

*even if LACMTA, the Trustee or the Tender Agent were to prevail against the Liquidity Provider, a court would not necessarily order the Liquidity Provider to perform under the Liquidity Facility; it could instead award damages for breach of contract. Any such award would not necessarily be in an amount sufficient to pay the purchase price of the Series 2008-A1 Bonds secured by the Liquidity Facility. Purchasers of the Series 2008-A1 Bonds should consult their legal counsel for an explanation of the differences between a general contract and a letter of credit or guaranty.*

#### **Bank of America, N.A.**

The Liquidity Provider is a national banking association organized under the laws of the United States, with its principal executive offices located in Charlotte, North Carolina. The Liquidity Provider is a wholly-owned indirect subsidiary of Bank of America Corporation (the “Corporation”) and is engaged in a general consumer banking, commercial banking and trust business, offering a wide range of commercial, corporate, international, financial market, retail and fiduciary banking services. As of March 31, 2011, the Liquidity Provider had consolidated assets of \$1.451 trillion, consolidated deposits of \$1.047 trillion and stockholder’s equity of \$174 billion based on regulatory accounting principles

The Corporation is a bank holding company and a financial holding company, with its principal executive offices located in Charlotte, North Carolina. Additional information regarding the Corporation is set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2010 together with its subsequent periodic and current reports filed with the SEC.

Filings can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, United States, at prescribed rates. In addition, the SEC maintains a website at <http://www.sec.gov>, which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC.

The information concerning the Corporation and the Liquidity Provider is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the referenced documents and financial statements referenced therein.

The Liquidity Facility has been issued by the Liquidity Provider. Moody’s Investors Service, Inc. (“Moody’s”), as of June 7, 2011, rates the Liquidity Provider’s long-term debt as “Aa3” and short-term debt as “P-1.” The long-term rating is on review for possible downgrade. Standard & Poor’s currently rates the Liquidity Provider’s long-term debt as “A+” and its short-term debt as “A-1.” The outlook is negative. Fitch Ratings, Inc. (“Fitch”) currently rates long-term debt of the Liquidity Provider as “A+” and short-term debt as “F1+.” The ratings are on Rating Watch Negative. Further information with respect to such ratings may be obtained from Moody’s, Standard & Poor’s and Fitch, respectively. No assurances can be given that the ratings of the Liquidity Provider’s instruments will be maintained.

The Liquidity Provider will provide copies of the most recent Bank of America Corporation Annual Report on Form 10-K, any subsequent reports on Form 10-Q, and any required reports on Form 8-K (in each case as filed with the SEC pursuant to the Exchange Act), and the publicly available portions of the most recent quarterly Call Report of the Liquidity Provider delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

Bank of America Corporate Communications  
100 North Tryon Street, 18th Floor  
Charlotte, North Carolina 28255  
Attention: Corporate Communication

IF THE PROCEEDS OF REMARKETING OF THE SERIES 2008-A1 BONDS ARE INSUFFICIENT TO PAY THE PURCHASE PRICE OF ANY TENDERED SERIES 2008-A1 BONDS, THEN THE LIQUIDITY PROVIDER WILL BE OBLIGATED TO PAY THE PURCHASE PRICE OF SUCH TENDERED SERIES 2008-A1 BONDS UNDER THE LIQUIDITY FACILITY. ALTHOUGH THE LIQUIDITY FACILITY IS A BINDING OBLIGATION OF THE LIQUIDITY PROVIDER, THE SERIES 2008-A1 BONDS ARE NOT DEPOSITS OR OBLIGATIONS OF THE CORPORATION OR ANY OF ITS AFFILIATED BANKS AND ARE NOT GUARANTEED BY ANY OF THESE ENTITIES. THE SERIES 2008-A1 BONDS ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND ARE SUBJECT TO CERTAIN INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

The delivery of this information shall not create any implication that there has been no change in the affairs of the Corporation or the Liquidity Provider since the date of the most recent filings referenced herein or that the information contained or referred to in this section is correct as of any time subsequent to the referenced date.

## LITIGATION

There is no litigation pending or, to the knowledge of LACMTA, threatened, in any way questioning or affecting the validity of the Series 2008-A1 Bonds, the imposition and collection of the Proposition A Sales Tax or the pledge of the Pledged Revenues. On April 30, 1982, the California Supreme Court, in *Los Angeles County Transportation Commission v. Richmond*, upheld the constitutionality of the Proposition A Sales Tax. Various claims of other types have been asserted against LACMTA. See APPENDIX A—“LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—Litigation.”

## TAX MATTERS

### Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2008-A1 Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2008-A1 Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Series 2008-A1 Bonds. Pursuant to the Agreement and the Tax Certificate, LACMTA has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2008-A1 Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, LACMTA has made certain representations and certifications in the Agreement and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by LACMTA described above, interest on the Series 2008-A1 Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Series 2008-A1 Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

## **State Taxes**

Bond Counsel is also of the opinion that interest on the Series 2008-A1 Bonds is exempt from personal income taxes of the State of California under present state law. Bond counsel expresses no opinion as to other state or local tax consequences arising with respect to the Series 2008-A1 Bonds or as to the taxability of the Series 2008-A1 Bonds or the income therefrom under the laws of any state other than the State of California.

## **Ancillary Tax Matters**

Ownership of the Series 2008-A1 Bonds may result in other Federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, and individuals seeking to claim the earned income credit. Ownership of the Series 2008-A1 Bonds may also result in other Federal tax consequences to taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2008-A1 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the Series 2008-A1 Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2008-A1 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any Federal tax matters other than those described in the opinion attached as APPENDIX F. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Series 2008-A1 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

## **Changes in Law and Post Remarketing Events**

Legislative or administrative actions and court decisions, at either the Federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2008-A1 Bonds for Federal or state income tax purposes, and thus on the value or marketability of the Series 2008-A1 Bonds. This could result from changes to Federal or state income tax rates, changes in the structure of Federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2008-A1 Bonds from gross income for Federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Series 2008-A1 Bonds may occur. Prospective purchasers of the Series 2008-A1 Bonds should consult their own tax advisers regarding such matters.

Bond Counsel has not undertaken to advise in the future whether any events after the date of remarketing of the Series 2008-A1 Bonds may affect the tax status of interest on the Series 2008-A1 Bonds. Bond Counsel expresses no opinion as to any Federal, state or local tax law consequences with respect to the Series 2008-A1 Bonds, or the interest thereon, if any action is taken with respect to the Series 2008-A1 Bonds or the proceeds thereof upon the advice or approval of other counsel.

## **APPROVAL OF LEGAL PROCEEDINGS**

In connection with the remarketing of the Series 2008-A1 Bonds, certain legal matters will be passed upon for LACMTA by the Los Angeles County Counsel, as General Counsel to LACMTA; Nixon Peabody LLP, Los Angeles, California, as Bond Counsel to LACMTA and as Disclosure Counsel to LACMTA, and for the Liquidity Provider by its counsel, White & Case LLP, Los Angeles, California. Bond Counsel expect to deliver an opinion at the time of the remarketing of the Series 2008-A1 Bonds substantially in the form set forth in APPENDIX F subject to the matters discussed under “TAX MATTERS.” Bond Counsel is not passing upon and undertake no responsibility for the accuracy, completeness or fairness of the information contained in this Remarketing Memorandum.

## **PROFESSIONALS INVOLVED IN THE REMARKETING**

LACMTA has retained Public Financial Management, Inc. as Financial Advisor (the “Financial Advisor”) with respect to the remarketing Series 2008-A1 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Remarketing Memorandum. The Financial Advisor is an independent advisory firm with its principal office in Philadelphia, Pennsylvania and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

## **FINANCIAL STATEMENTS**

The financial statements of LACMTA for the fiscal year ended June 30, 2010 and the Management’s Discussion and Analysis and certain supplementary information, and the Independent Auditor’s Report of KPMG LLP, independent accountants, dated December 20, 2010 (collectively, the “2010 Financial Statements”) are included as APPENDIX B—“LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION ON JUNE 30, 2010 (WITH INDEPENDENT AUDITORS’ REPORT THEREON).” LACMTA’s financial statements as of June 30, 2010 and for the year then ended, included in this Remarketing Memorandum, have been audited by KPMG LLP, independent accountants, as stated in their Report appearing in APPENDIX B. LACMTA has not requested, nor has KPMG LLP given, KPMG LLP’s consent to the inclusion in APPENDIX B of its report on such financial statements. In addition, KPMG LLP has not performed any post-audit review of the financial condition of LACMTA and has not reviewed this Remarketing Memorandum.

## **CONTINUING DISCLOSURE**

In connection with the issuance of the Series 2008-A1 Bonds, LACMTA executed a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), which provides for disclosure obligations on the part of LACMTA. Under the Continuing Disclosure Certificate, LACMTA has covenanted for the benefit of Owners and Beneficial Owners of the Series 2008-A1 Bonds to provide certain financial information and operating data relating to LACMTA by not later than 195 days after the end of the prior fiscal year (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Listed Events”), if material. The Annual Reports and the notices of Listed Events will be filed with the EMMA System. These covenants will be made to assist the Remarketing Agent in complying with the Rule promulgated by the SEC under the Securities Exchange Act of 1934, as amended. LACMTA has not failed in the previous five years to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of material events. See APPENDIX E—“COPY OF CONTINUING DISCLOSURE CERTIFICATE.”

## RATINGS

Moody's Investors Service ("Moody's") and Standard & Poor's Rating Service, a Division of the McGraw Hill Companies ("S&P") are expected to assign short-term ratings of "VMIG 1" and "A-1," respectively, and long-term ratings of "Aa2" and "AAA," respectively, to the Series 2008-A1 Bonds. Short-term ratings are based in part on the delivery of the Liquidity Facility. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041. LACMTA furnished to such rating agencies certain information and materials regarding the Series 2008-A1 Bonds. Generally, rating agencies base their ratings on the information and materials furnished to them and on their own investigations, studies and assumptions. The ratings may not continue for any given period of time. The ratings could be subsequently revised or withdrawn entirely if, in the judgment of the applicable rating agency, circumstances so warrant. LACMTA is not obligated to oppose any revision or withdrawal of ratings, and any such opposition might be ineffective. Any such change in or withdrawal of such ratings could have an adverse effect on the market price of the Series 2008-A1 Bonds.

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