

\$120,128,000 aggregate principal amount of Proposition A Commercial Paper Notes were outstanding. The Proposition A Commercial Paper Notes are payable from Proposition A Sales Tax revenues on a subordinate basis to the First Tier Senior Lien Bonds and the Second Tier Obligations.

The following table sets forth a listing LACMTA's current letters of credit relating to the Proposition A Commercial Paper Notes as of July 2, 2011.

| | Proposition A Commercial Paper Tax-Exempt Series A | | |
|---------------------------|---|-------------------------------------|-----------------|
| Outstanding Principal | \$120,128,000 | - | - |
| LOC Amount | \$149,999,447 | \$49,996,187 | \$49,996,187 |
| Issuance Date | June 29, 2010 | August 17, 2010 | August 17, 2010 |
| Expiration Date | June 29, 2013 | August 17, 2012 | August 17, 2012 |
| Letter of Credit Provider | Barclays Bank PLC | Sumitomo Mitsui Banking Corporation | Union Bank |

Other Obligations. The standby bond purchase agreement relating to the Series 2008-A1 Bonds impose obligations on LACMTA to pay specified fees and other amounts. LACMTA's obligation to make these payments is payable from Pledged Revenues on a subordinate basis to the First Tier Senior Lien Bonds, the Second Tier Obligations and the Third Tier Subordinate Lien Obligations.

On September 22, 2004, LACMTA issued \$197,050,000 aggregate principal amount of its General Revenue Refunding Bonds (Union Station Gateway Project) Series 2004-A, Series 2004-B, Series 2004-C and Series 2004-D (the "2004 General Revenue Bonds"). In July 2010, LACMTA issued \$79,620,000 General Revenue Refunding Bonds (Union Station Gateway Projects) Series 2010-A (the "2010-A General Revenue Bonds" and together with the 2004 General Revenue Bonds, the "General Revenue Bonds") to finance the purchase and cancellation of a portion of the 2004 General Revenue Bonds. As of July 2, 2011, there was \$160,770,000 aggregate principal amount of General Revenue Bonds outstanding.

The General Revenue Bonds are secured by a pledge of fare box revenues, fee and advertising revenues (collectively, "General Revenues") and Proposition A Sales Tax and Proposition C Sales Tax revenues that remain after the application of those revenues to the payment of principal and interest on the First Tier Senior Lien Bonds, Second Tier Obligations and Third Tier Obligations, in the case of the Proposition A Sales Tax, and certain Proposition C Sales Tax-secured obligations, in the case of the Proposition C Sales Tax (the "Proposition A Remaining Sales Tax" and the "Proposition C Remaining Sales Tax," respectively). LACMTA's obligation to pay principal and interest on the General Revenue Bonds is secured by a lien on Proposition A Sales Tax that is junior and subordinate to the First Tier Senior Lien Bonds, Second Tier Obligations and Third Tier Subordinate Obligations as to the lien on and source and security for payment from Pledged Revenues.

LACMTA entered into an interest rate swap agreement (the "General Revenue Swap Agreement") with Bank of Montreal (the "General Revenue Swap Provider") in connection with the Series 2004 General Revenue Bonds. LACMTA's obligation to make fixed payments of 3.501% under the General Revenue Swap Agreement is payable from LACMTA's General Revenues (consisting primarily of farebox revenues), Proposition A Remaining Sales Tax and Proposition C Remaining Sales

Tax on a parity with LACMTA's obligation to pay interest on the General Revenue Bonds; however, LACMTA's obligation to make termination payments, if any, due under the General Revenue Swap Agreement is subordinate to its obligations to pay debt service on the General Revenue Bonds. In connection with the partial refunding of the Series 2004 General Revenue Bonds, LACMTA terminated the portion of the General Revenue Swap Agreement relating to the principal amount of the refunded Series 2004 General Revenue Bonds so that the remaining notional amount of the General Revenue Swap Agreement corresponds to the principal amount of the Series 2004 General Revenue Bonds that remain Outstanding and unrefunded, in the amount of \$86,175,000 as of July 2, 2011.

As of July 15, 2011, LACMTA estimates that the termination payment that LACMTA would be required to pay if the General Revenue Swap Agreement was terminated on that date would be approximately \$4.1 million. Under the terms of the General Revenue Swap Agreement, LACMTA may be required to post collateral in favor of the General Revenue Swap Provider if the estimated termination payment exceeds certain thresholds. As of July 2, 2011, LACMTA had no obligation to post collateral under the General Revenue Swap Agreement.

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COMBINED DEBT SERVICE SCHEDULE

The following table shows the combined parity debt service requirements on LACMTA's First Tier Senior Lien Bonds, including the Series 2008-A1 Bonds.

TABLE 7
Los Angeles County Metropolitan Transportation Authority
Combined Debt Service Schedule
First Tier Senior Lien Bonds⁽¹⁾

| Bond Years Endin g July 1 | Other Outstanding First Tier Senior Lien Bonds Debt Service ⁽²⁾ | Series 2008-A1 Bonds Debt Service ⁽³⁾ | | | Combined Total Debt Service First Tier Senior Lien Bonds |
|---------------------------------------|--|--|---------------------|---------------------|---|
| | | Principal | Interest | Total | |
| 2012 | \$ 148,816,083 | \$ 400,000 | \$ 2,178,115 | \$ 2,578,115 | \$ 151,394,198 |
| 2013 | 144,823,527 | 425,000 | 2,164,623 | 2,589,623 | 147,413,150 |
| 2014 | 143,747,558 | 2,075,000 | 2,150,288 | 4,225,288 | 147,972,846 |
| 2015 | 143,759,328 | 2,150,000 | 2,080,298 | 4,230,298 | 147,989,626 |
| 2016 | 141,714,300 | 4,225,000 | 2,007,778 | 6,232,778 | 147,947,078 |
| 2017 | 143,438,476 | 3,300,000 | 1,865,269 | 5,165,269 | 148,603,745 |
| 2018 | 142,994,306 | 3,875,000 | 1,753,960 | 5,628,960 | 148,623,266 |
| 2019 | 143,195,768 | 4,000,000 | 1,623,256 | 5,623,256 | 148,819,024 |
| 2020 | 143,215,925 | 4,150,000 | 1,488,336 | 5,638,336 | 148,854,262 |
| 2021 | 140,365,242 | 4,300,000 | 1,348,357 | 5,648,357 | 146,013,599 |
| 2022 | 47,709,176 | 4,850,000 | 1,203,318 | 6,053,318 | 53,762,494 |
| 2023 | 47,739,002 | 5,025,000 | 1,039,727 | 6,064,727 | 53,803,729 |
| 2024 | 47,753,597 | 5,225,000 | 870,234 | 6,095,234 | 53,848,831 |
| 2025 | 47,804,923 | 5,400,000 | 693,995 | 6,093,995 | 53,898,918 |
| 2026 | 47,759,828 | 5,600,000 | 511,853 | 6,111,853 | 53,871,681 |
| 2027 | 33,658,254 | 5,725,000 | 322,965 | 6,047,965 | 39,706,219 |
| 2028 | 23,856,624 | 2,625,000 | 129,861 | 2,754,861 | 26,611,484 |
| 2029 | 16,862,983 | 400,000 | 41,319 | 441,319 | 17,304,303 |
| 2030 | 16,898,002 | 400,000 | 27,827 | 427,827 | 17,325,830 |
| 2031 | 16,877,468 | 425,000 | 14,335 | 439,335 | 17,316,803 |
| 2032 | 13,693,650 | - | - | - | 13,693,650 |
| 2033 | 13,689,250 | - | - | - | 13,689,250 |
| 2034 | 13,693,000 | - | - | - | 13,693,000 |
| 2035 | 13,692,000 | - | - | - | 13,692,000 |
| Total | \$1,837,758,270 | \$64,575,000 | \$23,515,713 | \$88,090,713 | \$1,925,848,983 |

(1) Numbers may not total due to rounding to nearest dollar.

(2) Assumes interest rate on the Series 2008-A2 Bonds equal to the fixed rate LACMTA pays under the Series 2008-A BMO Swap and interest rate on the Series 2008-A3 and the Series 2008-A4 Bonds equal to the fixed rate LACMTA pays under the Series 2008-A Deutsche Swap.

(3) Assumes interest rate on the Series 2008-A1 Bonds equal to the fixed rate LACMTA pays under the Series 2008-A BMO Swap.

Source: LACMTA and Public Financial Management Inc.

THE LIQUIDITY FACILITY AND THE LIQUIDITY PROVIDER

The Liquidity Facility

The Liquidity Facility contains various provisions, covenants and conditions, certain of which are summarized below. Various words or terms used in the following summary are defined in this Remarketing Memorandum, the Liquidity Facility or the Agreement, and reference thereto is made for full understanding of their import.

General. During the term of the Liquidity Facility, the Liquidity Provider has agreed to purchase, subject to the terms and conditions stated therein, at the Purchase Price, (a) all eligible Series 2008-A1 Bonds tendered or deemed tendered from time to time during the Purchase Period pursuant to optional tenders by owners in accordance with the terms of the Series 2008-A1 Bonds, and (b) all eligible Series 2008-A1 Bonds required to be purchased on a Mandatory Purchase Date during the Purchase Period in accordance with the terms of the Series 2008-A1 Bonds, in each case, to the extent such eligible Series 2008-A1 Bonds are not remarketed in accordance with the Remarketing Agreement. The Liquidity Facility covers Series 2008-A1 Bonds in a Daily Rate mode or a Weekly Rate mode only. As defined in the Liquidity Facility, the term “Purchase Period” means the period from August 4, 2011 to and including 5:00 p.m. on the earliest of (i) August 4, 2014 (or the last day of any extension period granted by the Liquidity Provider under the Liquidity Facility or, if such last day is not a business day, the next preceding business day), (ii) the date of receipt by the Liquidity Provider of a certificate signed by the Tender Agent stating that the Liquidity Facility has been terminated pursuant to the terms of the Trust Agreement because (a) an Alternate Liquidity Facility has been provided with respect to the Series 2008-A1 Bonds and becomes effective under the Trust Agreement, (b) no Series 2008-A1 Bonds remain outstanding under the Trust Agreement or (c) all of the Series 2008-A1 Bonds have been converted to a rate of interest other than a Daily Rate or a Weekly Rate, (iii) the date specified in a written notice delivered by LACMTA to the Liquidity Provider that LACMTA has elected to terminate the Liquidity Facility, which notice shall be delivered to the Liquidity Provider and the Tender Agent not less than 30 days prior to the termination date, (iv) the date on which the Liquidity Provider’s obligation to purchase eligible Series 2008-A1 Bonds terminates as described below under the caption “Remedies—Termination With Notice” or (v) the date on which the Liquidity Provider’s obligation to purchase eligible Series 2008-A1 Bonds terminates as described below under the caption “Remedies—Immediate Termination.”

Under the terms of the Liquidity Facility, the Liquidity Provider’s obligation to purchase eligible Series 2008-A1 Bonds is limited to the Available Commitment. The “Available Commitment” means, on any day, the sum of the Available Principal Commitment and the Available Interest Commitment on such day. The “Available Interest Commitment” initially means Seven Hundred Fifty Six Thousand Dollars (\$756,000) (an amount equal to thirty-five (35) days’ interest on the Series 2008-A1 Bonds based on a 365 day year and actual days elapsed, computed as if the Series 2008-A1 Bonds bore interest at the rate of twelve percent (12%) per annum) and thereafter means such amount adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such amount as the amount of any reduction in the Available Principal Commitment pursuant to the definition of “Available Principal Commitment” bears to the Available Principal Commitment prior to such reduction; and (b) upward by an amount that bears the same proportion to such amount as the amount of any increase in the Available Principal Commitment pursuant to clause (iii) of the definition of “Available Principal Commitment” bears to the Available Principal Commitment prior to such increase; provided that, after giving effect to such adjustment, the available interest commitment shall never exceed Seven Hundred Fifty Six Thousand Dollars (\$756,000). Any adjustment pursuant to clause (a) or (b) above shall occur simultaneously with the event requiring such adjustment. The “Available Principal Commitment” initially means Sixty Four Million Five Hundred Seventy Five Thousand Dollars (\$64,575,000) and thereafter means such amount adjusted from time to time as follows: (i) downward by the amount of any

mandatory reduction of the Available Principal Commitment pursuant to the Liquidity Facility; (ii) downward by the principal amount of any Series 2008-A1 Bonds purchased by the Liquidity Provider pursuant to the Liquidity Facility; and (iii) upward by the principal amount of any Series 2008-A1 Bonds theretofore purchased by the Liquidity Provider pursuant to the Liquidity Facility, which are resold or which cease to bear interest as provided in the Liquidity Facility; provided that, after giving effect to such adjustment, the Available Principal Commitment shall never exceed Sixty Four Million Five Hundred Seventy Five Thousand Dollars (\$64,575,000). Any adjustment pursuant to clause (i), (ii) or (iii) above shall occur simultaneously with the event requiring such adjustment.

On each date on which Series 2008-A1 Bonds are to be purchased by the Liquidity Provider pursuant to an optional tender or mandatory tender for purchase, by no later than 12:30 P.M., New York time, the Tender Agent shall give notice to the Liquidity Provider of the Series 2008-A1 Bonds required to be purchased by the Liquidity Provider pursuant to the Liquidity Facility, and the amount of principal and interest, respectively, required for such purchase. Upon receipt of such notice, the Liquidity Provider, subject to satisfaction of the conditions precedent to purchase as set forth in the Liquidity Facility, shall, by no later than 2:30 p.m., New York time, transfer to the Tender Agent, in immediately available funds, an amount equal to the purchase price of all Series 2008-A1 Bonds required to be purchased by the Liquidity Provider.

The obligation of the Liquidity Provider to purchase Series 2008-A1 Bonds pursuant to the Liquidity Facility is subject to the condition precedent that no Immediate Termination Event or Suspension Event shall have occurred. An “Immediate Termination Event” is any event specified in paragraphs (a), (b), (c), (d)(ii), (e) or (f) under the heading “Events of Termination” below. A “Suspension Event” is any event specified in paragraph (c)(i) (prior to the expiration of the ninety (90) day grace period specified in paragraph (c)(i)) or (d)(i) under the heading “Events of Termination” below.

Events of Termination. Each of the following constitute an “Event of Termination” under the Liquidity Facility:

(a) Any failure to pay principal of or interest on any Series 2008-A1 Bonds when due (including any payments of principal or interest on any Series 2008-A1 Bonds purchased by the Liquidity Provider (and not remarketed) (“Purchased Bonds”) other than payments on Purchased Bonds due solely as a result of acceleration caused by the Liquidity Provider as described under the caption “Remedies—Other Remedies”; or

(b) LACMTA shall (i) commence a voluntary case or other proceeding seeking liquidation, reorganization, arrangement, adjustment, winding-up, dissolution, composition or other similar relief with respect to itself or its indebtedness under any bankruptcy, insolvency, reorganization or other similar law for the relief of debtors now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or a substantial part of its property, (ii) consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, (iii) make a general assignment for the benefit of creditors, (iv) admit, in writing, its inability to pay its indebtedness as it becomes due, (v) become insolvent within the meaning of Section 101(32) of the United States Bankruptcy Code, or (vi) take any official action to authorize any of the foregoing; or

(c) Any of the following shall occur with respect to LACMTA: (i) an involuntary case or other proceeding shall be commenced against LACMTA seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such case shall not be dismissed within ninety (90)