article §10-205(g) to provide, subject to annual appropriation, an annual grant of at least \$167,000,000 to WSTD to be used only to pay capital costs of the Authority identified in its approved CIP. The Maryland Dedicated Funding Grant Agreement notes that the District and the Commonwealth also provide dedicated funding capital grants for capital costs and provides that if the Commonwealth or the District reduce the amount of dedicated funding appropriated for the Authority, the Governor may reduce Maryland's appropriation by a proportional amount.

The term of the Maryland Dedicated Funding Grant Agreement began on September 26, 2019, and automatically renews each July 1 unless one party provides written notice requesting to amend or modify such agreement at least 90 days prior to July 1. No such notice has been given for July 1, 2025. Under certain circumstances involving noncompliance with the terms of the Maryland Dedicated Funding Grant Agreement and following a resolution process, either party may terminate the Maryland Dedicated Funding Grant Agreement.

The Authority is required to prepare and submit, annually by June 1, for the most recent Fiscal Year and for the next to occur Fiscal Year, to MDOT and WSTD various financial and other reports. The Authority is required to submit, annually by December 31 for the most recently audited Fiscal Year, to MDOT a reconciliation report that addresses expenditures made in excess of the one-year capital budget. The Maryland Dedicated Funding Grant Agreement also requires the Authority to provide Maryland with monthly reports regarding certain reprogramming of project budgets into or out of capital projects during the term of the Maryland Dedicated Funding Grant Agreement.

**Maryland does not guarantee the debt of the Authority or any obligation of the Authority. Any bonds issued by the Authority do not constitute a debt or a pledge of the faith and credit of Maryland, MDOT, or WSTD, and neither the faith and credit nor the taxing power of Maryland nor the revenues of MDOT, including but not limited to the Trust Fund, are pledged to the payment of bonds issued by the Authority.**

### *Commonwealth of Virginia*

### WMATA Capital Fund

On May 18, 2018, the Commonwealth adopted legislation ("**Commonwealth Dedicated Revenue Statutes**"), to establish the Washington Metropolitan Area Transit Authority Capital Fund (the "**WMATA Capital Fund**")<sup>9</sup> and to provide for the deposit of certain revenues therein. The WMATA Capital Fund is a special non-reverting fund for the benefit of the Northern Virginia Transportation District ("**NVTD**") established on the books of the Virginia State Comptroller (the "**Comptroller**"). All such revenues are

<sup>9</sup> Code of Va. §33.2-3401.A.

required to be paid into the state treasury and credited to the WMATA Capital Fund, and interest on moneys in the WMATA Capital Fund is to remain in and be credited to the WMATA Capital Fund. Any moneys remaining in the WMATA Capital Fund, including interest thereon, at the end of each Fiscal Year shall not revert to the general fund but shall remain in the WMATA Capital Fund.

Pursuant to the Commonwealth Dedicated Revenue Statutes, there have been established two separate, segregated accounts into which certain revenues dedicated to the WMATA Capital Fund are to be deposited into: (1) a Non-Restricted Account, which shall be available for use by the Authority for capital purposes, including for the payment of, or security for, debt service on bonds or other indebtedness of the Authority, including the Series 2025A Second Lien Bonds, or for any other capital purposes of the Authority (the "**Non-Restricted Account**"), and (2) a Restricted Account, which shall be available for use by the Authority only for capital purposes other than for the payment of, or security for, debt service on bonds or other indebtedness of the Authority (the "**Restricted Account**").<sup>10</sup> For further discussion, *see* "CAPITAL IMPROVEMENT PROGRAM – Sources of Funding Capital Improvement Program – WMATA Capital Fund Restricted Account."

The Commonwealth Dedicated Revenue Statutes require that the Comptroller disburse funds to the Authority on a monthly basis if the Northern Virginia Transportation Commission ("**NVTC**") has certified to the Comptroller<sup>11</sup> that it has received certain Authority financial documents.<sup>12</sup> In each year that funds are deposited into the WMATA Capital Fund, NVTC is required to report to the Governor and the Commonwealth of Virginia General Assembly (the "**General Assembly**") on the performance and condition of the Authority and the Transit System on or before December 15 of that year.<sup>13</sup>

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<sup>10</sup> Code of Va. §33.2-3401.B.

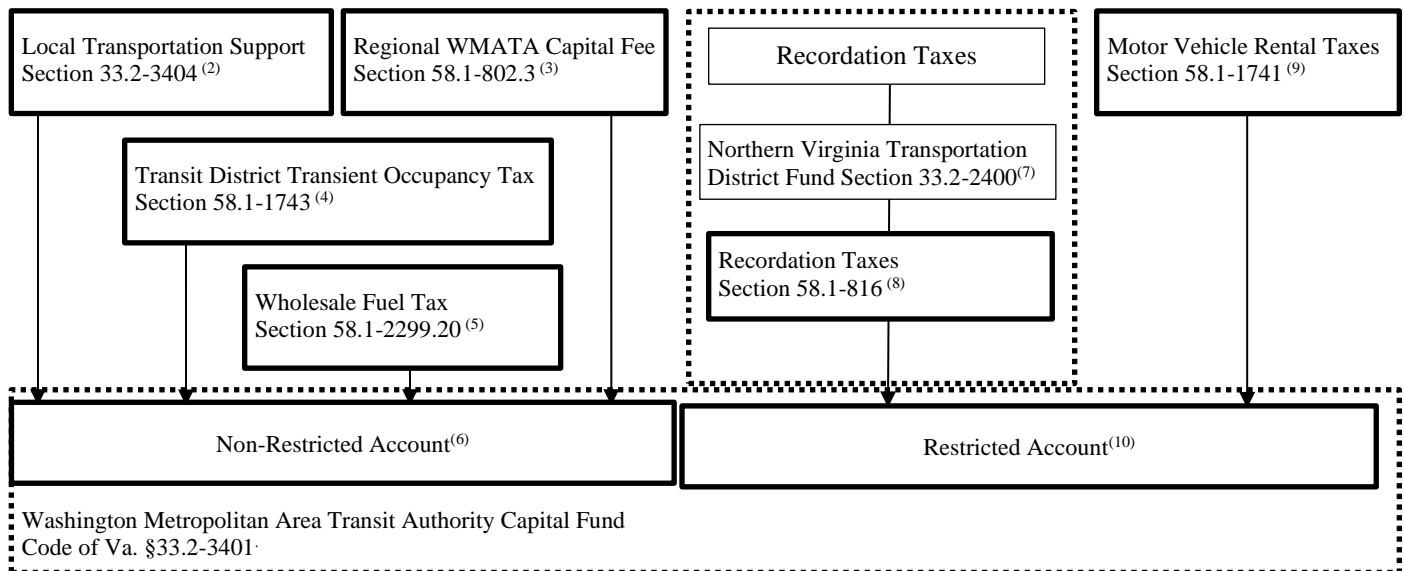
<sup>11</sup> Code of Va. §33.2-3401.A.

<sup>12</sup> Code of Va. §33.2-3402.

<sup>13</sup> Code of Va. §33.2-3403.

The following chart shows the sources of revenues identified in the Commonwealth Dedicated Revenue Statutes for deposit to the WMATA Capital Fund, distinguishing between the Non-Restricted Account and the Restricted Account (which is not available for debt service on the Series 2025A Second Lien Bonds).

**Chart 1**  
**Sources of Commonwealth Dedicated Capital Funding Revenues**  
**WMATA Capital Fund<sup>(1)</sup>**



<sup>(1)</sup> Shows sources intended to generate revenues used by the Commonwealth to fund a deposit of \$154.5 million to the WMATA Capital Fund. Only the portion of these revenues which are deposited to the Non-Restricted Account may be used by the Authority to pay debt service on the outstanding Senior Lien Obligations, the Series 2025A Second Lien Bonds and other Second Lien Obligations under the Second Lien Master Resolution. There is no certainty that these sources will generate the revenues as anticipated in each Authority Fiscal Year or what amounts the Commonwealth will deposit to the Non-Restricted Account. The Commonwealth may, but has no obligation under the Commonwealth Dedicated Funding Agreement to, contribute funds to the WMATA Capital Fund in addition to amounts generated by these revenue sources.

<sup>(2)</sup> Payments by the Counties of Arlington, Fairfax and Loudoun, and Cities of Alexandria, Falls Church and Fairfax to the Commonwealth.

<sup>(3)</sup> This fee is applied as an additional recordation tax of \$0.10/100 (effective as of May 1, 2021) on realty located in the political subdivisions of the Commonwealth located in the Transit Zone.

<sup>(4)</sup> A 3% tax (effective as of May 1, 2021) on the amount of the charge for the occupancy of any room or space, suitable or intended for dwelling, lodging or sleeping purposes, located in NVTB is paid by the local treasurer to the Commonwealth.

<sup>(5)</sup> One-twelfth of \$22.183 million to be deposited monthly.

<sup>(6)</sup> The Revenues deposited into the Non-Restricted Account shall be available for use by the Authority for capital purposes, including for the payment of, or security for, debt service on bonds or other indebtedness of the Authority, including the Series 2025A Second Lien Bonds, or for any other of the Authority's capital purposes.

<sup>(7)</sup> The part of the Transportation Trust Fund known as the Northern Virginia Transportation District Fund created for the purpose of holding annual collection of recordation taxes attributable to the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William is collected by the local clerk of court and paid to the state treasury.

<sup>(8)</sup> Taxes imposed under Sections 58.1-801 through 58.1-809 (recording taxes) which are credited to the state treasury are transferred to the Cities of Alexandria, Fairfax, Falls Church for deposit into the Restricted Account.

<sup>(9)</sup> One-third of vehicle rental taxes collected by the Commonwealth.

<sup>(10)</sup> Revenues deposited into the Restricted Account shall be available for use by the Authority only for capital purposes other than for the payment of, or security for, debt service on bonds or other indebtedness of the Authority. See "CAPITAL IMPROVEMENT PROGRAM – Sources of Funding Capital Improvement Program – WMATA Capital Fund Restricted Account."

### WMATA Capital Fund – Non-Restricted Account

The Commonwealth Dedicated Revenue Statutes provide that the Non-Restricted Account of the WMATA Capital Fund is to be funded with transfers by local governments of revenues from the Northern Virginia Transportation Authority ("NVTA") or otherwise, a Regional WMATA Capital Fee, an additional transient occupancy tax and a portion of wholesale fuel taxes. There has previously been created in the state treasury on the books of the Comptroller a special non-reverting fund for the benefit of Planning District 8, which consists of the NVTA. Such fund is known as the Northern Virginia Transportation Authority Fund (the "**NVTA Fund**")<sup>14</sup> and is funded with certain additional sales and use tax revenues that are levied in Planning District 8 and dedicated to the NVTA Fund and any other funds that may be appropriated by the General Assembly.<sup>15</sup> Interest earned on moneys in the NVTA Fund remains in and is credited to the NVTA Fund, and any moneys remaining in the NVTA Fund, including interest thereon, at the end of each Fiscal Year do not revert to the general fund but remain in the NVTA Fund.

*Local Transportation Support.* Under the Commonwealth Dedicated Revenue Statutes, each county and city that is located in the NVTD and has financial obligations to the Authority is required to make annual payments to the Non-Restricted Account of the WMATA Capital Fund in an amount determined by multiplying \$27.12 million by a fraction, the numerator of which is such local government's share of capital funding for the Authority and the denominator of which is the total share of capital funding for the Authority for all local governments in the Commonwealth.<sup>16</sup> Each locality is required to pay such amount from revenues received from the NVTA or some other source.<sup>17</sup>

*Regional WMATA Capital Fee.* The Commonwealth imposes a fee, delineated as the "regional WMATA capital fee," on each instrument by which real property in any county or city that is a member of the NVTA is conveyed at a rate, effective May 1, 2021, of \$0.10 for each \$100.<sup>18</sup> Such fees are collected by the clerk of court and pursuant to the Commonwealth Dedicated Revenue Statutes are transferred to the Commonwealth treasury as soon as practicable to be deposited into the Non-Restricted Account of the WMATA Capital Fund.

*Transportation District Transient Occupancy Tax.* The Commonwealth imposes an additional transient occupancy tax (previously at a rate of 2% and at the rate of 3% effective as of May 1, 2021) of the amount of the charge for the occupancy of any room or space occupied in any county or city located in the NVTD. Pursuant to the Commonwealth Dedicated Revenue Statutes, the revenue generated and collected from the tax is deposited by the local treasurer into the state treasury and transferred to the Non-Restricted Account of the WMATA Capital Fund. All county and city treasurers and clerks of courts receiving state moneys are required to deposit promptly all state moneys and, in the manner directed by the State Treasurer, shall transfer state moneys into an account of the state treasury twice each week.<sup>19</sup>

*Wholesale Fuel Tax.* The Commonwealth imposes a tax upon every distributor who engages in the business of selling fuels at wholesale to retail dealers for retail sale in any county or city in the NVTD.<sup>20</sup> Such tax is imposed on each gallon of fuel, other than diesel fuel, sold by a distributor to a retail dealer for retail sale at a rate of 2.1 percent (2.1%) of the statewide average distributor price of a gallon of unleaded

<sup>14</sup> Code of Va. §33.2-2509.

<sup>15</sup> Code of Va. §33.2-2509.

<sup>16</sup> Code of Va. §33.2-3404.A.

<sup>17</sup> Code of Va. §33.2-3404.C.

<sup>18</sup> Code of Va. §58.1-802.3.

<sup>19</sup> Code of Va. §58.1-1743.

<sup>20</sup> Code of Va. §58.1-2295.A.1.

regular gasoline.<sup>21</sup> For alternative fuels other than liquid alternative fuels, the Commissioner shall determine an equivalent tax rate based on gasoline gallon equivalency. Such tax is imposed on each gallon of diesel fuel sold by a distributor to a retail dealer for retail sale at a rate of 2.1% of the statewide average distributor price of a gallon of diesel fuel.<sup>22</sup> Such wholesale fuel tax revenues imposed and collected in the NVTD after subtraction of the direct costs of administration in an amount equal to one-twelfth (1/12<sup>th</sup>) of \$22.183 million shall be deposited monthly in the Non-Restricted Account of the WMATA Capital Fund.<sup>23</sup>

For funds collected in FY2023, the Commonwealth deposited approximately \$118.7 million to the Non-Restricted Account and approximately \$35.8 million to the Restricted Account of the WMATA Capital Fund. Accordingly, while the full Contribution from the Commonwealth was funded for FY2023, only the amounts in the Non-Restricted Account could be used by the Authority for debt service. For funds collected in FY2024, the Commonwealth deposited approximately \$120.5 million in the Non-Restricted Account and approximately \$34.0 million to the Restricted Account of the WMATA Capital Fund. For funds collected in FY2025, the Commonwealth has to date deposited \$121.1 million to the Non-Restricted Account and \$20.5 million to the Restricted Account of the WMATA Capital Fund. It is anticipated that the Commonwealth will fund the full Contribution for FY2025.

The Authority cannot predict the extent or the manner in which economic or other factors will impact these fees and revenues in the future. *See* "CERTAIN INVESTMENT CONSIDERATIONS – Changes in Economic Outlook." Upon any future shortfall, the Commonwealth may (but is not obligated to) direct amounts for deposit to the WMATA Capital Fund in order to satisfy the overall Commonwealth obligation of \$154.5 million and avoid potential reciprocal withholdings by Maryland and the District. While the Commonwealth has provided coverage of shortfall amounts from other sources in the past, there can be no guarantee that such action will be taken to resolve any occurrence of shortfalls in the future. Furthermore, as described in "WMATA Capital Fund – Restricted Account" under this caption, to the extent any such amounts are deposited to the Restricted Account (rather than the Non-Restricted Account), such amounts will not be available to pay debt service on the Series 2025A Second Lien Bonds. *See* TABLE 2.

#### WMATA Capital Fund – Restricted Account

The Commonwealth Dedicated Revenue Statutes provide that the Restricted Account of the WMATA Capital Fund be funded with certain recordation taxes and vehicle rental taxes collected by the Commonwealth. Revenues deposited into the Restricted Account shall be available for use by the Authority only for capital purposes and not to pay debt service on the Series 2025A Second Lien Bonds or any other bonds or indebtedness of the Authority. In addition, revenues other than amounts from such specified taxes may be deposited by the Commonwealth from its Contribution to such Restricted Account. *See* "CAPITAL IMPROVEMENT PROGRAM – Sources of Funding of Capital Improvement Program – WMATA Capital Fund Restricted Account."

#### Commonwealth Dedicated Funding Grant Agreement

The Authority and the Commonwealth acting by and through the Virginia Department of Rail and Public Transportation ("DRPT") have entered into a Commonwealth Dedicated Funding Grant Agreement, dated May 1, 2019 (the "**Commonwealth Dedicated Funding Grant Agreement**," together with the District Dedicated Funding Grant Agreement and the Maryland Dedicated Funding Grant Agreement, the "**Dedicated Funding Grant Agreements**"), which such Commonwealth Dedicated Funding Grant Agreement provides for the disbursement of the Commonwealth Dedicated Capital Funding Revenues from

<sup>21</sup> Code of Va. §58.1-2295.B.1.

<sup>22</sup> Code of Va. §58.1-2295.B.2.

<sup>23</sup> Code of Va. §58.1-2299.20.A.

the WMATA Capital Fund to the Authority. **The Commonwealth Dedicated Funding Grant Agreement provides that any commitment or agreement of the Commonwealth required by the Commonwealth Dedicated Funding Grant Agreement is subject to the annual appropriation and allocation of funds and other limitations on expenditures or obligations under the law of the Commonwealth or under other applicable law.**

Under the terms of the Commonwealth Dedicated Funding Grant Agreement, subject to allocation and appropriation, and the other requirements contained in the Virginia Code, the Commonwealth is required to provide the Authority annually with written notice that funds have been, are intended to be, or will not be appropriated to cover the estimated annual amount of funding to be disbursed to the Authority by the Commonwealth in accordance with the Commonwealth Dedicated Revenue Statutes (the "**Contribution**") for the upcoming Fiscal Year and committing to disburse such Contribution to the Authority per the terms of the Commonwealth Dedicated Funding Grant Agreement.

Subject to allocation and appropriation, and the other requirements contained in the Virginia Code, the Commonwealth Dedicated Funding Grant Agreement requires that the Commonwealth disburse one-twelfth (1/12<sup>th</sup>) of the Contribution to the Authority on a monthly basis, except for the first disbursement. The Commonwealth is required to make the monthly disbursements from the WMATA Capital Fund no later than the 25<sup>th</sup> day of the following month into the Restricted Account and the Non-Restricted Account, as applicable. If the balance in the WMATA Capital Fund is not sufficient to cover the monthly disbursement amount, the Commonwealth is required to disburse to the Authority the entire balance in the WMATA Capital Fund as of the end of the prior month. The Commonwealth Dedicated Funding Grant Agreement requires that the Commonwealth continue to disburse the entire balance in the WMATA Capital Fund each month until such time as the monthly disbursement has returned to the scheduled 1/12<sup>th</sup> monthly payment in full, and any accumulated shortfalls from all prior monthly disbursements have been made whole.

Notwithstanding any other provision of the Commonwealth Dedicated Funding Grant Agreement, if at any time the Commonwealth determines that the funds collected in the WMATA Capital Fund will not be sufficient to pay in full the Contribution, the following shall occur: (a) the Commonwealth shall notify the Authority in writing that the available funds are expected to be insufficient to satisfy the current Contribution amount; (b) the written notification shall include a new Contribution amount; and (c) the remaining monthly payments for that year combined with the payments made prior to notification of the new Contribution amount shall not exceed the new Contribution amount. If such notification occurs, the Authority and the Commonwealth, acting through DRPT, agree to meet with representatives from Maryland and the District to determine an appropriate course of action with respect to the Authority's annual CIP budget commitments. **The Commonwealth Dedicated Funding Grant Agreement provides that under no circumstance will the Commonwealth be obligated under the Commonwealth Dedicated Funding Grant Agreement to pay more than what is contained in the WMATA Capital Fund. The Commonwealth does not guarantee the debt of the Authority or any obligation of the Authority.**

Under the Commonwealth Dedicated Funding Grant Agreement, the percentage of funding provided by the Commonwealth for its share of the Authority's CIP funding pursuant to the Commonwealth Dedicated Funding Grant Agreement is 30.9%. On an annual basis, this percentage shall be applied to no more than \$500 million of the annual Authority CIP each year to calculate the Contribution for that Fiscal Year. For Fiscal Years 2023 and 2024, the Contribution was \$154.5 million in each year. However, there is no certainty what the Contribution amount will be in future years.

The term of the Commonwealth Dedicated Funding Grant Agreement began on the May 1, 2019, and automatically renews each July 1 unless one party provides written notice requesting to amend or modify the agreement at least 90 Days prior to July 1. No such notice has been given for July 1, 2025. In

the event either party determines that the other party is not satisfactorily complying with the terms of the Commonwealth Dedicated Funding Grant Agreement and after a resolution period, either party may terminate the Commonwealth Dedicated Funding Grant Agreement in whole or in part. In the event that the Commonwealth Dedicated Funding Grant Agreement is terminated pursuant to its terms, any amounts remaining on hand at the Authority at the termination of the Commonwealth Dedicated Funding Grant Agreement, except any amounts incurred but not drawn, shall be credited or refunded to the Commonwealth, as directed by the Commonwealth.

Under the terms of the Commonwealth Dedicated Funding Grant Agreement, the Authority is required to apply the Commonwealth's Contribution to items identified in the approved CIP. The Authority shall not use any proceeds disbursed from the Restricted Account for the payment of, or security for, debt service on bonds or other indebtedness of the Authority, but the Authority may use proceeds disbursed from the Non-Restricted Account for the payment of, or as a pledge of security for, debt service on bonds or other indebtedness of the Authority, including the Series 2025A Second Lien Bonds. The Authority is required to provide information, reports, and other data to NVTC, DRPT and the Commonwealth.

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### Historical Dedicated Capital Funding Revenues

Commencing in May 2019, the Authority has received Dedicated Capital Funding Revenues from the Commonwealth, Maryland and the District as shown on TABLE 5 below.

**TABLE 5**  
**Historical Dedicated Capital Funding Revenues**

<b>Date</b>	<b>Virginia Non-Restricted Funds<sup>(1)(2)</sup></b>	<b>Maryland Funds<sup>(2)</sup></b>	<b>District of Columbia Funds<sup>(3)(4)</sup></b>	<b>Date</b>	<b>Virginia Non-Restricted Funds<sup>(1)(2)</sup></b>	<b>Maryland Funds<sup>(2)</sup></b>	<b>District of Columbia Funds<sup>(3)(4)</sup></b>
May-2019	\$67,275,131	\$ --	\$ --	Jun-2022	\$ 8,058,977	\$ --	\$ --
Jun-2019	16,831,402	--	--	Jul-2022	12,875,000	42,585,000	--
Jul-2019	9,221,047	--	--	Aug-2022	12,465,356	--	--
Aug-2019	11,037,520	--	--	Sep-2022	9,237,270	--	--
Sep-2019	11,855,154	--	--	Oct-2022	9,114,586	42,585,000	89,250,000
Oct-2019	11,764,139	83,500,000	--	Nov-2022	9,232,495	--	--
Nov-2019	11,726,196	--	--	Dec-2022	11,836,191	--	--
Dec-2019	11,980,293	--	--	Jan-2023	10,794,577	40,915,000	--
Jan-2020	11,919,251	41,750,000	--	Feb-2023	10,514,956	--	--
Feb-2020	12,014,502	--	--	Mar-2023	6,386,695	--	--
Mar-2020	11,527,429	--	89,250,000 <sup>(5)</sup>	April-2023	9,176,199	40,915,000	89,250,000
Apr-2020	5,964,510	41,750,000	89,250,000	May-2023	10,004,031	--	--
May-2020	-- <sup>(6)</sup>	--	--	June-2023	8,706,060	--	--
Jun-2020	10,995,970	--	--	July 2023	11,257,611	42,585,000	--
Jul-2020	12,098,491	41,750,000	--	Aug-2023	11,604,785	--	--
Aug-2020	12,875,000	--	--	Sep-2023	6,610,776	--	--
Sep-2020	7,281,252	--	--	Oct-2023	11,497,160	42,585,000	89,250,000
Oct-2020	12,122,045	41,750,000	89,250,000	Nov-2023	11,514,675	--	--
Nov-2020	7,061,505	--	--	Dec-2023	6,638,768	--	--
Dec-2020	12,166,291	--	--	Jan-2024	11,645,239	40,915,000	--
Jan-2021	11,470,677	41,750,000	--	Feb-2024	11,715,779	--	--
Feb-2021	7,185,188	--	--	Mar-2024	6,822,559	--	--
Mar-2021	7,141,304	--	--	April-2024	11,924,289	40,915,000	89,250,000
Apr-2021	11,729,417	41,750,000	89,250,000	May-2024	11,868,481	--	--
May-2021	7,107,883	--	--	June-2024	6,847,001	--	--
Jun-2021	7,514,828	--	--	July 2024	11,829,095	42,585,000	--
Jul-2021	11,072,153	42,351,000	--	Aug-2024	12,875,000	--	--
Aug-2021	9,665,005	--	--	Sep-2024	12,875,000	--	--
Sep-2021	7,896,020	--	--	Oct-2024	12,488,227	42,585,000	89,250,000
Oct-2021	12,875,000	38,243,000	89,250,000	Nov-2024	10,911,570	--	--
Nov-2021	11,659,831	--	--	Dec-2024	9,511,005	--	--
Dec-2021	7,830,247	--	--	Jan-2025	9,467,363	40,915,000	--
Jan-2022	7,510,983	42,251,000	--	Feb-2025	12,875,000	--	--
Feb-2022	11,059,713	--	--	Mar-2025	9,041,845	--	--
Mar-2022	10,902,960	--	--	April-2025	7,519,855	40,915,000	89,250,000
Apr-2022	12,400,270	44,255,000	89,250,000	May-2025	11,706,042	--	--
May-2022	6,361,940	--	--				

(1) Revenues deposited into the Restricted Account of the WMATA Capital Fund are not shown in this TABLE 5 as they are available for use by the Authority only for capital purposes and not for the payment of, or security for, debt service on bonds or other indebtedness of the Authority. See "CAPITAL IMPROVEMENT PROGRAM – Sources of Funding Capital Improvement Program – WMATA Capital Fund Restricted Account." See also "Commonwealth of Virginia" under this caption.

(2) Fiscal Year ended June 30.

(3) Two payments were made in the District's fiscal year 2019 in lieu of other District obligations while the District of Columbia Dedicated Funding Grant Agreement was negotiated. Such payments were not Dedicated Capital Funding Revenues.

(4) Fiscal year ended September 30.

(5) See "District of Columbia – District Dedicated Funding Grant Agreement" under this caption for a discussion of the timing of District payments in the District's fiscal year 2020.

(6) In May 2020, the Virginia comptroller inadvertently deposited \$12,875,000 to the Restricted Account even though Virginia had sufficient non-restricted funds on hand at that time for the payment to be made to the Non-Restricted Account.

Source – Provided by the Authority.



## SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS

### Limited Second Lien Obligations

The Series 2025A Second Lien Bonds constitute "Second Lien Obligations" under the Second Lien Master Resolution and are special, limited obligations of the Authority payable solely from the Second Lien Trust Estate. The Series 2025A Second Lien Bonds do not constitute a debt or legal obligation of and do not create a lien upon any other revenues of the Authority, or on the revenues of the Participating Jurisdictions, the States or the United States of America. The full faith and credit of the United States of America, the States and the Participating Jurisdictions are not pledged to the payment of the Series 2025A Second Lien Bonds, and none of the foregoing are liable thereon. The full faith and credit of the Authority is not pledged to the payment of the Series 2025A Second Lien Bonds. The Authority has no taxing power.

### Pledge of the Second Lien Trust Estate

The Second Lien Trust Estate consists of, subject to the terms and provisions of the Second Lien Master Resolution and subordinate to the obligations of the Authority in respect of the Senior Lien Obligations as provided by the Senior Lien Resolution, all right, title and interest of the Authority in:

- (a) all Dedicated Capital Funding Revenues;
- (b) the proceeds of the sale of the Second Lien Obligations;
- (c) all Funds, Accounts and Subaccounts established by the Second Lien Master Resolution (other than any rebate funds established pursuant to a tax certificate or agreement executed by the Authority in connection with a Series of Second Lien Obligations and any funds, and any accounts and subaccounts therein, established pursuant to a Supplemental Resolution in connection with Variable Interest Rate Second Lien Obligations, Put Second Lien Obligations, Second Lien Debt, Junior Indebtedness or Junior Contract Obligations; *provided however*, that such funds, accounts and subaccounts are specifically excepted from the Second Lien Trust Estate by the Supplemental Second Lien Resolution authorizing such Variable Interest Rate Second Lien Obligations, Put Second Lien Obligations, Second Lien Parity Debt, Junior Indebtedness or Junior Contract Obligations), including the investments, if any, thereof; and
- (d) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Second Lien Obligations by the Authority, or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times, and to hold and apply the same subject to the terms thereof.

Dedicated Capital Funding Revenues do not include (a) those funds in the Commonwealth's Restricted Account, which are ineligible for use as security for debt, (b) any funds in excess of the respective amounts set forth in the Dedicated Revenue Statutes as of April 23, 2020, as a result of any amendment to any of the Dedicated Revenue Statutes unless the Authority amends the Second Lien Master Resolution in accordance with its terms to pledge such increased funds as part of the Second Lien Trust Estate under the Second Lien Master Resolution, or (c) any other revenues, taxes, charges, assessments or other moneys paid to the Authority.

The Second Lien Master Resolution pledges the Second Lien Trust Estate as security for the payment of the Series 2025A Second Lien Bonds (subordinated to the prior pledge for the payment of

Senior Lien Obligations pursuant to the Senior Lien Resolution). The Series 2025A Second Lien Bonds will be issued on a parity with all other Second Lien Obligations and Second Lien Parity Debt as provided in the Second Lien Master Resolution. The pledge created by the Resolution, insofar as it relates to any portion of the Second Lien Trust Estate pledged to the payment of the Pre-2018 Bonds, is subordinate in all respects to the pledge created by the 2003 Bond Resolution to pay the Pre-2018 Bonds.

Under the 2003 Bond Resolution, the Dedicated Capital Funding Revenues are pledged to the payment of the Pre-2018 Bonds as a subcomponent of the Authority's Gross Revenues. The 2003 Bond Resolution was subsequently amended to exclude Dedicated Capital Funding Revenues from Gross Revenues, and the Authority's Board has committed to abstain from issuing further debt secured by Gross Revenues inclusive of Dedicated Capital Funding Revenues under the 2003 Bond Resolution. The pledge of the Dedicated Capital Funding Revenues created by the Second Lien Master Resolution is subordinate in all respects to that pledge created by the 2003 Bond Resolution to the payment of the Pre-2018 Bonds. So long as any Pre-2018 Bonds are outstanding, no Series 2025A Second Lien Bonds nor the Trustee shall have any right to any payment from Dedicated Capital Funding Revenues unless and until the Dedicated Capital Funding Revenues shall (a) first be deposited as provided in the 2003 Bond Resolution, and (b) applied as provided in said 2003 Bond Resolution to the payment of the Pre-2018 Bonds.

Upon application of the Dedicated Capital Funding Revenues first to meet the funding requirements of the Pre-2018 Bonds if required under the 2003 Bond Resolution, then the balance of all Dedicated Capital Funding Revenues is to be transferred to the Trustee and deposited into the Revenue Fund established under the Senior Lien Resolution as soon as practicable thereafter. The pledge of the Dedicated Capital Funding Revenues created by the Second Lien Master Resolution is subordinate in all respects to the prior pledge for the payment of Senior Lien Obligations pursuant to the Senior Lien Resolution. *See "Flow of Funds"* under this caption.

### **Flow of Funds**

The Dedicated Capital Funding Revenues are the principal source of the Second Lien Trust Estate. Each of the States has been directed by the Authority to pay their respective Dedicated Capital Funding Revenues directly to the Clearing Account Agent for deposit into a Clearing Account which was established under the Senior Lien Resolution in the name of the Authority and held uninvested and administered by the Clearing Account Agent. The Clearing Account is not part of the Second Lien Trust Estate established by the Second Lien Master Resolution. So long as the Pre-2018 Bonds are outstanding, the Clearing Account Agent shall be unconditionally obligated to pay to the Trustee for the Pre-2018 Bonds (the "**2003 Trustee**") all Dedicated Capital Funding Revenues as soon as practicable following the receipt thereof, but in no event later than the morning of the Business Day immediately succeeding each date of receipt of Dedicated Capital Funding Revenues by the Clearing Account Agent. In accordance with the 2003 Bond Resolution, all Dedicated Capital Funding Revenues, as soon as practicable after the receipt thereof, are to be deposited by the 2003 Trustee in an account held and administrated by the 2003 Trustee (the "**2003 Dedicated Capital Funding Revenues Account**") established in the revenue fund (the "**2003 Revenue Fund**") established under the 2003 Bond Resolution.

Subject to the proviso below, the Authority is required by the 2003 Bond Resolution to direct the 2003 Trustee, on the Business Day next succeeding each deposit of Dedicated Capital Funding Revenues into the 2003 Dedicated Capital Funding Revenues Account, to transfer all Dedicated Capital Funding Revenues on deposit in the 2003 Dedicated Capital Funding Revenues Account to the Senior Trustee, and such amounts so transferred shall be free and clear of the pledge created by the 2003 Bond Resolution; provided, whenever the amount paid out of the gross proceeds account (the "**2003 Gross Proceeds Account**") established in the 2003 Revenue Fund with respect to the Pre-2018 Bonds is less than the amount which should have been transferred (i.e., accrued debt service on the Pre-2018 Bonds on a quarterly basis),

then an amount equal to such deficiency shall be held in the 2003 Dedicated Capital Funding Revenues Account and applied in a timely manner to the payment when due of the Pre-2018 Bonds. Should such deficiency be made up from other sources, or such Pre-2018 Bonds be otherwise paid, then the amount so held may be applied as aforesaid.

When the Pre-2018 Bonds are no longer outstanding, the Clearing Account Agent is to transfer the Dedicated Capital Funding Revenues from the Clearing Account to the Revenue Fund established under the Senior Lien Resolution as soon as practicable after the receipt thereof. Prior to the retirement of the Pre-2018 Bonds in accordance with their terms, the Pre-2018 Bonds shall have a first right of payment from the Clearing Account and the investment income thereon, if any, in accordance with terms of the 2003 Bond Resolution. So long as the Pre-2018 Bonds are outstanding in accordance with their terms, none of the Series 2025A Second Lien Bonds nor the Trustee shall have any lien on or right to payment from the Clearing Account or any funds contained in the Clearing Account or any investment income thereon, if any; on and after the date the Pre-2018 Bonds are no longer outstanding in accordance with their terms, the Clearing Account shall automatically and without further act become subject to the lien of the Senior Lien Resolution.

The Trustee shall deposit all Dedicated Capital Funding Revenues as soon as practicable after receipt thereof, whether from the 2003 Trustee or from the Clearing Account Agent, into the Revenue Fund established under the Senior Lien Resolution. The Trustee shall transfer promptly all amounts deposited to the Revenue Fund into the following Funds and Accounts, in the amounts and in the order of priority, as follows:

(a) payment to the Senior Lien Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the Accrued Debt Service for the Senior Lien Obligations; provided that, for the purposes of computing the amount to be deposited in said Fund, there shall be excluded the amount, if any, set aside in any account within the Senior Lien Debt Service Fund or the Senior Lien Proceeds Fund from the proceeds of Senior Lien Obligations or Senior Lien Parity Debt for the payment of interest on Senior Lien Obligations or Senior Lien Parity Debt on the next Debt Service Payment Date;

(b) transfer to the Second Lien Trustee for deposit to the Second Lien Debt Service Fund the amount, if any, required so that the balance in the Second Lien Debt Service Fund shall equal the Accrued Debt Service (as defined in the Second Lien Master Resolution); provided that, for purposes of computing the amount to be deposited in the Second Lien Debt Service Fund, there shall be excluded the amount, if any, set aside in any account within the Second Lien Debt Service Fund or the Second Lien Proceeds Fund from the proceeds of Second Lien Obligations or Second Lien Parity Debt for the payment of interest on Second Lien Obligations or Second Lien Parity Debt on the next Debt Service Payment Date;

(c) transfer to another Person in accordance with any Supplemental Resolution or other authorizing document creating Junior Indebtedness or Junior Contract Obligations for payment of, or accrual for payment of, principal of and interest on any Junior Indebtedness or for payment of amounts due under any Junior Contract Obligation (*see "Parity Liens and Additional Indebtedness – Junior Indebtedness and Junior Contract Obligations" under this caption*);

(d) transfer to the Authority for deposit in the Proceeds Fund as directed in writing by an Authorized Officer of the Authority; and

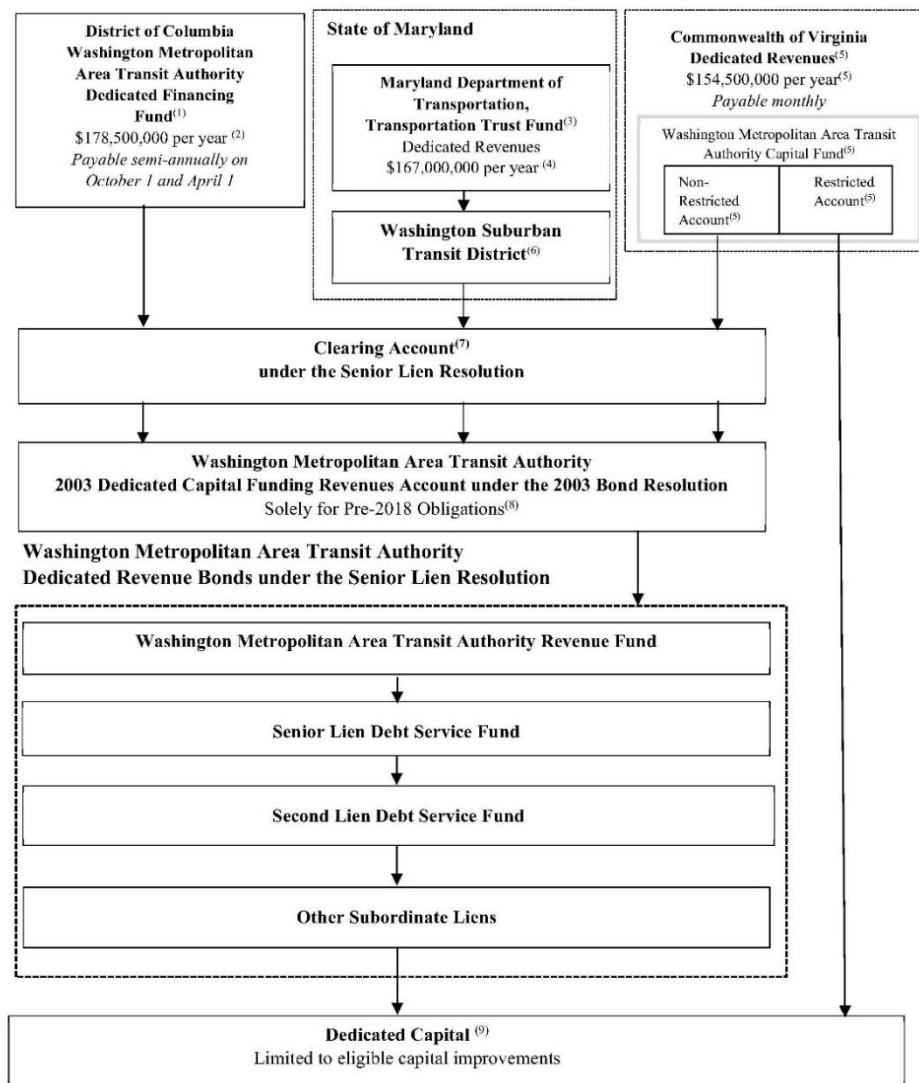
(e) transfer to such accounts held by the Authority as an Authorized Officer shall specify in writing to the Trustee.

The Trustee shall pay out of the Second Lien Debt Service Fund to the respective Paying Agents (i) on or before each interest payment date for any of the Second Lien Obligations and any related Second Lien Parity Debt, the amount required for the interest payable on such date; (ii) on or before each Principal Installment due date, the amount required for the Principal Installment (including the portion thereof payable in respect of a Parity Reimbursement Obligation) payable on such due date, and (iii) on or before any redemption date for the Second Lien Obligations or Second Lien Parity Debt which occurs on any interest payment date, the amount required for the payment of interest on the Second Lien Obligations or Second Lien Parity Debt then to be redeemed. Such amounts shall be applied by the Paying Agents to such payments on and after the due dates thereof.

The following chart summarizes the sources of Dedicated Capital Funding Revenues and the flow of funds once such Dedicated Capital Funding Revenues are transferred to the Clearing Account Agent. Such deposit is to occur as soon as practicable after the receipt thereof as required by the Senior Lien Resolution.

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### Dedicated Revenue Bonds Sources and Flow of Funds



<sup>(1)</sup> Sources of funding for the Washington Metropolitan Area Transit Authority Dedicated Financing Fund are general sales retail taxes collected by the District. See "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – *District of Columbia*."

<sup>(2)</sup> Funds are subject to annual appropriation by the Council. Amounts may also be reduced proportionately to the extent that Maryland or the Commonwealth do not pay the full amount of their obligations. See "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – *District of Columbia*."

<sup>(3)</sup> Sources of funds include motor fuel taxes, vehicle excise (titling) taxes, motor vehicle fees (registrations, licenses and other fees), and federal aid. In addition, the Trust Fund also includes corporate income taxes, sales and use taxes, operating revenues (e.g., transit fares, port fees, airport fees), and bond proceeds. See "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – *State of Maryland*."

<sup>(4)</sup> Funds are subject to annual appropriation by the Maryland state legislature and withholding of up to 35% of other Maryland contributions if the Authority's operating budget increases by more than 3% in any year. Amounts may also be reduced to the extent that the District or Commonwealth do not pay the full amount of their obligations. Funds are anticipated to be paid quarterly. See "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – *State of Maryland*" and "CERTAIN INVESTMENT CONSIDERATIONS – Three Percent (3%) Cap on Operating Budget Increase" and "– Timing of Cash Receipts."

<sup>(5)</sup> Funds are subject to annual appropriation by the General Assembly. Amounts may also be proportionately reduced to the extent that the District or Maryland do not pay the full amount of their obligations. Funds are intended to be derived from a number of Commonwealth and local sources. See Chart 1. However, such sources may not generate revenues as anticipated or such funds may not accrue to the Non-Restricted Account. See "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – *Commonwealth of Virginia*."

<sup>(6)</sup> MDOT will provide an annual grant of at least \$167,000,000 from revenues available for the Maryland capital program in the Trust Fund to the WSTD to be used only to pay the capital costs of the Authority. See "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – *State of Maryland*."

<sup>(7)</sup> Clearing Account is held and administered by the Clearing Account Agent. Funds are not subject to the lien of the Second Lien Resolution except as provided in the Second Lien Resolution. See "– Pledge of the Second Lien Trust Estate" under this caption.

<sup>(8)</sup> 2003 Dedicated Revenue Account is held and administered by the 2003 Trustee. Funds are a part of aggregate Gross Revenue pledged to the 2003 Bond Resolution. However, it is anticipated other revenue sources within the pledged Gross Revenues are sufficient to cover debt service on Pre-2018 Bonds. See "OTHER OUTSTANDING DEBT – Security for Outstanding Gross Revenue Obligations."

<sup>(9)</sup> Amounts may in the future be required to be deposited to or paid from other funds prior to release for capital projects. No such requirement exists at this time.

## **Obligations of the States**

The Authority has covenanted in the Second Lien Master Resolution to use reasonable efforts to cause the States to make payments of their respective Dedicated Capital Funding Revenues in order to provide the amounts required to make the deposits required under the Senior Lien Resolution and the Second Lien Master Resolution. To that end, the Authority has covenanted to take all appropriate governmental action including, without limitation, action to obtain assistance and support for its efforts from the States.

Pursuant to the Dedicated Revenue Statutes and the Dedicated Funding Grant Agreements, the States are obligated, subject to the limitations described herein (*see* "CERTAIN INVESTMENT CONSIDERATIONS"), to include in their respective budgets and to appropriate or otherwise provide their share of Dedicated Capital Funding Revenues. None of the States have been asked to provide, and none have provided, either a certificate or an opinion of counsel regarding whether their respective contractual obligations pursuant to the Dedicated Funding Grant Agreements to pay their respective share of the Dedicated Capital Funding Revenues violate any court order or decree, constitute a breach of or default under any contractual obligation, contravene or constitute a violation of any federal or state constitutional or statutory provision, or are the subject of any ongoing litigation.

All Dedicated Capital Funding Revenues are currently being received by the Authority consistent with the requirements of each of the Dedicated Revenue Statutes and related funding agreements. *See* "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – *Historical Dedicated Capital Funding Revenues.*"

## **Remedies of the Authority**

The obligations of the States are unsecured, contingent obligations under the Compact, the Dedicated Funding Grant Agreements and related agreements and statutes. If a State were to fail to timely make a required Dedicated Capital Funding Revenue payment, in addition to an enforcement action, if any, available pursuant to the Compact and Dedicated Revenue Statutes, or the Dedicated Funding Grant Agreements, the Authority could decide to issue stop work orders or to exercise termination for convenience provisions of construction agreements for capital projects located inside the boundaries of the nonpaying State. *See* "CAPITAL IMPROVEMENT PROGRAM – Sources of Funding of Capital Improvement Program – *Current and Ongoing Funding.*"

Pursuant to the terms of the Second Lien Master Resolution, the Authority has covenanted, insofar as practicable and consistent with the conditions precedent of the Dedicated Revenue Statutes and all remedies at law, to take all actions reasonably necessary to ensure the continued receipt of Dedicated Capital Funding Revenues that will be used to pay the principal of and interest on Senior Lien Obligations and Second Lien Obligations issued in anticipation of such receipt.

## **Outstanding Senior Lien Obligations**

The Senior Lien Obligations issued and outstanding under the Senior Lien Resolution as of July 15, 2025 (assuming that all scheduled debt service payments are made on such date) will be the Series 2020A Senior Lien Bonds, outstanding in the aggregate principal amount of \$503,895,000, the Series 2021A Senior Lien Bonds, outstanding in the aggregate principal amount of \$726,930,000, and the Series 2023A Senior Lien Bonds, outstanding in the aggregate principal amount of \$378,380,000. The Senior Lien Resolution prohibits the Authority from creating a new pledge of or lien on the Senior Trust Estate that is superior to the pledge that secures the Senior Lien Obligations. However, the Authority may create a pledge of or lien on the Senior Lien Trust Estate that is on parity with the pledge that secures the Senior Lien Obligations, and in that connection incur additional Senior Lien Parity Obligations and Senior Lien Parity Debt, provided certain conditions set forth in the Senior Lien Resolution are satisfied. For

information about the conditions set forth in the Senior Lien Resolution for the issuance of Senior Lien Parity Obligations, see Appendix E – "FORM OF SENIOR LIEN RESOLUTION."

## **Second Lien Parity Obligations and Additional Indebtedness**

Pursuant to the terms of the Second Lien Master Resolution, the Authority is prohibited from creating a pledge of or lien on the Second Lien Trust Estate that is superior to the pledge that secures the Series 2025A Second Lien Bonds with the exception of the claim on the Dedicated Capital Funding Revenues that exists under the 2003 Bond Resolution for the Pre-2018 Bonds and under the Senior Lien Resolution for Senior Lien Obligations. However, the Authority may create a pledge of or lien on the Second Lien Trust Estate that is on parity with the pledge that secures the Series 2025A Second Lien Bonds, and in that connection, incur additional indebtedness, provided that certain conditions set forth in the Second Lien Resolution are satisfied as described below. The Authority may also issue Junior Indebtedness or incur Junior Contract Obligations as described below.

### *Outstanding Second Lien Obligations*

The Second Lien Obligations issued and outstanding under the Second Lien Master Resolution as of July 15, 2025 (assuming that all scheduled debt service payments are made on such date) will be the Series 2023A Second Lien Bonds and the Series 2024A Second Lien Bonds, in the aggregate principal amount of \$1,412,805,000.

### *Capital Cost Second Lien Obligations*

One or more additional Series of Second Lien Obligations may be issued to pay, or to provide for the payment of, all or part of Capital Costs. Such Second Lien Obligations are to be issued upon receipt by the Trustee, among other items, of a certificate of an Authorized Officer certifying, based on the Authority's records, that Dedicated Capital Funding Revenues for any twelve (12) consecutive months out of the last eighteen (18) months immediately preceding the incurrence or issuance of such Second Lien Obligations, shall at least equal 150% of the sum of: (a) the Maximum Annual Debt Service (with respect to all Senior Lien Obligations, Senior Lien Parity Debt, Second Lien Obligations and Second Lien Parity Debt, including the Second Lien Obligations being incurred or issued) for the period commencing with the Fiscal Year next following the incurrence or issuance of such Second Lien Obligations and ending with the Fiscal Year which includes the latest maturity or payment date of any Outstanding Second Lien Obligations plus (b) maximum annual aggregate debt service on any outstanding Pre-2018 Bonds issued under the 2003 Bond Resolution for the period commencing with the Fiscal Year next following the incurrence or issuance of such Second Lien Obligations and ending with the Fiscal Year which includes the latest maturity or payment date of any outstanding Pre-2018 Bonds; provided, however, that for the purpose of the foregoing clause (b), there shall be excluded from the calculation any debt service on the Pre-2018 Bonds to the extent that Gross Revenues as defined and described in the 2003 Bond Resolution were sufficient to pay debt service on Pre-2018 Bonds during such 12-month period. For a description of the Capital Improvement Program of the Authority, which may result in the issuance of additional Second Lien Obligations, and certain outstanding debt of the Authority, see "CAPITAL IMPROVEMENT PROGRAM" and "OTHER OUTSTANDING DEBT."

### *Refunding Second Lien Obligations*

One or more Series of Refunding Second Lien Obligations may be issued to refund (including by redemption, payment at maturity or in connection with exchanges or tenders) all or any portion of any Outstanding Second Lien Obligations or Second Lien Parity Debt. Such Second Lien Obligations are to be issued upon receipt by the Trustee, among other items, of a certificate of an Authorized Officer stating either (i) after giving effect thereto, the Debt Service with respect to such Second Lien Obligations is less in each Fiscal Year than the Debt Service with respect to the Second Lien Obligations or Second Lien Parity

Debt, as applicable, being refunded for the period commencing with the Fiscal Year next following the incurrence or issuance of such Second Lien Obligations and ending with the Fiscal Year which includes the latest maturity or payment date of the Second Lien Obligations or Second Lien Parity Debt being refunded; or (ii) the Dedicated Capital Funding Revenues test described under "*Capital Cost Second Lien Obligations*" has been satisfied.

*Junior Indebtedness and Junior Contract Obligations*

The Authority may at any time, or from time to time, issue Junior Indebtedness or incur Junior Contract Obligations payable out of, and which may be secured by a pledge of and lien on, such amounts as may from time to time be available for transfer pursuant to the Second Lien Master Resolution as described in "Flow of Funds" under this caption. Any such pledge shall be junior in all respects to the pledge created by the Second Lien Resolution as security for the Second Lien Obligations and the Second Lien Parity Debt, including the Series 2025A Second Lien Bonds. The Authority may establish such priorities of payment and security among Junior Indebtedness and Junior Contract Obligations as it deems appropriate. Such Junior Indebtedness or Junior Contract Obligations may be issued or incurred without satisfying the test described under "*Capital Cost Second Lien Obligations*."

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## OTHER OUTSTANDING DEBT

### General

As summarized in TABLE 6 below, the Authority will have \$745,685,000 of obligations (other than the Senior Lien Obligations under the Senior Lien Resolution and the Second Lien Obligations under the Second Lien Master Resolution) outstanding as of July 1, 2025,<sup>1</sup> all of which are primarily secured by a lien on Gross Revenues, under the Authority's 2003 Bond Resolution, except that the Pre-2018 Bonds (Series 2017A and 2017B) are also secured with a contingent prior claim on the Dedicated Capital Funding Revenues. The Pre-2018 Bonds, Series 2018 Bonds and Lines of Credit shown in TABLE 6 are together referred to as the "**Gross Revenue Obligations.**"

**As required by the Capital Funding Agreement, the Participating Jurisdictions agreed to pay debt service for the life of the Pre-2018 Bonds on a quarterly basis in advance of the debt service due date. The Pre-2018 Bonds were issued by the Authority to fund Capital Contributions of certain Participating Jurisdictions that opted into the issuance of debt secured by Gross Revenues of the Authority in lieu of making cash Capital Contributions to the Authority for that Fiscal Year.**

### Security for Outstanding Gross Revenue Obligations

The Pre-2018 Bonds are secured by a pledge of Gross Revenues under the 2003 Bond Resolution as supplemented by the 2017A Refunding Supplemental Bond Resolution adopted by the Authority on June 22, 2017 in which the Pre-2018 Bond's Trust Estate therein includes Dedicated Capital Funding Revenues as a subcomponent of the Authority's Gross Revenues. The 2003 Bond Resolution was subsequently amended by the 2018 Supplemental Bond Resolution adopted on November 15, 2018 to exclude Dedicated Capital Funding Revenues from Gross Revenues, and the Authority's Board has committed to abstain from issuing further debt secured by Gross Revenues inclusive of Dedicated Capital Funding Revenues under the 2003 Bond Resolution. The Senior Lien Obligations and the Second Lien Obligations, including the Series 2025A Second Lien Bonds when issued, are and will be subordinate to the Pre-2018 Bonds, as described in "SECURITY FOR PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Pledge of the Second Lien Trust Estate."

The Series 2018 Bonds and the Lines of Credit are currently outstanding and are secured by a pledge of Gross Revenues under the Authority's 2003 Bond Resolution as amended and supplemented by the 2018 Supplemental Bond Resolution (the "**2018 Resolution**") which excludes Dedicated Capital Funding Revenues from the Gross Revenues pledged to the Series 2018 Bonds' Trust Estate therein.

**TABLE 6**  
**Outstanding Gross Revenue Obligations**

	<u>Amount Outstanding<sup>(1)</sup></u>	<u>Final Maturity/ Expiration Date(s)</u>	<u>Security</u>
<b>Series 2017A Bonds</b>	\$135,110,000	July 1, 2034	Gross Revenues and Dedicated Capital Funding Revenues
<b>Series 2017B Bonds</b>	406,830,000	July 1, 2042	Gross Revenues and Dedicated Capital Funding Revenues
<b>Series 2018 Bonds</b>	203,745,000	July 1, 2043	Gross Revenues
<b>Lines of Credit<sup>(2)</sup></b>	<u>-0-</u>	October 2026	Gross Revenues and Capital Contributions
<b>Total</b>	<b>\$745,685,000</b>		

<sup>(1)</sup> As of July 1, 2025, assuming all scheduled debt service payments are made on such date.

<sup>(2)</sup> Total amount available is \$500 million.

Source – Provided by the Authority.

## Sources of Funds for Gross Revenue Obligations

As described above, the Pre-2018 Bonds are secured by the pledge of Gross Revenues under the 2003 Bond Resolution, inclusive of the Dedicated Capital Funding Revenues. Under the 2003 Bond Resolution, the Series 2018 Bonds are secured by a pledge of the Gross Revenues, excluding the Dedicated Capital Funding Revenues under the 2018 Resolution.

Gross Revenues consist of (i) Revenues (as described below) exclusive of Lease Related Revenues (as defined in the 2003 Bond Resolution), and Parking Revenues (as defined in the 2003 Bond Resolution), (ii) the Stable and Reliable Funding Sources (as defined below), and (iii) all other revenues, receipts, grants, contributions, subsidies and funds received by the Authority in respect of the Transit System which can be lawfully pledged under the 2003 Bond Resolution, provided that the Capital Contributions and the Federal Operating Subsidies are excluded from Gross Revenues. Although "Federal Operating Subsidies" are referred to in the definition of Gross Revenues, the federal government no longer provides operating subsidies to the Authority. Capital Contributions are amounts to be applied by the Authority to pay Capital Costs of the Transit System on a pay-as-you-go basis and not to service debt issued by the Authority to finance such Capital Costs. See "CAPITAL IMPROVEMENT PROGRAM – Sources of Funding of Capital Improvement Program." The Authority is uncertain of the extent to which, or the duration of time that, post-pandemic changes in commuting patterns will impact Gross Revenues in the future. See "THE AUTHORITY – Regional Changes in Customer Behavior."

Revenues consist of (i) all fares, rates, fees, charges, rents, revenues and other income received by the Authority from the operation of the Transit System and amounts paid to the Authority by the federal government or any Participating Jurisdiction on account of fares or service rendered by the Authority, (ii) proceeds of any business interruption insurance relating to the Transit System, and (iii) interest received on any moneys or securities, other than the Capital Contributions, of the Authority; provided, until the same is paid to the Authority for services of the Transit System, Revenues shall not include amounts collected by the Authority in respect of fare media that the owners thereof can apply to pay to Persons other than the Authority for goods or services. The Authority has experienced and continues to experience a decrease in farebox receipts and is uncertain of the extent to which, or the duration of time that, post-pandemic changes in commuting patterns will continue to impact farebox receipts in the future. See "THE AUTHORITY – Regional Changes in Customer Behavior" and "FUNDING OF THE OPERATING EXPENSES OF THE TRANSIT SYSTEM – Farebox Receipts."

Payments by the Participating Jurisdictions, including amounts from the Stark-Harris Funding Sources as defined below, are subject to appropriation by each Participating Jurisdiction. See "CAPITAL IMPROVEMENT PROGRAM – Sources of Funding of Capital Improvement Program – *Capital Contribution*" and "*– Current and Ongoing Funding*." Only after such payments are appropriated and transferred to the Authority do such payments from the Participating Jurisdictions become subject to the pledge under the 2003 Bond Resolution (collectively, the "**Stable and Reliable Funding Sources**").

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## THE AUTHORITY

The Authority was created effective February 20, 1967, pursuant to the Compact and the Capital Transportation Act. The Authority has adopted, and from time to time revised, a mass transit plan to provide public transportation services in the Transit Zone. The Authority is an agency and instrumentality of the Commonwealth, Maryland, and the District, and is dependent upon these governmental units and the Participating Jurisdictions for financial support to meet a portion of its operating and capital expenses.

### Organization/Board Members/Executive Management

The Authority is governed by the Board, which is composed of eight voting directors and eight alternate directors from each signatory to the Compact and from the federal government (the "**Directors**"). The Directors for the Commonwealth are appointed by the NVTC; for the District, by the Council; for Maryland, by the Washington Suburban Transit Commission ("**WSTC**"); and for the federal government, by the Secretary of Transportation. Alternate directors to the Board ("**Alternate Directors**") may act only in the absence of the Director for whom they were appointed as alternates, except in the case of the District where either Alternate Director may act in the event of a District Director's absence.

Subject to policy direction and delegations from the Board, the General Manager and Chief Executive Officer is responsible for the operations and functions of the Authority and direct staff in implementing and carrying out the programs and initiatives of the Authority.

#### *The Board*

The present Directors, the jurisdiction represented, the date of each Director's appointment to the Board, the expiration date of each Director's term on the Board, and their occupations are set forth in the following table.

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<b><u>Name of Director</u></b>	<b><u>Jurisdiction Represented</u></b>	<b><u>Date of Appointment/ End of Term<sup>(1)</sup></u></b>	<b><u>Occupation</u></b>
Valerie-Joy Santos, Chair	District of Columbia	November 22, 2023; term expires June 30, 2027	Senior Urban Development Specialist, World Bank
Paul C. Smedberg, First Vice Chair	Commonwealth of Virginia	January 3, 2019; term expires January 5, 2026	Former Councilmember, Alexandria City Council
Joe McAndrew, Second Vice Chair	State of Maryland	April 12, 2023; serves at the pleasure of the Governor	Assistant Secretary, Planning and Project Development, Maryland Department of Transportation
Walter L. Alcorn	Commonwealth of Virginia	July 1, 2025; term expires January 5, 2029	Member of the Fairfax County Board of Supervisors
Donald Drummer	State of Maryland	July 15, 2021; term expires June 30, 2025	Solar Energy Entrepreneur
Sarah Kline	Federal Government	September 9, 2021; term expires September 7, 2025	SK Solutions LLC
Dr. Tracy Hadden Loh	District of Columbia	November 4, 2021; term expires June 30, 2025	Former Mt. Ranier, MD City Council member; Fellow, Brookings Institution
Kamilah Martin- Proctor	Federal Government	September 9, 2021; term expires September 7, 2025	Global Engagement Center, U.S. State Department
<b><u>Alternate Directors</u></b>			
Spring Worth	District of Columbia	December 23, 2022; term expires June 30, 2028	WMATA Budget and Policy Program Manager, District Department of Transportation
Vacant	District of Columbia		
Bryna Helfer	Federal Government	September 9, 2021; term expires September 7, 2025	Office of Disability Employment Policy; Washington, DC
April Rai	Federal Government	December 23, 2022; term expires December 14, 2026	President and CEO, Conference of Minority Transportation Officials
Canek Aguirre	Commonwealth of Virginia	March 5, 2021; term expires January 16, 2029	Member of Alexandria City Council
Matt de Ferranti	Commonwealth of Virginia	July 1, 2025; term expires January 4, 2028	Member of the Arlington County Board
Michael Goldman	State of Maryland	December 8, 2022; term expires June 30, 2028	Attorney
Thomas H. Graham	State of Maryland	May 22, 2019; term expires June 30, 2025	Vice President of People Strategy and Human Resources, Pepco Holdings, Inc

Source – The records of the Board Corporate Secretary.

<sup>(1)</sup> Board Member terms are governed by the applicable law of the appointing authorities of the respective Signatories and the Federal government so long as those laws are consistent with the WMATA Compact.

### *Executive Management*

The Authority's senior executive and financial management team consists of the following individuals:

**Randy Clarke, General Manager and Chief Executive Officer.** Randy Clarke joined the Authority as General Manager and Chief Executive Officer in July 2022. Before joining the Authority, Mr. Clarke served more than four years as President and CEO of Capital Metro in Austin, Texas, where he helped secure one of the country's largest voter-approved transit referendums in US history. The initiative, called Project Connect, resulted in a multi-billion-dollar infusion for Capital Metro's capital program. Prior to his work in Austin, Mr. Clarke held key leadership positions in public transportation around the country. He served as the Vice President of Operations and Member Services for the American Public Transportation Association ("APTA") in Washington DC from 2016 to 2018. Mr. Clarke also spent more than six years in various positions with the Massachusetts Bay Transportation Authority (MBTA) in Boston, including Deputy Chief Operating Officer and Assistant General Manager of Engineering, Maintenance and Preparedness, and Senior Director of Security. Originally from Nova Scotia, Canada, Mr. Clarke holds a bachelor's degree in Political Science and History from Acadia University and a master's degree in Public Policy from the University of Southern Maine.

**Yetunde Olumide, Executive Vice President and Chief Financial Officer.** Yetunde Olumide is a finance professional with over 20 years' experience in manufacturing, food service, education and transportation industries. Ms. Olumide has a BS in Finance from Tuskegee University where she graduated with honors and an MBA in International Business from Loyola College. Prior joining the Authority, Ms. Olumide worked in various financial capacities, notably at Schlumberger and Newell Rubbermaid. Ms. Olumide currently serves as the Executive Vice President and Chief Financial Officer at the Authority. She has been at the Authority for 12 years and previously served as Finance Manager and Director, Operating Budget, Vice President Finance, Office of Management and Budget. In her current role, Ms. Olumide is responsible for the financial integrity and administrative functions of the Authority, including the collection of revenues and other income, purchasing all goods and services required by the Authority, accounting for the financial transactions of assets and liabilities, and planning and development. In addition, the CFO is responsible for Federal grants and risk management.

**Thomas Webster, Executive Vice President and Chief Planning and Performance Officer.** Thomas Webster was appointed to the Authority's Senior Executive Team in April 2018. Mr. Webster leads the planning, development and financial management of the Authority's six-year capital program. He also oversees long range planning, strategy and policy, and scheduling of service for Metrobus and Metrorail. As the executive over the Performance, Data, and Research Department, Mr. Webster monitors progress against key performance indicators in *Your Metro, the Way Forward* and provides cross-cutting support for data-driven decision making. Mr. Webster joined the Authority in 2012 and previously served as Managing Director of the Authority's Office of Management and Budget Services. Prior to joining the Authority, he worked in state and local government in Maryland, including managing Washington Area Transit Programs for the MDOT and as the transportation program lead for Montgomery County's Office of Management and Budget. Mr. Webster earned a Bachelor of Arts in Policy Studies and History and a Master of Public Administration from Syracuse University's Maxwell School of Citizenship and Public Affairs.

**Patricia Y. Lee, Esq., Executive Vice President, Chief Legal Officer and General Counsel.** Patricia Y. Lee was appointed as Executive Vice President, Chief Legal Officer and General Counsel of the Authority in July 2016. She has over 30 years of public and private sector legal experience, domestic and global, in directing and managing all legal affairs of corporate legal functions, including mergers and acquisitions, complex commercial transactions, regulatory compliance, litigation, intellectual property and

licensing, and labor and employment. She has been a key member of executive leadership teams and the chief legal adviser to CEOs, senior management, boards of directors, and business leaders across all regions and types of companies. She formerly served as Group General Counsel and Executive Vice President for Unify and held senior legal positions at Northrop Grumman Corporation and Cable & Wireless plc and was a partner at Holland & Knight LLP. Ms. Lee was also a trial attorney with the U.S. Department of Justice, Civil Division, and a litigation attorney at the international law firm of White & Case LLP. Ms. Lee received a Bachelor of Arts degree, *summa cum laude*, in Psychology from the University of Maryland and a Juris Doctor from the Harvard Law School. Ms. Lee is a member of the bars of Maryland, the District, the Commonwealth of Virginia and New York.

**Robert M. Haas, Vice President and Treasurer.** Robert Haas has over 25 years of public and private sector experience as a finance professional. He received a Bachelor of Science degree in Finance from the Virginia Polytechnic Institute and State University (Virginia Tech) and is a Certified Public Accountant. He first joined the Authority in 2017 as the Director of Treasury Operations and on November 21, 2021 was appointed as Vice President and Treasurer. Prior to working at the Authority, Mr. Haas served as Manager of Treasury and Investments for Amtrak and as Manager of Treasury, World Kitchen, Inc.

### **Debt and Disclosure Policies of the Authority**

The Authority annually adopts Debt Management Policy Guidelines (the "**Debt Policy**") as required by the Maryland Dedicated Funding Grant Agreement. A copy of the Debt Policy adopted April 10, 2025 can be found at <https://www.wmata.com/about/board/meetings/board-pdfs/upload/3A-FY2026-Budget-Adoption-vF.pdf> beginning on screen 161. The purpose of the Debt Policy is to identify transactions that efficiently use debt, service debt in a timely matter, and minimize the cost of capital while maintaining high credit ratings and capital market access. The Debt Policy provides guidelines governing the Authority's use of debt, methods of sale, use of professionals, use of derivatives, disclosures, and post-issuance considerations.

On October 3, 2022, the Authority codified its disclosure process and adopted Policy/Instruction 5.20 Financial Disclosure (the "**Disclosure Policy**"). The issuance of this Disclosure Policy further strengthens the Authority's commitment to its obligations in the prior and proposed Continuing Disclosure Agreements. The Disclosure Policy creates a standing committee of representatives from the Offices of the Treasurer, General Counsel, Strategic Planning and Program Management, and Budget and Management Services to oversee disclosure compliance, including the issuance of both mandatory and voluntary disclosure matters. The Disclosure Policy also requires the appointment of a Disclosure Officer whose role is to manage the ongoing compliance with the Authority's financial obligations, review the contents of the Authority's investor website for timeliness and accuracy, work with the [wmata.com](https://www.wmata.com) website manager to ensure that the documents incorporated by reference are both timely and accurate, and serve as a point of contact for all external inquiries. A complete copy of the Disclosure Policy may be found at [www.wmatabonds.com](https://www.wmatabonds.com).

### **Strategic Transformation Plan**

The Authority's Strategic Plan, "Your Metro, The Way Forward," was developed in 2023 through data and direct inputs from the Authority's customers, staff and stakeholders. The Authority's mission, "connecting you to possibilities" and its vision of "the region's trusted way to move more people safely and efficiently" is to be achieved by advancing the following four goals:



In February 2025, the Authority published an Annual Transformation Report (the "**2025 Report**") focused on the Authority's progress in 2024 towards the goals set forth in the Strategic Plan. The 2025 Report refers to the launch of *DMVMoves*, a regional task force which brings together leaders in the States to develop a shared vision for the region's transit network and its long-term funding. *DMVMoves* is a joint initiative of the Washington Council of Governments and the Authority. See "FUNDING OF THE OPERATING EXPENSES OF THE TRANSIT SYSTEM." Also described in the 2025 Report is Tap.Ride.Go, a program whereby people can ride Metrorail by touching a credit card to the reader. No SmarTrip card would be required although SmarTrip cards will continue to be accepted. The Authority may provide reports and updates to this end; however, such reports and updates are provided on a voluntary basis and are not included as part of the Continuing Disclosure Agreement for the Series 2025A Second Lien Bonds. See "CONTINUING DISCLOSURE."

## Energy Efficiency

The Authority is inherently energy efficient – by providing mobility for customers while reducing travel-related carbon emissions and traffic congestion. Because public transit is more energy efficient than single-occupancy vehicles, every trip taken on the Transit System reduces regional greenhouse gas emissions, promotes clean air, and benefits public health for residents of the Washington D.C. metropolitan area.

In February 2023, the Authority adopted its Strategic Plan, in which key initiatives are prioritized including decarbonization, resource consumption efficiency, investments in carbon-free clean energy sources (such as solar), equity through system design and employment and the transition to zero-emission vehicles. In addition to the inherent benefits of transit, transitioning to a zero-emission bus fleet presents a further opportunity to improve the overall experience for Metrobus customers. The Series 2025A Second Lien Bonds will fund capital costs projected to yield energy efficiency benefits, including those outlined in the major programs described as follows.

As one of the single largest energy users in the region, the Authority is an important partner for meeting regional energy and decarbonization goals. The Authority is taking action to reduce energy and resource consumption, increase energy efficiency, invest in carbon-free clean energy sources, and transition to zero-emission vehicles. The Authority's Energy Action Plan has defined a path to a greener, safer, more reliable transit system. The Energy Action Plan includes capital investments in energy efficiency projects that realize energy and operations/maintenance cost savings. In addition, the Authority is developing a decarbonization strategy to eliminate use of fossil fuels in support of robust local, regional, and federal

climate goals. A net zero Transit System means everyone in the National Capital Region will have the opportunity to travel without contributing to climate change.

The Authority is engaging in the energy market in a way that supports a sustainable and resilient grid, invests in carbon-free clean energy sources, and helps transition to the fleet of the future. In 2022, in coordination with the General Services Administration (GSA), the Authority secured new electricity supply contracts for D.C. and in Maryland that require the suppliers to provide 50 percent of the electricity from renewables (such as solar and wind). These combined contracts mean 35 percent of the Authority's electricity use is now carbon pollution-free, supporting the Authority's transition to clean electricity.

The Authority also completed its office consolidation project in summer 2023. The project included the use of LEED standards ("**Leadership in Energy & Environment Design**"), a framework for health, efficient, carbon and cost-saving green buildings set by the U.S. Green Building Council, and innovative energy efficiency measures to reduce energy use by 44.4% and costs by 33.4%, compared to a typical office building of similar size that is built to ASHRAE 90.1-20210 without any energy efficiency measures and also utilizes an enterprise energy monitoring system to track monthly energy usage.

### **Information Technology and Cybersecurity**

The Authority is dependent on information and computing technology to conduct general business operations. These systems may be subject to disruptions or security breaches, which could materially disrupt the Authority's business operations and/or could expose the Authority to financial losses, reputational damage or other liabilities. The Authority's information technology department continually monitors these threats and has implemented practices, policies, security systems, and design features to protect the security of its information technology systems and data. The Authority has proactively initiated numerous independent audits and assessments of its cybersecurity program to collect verified information about the strength of the program and core control areas. This feedback is used to inform the strategic roadmap for the cybersecurity program, and to track progress along that roadmap.

As is common to any organization with a web presence, the Authority has experienced typical cybersecurity attacks, such as denial of service attacks. Its robust cyber defenses have effectively prevented any large-scale impacts from these attacks. The Authority continues to prioritize the security of its systems and data that provides network resilience against potential threats.

No assurance can be given that such measures will fully prevent potential business continuity or cybersecurity risks arising from events wholly or partially beyond the Authority's control, including electrical telecommunications outages, natural disasters, or cyber-attacks, or large-scale political events, including terrorist attacks. Any such occurrence could materially and adversely affect the Authority's operations and reputation, which could lead to decreased financial performance that the Authority's insurance may or may not cover. To the extent such loss is not covered by insurance, the Authority may expend significant resources to correct the failure or disruption.

### **Regional Changes in Customer Behavior**

During the COVID-19 pandemic, employees of the federal government and other organizations in the States were allowed maximum telework flexibilities. This resulted in a significant decline in use of the Transit System by such employees. Through Fiscal Year 2024, ridership steadily recovered from its pandemic low, although it remained below the pre-pandemic highs due to changes in travel and commuting patterns. The Authority's approved Fiscal Year 2025 budget focused on service optimization to maximize ridership within current funding. The federal government issued return- to-office mandates for its federal workforce, and many other organizations also required employees to return to office. Through the second



quarter end in Fiscal Year 2025, total ridership has increased by 8 percent above the prior Fiscal Year at 127 million trips.<sup>24</sup> Total ridership for Fiscal Year 2026 is budgeted at 269.7 million trips, which is a 19 percent increase relative to FY2025 budgeted ridership. However, it is uncertain to what extent the change in transit behavior, commuting patterns and work schedules will remain in effect or evolve in the future. See "CERTAIN INVESTMENT CONSIDERATIONS – Changes in Economic Outlook."

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<sup>24</sup> See <https://www.wmata.com/about/records/upload/FY2025-Q2-Financial-Progress-Report-FINAL.pdf>.

## THE TRANSIT SYSTEM

### Introduction

The Authority operates a multi-modal transit system serving the Washington, D.C. metropolitan area with connections to three major airports. The Transit System consists of 130 route miles with service provided by Metrorail, Metrobus and MetroAccess. Metrorail has 98 stations and over 1,289 rail transit vehicles (*see* the following map of Metrorail); Metrobus has a bus fleet of 1,649 buses; and MetroAccess which is an ADA paratransit service for the metropolitan area has 680 active fleet vehicles.<sup>25</sup> While ridership levels have continued to increase, such levels remain below Fiscal Year 2019 levels. *See* "CERTAIN INVESTMENT CONSIDERATIONS – Changes in Economic Outlook."

Based on data reported in the 2024 Public Transportation Fact Book, published by APTA, Metrorail is the third-largest heavy rail system in the United States based on passenger miles. Metrorail ridership for the Fiscal Year 2020 through March covering the pre-pandemic period was 128.2 million trips, a decrease from 175.2 million in Fiscal Year 2019 for such period. Metrorail ridership was 36.5 million passenger trips in Fiscal Year 2021 and increased to 76.1 million passenger trips in Fiscal Year 2022.<sup>26</sup> Metrorail ridership was 126.8 million passenger trips in Fiscal Year 2023, 143.5 million passenger trips in Fiscal Year 2024 and budgeted at 113.7 million passenger trips in Fiscal Year 2025.<sup>27</sup> As of the second quarter end in Fiscal Year 2025, Metrorail ridership was favorable to budget by 64.4 million trips or 57 percent above budget. Metrorail ridership is projected to be 135.5 million passenger trips in Fiscal Year 2026, an increase of 19.1% over budgeted Fiscal Year 2025.<sup>28</sup>

Metrobus provides service to areas not served by Metrorail and is integrated closely with Metrorail operations. Metrobus serves 9,374 bus stops and provides between approximately 340,000 and 450,000 weekday passenger trips. Metrobus ridership in Fiscal Year 2019 was 123.3 million trips and in Fiscal Year 2020 decreased to 97.2 million trips due to the pandemic. However, the exact ridership is unavailable for Fiscal Year 2020 due to the fare waiver and rear-door boarding that were implemented during this period. Metrobus ridership was 52.3 million passenger trips in Fiscal Year 2021 and increased to 79.5 million passenger trips in Fiscal Year 2022.<sup>24</sup> Metrobus ridership was 102.8 million passenger trips in Fiscal Year 2023, 117.5 million in Fiscal Year 2024<sup>25</sup> and budgeted at 111.5 million passenger trips in Fiscal Year 2025.<sup>25</sup> As of the second quarter end in Fiscal Year 2025, Metrobus ridership was favorable to budget by 62.0 million trips or 56 percent above budget. Metrobus ridership is projected to be 133.1 million passenger trips in Fiscal Year 2026, an increase of 19.4% over budgeted Fiscal Year 2025.<sup>26</sup>

MetroAccess provided 2.3 million trips in Fiscal Year 2019 and decreased to 1.8 million trips in Fiscal Year 2020 while using contract carriers operating more than 750 Authority-owned vehicles.<sup>24</sup> MetroAccess ridership was 1.1 million passenger trips in Fiscal Year 2021 and increased to 1.3 million passenger trips in Fiscal Year 2022.<sup>24</sup> MetroAccess ridership was 1.4 million passenger trips for Fiscal Year 2023, 1.4 million passenger trips in Fiscal Year 2024<sup>24</sup> and budgeted at 1.5 million passenger trips in Fiscal Year 2025.<sup>25</sup> As of the second quarter end in Fiscal Year 2025, MetroAccess ridership was 23.8% below budget. MetroAccess ridership is projected to be 1.2 million passenger trips in Fiscal Year 2026, a decrease of 19.2% over Fiscal Year 2025.<sup>26</sup>

<sup>25</sup> See Financial Report, at p. viii.

<sup>26</sup> See Financial Report, at p. 136.

<sup>27</sup> See Approved Fiscal Year 2025 Budget for the Authority at <https://www.wmata.com/initiatives/budget/upload/FY2025-Proposed-Budget-FINAL.pdf>.

<sup>28</sup> See Approved Fiscal Year 2026 Budget for the Authority at <https://www.wmata.com/initiatives/budget/upload/FY2026-Proposed-Budget-FINAL.pdf>.

## Transit System Updates

Following a 2021 no-injury derailment, the Washington Metrorail Safety Commission ("WMSC") directed the Authority to remove all 7000-series railcars from service. The fleet was safely returned to service as of September 2024 under a conservative inspection program. In coordination with an investigation by the National Transportation Safety Board, the Authority initiated a program to replace the wheelsets on all railcars in the 7000-series fleet. The program is forecasted to conclude in 2026.

The Authority has completed the preliminary design of the new 8000 series railcars and has the option at different milestones until June 2029 to buy up to 800 of such railcars. These railcars, which are designed to be energy efficient, would replace legacy 2000 and 3000-series railcars. In 2021, the Authority ordered 256 of the 8000 series railcars, and the Fiscal Year 2025-2030 Capital Improvement Program includes funding by June 2027 of an additional 104 railcars. The 8000 series railcars are being assembled by Hitachi Rail in Hagerstown, Maryland. Pilot cars are scheduled to start arriving in late 2025, followed by the first production cars later in 2026 after the pilot cars have passed qualification testing. Once production cars start arriving, the schedule calls for delivery of 16 railcars per month.

Automatic Train Operation ("ATO") was implemented on the Red Line of the System last December. It was implemented on the Green and Yellow lines of the System in May after rigorous internal training and testing and concurrence of the WMSC. On June 13, 2025, the Authority received concurrence of the WMSC to further expand ATO to the Blue, Orange and Silver Lines, bringing ATO to all six Metrorail lines. ATO controls a train's acceleration, deceleration and speed, leading to a smoother ride, enhanced safety and improved on-time performance and significantly reducing likelihood of red signal overruns. To date, there have been no safety issues or red signal violations for trains operating in ATO.

## Regional Demographics

The Transit System serves the Washington, D.C. metropolitan area, which as of June 30, 2024, had a population of approximately 6.3 million individuals (based on data from the U.S. Census Bureau). There are several large international companies with headquarters in the region, including military defense contractors, hospitality companies, consultants, and insurance companies, among others. The U.S. Bureau of Labor Statistics reported that the unemployment rate in the Washington, D.C. metropolitan area was 3.3% versus a national rate of 4.1%, with the addition of an estimated 5,000 jobs during the 12-month period ending June 2024.<sup>29</sup> Historically, per capita personal income in the Washington, D.C. metropolitan area is consistently above the national levels. For calendar year 2023, per capita personal income for the area was \$89,396 versus \$69,415 nationally.<sup>30</sup>

<sup>29</sup> Based on data from the U.S. Bureau of Labor Statistics.

<sup>30</sup> Such figures are based on data from the US Bureau of Economic Analysis.



wmata.com  
Information: 202-GO-METRO | TTY: 202-962-2033  
Metro Transit Police: 202-962-2121 | Text: MYMTDP (696873)

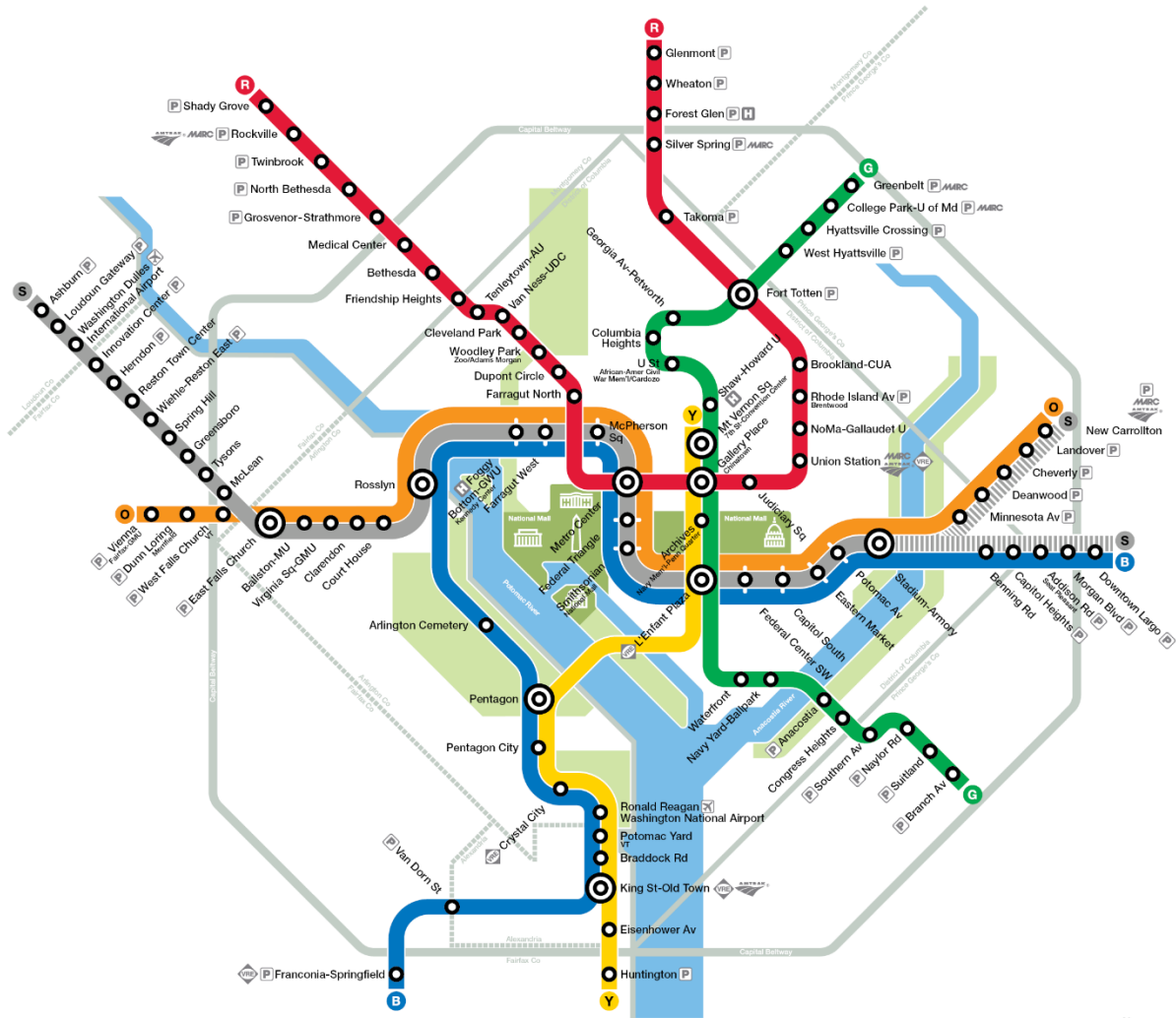
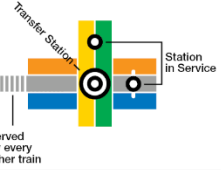
### Terminal stations

- R** Red Line • Glenmont / Shady Grove
- O** Orange Line • New Carrollton / Vienna
- B** Blue Line • Franconia-Springfield / Downtown Largo
- G** Green Line • Branch Av / Greenbelt
- Y** Yellow Line • Huntington / Mt Vernon Sq
- S** Silver Line • Ashburn / Downtown Largo & New Carrollton

### Station Features

- P** Parking
- H** Hospital
- A** Airport

### Connecting Rail Systems



Metro is accessible.  
WMATA METRO IS ACCESSIBLE TO PEOPLE WITH PHYSICAL AND COGNITIVE DISABILITIES.

N  
Map is not to scale

## **FUNDING OF THE OPERATING EXPENSES OF THE TRANSIT SYSTEM**

The Authority's operating revenues consist primarily of farebox revenues from passengers and quarterly operating subsidy payments made to the Authority by or on behalf of the Participating Jurisdictions. In establishing its budget each year, the Authority makes an estimate of the revenues it expects to receive from operation of the Transit System based on the current or projected fare schedule and ridership, together with other Authority business revenues, including revenues from advertising, incidental license and lease fees, and other sources. The balance of the Authority's budget is provided through operating subsidy payments subject to the three percent (3%) cap from or on behalf of the Participating Jurisdictions (which cap has been temporarily suspended for Fiscal Year 2025) with certain legislative exclusions applied in calculating the increase. *See* "CERTAIN INVESTMENT CONSIDERATIONS – Three Percent (3%) Cap on Operating Budget Increase."

### **Farebox Receipts**

The Authority adopted a new fare schedule on April 25, 2024 which increased fares by 12.5% over 2023 fare rates for Metrorail and Metrobus, effective July 1, 2024. Effective June 26, 2023, the Authority eliminated the historic peak period base passenger fare structure which increased fares during peak ridership hours. The Authority's Metrorail fares are determined on the basis of a base fare that all passengers are charged, plus an additional fare charge based on the distance a passenger rides on the Transit System. The Authority provides free intermodal transfers between Metrorail and Metrobus.

Farebox receipts in Fiscal Year 2021 declined to \$108 million and increased to \$230 million in Fiscal Year 2022. On November 1, 2022, the Authority launched an initiative to reduce fare evasion which includes among other changes, retrofitting faregates with higher passenger entry gates, local changes to legislation to facilitate enforcement of fare evasion and virtual fare payment options. Relatedly, the Authority also launched a new low-income fare program for some passengers experiencing difficulty with fare payment affordability. In Fiscal Year 2023, farebox receipts were \$291.6 million and in Fiscal Year 2024, were \$355.6 million. Farebox receipts for Fiscal Year 2025 are budgeted to be \$387.1 million and for Fiscal Year 2026 are budgeted to be \$463.5 million. The Authority reports on farebox recovery metrics quarterly which are available at [www.wmata.com](http://www.wmata.com).

Although farebox revenues are not pledged as security for the Series 2025A Second Lien Bonds, they are included in the Revenues which secure the Authority's Gross Revenue Obligations, including the Pre-2018 Bonds. *See* "THE AUTHORITY – Regional Changes in Customer Behavior" and "OTHER OUTSTANDING DEBT – Sources of Funds for Gross Revenue Obligations." Fares are adjusted from time to time, and the Board's decisions regarding such fare increases are not subject to regulatory approval. For information concerning the Authority's revenues and expenses for Fiscal Year 2024, *see* "CERTAIN AUTHORITY FINANCIAL INFORMATION – Summary of Revenues, Expenses, Net Position and Capital Assets."

### **Stable and Reliable Funding Sources**

Pursuant to the Compact, the Participating Jurisdictions (with the WSTD acting for the Maryland jurisdictions) are obligated, subject to the limitations described herein (*see* "CERTAIN INVESTMENT CONSIDERATIONS"), to provide funding to the Authority for their share of the Authority's budget for capital and operating costs of the Transit System. Under the terms of the Compact and legislative enactments of the Participating Jurisdictions, Stark-Harris Funding Sources have been identified by the Participating Jurisdictions to make their respective operating and maintenance and debt service contributions to the Authority, as well as their respective capital payment obligations. *See* "CAPITAL IMPROVEMENT PROGRAM – Sources of Funding of Capital Improvement Program – *Capital Contributions*" and "– *Current and Ongoing Funding*."

The Participating Jurisdictions are not limited to the identified revenue sources in order to provide all obligated payments. The funds to be provided by or on behalf of each Participating Jurisdiction are subject to annual appropriation to provide for the projected annual operating deficit of the Transit System. See "CAPITAL IMPROVEMENT PROGRAM – Sources of Funding of Capital Improvement Program – Capital Contributions" and "– Current and Ongoing Funding."

If a Participating Jurisdiction were to fail to include in its budget a required operating subsidy payment or, following such inclusion and an appropriation, were to fail to make such payment to the Authority, the Authority could bring suit pursuant to the Compact to attempt to compel compliance. However, each Participating Jurisdiction retains the absolute discretion as to whether to appropriate, and there would be no contractual remedy for the failure to appropriate where proper budgetary procedures were followed.

In addition to the contractual remedy described above, the Board could decide to hold a public hearing to determine whether to terminate the provision of Transit System service within any Participating Jurisdiction that has failed to timely make a required subsidy payment regardless of the circumstances as described under "CAPITAL IMPROVEMENT PROGRAM – Sources of Funding of Capital Improvement Project – Current and Ongoing Funding."

See Financial Report for Fiscal Years Ended June 30, 2024 and 2023 and "CERTAIN AUTHORITY FINANCIAL INFORMATION – Annual Budget" for information on state and local funds that the Authority expects to receive from the Participating Jurisdictions in the Approved Fiscal Year 2025 Budget and the Approved Fiscal Year 2026 Budget.

## **Federal COVID Support**

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security Act (the "**CARES Act**") was enacted on March 27, 2020.<sup>31</sup> The CARES Act provided approximately \$25 billion to public transportation agencies to prevent, prepare for and respond to the COVID-19 pandemic.<sup>32</sup> Such grants have been apportioned in accordance with the provisions of the CARES Act; the Authority's grant is apportioned as an Urbanized Area Formula Funding Program Grant.<sup>33,34</sup> Within the \$25 billion described previously, \$1.02 billion in funding was allocated collectively to the Authority and the two other transportation systems located in the metropolitan region with the Authority's share being \$876.8 million.

On December 27, 2020, Congress passed a second COVID-19 relief act called the Coronavirus Response and Relief Supplemental Appropriations Act<sup>35</sup> ("**CRRSAA**"), which provided additional funding to public transportation agencies. The Authority received approximately \$714 million from this Act under the same apportionment process as the CARES Act.

<sup>31</sup> Public Law No. 116-136.

<sup>32</sup> Public Law No. 116-136.

<sup>33</sup> The Urbanized Area Formula Funding program (*see* 49 U.S.C. 5307) is used to apportion federal resources available to urbanized areas with a population of 50,000 or more that is designated as such by the U.S. Department of Commerce, Bureau of the Census and to governors for transit capital and operating assistance in urbanized areas and for transportation-related planning.

<sup>34</sup> Public Law No. 116-136.

<sup>35</sup> Public Law No. 116-260.

A third relief act, the American Rescue Plan Act of 2021<sup>36</sup> ("ARPA"), was passed by the Congress on March 11, 2021. The metropolitan region was allocated \$1.4 billion in funding. The Authority retained \$1.2 billion of these funds. In addition, the Authority was awarded \$120.1 million in ARPA competitive grant funds. The Authority's total allocation of these Covid relief funds was \$2.9 billion.

From Fiscal Year 2020 through Fiscal Year 2024, the Authority received a total of \$2 billion in federal relief funds and had \$123.4 million remaining at the start of Fiscal Year 2025. The Authority's Fiscal Year 2025 budget allocated the remaining amount of federal relief funds by including \$123.4 million. Through the second quarter of Fiscal Year 2025, the Authority had completed drawing down the full remaining \$123.4 million. See "CERTAIN AUTHORITY FINANCIAL INFORMATION – Annual Budget." The Authority has allocated all available federal COVID relief funds and has no unobligated federal relief funds subject to rescission under the Fiscal Responsibility Act of 2023.

### **Funding Future Operating Expenses for the Authority**

Based on then current operations and financial information, the Authority projected that an operating funding gap of up to \$750 million in the Authority's Fiscal Year 2025 could exist if no action was taken to either reduce expenses or increase funding. The WMATA Compact requires adoption of a balanced budget annually, and the Authority took steps to identify ways to increase operating revenues or decrease operating expenses or a combination thereof to address this projected funding gap so as to achieve a balanced budget. In collaboration with the Participating Jurisdictions, the Fiscal Year 2025 Budget approved by the Board effective July 1, 2024 included the additional funding necessary from jurisdictional subsidies to avoid drastic service cuts and employee layoffs, representing a regional commitment and key milestone. These subsidies committed by the Participating Jurisdictions were above the three percent (3%) operating subsidy cap, which was suspended for Fiscal Year 2025 by the Participating Jurisdictions and such funding in excess of the cap will not impact the payment of Dedicated Capital Funding Revenues. The waiver is also in effect for Fiscal Year 2026, although there is no assurance that the waiver will be extended for future years.

Furthermore, in May 2024, the Metropolitan Washington Council of Governments (which includes the Participating Jurisdictions) and the Authority announced a partnership to develop a long-term unified vision for funding public transportation in the National Capital Region, referred to as "DMVMoves." See "THE AUTHORITY – Strategic Transformation Plan." Through this partnership, the Authority and the Washington Council of Governments have connected business, community, and government leaders to take a holistic look at the transit network and decide what the region wants and needs, how much it will cost, how to pay for it, and how to best manage and govern it.

The Authority's Fiscal Year 2026 Budget totals almost \$5 billion including \$2.498 billion for operations to support the launch of the Better Bus Network Redesign which introduces 11 new routes, expands midday, evening, and weekend service, and enhances connectivity to transit stations, employment centers, and key destinations. Rail service will also be enhanced by extending Yellow Line trains to Greenbelt starting in December 2025, running more trains on the Red and Silver lines during peak hours, and increasing hours on weekends based on customer demand. The Authority has also become a leaner, more efficient organization by identifying \$20 million in operational savings from bus scheduling, rail service, fleet management, and administrative savings. The Authority's Fiscal Year 2026 Budget also includes \$2.373 billion for capital and \$12.9 billion for the Six-Year Capital Improvement Program (FY2026–FY2031) to support key investments in safety, infrastructure, and system reliability.

Despite these investments, Metro has limited capacity to advance new capital projects beyond Fiscal Year 2029 as half of the Authority's capital, non-debt funding sources are not indexed to inflation.

<sup>36</sup> Public Law No. 117-2.

For this reason, the Authority remains a dedicated partner in DMVMoves. See "CERTAIN AUTHORITY FINANCIAL INFORMATION – Annual Budget – *Fiscal Year 2026 Budget*." However, it is uncertain how these efforts will address potential operating funding gaps in the Authority's future budgets. Nevertheless, even if no steps are taken by the Authority to close future operating funding gaps in such operating budgets of the Authority, there will be no impact on the availability of Dedicated Capital Funding Revenues for payment of debt service on the Series 2025A Second Lien Bonds.

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## **OBLIGATIONS OF THE PARTICIPATING JURISDICTIONS FOR MATTERS OTHER THAN SENIOR AND SECOND LIEN OBLIGATIONS**

As previously discussed, under the 2003 Bond Resolution, the Dedicated Capital Funding Revenues are pledged to the payment of the Pre-2018 Bonds and the pledges of the Dedicated Capital Funding Revenues created by the Senior Lien Resolution and the Second Lien Master Resolution are subordinate in all respects to that pledge created by the 2003 Bond Resolution. The Authority has covenanted in the Senior Lien Resolution, the Second Lien Master Resolution and the 2003 Bond Resolution to use reasonable efforts to cause the Participating Jurisdictions to make payments of their respective Stable and Reliable Funding Sources (as defined below), together with other funds if necessary, in order to provide the amounts required to make the deposits required under the 2003 Bond Resolution including amounts needed to pay debt service on bonds issued under the 2003 Bond Resolution such as the Pre-2018 Bonds. *See "OTHER OUTSTANDING DEBT – Security for Outstanding Gross Revenue Obligations."* To that end, the Authority has covenanted to take all appropriate governmental action including, without limitation, action to obtain assistance and support for its efforts from any and all governmental entities with an interest therein.

Pursuant to the Compact and other related capital and operating funding agreements, the Participating Jurisdictions (with WSTD acting on behalf of the Maryland jurisdictions) are obligated, subject to the limitations described herein (*see "CERTAIN INVESTMENT CONSIDERATIONS"*), to include in their respective budgets and to appropriate or otherwise provide their share of amounts included in the Authority's capital budget and operating budget to be paid by the Participating Jurisdictions. None of the Participating Jurisdictions have been asked to provide, and none have provided, either a certificate or an opinion of counsel regarding whether their respective contractual obligations pursuant to the Compact, any CFA or any other capital or operating agreement to pay their respective share of the Authority's budget for capital or operating needs of the Transit System, including debt service on obligations issued under the 2003 Bond Resolution, violate any court order or decree, constitute a breach of or default under any contractual obligation, contravene or constitute a violation of any federal or state constitutional or statutory provision, or are the subject of any ongoing litigation. The Participating Jurisdictions are not obligated to make payments to the Authority which are to be used to pay debt service on the Series 2025A Second Lien Bonds or the Senior Lien Obligations.

Since the Participating Jurisdictions first had funding obligations to the Authority in 1970, no Participating Jurisdiction has failed to make (either on time or within a few days of the payment date) their Stable and Reliable Funding Sources payment to the Authority, except in 1993, the District was one month late in making such payment, and in 2019 when Maryland temporarily withheld a portion of Capital Contributions (as defined below) pending the resolution of audit concerns regarding the funding for a prior Fiscal Year. However, past performance is not a guarantee of future performance. *See "CAPITAL IMPROVEMENT PROGRAM – Sources of Funding of Capital Improvement Program – Current and Ongoing Funding."*

## **CAPITAL IMPROVEMENT PROGRAM**

### **Capital Needs Process**

The Approved Fiscal Year 2026-2031 Capital Improvement Program includes a total of \$10.9 billion in planned capital investments over the six-year period for safety and state of good repair. For investments by program, the Approved Fiscal Year 2026-2031 Capital Improvement Program includes (i) railcar investments of approximately \$2.60 billion; (ii) bus and paratransit investments of approximately \$2.30 billion; (iii) station and passenger facilities investments of \$1.58 billion; (iv) rail systems investments of \$1.49 billion; (v) track and structures rehabilitation investments of \$1.57 billion; and (vi) business

support investments of \$1.37 billion. The Authority has developed the Approved Fiscal Year 2026-2031 Capital Improvement Program based on the identified needs of the Transit System for maintenance and repair including an effort to address certain deferred or backlogged projects.

*Capital Improvement Projects for Fiscal Year 2026*

The Approved Fiscal Year 2026-2031 Capital Improvement Program includes \$2.1 billion in capital investments for Fiscal Year 2026 (*see* TABLE 7). Such projects focus on six investment programs: (i) railcar investments, including acquisition, maintenance and overhaul for portions of the existing legacy fleet and maintenance of facilities; (ii) bus and paratransit vehicles including acquisition and maintenance of the bus and paratransit fleet and facilities; (iii) stations and passenger facilities consisting of platforms, vertical equipment and station systems, with the goal of ensuring safe, clean, reliable, and customer-friendly stations; (iv) rail systems, including upgrade and maintenance of rail propulsion power systems and upgrading signal and communication systems; (v) track and structures rehabilitation, including the maintenance of tunnels and bridges with the goal of maintaining safe and reliable Metrorail track and track infrastructure; and (vi) business support comprised of information technology, police and support services and equipment that support investments in critical operational and business requirements. So long as a project is included within the Approved Fiscal Year 2026-2031 Capital Improvement Program, as may be amended, such project shall be eligible for funding from bond proceeds consistent with applicable federal and state law and regulation.

**TABLE 7**  
**Fiscal Year 2026-2031 Capital Improvement Program**  
**Financial Plan – Investment Categories**  
**(\$ in millions)**

<i>(\$ in Millions)</i>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>	<b>FY2026-2031</b>
Railcar & Railcar Facilities	\$399	\$502	\$499	\$428	\$380	\$389	\$2,597
Rail Systems	\$336	\$340	\$404	\$179	\$140	\$92	\$1,491
Track & Structure Rehabilitation	\$307	\$319	\$312	\$237	\$192	\$203	\$1,571
Stations & Passenger Facilities	\$328	\$433	\$320	\$247	\$135	\$116	\$1,579
Bus, Bus Facilities & Paratransit	\$440	\$402	\$436	\$373	\$284	\$363	\$2,297
Operations & Business Support	\$307	\$332	\$250	\$181	\$156	\$146	\$1,371
<b>Total Capital Investments</b>	<b>\$2,118</b>	<b>\$2,328</b>	<b>\$2,221</b>	<b>\$1,644</b>	<b>\$1,287</b>	<b>\$1,308</b>	<b>\$10,906</b>

Source: Approved Fiscal Year 2026-2031 Capital Improvement Program (*See* Board Presentation at <https://www.wmata.com/about/board/meetings/board-pdfs/upload/3A-FY2026-Budget-Adoption-vF..pdf> beginning on screen 23).

**TABLE 8**  
**Fiscal Year 2026-2031 Capital Improvement Program**  
**Financial Plan – Funding Sources<sup>(1)</sup>**  
**(\$ in millions)**

	<b>FY2026 Budget</b>	<b>FY2027 Plan</b>	<b>FY2028 Plan</b>	<b>FY2029 Plan</b>	<b>FY 2030 Plan</b>	<b>FY 2031 Plan</b>	<b>6 Year Total</b>
<b>Federal Funding</b>							
Federal Formula Programs	470.0	481.2	490.8	500.6	510.6	520.8	2,974.0
Federal RSI/PRIIA <sup>(2)</sup>	143.5	143.5	143.5	143.5	143.5	143.5	861.0
Other Federal Grants	11.5	28.7	48.8	50.6	2.9	2.9	145.4
<b>Total - Federal Grants</b>	<b>625.0</b>	<b>653.3</b>	<b>683.1</b>	<b>694.7</b>	<b>657.0</b>	<b>667.2</b>	<b>3,980.4</b>
<b>State &amp; Local Funding Contributions</b>							
<b>District of Columbia</b>							
Formula Match & System Performance <sup>(3)(4)</sup>	116.8	120.3	123.9	127.7	131.5	7.5	755.6
RSI/PRIIA <sup>(5)</sup>	49.5	49.5	49.5	49.5	49.5	49.5	297.0
Dedicated Funding	178.5	178.5	178.5	178.5	178.5	178.5	1071.0
<b>Subtotal - District of Columbia</b>	<b>344.8</b>	<b>348.3</b>	<b>351.9</b>	<b>355.7</b>	<b>359.5</b>	<b>363.4</b>	<b>2,123.6</b>
<b>State of Maryland</b>							
Montgomery County	49.8	51.3	52.9	54.4	56.1	57.8	322.3
Prince George's County	52.7	54.2	55.9	57.6	59.3	61.1	340.7
Maryland RSI/PRIIA <sup>(5)</sup>	49.5	49.5	49.5	49.5	49.5	49.5	297.0
Maryland Dedicated Funding	167.0	167.0	167.0	167.0	167.0	167.0	1,002.0
<b>Subtotal - Maryland</b>	<b>319.0</b>	<b>322.1</b>	<b>325.2</b>	<b>328.5</b>	<b>331.9</b>	<b>335.3</b>	<b>1,961.9</b>
<b>Commonwealth of Virginia</b>							
City of Alexandria	13.8	14.2	14.7	15.1	15.6	16.0	89.4
Arlington County	26.0	26.8	27.6	28.4	29.3	30.1	168.2
City of Fairfax	0.8	0.8	0.8	0.8	0.9	0.9	5.0
Fairfax County	42.5	43.7	45.1	46.4	47.8	49.2	274.7
City of Falls Church	1.0	1.0	1.1	1.1	1.1	1.2	6.5
Loudoun County	7.7	8.0	8.2	8.4	8.7	9.0	50.0
Virginia RSI/PRIIA <sup>(5)</sup>	49.5	49.5	49.5	49.5	49.5	49.5	297.0
Virginia Dedicated Funding-Unrestricted	122.9	122.9	122.9	122.9	122.9	122.9	737.3
Virginia Dedicated Funding-Restricted	31.6	31.6	31.6	31.6	31.6	31.6	189.7
Congestion Mitigation and Air Quality (CMAQ)	1.1	0.9	0.7	0.7	0.6	0.6	4.6
<b>Subtotal – Virginia</b>	<b>296.9</b>	<b>299.5</b>	<b>302.1</b>	<b>305.0</b>	<b>307.9</b>	<b>311.0</b>	<b>1,822.5</b>
Jurisdiction Planning Projects	3.0	3.0	3.0	3.0	3.0	3.0	18.0
Other Reimbursable Projects	39.4	58.7	10.0	0.0	0.0	0.0	108.1
<b>Subtotal - Jurisdictional Reimbursable<sup>(6)</sup></b>	<b>42.4</b>	<b>61.7</b>	<b>13.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>126.1</b>
<b>Total - State &amp; Local</b>	<b>1,003.1</b>	<b>1,031.6</b>	<b>992.2</b>	<b>992.2</b>	<b>1,002.3</b>	<b>1,012.8</b>	<b>6,034.2</b>
<b>Debt</b>	<b>653.5</b>	<b>779.7</b>	<b>739.9</b>	<b>298.6</b>	<b>0.0</b>	<b>0.0</b>	<b>2,471.7</b>
<b>Prior Year Funds</b>	<b>91.0</b>	<b>163.0</b>	<b>157.0</b>	<b>31.0</b>	<b>0.0</b>	<b>0.0</b>	<b>442.0</b>
<b>Grand Total Funding<sup>(7)</sup></b>	<b>2,372.6</b>	<b>2,627.6</b>	<b>2,572.3</b>	<b>2,016.5</b>	<b>1,659.3</b>	<b>1,680.0</b>	<b>12,928.2</b>

(1) Totals may not sum due to rounding.

(2) See "FUNDING OF THE OPERATING EXPENSES OF THE TRANSIT SYSTEM – Stable and Reliable Funding Sources." PRIIA available for Capital Improvement Program decreased by \$5 million annually to fund WMATA Office of Inspector General ("OIG") as required by the PRIIA extension statute.

(3) Many federal grants require the grantee to share in the cost of capital projects covered by the grant. This line shows the amount of local jurisdiction capital contributions provided to match the federal grant funds.

(4) System Performance Funds are the jurisdictional funds over and above those funds required to match any federal grants to be used for Capital Improvement Program projects contained in the applicable Capital Budget.

(5) Under the Passenger Rail Investment and Improvement Act of 2008 ("PRIIA"), the States are required to collectively match the federal PRIIA funding.

(6) Jurisdictions occasionally seek Transit System capital improvements which benefit only the sponsoring jurisdiction. In that case, the sponsoring jurisdiction reimburses the Authority for the costs of that improvement.

(7) Total funding requirement includes capital program expenditures, debt service and estimated revenue loss from major shutdowns.

Source – Approved Fiscal Year 2026-2031 Capital Improvement Program (See Board Presentation at <https://www.wmata.com/about/board/meetings/board-pdfs/upload/3A-FY2026-Budget-Adoption-vF..pdf> beginning on screen 23).

## Sources of Funding of Capital Improvement Program

The Approved Fiscal Year 2026-2031 Capital Improvement Program, including the Approved Fiscal Year 2026 Capital Budget, totals \$10.9 billion. TABLE 8 shows funding sources for the Approved Fiscal Year 2026-2031 Capital Improvement Program in the year in which funding is anticipated to be expended. Planned funding for the Approved Fiscal Year 2026-2031 Capital Improvement Program is expected to come from (i) federal formula and PRIIA grants; (ii) required state/local matching funds for those federal grants; (iii) additional system performance and/or debt funding from the Participating Jurisdictions; (iv) Dedicated Capital Funding Revenues; and (v) proceeds of Dedicated Capital Funding Revenues debt. While such funding is expected to support core safety and state of good repair needs, additional capital investment would be required to address deferred projects, planning for future enhancements, and to address the long-term growth of the region and the Transit System. For information on the condition of the Authority's capital assets and the relationship between those assets and the results of the Authority's operations, *see* "– Current and Ongoing Funding" under this caption.

### *Dedicated Capital Funding Revenues*

The enactment of the Dedicated Revenue Statutes by the States in 2018 provides the States' funding for the Authority's capital projects and purposes through Dedicated Capital Funding Revenues in an additional annual amount of approximately \$500 million beginning in Fiscal Year 2020. *See* "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Revenue Statutes." The Authority has entered into a Dedicated Funding Grant Agreement with each State as detailed above to further outline terms and conditions of providing the Dedicated Capital Funding Revenues, including a prerequisite three percent (3%) cap on the increase of annual operating subsidy paid by Participating Jurisdictions legislatively required by the Commonwealth and Maryland (which cap was suspended for Fiscal Year 2025 and has also been temporarily suspended for Fiscal Year 2026). *See* "CERTAIN INVESTMENT CONSIDERATIONS – Three Percent (3%) Cap on Operating Budget Increase." The limitation on operating subsidy growth provides certain legislative exclusions in calculating the increase.

### *WMATA Capital Fund Restricted Account*

In addition to the Non-Restricted Account, the Commonwealth Dedicated Revenue Statutes established the Restricted Account. The Authority shall not use any proceeds disbursed from the Restricted Account for the payment of, or security for, debt service on bonds or other indebtedness of the Authority. The Commonwealth Dedicated Revenue Statutes provide that certain Commonwealth recordation taxes (funded through the NVTD Fund as defined below) and a portion of the Commonwealth motor vehicle rental tax be deposited in the Restricted Account of the WMATA Capital Fund. Such recordation taxes and motor vehicle rental tax are described in more detail below.

### Commonwealth Recordation Taxes.

There has previously been established in the Commonwealth treasury a special non-reverting fund that is a part of the Transportation Trust Fund and known as the Northern Virginia Transportation District Fund (the "**NVTD Fund**"), which consists of transfers of annual collections of the state recordation taxes attributable to the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William (but such dedication does not affect the local recordation taxes), and any other funds appropriated by the General Assembly and designated for the NVTD Fund and all interest, dividends, and appreciations that may accrue thereto.<sup>37</sup> Pursuant to the

<sup>37</sup> Code of Va. §33.2-2400.A. *See also* Code of Va. §58.1-816, §58.1-802.B and §58.1-814.

Commonwealth Dedicated Revenue Statutes, beginning in Fiscal Year 2019, \$20 million each year shall be transferred from the NVTDFund to the WMATA Capital Fund.<sup>38</sup>

#### Motor Vehicle Rental Tax.

Under Commonwealth law, there is levied throughout the Commonwealth a motor vehicle rental tax at the following rates: (1) four percent (4%) of the gross proceeds from the rental of any motor vehicle, except those with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more;<sup>39</sup> (2) in addition to the tax levied under (1) above, a tax of four percent (4%) of the gross proceeds is levied on the rental of any daily rental vehicle;<sup>40</sup> and (3) in addition to all other applicable taxes and fees, a fee of two percent (2%) of the gross proceeds is imposed on the rental of any daily rental vehicle.<sup>41</sup> Such motor vehicle rental taxes are collected by the lessor and are required to be remitted to the Tax Commissioner on or before the twentieth (20<sup>th</sup>) day of the month following the month in which the gross proceeds from such rental were due. After costs are recovered by the Department of Taxation, the Commonwealth Dedicated Revenue Statutes provide that all moneys collected from the tax levied under (1) above (i.e., four percent (4%) of the gross proceeds from the rental of any motor vehicle, except those with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more) at the tax rate in effect on December 31, 1986 are to be paid by the Tax Commissioner into the state treasury and one-third of which is to be deposited into the Restricted Account of the WMATA Capital Fund.<sup>42</sup>

#### *Capital Contributions*

In addition to Dedicated Capital Funding Revenues, the capital development of the Transit System has been financed on a shared basis between the federal government, the States and the Participating Jurisdictions (the "**Capital Contributions**"). All of the required Capital Contributions of Participating Jurisdictions described under this caption are subject to appropriation. Capital Contributions include (i) any capital contributions, including prepayments, or grants paid to the Authority by a Participating Jurisdiction pursuant to any Capital Funding Agreement, which amounts would be applied by the Authority to pay Capital Costs of the Transit System on a pay-as-you-go basis and not to service debt issued by the Authority to finance such Capital Costs, (ii) capital contributions or grants paid to the Authority by the Federal Government or any department or agency thereof to be applied by the Authority to pay Capital Costs of the Transit System on a pay-as-you-go basis and not to service debt issued by the Authority to finance Capital Costs, (iii) any capital contributions made by the District, Maryland or the Commonwealth to be applied by the Authority to pay Capital Costs of the Transit System on a pay-as-you-go basis and not to service debt issued by the Authority to finance such Capital Costs including, but not limited to, capital contributions made as a match to a federal grant or appropriation or otherwise, and (iv) any other or additional capital contributions or grants paid to the Authority by a Participating Jurisdiction to be applied by the Authority to pay Capital Costs of the Transit System on a pay-as-you-go basis and not to service debt issued by the Authority to finance Capital Costs. Capital Contributions include any rebate or return of insurance funds provided from Capital Contributions. Capital Contributions are excluded from the Gross Revenues of the Authority pledged for the payment of debt service on the Authority's Pre-2018 Bonds and excluded from the Second Lien Trust Estate of the Authority pledged to the payment of debt service for the Series 2025A Second Lien Bonds under the Resolution.

<sup>38</sup> Code of Va. §33.2-2400.D.

<sup>39</sup> Code of Va. §58.1-1736.A.1.

<sup>40</sup> Code of Va. §58.1-1736.A.2.

<sup>41</sup> Code of Va. §58.1-1736.A.3.

<sup>42</sup> Code of Va. §58.1-1741.A(iii).

### *Current and Ongoing Funding*

The Authority and the District, Maryland (with WSTD acting for Maryland jurisdictions) and the Participating Jurisdictions located in the Commonwealth (collectively, the "**Contributing Jurisdictions**") entered into a Capital Funding Agreement in 2010, requiring the Authority to adopt a six-year capital program each year. The 2010 Capital Funding Agreement was amended and extended through June 30, 2019. The Authority and the Contributing Jurisdictions entered into a 2020 Capital Funding Agreement to fund the Fiscal Year 2020 Capital Improvement Program approved on October 30, 2019. The 2020 Capital Funding Agreement was amended to extend for an additional year in July 2020.

In April 2021, the Authority Board approved a new Capital Funding Agreement (the "**2022 Capital Funding Agreement**") with the Contributing Jurisdictions (adding Loudoun County, Virginia as a Participating Jurisdiction) to fund a six-year capital program covering Fiscal Years 2022 to 2027 (to be updated annually, each a "**Capital Improvement Program**"). The term of the 2022 Capital Funding Agreement began on July 1, 2021 and terminates on June 30, 2027. Each of the Contributing Jurisdictions has approved and executed such 2022 Capital Funding Agreement which is in full force and effect.

Under the 2022 Capital Funding Agreement, each Contributing Jurisdiction is required to use reasonable efforts to fund a portion of the cost of each Capital Improvement Program (its "**Allocated Contribution**"), determined using allocation formulas recalculated every two years based upon the Authority's then-current approved operating budget. Under the 2022 Capital Funding Agreement, the Authority may issue debt secured by its Gross Revenues (but not Dedicated Capital Funding Revenues) to finance all, or a portion of, its then-current Capital Improvement Program, upon request from one or more Contributing Jurisdictions. The 2022 Capital Funding Agreement permits each Contributing Jurisdiction to fund its share of an Authority debt financing either through a cash prepayment or a written commitment to make the Annual Debt Service Payments necessary in order for the Authority to pay debt service for the full term of the related obligations. The 2022 Capital Funding Agreement requires any such commitment of a Contributing Jurisdiction to survive the expiration of the 2022 Capital Funding Agreement and to remain in effect throughout the term of the related Authority debt issuance.

Prior to the adoption of any Capital Improvement Program, the 2022 Capital Funding Agreement requires each Contributing Jurisdiction to certify that the funding levels for its Allocated Contribution "are reasonable and accurate reflections of funds to be made available." Each Contributing Jurisdiction has made all of the Allocated Contributions required pursuant to the previous Capital Funding Agreements. If a Contributing Jurisdiction were to fail to include in its budget a required Allocated Contribution, or, following such inclusion and appropriation, were to fail to make such payment to the Authority, the Authority could bring suit to compel compliance under the 2022 Capital Funding Agreement. However, each Contributing Jurisdiction retains the absolute discretion as to whether to appropriate, and there would be no contractual remedy for the failure to appropriate assuming that, in accordance with the 2022 Capital Funding Agreement, the Contributing Jurisdiction used all reasonable efforts and pursued all legally available means to secure the appropriation.

In addition to the contractual remedy described above, the Authority's Board could decide to hold a public hearing as to whether to terminate the provision of Transit System service within any Contributing Jurisdiction that has failed to timely make a required subsidy payment regardless of the particular circumstances. Following such a hearing, Authority staff would provide a report to the Board as to whether such service should be terminated, following which the Board would make its decision. Any such Board decision, however, must be made on the basis of a majority vote. As with all Board votes, the majority must include one of the Directors from each of the Compact signatories (the Commonwealth, Maryland, and the District), including the signatory in which the Contributing Jurisdiction in which the termination of service is being considered is located.

## CERTAIN AUTHORITY FINANCIAL INFORMATION

Management strives to control costs of the Transit System aggressively, while assuring that all maintenance is carried out, albeit with some deferred maintenance that the Authority plans to correct, and that quality and levels of service are maintained or enhanced without compromising safety. At the same time, substantial efforts are made to attract additional ridership and revenue through innovative and creative marketing and pricing. The existing Transit System has reached the age at which a comprehensive program of replacement of equipment and rehabilitation of facilities is required. Consequently, the Board has adopted both goals and policies within the Capital Improvement Program designed to maintain the Transit System at its current level or, as necessary, invest in upgrades to the Transit System.

### **Summary of Revenues, Expenses, Net Position and Capital Assets<sup>43</sup>**

Below is a summary of the Authority's financial information based on its audited financial statements for the Fiscal Years ended June 30, 2024 and 2023, which are available at <https://www.wmata.com/about/records/upload/Annual-Comprehensive-Financial-Report-for-the-Fiscal-Years-Ended-June-30-2024-and-2023.pdf>.

#### *Revenues*

Total revenues for Fiscal Year 2024 (including capital contributions) were \$3.9 billion, a decrease of \$2.7 billion (41.3%) from Fiscal Year 2023 (which included \$2.7 billion in contributed capital for the Silver Line II extension and the Potomac Yards station). Operating revenues, which include passenger revenue, totaled \$441.2 million, an increase of \$76.4 million (20.9%) in Fiscal Year 2024 compared to Fiscal Year 2023. Such increase was attributable to steady ridership recovery since the pandemic low.

Nonoperating revenues for Fiscal Year 2024 were \$1.9 billion, a decrease of \$2.6 million (0.1%) from the prior year. For Fiscal Year 2024, Federal and jurisdictional subsidies were \$1.9 billion, a decrease of \$26.6 million (1.4%) from Fiscal Year 2023. Federal and jurisdictional subsidies, capital contributions and passenger revenues accounted for 48.8%, 38.1% and 10.0% of total revenues, respectively, in Fiscal Year 2024.

#### *Expenses*

Total expenses for Fiscal Year 2024 were \$4.3 billion, an increase of \$527.6 million (13.9%) over Fiscal Year 2023. Operating expenses totaled \$4.2 billion, an increase of \$477.6 million (12.9%). Labor and fringe benefits are the Authority's largest expenses, comprising 47.5% of total expenses with depreciation as the second largest expense comprising 28.4% of total expenses.

#### *Net Position*

For Fiscal Year 2024, the Authority's net position in the amount of \$10.9 billion decreased by \$459.3 million (4.0%). Current assets increased by \$317.0 million (37.7%) primarily due to investment of funds related to outstanding bonds and an increase in cash and cash equivalents. Noncurrent assets increased by \$58.0 million (7.9%), mainly due to an increase in lease receivables resulting from extensions of real estate lease agreements during the year.

<sup>43</sup> See Financial Report Fiscal Years Ended June 30, 2024 and 2023 p.8 and p 11.

These increases were offset by an increase in current liabilities of \$111.2 million (10.4%), primarily due to an increase in bonds, accounts and short-term compensated absences payable, in unearned revenue relating to unredeemed passenger fare and in short-term retainage on contracts.

*Capital Assets.* The Authority's capital assets net balance was \$17.7 billion as of June 30, 2024, an increase of \$180.7 million (1.0%) from Fiscal Year 2023. Such increase is primarily attributable to an increase in transit facilities, building and improvements, equipment, construction in process and revenue vehicles.

## **Annual Budget**

### *Budgetary Process*

The Authority's annual budget generally consists of two budgets: an operating budget and a capital budget each containing reimbursable projects as applicable.

The focus of the operating budget is on the personnel, supplies, and services needed to operate Metrobus, Metrorail, and MetroAccess. Budgetary issues for the operating budget center on the cost of continuing operations, expanding services to meet growing demand, and improving efficiency of service. Funding for the operating budget comes primarily from passenger fares and subsidies from the Participating Jurisdictions.

In developing the operating budget for the coming Fiscal Year, the Authority prepares forecasts of revenues and expenses approximately 12-18 months prior to the start of the Fiscal Year. Legislative exemptions under the Dedicated Revenue Statutes are not included in the Authority's operating budget subsidy cap. Each Participating Jurisdiction's operating subsidy as determined pursuant to the Authority's allocation formula determined by Board policy is increased annually by three percent (3%) (which cap was suspended for Fiscal Year 2025 and has also been suspended for Fiscal Year 2026). See "FORWARD-LOOKING STATEMENTS."

To the extent that a Participating Jurisdiction's operating subsidy payment is either greater than or less than its share of the total aggregate operating subsidy needed by the Authority, an adjustment in the amount of such difference is applied to its operating subsidy amount in the following Fiscal Year.

The General Manager and Chief Executive Officer generally presents a budget proposal to the Board in January. The Board reviews and considers the proposal and makes any changes deemed desirable from a policy perspective. The Board acts to approve the budget before the beginning of the Fiscal Year on July 1.

The capital budget focuses on the assets and infrastructure needed to support Metrobus, Metrorail, and MetroAccess services. Assets and infrastructure include the Authority's buses, rail cars, stations, track, maintenance facilities, and power systems, among others. Budgetary issues for the capital budget typically center on the condition of the current assets and infrastructure and what is needed to maintain them in safe and reliable condition. Funding for the capital budget comes from federal grants and/or relief funding, the Participating Jurisdictions, the State Dedicated Capital Funding Revenues, and the Authority's debt proceeds.

The reimbursable projects budget are those unique services, programs, or projects sponsored or directed by Participating Jurisdictions and for which separate funding has been provided by such sponsors.



#### *Fiscal Year 2025 Budget*<sup>44</sup>

The Authority's Fiscal Year 2025 budget was adopted by the Board on April 25, 2024 (the "**Approved Fiscal Year 2025 Budget**") and is comprised of (i) the operating budget totaling approximately \$2.350 billion (inclusive of the operating reimbursable projects and exclusive of debt service costs) (the "**Approved Fiscal Year 2025 Operating Budget**") and (ii) the capital budget totaling \$2.567 billion (inclusive of the capital reimbursable projects) (the "**Approved Fiscal Year 2025 Capital Budget**").

The Approved Fiscal Year 2025 Operating Budget of \$2.4 billion was funded with \$487.6 million of projected operating revenues (excluding federal support), primarily from passenger fares, parking fees, and advertising revenues, in addition to jurisdictional operating subsidy contributions, and \$123.4 million in federal relief funding. *See* "FUNDING OF THE OPERATING EXPENSES OF THE TRANSIT SYSTEM – Federal COVID Support." The Approved Fiscal Year 2025 Operating Budget assumed 226.6 million trips which represents a 1.3% increase from Fiscal Year 2024. Passenger fare and parking revenues of \$407.8 million comprise 9.8% of the total revenue budget, excluding federal funding. These revenues are estimated to be \$21.7 million less than budgeted for Fiscal Year 2024. Fiscal Year 2025 non-passenger business revenues from advertising, joint development and fiber optic leases are projected to be \$55.4 million while other non-transit revenues total \$24.4 million. Non-passenger revenues are estimated to be \$2.7 million less than budgeted for Fiscal Year 2024.

The Approved Fiscal Year 2025 Operating Budget includes the base budget and debt service on the Gross Revenue Obligations. The Fiscal Year 2025 net operating subsidy of the Authority's overall budget is \$1.75 billion, which provides for the personnel, supplies, fuel and propulsion power, and services needed to operate Metrobus, Metrorail, and MetroAccess.

The reimbursable portion of the Authority's overall budget provides for personnel and services needed for unique projects requested on behalf of the Participating Jurisdictions and outside partners. The approved Fiscal Year 2025 operating reimbursable budget is \$15.3 million, and the capital reimbursable budget is \$32.3 million.

The \$2.6 billion Approved Fiscal Year 2025 Capital Budget provides for the assets and infrastructure to support Metrobus, Metrorail, and MetroAccess service. Funding for the capital budget comes from federal grants and relief funding, the Participating Jurisdictions, the States, Dedicated Capital Funding Revenues and the Authority's debt proceeds.

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<sup>44</sup> *See* Attachment C to Resolution No. 2024-12.

### *Fiscal Year 2026 Budget*<sup>43</sup>

The Authority's Fiscal Year 2026 budget was adopted by the Board on April 10, 2025 (the "**Approved Fiscal Year 2026 Budget**") and is comprised of (i) the operating budget totaling approximately \$2.512 billion (inclusive of the operating reimbursable projects and exclusive of debt service costs) (the "**Approved Fiscal Year 2026 Operating Budget**") and (ii) the capital budget totaling \$2.373 billion (inclusive of the capital reimbursable projects) (the "**Approved Fiscal Year 2026 Capital Budget**").

The Approved Fiscal Year 2026 Operating Budget of \$2.512 billion is funded with projected operating revenues (excluding federal support), primarily from passenger fares, parking fees, and advertising revenues, in addition to jurisdictional operating subsidy contributions.<sup>45</sup> The Approved Fiscal Year 2026 Operating Budget assumes 269.727 million trips which represents a 19% increase from Fiscal Year 2025. Passenger fare and parking revenues of \$487 million comprise 19% of the total operating revenue budget. These revenues are estimated to be \$80 million more than budgeted for Fiscal Year 2025. Fiscal Year 2026 non-passenger business revenues from advertising, joint development and fiber optic leases as well as other non-transit revenues are projected to total \$77 million. Non-passenger revenues are estimated to be \$100.7 million or 0.2% more than budgeted for Fiscal Year 2025.

The Approved Fiscal Year 2026 Operating Budget includes the net operating subsidy of \$1.91 billion, which provides for the personnel, supplies, fuel and propulsion power, and services needed to operate Metrobus, Metrorail, and MetroAccess. The total operating subsidy for Fiscal Year 2026 including debt service on the Gross Revenue Obligations is \$1.978 billion.

The reimbursable portion of the Authority's overall budget provides for personnel and services needed for unique projects requested on behalf of the Participating Jurisdictions and outside partners. The approved Fiscal Year 2026 operating reimbursable budget is \$28 million, and the capital reimbursable budget is \$146 million.

The \$2.37 billion Approved Fiscal Year 2026 Capital Budget provides for the assets and infrastructure to support Metrobus, Metrorail, and MetroAccess service. Funding for the capital budget comes from federal grants and relief funding, the Participating Jurisdictions, the States, Dedicated Capital Funding Revenues and the Authority's debt proceeds.

### *Summary*

TABLE 9 compares the operating and capital budget components of the Approved Fiscal Year 2024 Budget with those components of the Approved Fiscal Year 2025 Budget and Approved Fiscal Year 2026 Budget. The table includes operating and capital portions of the reimbursable project results or budget, as applicable, and such figures are separately broken out.

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<sup>45</sup> See Resolution No. 2025-10.

**TABLE 9**  
**Summary of Funding by Program and Source**  
**(\$ in millions)**

	Fiscal Year 2024 (Approved Budget)	Fiscal Year 2025 (Approved Budget)	Fiscal Year 2026 (Approved Budget)
<b>Operating Budget</b>			
Passenger Fares & Parking	\$ 429.5	\$ 407.2	\$ 463
Non-Passenger Revenue	77.2	79.8	101
State and Local Funds	1,252.3	1,752.6	1,906
Reimbursable Funds	9.2	15.3	28
Federal Relief <sup>(1)(2)</sup>	<u>561.0</u>	<u>95.0</u>	<u>--</u>
<b>Subtotal</b>	<b><u>\$2,329.2</u></b>	<b><u>\$2,350.5</u></b>	<b><u>\$2,498</u></b>
Contributions for Debt Service	<u>72.2</u>	<u>72.2</u>	<u>86</u>
<b>Subtotal including Debt Service</b>	<b><u>\$2,401.4</u></b>	<b><u>\$2,422.8</u></b>	<b><u>\$2,584</u></b>
<b>Capital Budget</b>			
Federal Formula/Other Grants	\$ 471.4	\$ 476.6	\$ 470
Federal Dedicated Funds (PRIIA) <sup>(2)</sup>	143.5	143.5	144
State and Local Funds <sup>(2)(3)</sup>	442.6	451.2	460
Dedicated Funding	500.0	500.0	500
Reimbursable Funds	33.2	32.3	146
Debt Strategy/Other Debt	<u>797.8</u>	<u>963.0</u>	<u>653</u>
<b>Subtotal</b>	<b><u>\$2,388.4</u></b>	<b><u>\$2,566.6</u></b>	<b><u>\$2,373</u></b>
<b>Grand Total<sup>(4)</sup></b>	<b><u>\$4,789.8</u></b>	<b><u>\$4,989.3</u></b>	<b><u>\$4,957</u></b>

<sup>(1)</sup> Includes the net subsidies from the Participating Jurisdictions and debt service. Includes CRRSAA and ARPA.

<sup>(2)</sup> Such funds are made available under PRIIA and are subject to annual appropriation and certain other conditions. Title VI of PRIIA authorized federal funding of capital and preventive maintenance projects of the Authority in the amount not to exceed \$1.5 billion to be available in increments over ten Fiscal Years.

<sup>(3)</sup> Includes the State PRIIA matching funds. Such funds can only be used on capital and preventive maintenance projects of the Authority and are made available thereto pursuant to the applicable laws of the District, Maryland, and the Commonwealth. Such funds are subject to annual appropriation by such jurisdictions.

<sup>(4)</sup> Totals may not sum due to rounding.

Sources – Approved Fiscal Year 2026 Budget and Resolution 2025-10, Approved Fiscal Year 2025 Budget and Resolution 2024-12 and the Authority's Audited Financial Statements for Fiscal Year ended June 30, 2024.

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## **CERTAIN INVESTMENT CONSIDERATIONS**

The purchase and ownership of the Series 2025A Second Lien Bonds involve investment risks and other considerations, some of which are discussed under this caption. Prospective investors are urged to read this Official Statement in its entirety. The ability of the Authority to meet the debt service requirements of the Series 2025A Second Lien Bonds is subject to various uncertainties which are discussed throughout this Official Statement. The factors discussed below, among others, may affect the security for the Series 2025A Second Lien Bonds. *See* "FORWARD-LOOKING STATEMENTS."

### **Compliance with Dedicated Funding Grant Agreement Obligations**

#### *Reporting Obligations*

The Dedicated Revenue Statutes and the related Dedicated Funding Grant Agreements impose a series of reporting obligations on the Authority along with a series of Capital Contribution reductions paid from other than Dedicated Capital Funding Revenues for failure to meet those obligations. Although these reporting obligations are within the control of the Authority and the Authority pledges that it will make good faith reasonable efforts to meet all of those reporting obligations, it is possible that a reporting obligation may not be met. While receipt of the Dedicated Capital Funding Revenues is not directly affected by such a failure to meet a reporting obligation, the failure to do so could affect the completion of capital projects which are partially funded by Dedicated Capital Funding Revenues.

#### *Receipt of a Modified Audit*

Under the Maryland Dedicated Revenue Statute, if the Authority receives a modified report on its annual independent audit, Maryland, on behalf of the Participating Jurisdictions located in Maryland, will withhold 35% of the Capital Contributions received by the Authority from other than the Dedicated Capital Funding Revenues until an acceptable corrective plan is submitted to the Authority's Board and the Maryland General Assembly, addressing the reason for the modified audit. While receipt of the Maryland Dedicated Capital Funding Revenues is not directly affected by such a withholding, the withholding could affect the completion of capital projects which are partially funded by Dedicated Capital Funding Revenues.

#### *Terms of the Dedicated Funding Grant Agreements*

The Commonwealth Dedicated Funding Grant Agreement began on May 1, 2019, and the Maryland Dedicated Funding Grant Agreement began on September 26, 2019. Each automatically renews on July 1 of each year unless one party provides written notice requesting to amend or modify the agreement at least 90 days prior to July 1. The Authority has not received such notice from Maryland nor Commonwealth as of the date of this Official Statement.

The term of the District Dedicated Funding Grant Agreement began on October 1, 2020 and terminates on September 30, 2026. The District may, if legally permitted, exercise options to renew the District Dedicated Funding Grant Agreement no more than six (6) Successive Terms of six (6) years each. Under terms of the District's Dedicated Funding Grant Agreement, the District and the Authority have agreed to commence discussions to determine if the District will renew the District Dedicated Funding Grant Agreement for a Successive Term not later than March 30, 2026.

#### *Lack of Non-Impairment Language*

None of the Dedicated Funding Grant Agreements contain non-impairment language that would safeguard the integrity of those contracts against unwarranted interference by the States or other parties.

No assurance can be given that these Dedicated Funding Grant Agreements will not be altered by subsequent laws that would change or modify the rights and obligations of investors.

### **Appropriation Risks**

Pursuant to the Dedicated Revenue Statutes, the States provide Dedicated Capital Funding Revenues subject to annual appropriations by the respective applicable governing bodies. Furthermore, the ability of the Participating Jurisdictions to provide subsidies to support the capital and operating budgets of the Authority (which are not pledged as security for the Series 2025A Second Lien Bonds, but which are used to pay, among many other things debt service on the Pre-2018 Bonds) is subject to certain conditions and limitations, for example, receipt of necessary appropriations from the applicable governing bodies. As a practical matter, the Participating Jurisdictions have reliably provided the funding in the amount approved by the Authority's Board each year since the Participating Jurisdictions' funding obligations began over 50 years ago.

### **Budgeting and Appropriations Process**

#### *District of Columbia*

The District of Columbia Home Rule Act requires the Mayor to submit to the Council, at such time as the Council directs, an annual budget prepared on the basis that proposed expenditures do not exceed resources. The District's annual budget has two parts: (i) one funded by the federal government and (ii) one funded by the District, which is often referred to as the local funds budget. Following Council approval, each June or July, the Mayor submits to the President a request to include the federally funded part of the District's budget in the federal budget, which is subject to the Congressional appropriation process. Congress is free to alter the federal portion of the District's budget. The Local Budget Autonomy Amendment Act of 2012 (D.C. Law 19 - 321) (the "**Budget Autonomy Act**") was signed into law on February 15, 2013 and ratified by the District voters in an April 2013 referendum. Such act became effective January 1, 2014, and, thereunder, the District may enact and appropriate its local funds budget without the need for affirmative approval by Congress. The local funds budget legislation is subject to Congressional review for a period of 30 legislative days (i.e., any day in which one or both houses of the U.S. Congress are in session) before it takes effect. Congress has from time to time taken certain actions with regard to the Budget Autonomy Act and held hearings examining Congressional intent in drafting the Home Rule Act and the validity of the Budget Autonomy Act. To date, none of such actions has had an impact on the Budget Autonomy Act and no enacted federal appropriations legislation has included any language repealing the Budget Autonomy Act. The District has followed the budgetary procedures set forth in the Budget Autonomy Act for its budgets for fiscal years 2017 through 2025, enacting legislation in June or July of the respective year that permits the District to appropriate its local funds budget, in the event there is a lapse in federal appropriations authority.

#### *State of Maryland*

Under Maryland's Constitution, the Governor is responsible for the preparation and introduction of Maryland's annual budget, which is required to be a balanced budget. Passage by the Maryland General Assembly of Maryland's budget is constitutionally prioritized. The Maryland General Assembly may amend the budget to increase or decrease appropriations relating to the legislative and judicial branches, but it may only strike out or reduce executive branch appropriations submitted by the Governor. The Maryland General Assembly must enact a balanced budget.

State expenditures are made pursuant to the appropriations in the annual budget. The various units of state government may, with the Governor's approval, amend the appropriations for particular programs

in their individual budgets funded from the General Fund, provided they do not exceed their total General Fund appropriations as contained in the annual budget. Pursuant to the Maryland Dedicated Revenue Statute, the Governor is required to include in the state budget an appropriation of \$167,000,000 from the revenues available for the state capital program in the Trust Fund, which MDOT grants to WSTD to pay the Authority's capital costs. Such funds are not finally appropriated and committed until the Maryland General Assembly adopts the state budget.

### *Commonwealth of Virginia*

The Governor is required by statute to present a bill detailing a proposed budget for the next biennium (the "**Budget Bill**") and a narrative summary of the bill to the General Assembly by December 20th in the year immediately prior to each even-year session. Under constitutional provisions, the Governor retains the right in his review of legislative action on the Budget Bill, to suggest alterations to or to veto appropriations made by the General Assembly. After enactment, the Budget Bill becomes law (the "**Appropriation Act**"). In the odd-year sessions of the General Assembly, amendments are considered to the Appropriation Act enacted in the previous year. The Governor submits a bill by December 20th, which includes proposed amendments to the current biennial budget. The Appropriation Act enacted in the odd-year session is effective upon passage, whereas the regular biennial Appropriation Act is effective July 1, the beginning of the biennium.

An appropriation for a project or service is initially contained in the Appropriation Act enacted by the General Assembly. Under the Commonwealth's Constitution, no money may be paid out of the Treasury except pursuant to appropriations made by law. No such appropriation may be made which is payable more than two years and six months after the end of the session of the General Assembly at which the appropriation was enacted. Implementation and administration of the provisions of the Appropriation Act are functions of the Governor, assisted by the Secretary of Finance and the Department of Planning and Budget. This process also involves constant monitoring of revenue collections and expenditures to ensure that a balanced budget is maintained. The Appropriation Act requires that if projected revenue collections fall below amounts appropriated, the Governor must reduce expenditures and withhold allotments of appropriations, with the exception of amounts needed for debt service and specified other purposes, to the extent necessary to prevent any expenditure in excess of estimated revenues. *See "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – Commonwealth of Virginia."*

### **Reciprocity**

The Dedicated Revenue Statutes all condition payment of the respective State's Dedicated Capital Funding Revenues on the payment of those revenues by the other two States. Thus, if one State does not appropriate its full share of the Dedicated Capital Funding Revenues, the other two States have the authority to withhold a proportionate share of their Dedicated Capital Funding Revenues, thereby magnifying the impact of the unappropriated funds. If, for instance, the Commonwealth did not pay its full share of the Dedicated Capital Funding Revenues (e.g., due to a decline in tax receipts caused by the COVID-19 pandemic), then both the District and Maryland each would be entitled, but not required, to withhold a proportionate share of their Dedicated Capital Funding Revenues. Due to the negative impact on Dedicated Capital Funding Revenues in relationship with the COVID-19 pandemic, no assurance can be given that the States will individually or collectively be able to pay their respective fair share of the Dedicated Capital Funding Revenues. *See "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – Commonwealth of Virginia."*

### **Three Percent (3%) Cap on Operating Budget Increase**

As a condition of receiving certain federal assistance, a 1980 federal law (Public Law 96-184, enacted January 3, 1980) (the "**Stark-Harris Act**") requires that each Participating Jurisdiction identify a stable and reliable ongoing source of revenue (collectively, the "**Stark-Harris Funding Sources**") to finance its contributions to the Authority in the amounts needed to fund its share of that portion of (i) operating and maintaining the Transit System and (ii) debt service that is in excess of (a) other revenues received by the Authority from the operation of the Transit System; and (b) any federal subsidies contributed for operating expenses of the Transit System. Each Participating Jurisdiction adopted legislation to establish Stark-Harris Funding Sources to identify certain local revenue sources to be used by such Participating Jurisdiction to meet its contribution of operating subsidies provided to the Authority. Only after such payments from the Stark-Harris Funding Sources are appropriated and transferred to the Authority do such payments from the Participating Jurisdictions become subject to the pledge under the 2003 Bond Resolution and considered Stable and Reliable Funding Sources. See "OTHER OUTSTANDING DEBT – Sources of Funds for Gross Revenue Obligations."

The Authority is funded in part with system operating revenues and jurisdictional operating and capital subsidies. As a component of the KMSRA Plan and in order to provide additional certainty to the Participating Jurisdictions, and pursuant to the Dedicated Revenue Statutes, the Authority is required to plan its future budgets beginning in the Authority's Fiscal Year 2020 such that the Stable and Reliable Funding Sources do not increase by more than three percent (3%) on a year over year basis subject to legislative exceptions for a service, equipment or facility required by any applicable law, rule or regulation; any capital project approved by the Authority's Board; any payments or obligations arising from or related to legal disputes or proceedings between the Authority and any other person or entity; and any service increases approved by the Authority's Board of Directors.<sup>46</sup>

The requirement to contain the operating subsidy increases to three percent (3%) is a requirement imposed on the Authority by the Dedicated Revenue Statutes. While the statutes have authorized certain exclusions from this calculation such as court orders and compliance action, that do not count against the three percent (3%) cap, failure to comply with the three percent (3%) cap on Participating Jurisdictions results in legislatively withholding up to 35 percent (35%) of revenues other than Dedicated Capital Funding Revenues provided to the Authority by the Commonwealth and Maryland under each State's respective statute. Noncompliance with the operating subsidy three percent (3%) cap, less the allowable exclusions, will result in an aggregate 35 percent (35%) withholding of annual Stable and Reliable Funding Sources for the Authority's operating and capital expenses provided by the Commonwealth under its Dedicated Revenue Statute.<sup>47</sup> Pursuant to Maryland's Dedicated Revenue Statute, noncompliance with the three percent (3%) cap will result in withholding up to 35 percent (35%) of revenues provided by Stark-Harris Funding Sources provided for the Authority's operating expenses.<sup>48</sup>

The three percent (3%) cap on the operating budget was suspended by the Participating Jurisdictions for Fiscal Year 2025 and has also been suspended for Fiscal Year 2026. However, there is no assurance that such suspension of the cap will continue in future years.

### **Timing of Cash Receipts**

The nature and timing of the Authority's cash flows can result in short-term fluctuations with regard to availability of funds. Stable and Reliable Funding Sources payments are received quarterly, in advance,

<sup>46</sup> Code of Va. §33.2-1526.1.K. and Md. Transp. Code §10-205(b)(3)(ii).

<sup>47</sup> Code of Va. §33.2-1526.1.K.

<sup>48</sup> Md. Transp. Code § 10-205(b)(3).

while other operating revenues such as fares, lease revenues, etc. are received daily, monthly, semi-annually, or annually depending on fare product purchased or the term of the contract. Capital Contributions are similarly made quarterly, in advance, while federal grant reimbursements are received in arrears. Dedicated Capital Funding Revenues are scheduled for transfer: monthly by the Commonwealth in arrears; semiannually in October and April by the District; and quarterly, upon Authority invoice, by Maryland.

### **Changes in Economic Outlook**

The Authority's ridership and overall financial outlook are directly influenced by the population, economic conditions, and employment growth in the National Capital Region. COVID-19 had broad and significant global, national and regional impacts; the lasting consequences in terms of changes to work and commuting patterns remain unclear. As the region has recovered from the pandemic, business activity settled into a new normal significantly different from what preceded the pandemic. This paradigm shift in how and where people work, specifically in the shift to remote work, significantly impacted the labor market, commuter and tourist activities, the demand for office space, and the location of economic activity in the region. The National Capital Region has a highly skilled and educated workforce including many occupations that have transitioned exceptionally well to remote work, thus resulting in changes to the Authority's ridership patterns. Earlier in 2025, the federal government issued return-to-office mandates for its federal workforce, and many other organizations also required employees to return to the office. The National Capital Region appears poised to continue its post-pandemic recovery as employment mirrors pre-pandemic levels; however, the composition and attributes of jobs in the region may be different.

Furthermore, starting in January 2025, a reduction of employees in many parts of the federal government workforce was announced and directed. It is uncertain to what extent such workforce will be reduced and the impact of any such reduction on the economic stability of the National Capital Region or on the Authority's ridership.

The Authority will continue to advance service options that adapt to the emerging needs of workers and the regional economy. However, it is uncertain the extent to which changes in customer behavior or economic factors may adversely impact the States, or the Authority, its operations or the Series 2025A Second Lien Bonds. See "FUNDING OF THE OPERATING EXPENSES OF THE TRANSIT SYSTEM – Funding Future Operating Expenses for the Authority" and "THE AUTHORITY – Regional Changes in Customer Behavior." See also TABLE 2 for a discussion of the possible impact on the debt service coverage projected for the Series 2025A Second Lien Bonds and other Second Lien Obligations based on assumed available Dedicated Capital Funding Revenues.

### **WMATA Capital Fund – Restricted Account**

Dedicated Capital Funding Revenues do not include those funds in the Commonwealth's Restricted Account, which are ineligible for use as security for the repayment of debt service. Under the terms of the Commonwealth Dedicated Funding Grant Agreement, the Authority is required to apply the Commonwealth's Contribution only to items identified in the approved CIP. The Authority may not use any proceeds disbursed from the Restricted Account for the payment of, or security for, debt service on bonds or other indebtedness of the Authority. See "SOURCES OF PAYMENT OF THE SERIES 2025A SECOND LIEN BONDS – Dedicated Capital Funding Revenues – *Commonwealth of Virginia*."

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## LITIGATION

There is no litigation now pending or threatened: (i) to restrain or enjoin the issuance or sale of the Series 2025A Second Lien Bonds; (ii) questioning or affecting the validity of the Series 2025A Second Lien Bonds, the Second Lien Resolution, or the pledge of the Second Lien Trust Estate by the Authority under the Second Lien Resolution; or (iii) question or affecting the validity of any of the proceedings for the authorization, sale, execution or delivery of the Series 2025A Second Lien Bonds.

The Authority is involved in certain litigation and disputes incidental to its operations. Upon the basis of information presently available, the Executive Vice President, Chief Legal Officer and General Counsel to the Authority and the Authority believe that there are substantial defenses to such litigation and disputes and that, in any event, the ultimate liability, if any, resulting therefrom will not materially adversely affect the financial position of the Authority.

## LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2025A Second Lien Bonds will be subject to the approving opinion of Hogan Lovells US LLP, Bond Counsel, which will be furnished at the expense of the Authority upon delivery of the Series 2025A Second Lien Bonds and will be substantially in the form included in **Appendix B**.

Certain legal matters pertaining to the issuance of the Series 2025A Second Lien Bonds will be passed upon for the Authority by its Executive Vice President, Chief Legal Officer and General Counsel, Patricia Y. Lee, Esq. Hogan Lovells US LLP, as Disclosure Counsel to the Authority, will deliver an opinion regarding certain matters to the Authority and the Underwriters. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP.

## TAX MATTERS

The following discussion is a summary of the opinion of Bond Counsel to the Authority that is to be rendered on the tax status of interest on the Series 2025A Second Lien Bonds and of certain federal and state income tax considerations that may be relevant to prospective purchasers of the Series 2025A Second Lien Bonds. This discussion is based upon existing law, including current provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), existing and proposed regulations under the Code, and current administrative rulings and court decisions, all of which are subject to change.

Upon issuance of the Series 2025A Second Lien Bonds, Hogan Lovells US LLP, Bond Counsel to the Authority, will provide an opinion, substantially in the form included in **Appendix B**, to the effect that, under existing law, interest on the Series 2025A Second Lien Bonds is excluded from gross income for federal income tax purposes, and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel to the Authority observes that interest on the Series 2025A Second Lien Bonds included in the adjusted financial statement income of certain corporations is not excluded from the computation of the federal corporate alternative minimum tax.

The foregoing opinion will assume compliance by the Authority with certain requirements of the Code that must be met subsequent to the issuance of the Series 2025A Second Lien Bonds. The Authority will certify, represent and covenant to comply with such requirements. Failure to comply with such requirements could cause the interest on the Series 2025A Second Lien Bonds to be included in gross income, or could otherwise adversely affect such opinion, retroactive to the date of issuance of the Series 2025A Second Lien Bonds.

The opinion of Bond Counsel to the Authority relating to the Series 2025A Second Lien Bonds will also provide to the effect that, under existing law, interest on the Series 2025A Second Lien Bonds is exempt from all current Maryland, Virginia, and District of Columbia personal income taxes.

Certain of the Series 2025A Second Lien Bonds (the "**Discount Bonds**") are being offered and sold to the public in their original public offering at an original issue discount. Generally, original issue discount is the excess of the stated redemption price at maturity of any Discount Bond over the issue price of the Discount Bond. Bond Counsel have advised the Authority and the Underwriters that, under existing laws and to the extent interest on any Discount Bond is excluded from gross income for federal income tax purposes, the original issue discount on any such Discount Bond that accrues during the period such person holds the Discount Bond will be treated as interest that is excluded from gross income for federal income tax purposes with respect to such holder, and will increase such holder's tax basis in any such Discount Bond. Purchasers of any Discount Bond should consult their tax advisors regarding the proper computation and accrual of original issue discount.

If a holder purchases a Series 2025A Second Lien Bond for an amount that is greater than its stated redemption price at maturity, such holder will be considered to have purchased the Series 2025A Second Lien Bond with "amortizable bond premium" equal in amount to such excess. A holder must amortize such premium using a constant yield method over the remaining term of the Series 2025A Second Lien Bond, based on the holder's yield to maturity. As bond premium is amortized, the holder's tax basis in such Series 2025A Second Lien Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or other disposition of the Series 2025A Second Lien Bond prior to its maturity. No federal income tax deduction is allowed with respect to amortizable bond premium on a Series 2025A Second Lien Bond. Purchasers of a Series 2025A Second Lien Bond with amortizable bond premium should consult with their own tax advisors regarding the proper computation of amortizable bond premium and with respect to state and local tax consequences of owning such Series 2025A Second Lien Bond.

Other than the matters specifically referred to above, Bond Counsel to the Authority expresses and will express no opinions regarding the federal, state, local or other tax consequences of the purchase, ownership and disposition of the Series 2025A Second Lien Bonds. Prospective purchasers of the Series 2025A Second Lien Bonds should be aware, however, that the Code contains numerous provisions under which receipt of interest on the Series 2025A Second Lien Bonds may have adverse federal tax consequences for certain taxpayers. Such consequences include the following: (a) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2025A Second Lien Bonds or, in the case of financial institutions, that portion of the holder's interest expense allocable to interest on the Series 2025A Second Lien Bonds (subject to certain exceptions); (b) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Series 2025A Second Lien Bonds; (c) interest on the Series 2025A Second Lien Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (d) passive investment income, including interest on the Series 2025A Second Lien Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; and (e) Section 86 of the Code requires recipients of certain Social Security and certain railroad retirement benefits to take into account, in determining the inclusion of such benefits in gross income, receipts or accrual of interest on the Series 2025A Second Lien Bonds.

The Internal Revenue Service (the "**Service**") has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether

interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Series 2025A Second Lien Bonds will be audited. If an audit is commenced, under current Service procedures the holders of the Series 2025A Second Lien Bonds may not be permitted to participate in the audit process. Moreover, public awareness of an audit of the Series 2025A Second Lien Bonds could adversely affect their value and liquidity.

Prospective purchasers of Series 2025A Second Lien Bonds should consult their own tax advisors as to the applicability and extent of federal, state, local or other tax consequences of the purchase, ownership and disposition of Series 2025A Second Lien Bonds in light of their particular tax situation.

Bond Counsel to the Authority will render their opinions as of the issue date, and will assume no obligation to update their opinions after the issue date to reflect any future facts or circumstances, or any future changes in law or interpretation, or otherwise. Moreover, the opinions of Bond Counsel to the Authority are not binding on the courts or the IRS; rather, such opinions represent Bond Counsel's legal judgment based upon their review of existing law and upon the certifications, representations and covenants referenced above.

Amendments to federal and state tax laws are proposed from time to time and could be enacted, and court decisions and administrative interpretations may be rendered, in the future. There can be no assurance that any such future amendments or actions will not adversely affect the value of the Series 2025A Second Lien Bonds or, as applicable, the exclusion of interest on the Series 2025A Second Lien Bonds from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2025A Second Lien Bonds or any other date, or that such changes will not result in other adverse federal or state tax consequences.

## **RATINGS**

S&P Global Ratings, a division of S&P Global Inc. ("**S&P**") and Kroll Bond Rating Agency ("**Kroll**") have assigned ratings to the Series 2025A Second Lien Bonds of "AA" (with a stable outlook) and "\_\_\_" (with a \_\_\_\_\_ outlook), respectively.

A rating reflects only the view of the agency giving such rating and is not a recommendation to buy, sell or hold the Series 2025A Second Lien Bonds. An explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. Such ratings may be changed at any time, and no assurance can be given that they will not be revised downward or withdrawn entirely by either or both of such rating agencies if, in the judgment of either or both, circumstances so warrant. Any such downward revision or withdrawal of either of such ratings may have an adverse effect on the market price of the Series 2025A Second Lien Bonds.

## **INDEPENDENT AUDITORS**

The Authority has not requested and will not obtain a consent letter from its auditor for the references to the audit reports in this Official Statement. RSM US LLP, the Authority's independent auditor, has not been engaged to perform, and has not performed, since the date of its reports referenced herein, any procedures on the financial statements addressed in those reports. RSM US LLP also has not performed any procedures relating to the Official Statement.

## CONTINUING DISCLOSURE

The Authority will undertake in a continuing disclosure agreement for the Series 2025A Second Lien Bonds (the "**2025 CDA**") to assist the Underwriters in complying with the provisions of Rule 15c2-12 (the "**Rule**"), promulgated by the United States Securities and Exchange Commission, by providing annual financial information, operating data, and event notices required by the Rule. As described in **Appendix D**, the 2025 CDA requires the Authority to provide only limited information at specified times. The filing deadline for the Authority's annual continuing disclosure filings under the 2025 CDA is December 31. The Authority's continuing disclosure filings since July 2010 are available at [www.emma.msrb.org](http://www.emma.msrb.org).

Continuing disclosure undertakings entered by the Authority for past issuances require the Authority to provide annual financial information, operating data and event notices of the type which will be required by the 2025 CDA.

The Authority has implemented procedures to ensure ongoing compliance with continuing disclosure requirements and believes that its policies are adequate to ensure future compliance. See "THE AUTHORITY – Debt and Disclosure Policies of the Authority."

The Authority has not materially failed in the past five Fiscal Years to perform any obligation with respect to any previous continuing disclosure undertaking delivered under the provisions of the Rule.

## CERTAIN RELATIONSHIPS OF PARTIES

Hogan Lovells US LLP, which is serving as Bond Counsel and Disclosure Counsel to the Authority in connection with the Series 2025A Second Lien Bonds, (1) has represented and may continue to represent certain of the Underwriters in connection with transactions not involving the Authority, and (2) represents the Authority on certain other matters.

## UNDERWRITING

The underwriters of the Series 2025A Second Lien Bonds listed on the cover page of this Official Statement, for whom Barclays Capital Inc. is acting as the representative (collectively, the "**Underwriters**"), have agreed to purchase the Series 2025A Second Lien Bonds at a purchase price equal to \$\_\_\_\_\_ (reflecting a net original issue premium totaling \$\_\_\_\_\_ and an Underwriters' discount totaling \$\_\_\_\_\_) pursuant to the Bond Purchase Agreement dated July \_\_, 2025, by and between the Authority and the Underwriters (the "**Bond Purchase Agreement**").

This section provides certain information with respect to the Bond Purchase Agreement. This information does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Bond Purchase Agreement executed by the Underwriters and the Authority. No attempt is made herein to summarize the Bond Purchase Agreement. The Bond Purchase Agreement may be examined on reasonable prior notice at the office of the Secretary of the Authority during regular business hours on and after the date of its execution.

Under the Bond Purchase Agreement, the Underwriters shall pay the purchase price for the Series 2025A Second Lien Bonds and shall accept delivery of the Series 2025A Second Lien Bonds from the Authority, subject to certain conditions. Pursuant to the Bond Purchase Agreement, the Underwriters shall purchase all of the Series 2025A Second Lien Bonds if any are purchased.

The Underwriters may offer and sell the Series 2025A Second Lien Bonds to certain dealers (including dealers depositing the Series 2025A Second Lien Bonds into investment trusts) and others at prices lower than the initial offering prices or yields higher than the initial offering yields for the Series 2025A Second Lien Bonds. Subsequent to the initial offering, the offering prices and yields for the Series 2025A Second Lien Bonds may be changed from time to time by the Underwriters.

The Underwriters may, from time to time, be engaged in business or other transactions with the Authority or may be actual or potential users of Authority facilities.

The Underwriters have provided the following information appearing in this section of the Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority for which they received or will receive customary fees and expenses. In addition, affiliates of some of the Underwriters are lenders, and in some cases agents or managers for the lenders, under the Authority's letters of credit.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities, and instruments.

In addition, the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated by the Authority as underwriters) for the distribution of the Series 2025A Second Lien Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriters will share a portion of its underwriting compensation or selling concession with such broker-dealers.

### **MUNICIPAL ADVISOR**

Frasca & Associates, LLC has served as independent Municipal Advisor to the Authority with respect to the sale of the Series 2025A Second Lien Bonds. The Municipal Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2025A Second Lien Bonds and provided other advice. The Municipal Advisor has not undertaken to make an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement.

## MISCELLANEOUS

The references to, excerpts from, and summaries of documents referred to herein do not purport to be complete statements of provisions of such documents, and reference is directed to such documents for full and complete statements of all matters of fact relating to the Series 2025A Second Lien Bonds, the security for the payment of the Series 2025A Second Lien Bonds and the rights and obligations of the registered owners thereof.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, is set forth as such and not as a representation of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the Transit System since the date hereof.

Further information regarding the Authority and the Transit System is available upon request to the Treasurer's Office, 300 7<sup>th</sup> Street, S.W., Washington, DC 20024, (202) 962-2353, and/or to Frasca Associates, LLC, 521 Madison Avenue, Suite 7, New York, NY 10022 (212) 355-4050.

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The execution and delivery of this Official Statement by the General Manager and Chief Executive Officer has been duly authorized by the Board.

**WASHINGTON METROPOLITAN AREA  
TRANSIT AUTHORITY**

By: \_\_\_\_\_  
General Manager and Chief Executive Officer

**APPENDIX A**  
**FORM OF SECOND LIEN MASTER RESOLUTION**



## APPENDIX B

### PROPOSED FORM OF BOND COUNSEL OPINION

\_\_\_\_\_, 2025

Board of Directors  
Washington Metropolitan Area Transit Authority  
300 7<sup>th</sup> Street, SW  
Washington, DC 20024-2511

\$ \_\_\_\_\_  
**Washington Metropolitan Area Transit Authority**  
**Second Lien Dedicated Revenue Bonds**  
**Series 2025A**

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Washington Metropolitan Area Transit Authority (the "Authority"), a body corporate and politic, constituting an instrumentality and agency of the State of Maryland (the "State"), the Commonwealth of Virginia (the "Commonwealth") and the District of Columbia (the "District"), created and existing by virtue of the Washington Metropolitan Area Transit Authority Compact, as amended (the "Compact"), by and among the State, the Commonwealth and the District, of the Washington Metropolitan Area Transit Authority Second Lien Dedicated Revenue Bonds, Series 2025A, in the original aggregate principal amount of \$ \_\_\_\_\_ (the "Series 2025A Second Lien Bonds"). The Series 2025A Second Lien Bonds are issued pursuant to (1) the Compact and (2) a resolution duly adopted by the Board of Directors of the Authority on July 27, 2023, and entitled "Second Lien Dedicated Capital Funding Revenue Bond Resolution 2023-23," as supplemented with respect to the Series 2025A Second Lien Bonds by a resolution duly adopted by the Board of Directors of the Authority on June \_\_, 2025, and entitled "2025A Supplemental Second Lien Bond Resolution " (collectively, the "Second Lien Resolution"), for the purpose of (a) financing eligible Capital Costs of the Transit System and (b) paying certain costs of issuing the Series 2025A Second Lien Bonds. Capitalized terms used, but not defined, herein shall have the respective meanings assigned thereto in the Second Lien Resolution.

The Series 2025A Second Lien Bonds are payable solely from, and are equally and ratably secured solely by, the Second Lien Trust Estate as defined in the Second Lien Resolution. The Authority reserves the right to issue additional Second Lien Obligations or incur Second Lien Parity Debt on the terms and for the purposes stated in the Second Lien Resolution. Under the provisions of the Second Lien Resolution, any Outstanding or additional Second Lien Obligations or Second Lien Parity Debt will be subordinate to the Senior Lien Obligations and the Pre-2018 Bonds but on parity with the Series 2025A Second Lien Bonds as to security and payment from that portion of the Second Lien Trust Estate constituting Dedicated Capital Funding Revenues.

The Series 2025A Second Lien Bonds are dated, mature, are payable, bear interest and are subject to redemption, all as provided in the Second Lien Resolution and the Certificate of Determination executed in connection with the Series 2025A Second Lien Bonds. We have examined: (a) the Compact; (b) a

certified copy of the Second Lien Resolution; and (c) such other laws, documents and proofs as we have deemed necessary as a basis for this opinion.

We have not been engaged and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering materials relating to the Series 2025A Second Lien Bonds and we express no opinion herein relating to such matters. In rendering our opinions set forth below, we have (a) relied as to questions of fact material to our opinion, without undertaking to verify the same by independent investigation, upon certified proceedings, certifications and representations of public officials (and have assumed the genuineness of signatures, the legal capacity of all natural persons, the accuracy, completeness and authenticity of original documents and the conformity with original documents of copies submitted to us), including representations of officials and representatives of the Authority, including, without limitation, representations as to the use and investment of the proceeds of the Series 2025A Second Lien Bonds and the priority of the lien of the pledge of the Second Lien Trust Estate created under the Second Lien Resolution, and (b) assumed continuous compliance by the Authority with the covenants contained in the Second Lien Resolution and documents related thereto, including, without limitation, covenants as to the use and investment of the proceeds of the Series 2025A Second Lien Bonds.

The Authority has covenanted in connection with the Series 2025A Second Lien Bonds that it will not use any proceeds of the Series 2025A Second Lien Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments except as may be otherwise permitted by Section 148 of the Internal Revenue Code of 1986, as amended (the "Code," and all applicable regulations promulgated under the Code, including any proposed or temporary regulations, are collectively referred to herein as the "Regulations"), that it will comply with the arbitrage rebate requirements of Section 148(f) of the Code and the Regulations, and that it will comply with all other applicable provisions of the Code and the Regulations with respect to the Series 2025A Second Lien Bonds.

Based on the foregoing, and subject to the qualifications contained herein, we are of the opinion that, on the date hereof:

1. The Authority is duly created and validly existing under the provisions of the Compact.
2. The Authority has the right and power under the Compact to adopt the Second Lien Resolution, and the Second Lien Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Second Lien Resolution is required. The Second Lien Resolution creates the valid pledge which it purports to create of the Second Lien Trust Estate, subject to the application thereof to the purposes and on the conditions permitted by the Second Lien Resolution.
3. The Authority is duly authorized and entitled to issue the Series 2025A Second Lien Bonds, and the Series 2025A Second Lien Bonds are valid, binding and special and limited obligations of the Authority as provided in the Second Lien Resolution, enforceable in accordance with their terms and the terms of the Second Lien Resolution and entitled to the benefits of the Second Lien Resolution and of the Compact, and the Series 2025A Second Lien Bonds have been duly and validly authorized and issued in accordance with law, including the Compact, and in accordance with the Second Lien Resolution.
4. Based on existing statutes, regulations, rulings and court decisions and assuming compliance by the Authority with the above-described covenants, interest on the Series 2025A Second Lien Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion set forth in the immediately preceding sentence assumes and is subject to the accuracy of the representations and certifications of the Authority and continuous compliance by the Authority with the covenants contained in the official

proceedings related to the Series 2025A Second Lien Bonds, including covenants to the effect that the Authority will comply with all requirements of the Code and the Regulations that must be satisfied subsequent to the issuance of the Series 2025A Second Lien Bonds in order that interest thereon be, and continue to be, excludable from gross income of the recipients thereof for federal income tax purposes. Failure to comply with certain of such requirements may cause interest on the Series 2025A Second Lien Bonds to be includable in gross income for federal income tax purposes retroactive to the date of the issuance of the Series 2025A Second Lien Bonds. We observe that, for tax years beginning after December 31, 2022, interest on the Series 2025A Second Lien Bonds included in the adjusted financial statement income of certain corporations is not excluded from the computation of the federal corporate alternative minimum tax.

5. Under existing law, interest on the Series 2025A Second Lien Bonds is exempt from all current State, Commonwealth and District personal income taxes.

We express no opinion regarding other federal or state tax consequences arising with respect to the Series 2025A Second Lien Bonds or any other matter with respect to the Series 2025A Second Lien Bonds except as set forth herein. Ownership of the Series 2025A Second Lien Bonds may result in other collateral federal or state income tax consequences to certain taxpayers depending on the particular taxpayer's tax status and other items of income or deduction. We express no opinion regarding any federal or state collateral tax consequences related to the Series 2025A Second Lien Bonds.

The rights of the owners of the Series 2025A Second Lien Bonds and the enforceability of the Series 2025A Second Lien Bonds and the Second Lien Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally, judicial discretion and principles of equity applicable to the availability of specific performance and other equitable relief, and the exercise of the sovereign police powers of the State, the Commonwealth and the District and the constitutional power of the United States of America.

Except as stated in paragraphs 4 and 5, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Series 2025A Second Lien Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2025A Second Lien Bonds, or under state, local and foreign tax law.

We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this opinion. This opinion has been prepared solely for your use and should not be quoted in whole or in part or otherwise be referred to, nor be filed with or furnished to any governmental agency or other person or entity, without the prior written consent of this firm; provided, however, that copies of this opinion may be included in the closing transcripts for the transactions relating to the Series 2025A Second Lien Bonds.

Respectfully Submitted,

## APPENDIX C

### BOOK-ENTRY-ONLY SYSTEM PROCEDURES

*The information set forth herein concerning DTC and the book-entry system described below has been extracted from materials provided by DTC for such purpose, is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Authority, the Trustee, or the Underwriters. The websites referenced below are included for reference only and the information contained therein is not incorporated by reference in this Official Statement.*

DTC will act as securities depository for the Series 2025A Second Lien Bonds under a book-entry system with no physical distribution of the Series 2025A Second Lien Bonds made to the public. The Series 2025A Second Lien Bonds will initially be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2025A Second Lien Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of "AA+." The DTC rules applicable to its participants are on file with the Securities and Exchange Commission (the "**SEC**"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2025A Second Lien Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025A Second Lien Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025A Second Lien Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025A Second Lien Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025A Second Lien Bonds, except in the event that use of the book-entry system for the Series 2025A Second Lien Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025A Second Lien Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025A Second Lien Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025A Second Lien Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025A Second Lien Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2025A Second Lien Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2025A Second Lien Bonds, such as redemptions, defaults and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2025A Second Lien Bonds may wish to ascertain that the nominee holding the Series 2025A Second Lien Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025A Second Lien Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2025A Second Lien Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025A Second Lien Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and redemption price of, and interest on, the Series 2025A Second Lien Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct and Indirect Participants and not of DTC (or its nominee), the Authority or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and redemption price of, and interest on, the Series 2025A Second Lien Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025A Second Lien Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2025A Second Lien Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2025A Second Lien Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

**The Authority, the Trustee, and the Underwriters cannot and do not give any assurances that DTC will distribute to its participants or that Direct Participants or Indirect Participants will distribute to Beneficial Owners of the Series 2025A Second Lien Bonds (a) payments of principal or redemption price of, or interest on, the Series 2025A Second Lien Bonds, or (b) confirmation of ownership interests in the Series 2025A Second Lien Bonds, or (c) redemption or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants, or Indirect Participants will serve and act in the manner described in this Official Statement. The current "rules" applicable to DTC are on file with the SEC and the current "procedures" of DTC to be followed in dealing with its participants are on file with DTC.**

**None of the Authority, the Trustee, or the Underwriters will have any responsibility or obligation to DTC participants, Beneficial Owners, or other nominees of such Beneficial Owners for: (a) sending transaction statements; (b) maintaining, supervising, or reviewing the accuracy of any records maintained by DTC or any DTC participant or other nominees of such Beneficial Owners; (c) payment or the timeliness of payment by DTC to any DTC participant, or by any DTC participant or other nominees of Beneficial Owners to any Beneficial Owner, of any amount due in respect of the principal or redemption price of, or interest on, the Series 2025A Second Lien Bonds; (d) delivery or timely delivery by DTC to any DTC participant, or by any DTC participant or other nominees of Beneficial Owners to any Beneficial Owners, of any notice (including notice of redemption) or other communication, which is required to be given to holders or owners of the Series 2025A Second Lien Bonds; (e) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2025A Second Lien Bonds; or (f) any action taken by DTC or its nominee as the registered owner of the Series 2025A Second Lien Bonds.**

## APPENDIX D

### FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "**Agreement**") dated \_\_\_\_\_, 2025, is executed and delivered by the Washington Metropolitan Area Transit Authority (the "**Authority**") in connection with the issuance and sale of the Authority's \$\_\_\_\_\_ Second Lien Dedicated Revenue Bonds, Series 2025A (the "**Bonds**"), issued pursuant to the Second Lien Resolution (as defined in the hereinafter defined Official Statement). Capitalized terms used in this Agreement which are not otherwise defined in the Official Statement or the Second Lien Resolution shall have the respective meanings specified above or in Article IV hereof.

## ARTICLE I

### The Undertaking

Section 1.1. Purpose. This Agreement is being executed and delivered solely to assist the Underwriters in complying with subsection (b)(5) of the Rule.

Section 1.2. Annual Financial Information. (a) Commencing with the Fiscal Year ending June 30, 2025, the Authority shall provide to the MSRB no later than December 31, 2025, and no later than each succeeding December 31 thereafter, Annual Financial Information with respect to each Fiscal Year of the Authority.

(b) The Authority shall provide, in a timely manner, notice of any failure of the Authority to provide the Annual Financial Information by the date specified in subsection (a) above to the MSRB.

Section 1.3. Audited Financial Statements. If not provided as part of Annual Financial Information by the date required by Section 1.2(a) hereof because not available, the Authority shall provide Audited Financial Statements, when and if available, to the MSRB.

Section 1.4. Notice Events. (a) If a Notice Event occurs, the Authority shall provide, in a timely manner not in excess of ten (10) business days after the occurrence of such Notice Event, notice of such Notice Event to (i) the MSRB and (ii) the Trustee.

(b) Any notice of a defeasance of Bonds shall state whether the Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

(c) Each Notice Event notice relating to the Bonds shall include the CUSIP numbers of the Bonds to which such Notice Event notice relates or, if the Notice Event notice relates to all bond issues of the Authority, including the Bonds, such Notice Event notice need only include the CUSIP number of the Authority.

Section 1.5. Additional Information. Nothing in this Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of Notice Event hereunder, in addition to that which is required by this Agreement. If the Authority chooses to include any information in any Annual Financial Information or Notice Event notice in addition to that which is specifically required by this Agreement, the Authority shall have no obligation under this Agreement to update such additional information or include it in any future Annual Financial Information or notice of a Notice Event hereunder.

Section 1.6. Additional Disclosure Second Lien Obligations. The Authority acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Authority and that, under some circumstances, compliance with this Agreement without additional disclosures or other action may not fully discharge all duties and obligations of the Authority under such laws.

Section 1.7. Previous Non-Compliance. The Authority represents that, except as disclosed in the Official Statement, in the previous five years it has not failed to comply in all material respects with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

## **ARTICLE II**

### **Operating Rules**

Section 2.1. Reference to Other Filed Documents. It shall be sufficient for purposes of Section 1.2 hereof if the Authority provides Annual Financial Information by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, [www.emma.msrb.org](http://www.emma.msrb.org)), or (ii) filed with the SEC. The provisions of this Section shall not apply to notices of Notice Events pursuant to Section 1.4 hereof.

Section 2.2. Submission of Information. Annual Financial Information may be set forth or provided in one document or a set of documents, and at one time or in part from time to time.

Section 2.3. Notice Events. Each notice of a Notice Event hereunder shall be captioned "Notice Event" and shall prominently state the title, date and CUSIP numbers of the Bonds.

Section 2.4. Dissemination Agents. The Authority may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Authority under this Agreement, and revoke or modify any such designation.

Section 2.5. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Markets Access (EMMA) system, the current Internet Web address of which is [www.emma.msrb.org](http://www.emma.msrb.org).

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.6. Fiscal Year. (a) The Authority's current Fiscal Year begins July 1 and ends on June 30, and the Authority shall promptly notify (i) the MSRB and (ii) the Trustee of each change in its Fiscal Year.

(b) Annual Financial Information shall be provided at least annually notwithstanding any Fiscal Year longer than 12 calendar months.



## **ARTICLE III**

### **Effective Date, Termination, Amendment and Enforcement**

Section 3.1. Effective Date; Termination. (a) This Agreement shall be effective upon the issuance of the Bonds.

(b) The Authority's obligations under this Agreement shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Bonds.

(c) This Agreement, or any provision hereof, shall be null and void in the event that the Authority (1) receives an opinion of Counsel to the effect that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

Section 3.2. Amendment. (a) This Agreement may be amended by the Authority, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Authority or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments to or interpretations of the Rule, as well as any change in circumstances, (3) the Authority shall have received an opinion of Counsel to the same effect as set forth in clause (2) above, (4) the Authority shall have received an opinion of Counsel or a determination by an entity, in each case unaffiliated with the Authority (such as bond counsel or the Trustee), to the effect that the amendment does not materially impair the interests of the holders of the Bonds, and (5) the Authority shall have delivered copies of such opinion(s) and amendment to the MSRB.

(b) This Agreement may be amended by the Authority, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Authority shall have received an opinion of Counsel to the effect that performance by the Authority under this Agreement as so amended will not result in a violation of the Rule, and (3) the Authority shall have delivered copies of such opinion and amendment to the MSRB.

(c) This Agreement may be amended by the Authority, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) the Authority shall have received an opinion of Counsel to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of staff, of the SEC, and (2) the Authority shall have delivered copies of such opinion and amendment to the MSRB.

(d) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(e) If an amendment is made pursuant to Section 3.2(a) hereof to the accounting principles to be followed by the Authority in preparing its financial statements, the Annual Financial Information for the Fiscal Year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the

former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Bonds, except that beneficial owners of Bonds shall be third-party beneficiaries of this Agreement. The provisions of this Agreement shall create no rights in any person or entity except as provided in this subsection (a) and in subsection (b) of this Section.

(b) The obligations of the Authority to comply with the provisions of this Agreement shall be enforceable by any holder of Outstanding Bonds. The holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Authority's obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Bonds for purposes of this subsection (b).

(c) Any failure by the Authority to perform in accordance with this Agreement shall not constitute a default or an event of default under the Resolution, and the rights and remedies provided by the Resolution upon the occurrence of a default or an event of default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the Compact, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction; provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

## **ARTICLE IV**

### **Definitions**

Section 4.1. Definitions. The following terms used in this Agreement shall have the following respective meanings:

(1) "Annual Financial Information" means, (i) collectively, updated versions of the following financial information and operating data contained in the Official Statement, for each Fiscal Year of the Authority, as follows:

(a) Audited Financial Statements, if available, or Unaudited Financial Statements for the immediately preceding Fiscal Year; and

(b) to the extent such information is not contained in the Audited Financial Statements, the historical financial information and operating data with respect to the Authority, substantially similar to the type set forth in TABLES 2 and 5 and the financial information and operating data with respect to the Authority, substantially similar to the type set forth in TABLE 9 in the Official Statement.

(ii) the information regarding amendments to this Agreement required pursuant to Sections 3.2(d) and (e) of this Agreement.

Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited Financial Statements.

The descriptions contained in Section 4.1(1) hereof of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Financial Information containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

(2) "Audited Financial Statements" means the annual financial statements, if any, of the Authority, audited by such auditor as selected by the Authority or as shall otherwise then be required or permitted by the Authority or federal law or the Resolution. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that pursuant to Section 3.2(a) hereof, the Authority may from time to time, if required by the Authority's legal requirements, modify the accounting principles to be followed in preparing its financial statements. The notice of any such modification required by Section 3.2(a) hereof shall include a reference to the specific law or regulation describing such accounting principles, or other description thereof.

(3) "Counsel" means any nationally recognized bond counsel or counsel expert in federal securities laws.

(4) "Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of any Financial Obligation in clause (a) or clause (b). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(5) "GAAP" means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them.

(6) "MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

(7) "Notice Event" means any of the following events with respect to the Bonds, whether relating to the Authority or otherwise:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (vii) modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Authority;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect holders of the Bonds, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

With regard to the reportable event described in subsection (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(8) "Official Statement" means the Official Statement dated \_\_\_\_\_, 2025, of the Authority relating to the Bonds.

(9) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, to the date hereof and as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

(10) "SEC" means the United States Securities and Exchange Commission.

(11) "Unaudited Financial Statements" means the same as Audited Financial Statements, except that they shall not have been audited.

**WASHINGTON METROPOLITAN AREA  
TRANSIT AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**APPENDIX E**  
**FORM OF SENIOR LIEN RESOLUTION**