

COMMERCIAL PAPER OFFERING MEMORANDUM

BOOK-ENTRY ONLY

**Ratings: See Inside Front Cover and
“RATINGS” herein**

On January 10, 1994, Kutak Rock LLP (“Kutak Rock”) delivered its opinion to LACMTA that, based on existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations of LACMTA and continuing compliance by LACMTA with certain covenants, interest on the Tax-Exempt Notes, when issued in accordance with the Subordinate Trust Agreement and the Tax Regulatory Agreement, will be excluded from gross income for federal income tax purposes. Kutak Rock was further of the opinion that interest on the Tax-Exempt Notes, when issued in accordance with the Subordinate Trust Agreement and the Tax Regulatory Agreement, will not be a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporation. Interest on the Taxable Notes is not excluded from gross income for federal income tax purposes. Kutak Rock was further of the opinion that interest on the Commercial Paper Notes, when issued in accordance with the Subordinate Trust Agreement, will be exempt from State of California personal income taxes. See “TAX MATTERS” herein. The opinion of Kutak Rock has not been updated as of the date of this Offering Memorandum. A copy of the form of opinion of Kutak Rock delivered on January 10, 1994 is attached hereto as Appendix B.



**LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY
Second Subordinate Sales Tax Revenue Commercial Paper Notes
Series A-TE-Citi and Series A-TE-Barclays (Tax-Exempt Notes)
Series A-T-Citi and Series A-T-Barclays (Taxable Notes)
(Proposition A)**

The Los Angeles County Metropolitan Transportation Authority Second Subordinate Sales Tax Revenue Commercial Paper Notes, Series A-TE-Citi and Series A-TE-Barclays (collectively, the “Tax-Exempt Notes”), and Series A-T-Citi and Series A-T-Barclays (collectively, the “Taxable Notes,” and, together with the Tax-Exempt Notes, the “Commercial Paper Notes”) will be issued, from time to time, by the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) in accordance with the terms and provisions of certain resolutions adopted by the Board of Directors of LACMTA, the Subordinate Trust Agreement, dated as of January 1, 1991, as supplemented and amended (the “Master Subordinate Trust Agreement”), by and between LACMTA and U.S. Bank National Association, as trustee (the “Subordinate Trustee”), and the First Supplemental Subordinate Trust Agreement, dated as of January 1, 1991, as amended (the “First Supplemental Subordinate Trust Agreement” and, together with the Master Subordinate Trust Agreement, the “Subordinate Trust Agreement”), by and between LACMTA and the Subordinate Trustee.

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF A SERIES OF COMMERCIAL PAPER NOTES, PROSPECTIVE PURCHASERS OF SUCH SERIES OF COMMERCIAL PAPER NOTES SHOULD RELY SOLELY UPON THE CREDIT STRENGTH OF THE APPLICABLE BANK (AS DESCRIBED HEREIN) PROVIDING THE RELATED LETTER OF CREDIT AND NOT UPON THE CREDIT STRENGTH OF LACMTA.

Credit support for the timely payment of each Series of Commercial Paper Notes will be provided by the applicable Bank pursuant to the related irrevocable direct-pay letter of credit as identified in the table “SUMMARY OF THE BANKS, THE LETTERS OF CREDIT AND THE RATINGS” set forth on the inside front cover of this Offering Memorandum, in each case subject to the terms thereof. See “SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES—The Letters of Credit,” “THE LETTERS OF CREDIT AND THE REIMBURSEMENT AGREEMENTS” and “APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS.”

The Commercial Paper Notes will be issued only as fully registered notes in denominations of \$100,000 and integral multiples of \$1,000 above \$100,000. When issued, the Commercial Paper Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests in the Commercial Paper Notes will be made in book-entry-only form. Purchasers of beneficial interests in the Commercial Paper Notes will not receive physical delivery of certificates representing their interests in the Commercial Paper Notes. So long as the Commercial Paper Notes are held by DTC, the principal of and interest on the Commercial Paper Notes will be payable by wire transfer to DTC, which in turn will be required to remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Commercial Paper Notes. See “APPENDIX C—BOOK-ENTRY-ONLY SYSTEM.”

The Commercial Paper Notes are limited obligations of LACMTA, payable solely from and secured by (a) advances made under the applicable Letter of Credit, (b) proceeds from the sale of the Commercial Paper Notes, and (c) Net Pledged Revenues and certain funds and accounts established pursuant to the Subordinate Trust Agreement. Neither the faith and credit nor the taxing power of the County of Los Angeles, the State of California or any political subdivision or public agency thereof, other than LACMTA to the extent of the Net Pledged Revenues and certain other amounts held by the Subordinate Trustee under the Subordinate Trust Agreement, is pledged to the payment of the principal of or interest on the Commercial Paper Notes. LACMTA has no power to levy property taxes to pay the principal of and interest on the Commercial Paper Notes.

This cover page is not intended to be a summary of the terms of, or the security for, the Commercial Paper Notes. Investors are advised to read this Offering Memorandum in its entirety to obtain information essential to making an informed investment decision. Capitalized terms not defined on the cover of this Offering Memorandum will have the meanings ascribed to them in this Offering Memorandum. *This Offering Memorandum is intended to apply to prospective purchasers of the Commercial Paper Notes on and after April 25, 2019.*

Barclays Capital Inc.

Goldman Sachs & Co. LLC

RBC Capital Markets

Date of Commercial Paper Offering Memorandum April 16, 2019.

SUMMARY OF THE BANKS, THE LETTERS OF CREDIT AND THE RATINGS

	Series	Letter of Credit Provider	Letter of Credit Expiration Date	Ratings*	
				Moody's	S&P
Tax-Exempt Notes	A-TE-Citi ¹	Citibank, N.A.	August 14, 2020	P-1	A-1
	A-TE-Barclays ²	Barclays Bank PLC	April 22, 2022	P-1	A-1 [†]
Taxable Notes	A-T-Citi ¹	Citibank, N.A.	August 14, 2020	P-1	A-1
	A-T-Barclays ²	Barclays Bank PLC	April 22, 2022	P-1	A-1 [†]

* Ratings are based on the applicable Letter of Credit issued or to be issued by the related Bank. Such ratings will expire upon the expiration of the related Letter of Credit. See "RATINGS" herein for additional information.

[†] Expected ratings; to be released upon delivery of the Barclays Letter of Credit.

¹ The Series A-TE-Citi Notes and the Series A-T-Citi Notes may be outstanding, from time to time, in a combined principal amount not to exceed \$137,770,001. See "THE LETTERS OF CREDIT AND THE REIMBURSEMENT AGREEMENTS—Citibank Letter of Credit and Reimbursement Agreement" herein.

² The Series A-TE-Barclays Notes and the Series A-T-Barclays Notes may be outstanding, from time to time, in a combined principal amount not to exceed \$183,694,000. See "THE LETTERS OF CREDIT AND THE REIMBURSEMENT AGREEMENTS—Barclays Letter of Credit and Reimbursement Agreement" herein.

The information in this Offering Memorandum has been obtained from LACMTA, the Banks, DTC, and other sources believed to be reliable. The references herein to the Subordinate Trust Agreement, the Issuing and Paying Agent Agreement, the Commercial Paper Notes, the Letters of Credit and the Reimbursement Agreements do not purport to be complete or definitive, do not constitute summaries thereof and are qualified in their entirety by reference to the provisions thereof.

No dealer, salesperson, or other person has been authorized to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by LACMTA or any other person.

The information and expressions of opinion in this Offering Memorandum are subject to change without notice and neither the delivery of this Offering Memorandum nor any sale hereunder shall under any circumstances create the implication that there has been no change in the matters referred to in this Offering Memorandum since the date hereof.

This Offering Memorandum is not to be construed as a contract between LACMTA and the purchasers of the Commercial Paper Notes. This Offering Memorandum does not constitute an offer to sell securities in any jurisdiction to any person to whom it is unlawful to make such offers. Prospective purchasers of the Commercial Paper Notes are expected to conduct their own review and analysis before making an investment decision.

The Commercial Paper Notes are exempt from the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended. The Commercial Paper Notes have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained therein, and have not been registered or qualified under the securities laws of any state. The Subordinate Trust Agreement has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption contained therein. The Commercial Paper Notes have not been recommended by any federal or state securities commission or regulatory commission. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Memorandum.

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COMMERCIAL PAPER OFFERING MEMORANDUM

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY Second Subordinate Sales Tax Revenue Commercial Paper Notes Series A-TE-Citi and Series A-TE-Barclays (Tax-Exempt Notes) Series A-T-Citi and Series A-T-Barclays (Taxable Notes) (Proposition A)

INTRODUCTION

This Commercial Paper Offering Memorandum (this “*Offering Memorandum*”), which includes the cover page and appendices, provides general information in connection with the issuance and sale, from time to time, by the Los Angeles County Metropolitan Transportation Authority (“*LACMTA*”) of its (a) Los Angeles County Metropolitan Transportation Authority Second Subordinate Sales Tax Revenue Commercial Paper Notes, Series A-TE-Citi (the “*Series A-TE-Citi Notes*”) and Series A-TE-Barclays (the “*Series A-TE-Barclays Notes*”, and together with the Series A-TE-Citi Notes, the “*Tax-Exempt Notes*”); and (b) Los Angeles County Metropolitan Transportation Authority Second Subordinate Sales Tax Revenue Commercial Paper Notes, Series A-T-Citi (the “*Series A-T-Citi Notes*”) and Series A-T-Barclays (the “*Series A-T-Barclays Notes*”), and together with the Series A-T-Citi Notes, the “*Taxable Notes*”). The Tax-Exempt Notes and the Taxable Notes are collectively referred to herein as the “*Commercial Paper Notes*.” All references to documents and other materials herein are qualified in their entirety by reference to the complete provisions of those documents and other materials. The information and expressions of opinion in this Offering Memorandum are subject to change without notice after April 16, 2019, and future use of this Offering Memorandum will not otherwise create any implication that there has been no change in the matters referred to in this Offering Memorandum since April 16, 2019.

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF A SERIES OF COMMERCIAL PAPER NOTES, PROSPECTIVE PURCHASERS OF SUCH SERIES OF COMMERCIAL PAPER NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE APPLICABLE BANK (AS DESCRIBED HEREIN) PROVIDING THE RELATED LETTER OF CREDIT (AS DEFINED HEREIN) AND NOT ON THE CREDIT OF LACMTA.

THE COMMERCIAL PAPER NOTES

Authorization and Purpose

The Commercial Paper Notes will be issued, from time to time, by LACMTA pursuant to (a) Section 130500 et seq. of the California Public Utilities Code (the “*LACMTA Act*”); and (b) the Subordinate Trust Agreement, dated as of January 1, 1991, as amended (the “*Master Subordinate Trust Agreement*”), by and between LACMTA and U.S. Bank National Association, as successor trustee (the “*Subordinate Trustee*”), and the First Supplemental Subordinate Trust Agreement, dated as of January 1, 1991, as amended (the “*First Supplemental Subordinate Trust Agreement*,” and together with the Master Subordinate Trust Agreement, the “*Subordinate Trust Agreement*”), by and between LACMTA and the Subordinate Trustee. Additionally, in connection with the issuance of the Commercial Paper Notes, from time to time, LACMTA entered into the Issuing and Paying Agent Agreement, dated as of January 1, 1991 (the “*Issuing and Paying Agent Agreement*”), with U.S. Bank National Association, as successor issuing and paying agent (the “*Issuing and Paying Agent*”). Capitalized terms used but not defined herein will have the meanings set forth in the Subordinate Trust Agreement and the Reimbursement Agreements (as defined herein).

Pursuant to certain resolutions adopted by the Board of Directors of LACMTA (the “*Resolutions*”) and the Subordinate Trust Agreement, LACMTA is authorized to issue and have outstanding, at any one time, commercial paper notes in a combined amount of principal thereof and interest thereon (including the face value of any Discount Commercial Paper Notes (as defined herein)) not to exceed the lesser of (i) \$350 million (subject to certain conditions set forth in the Subordinate Trust Agreement), and (ii) the total stated amount of the letters of credit provided to support the Commercial Paper Notes. The Series A-TE-Citi Notes and the Series A-T-Citi Notes may be outstanding, from time to time, in a combined amount of principal of and interest thereon (including the face value of any Series A-TE-Citi Notes and Series A-T-Citi Notes issued as Discount Commercial Paper Notes) not to exceed

\$149,999,448 (the initial stated amount of the Citibank Letter of Credit (as defined herein)). The Series A-TE-Barclays Notes and the Series A-T-Barclays Notes may be outstanding, from time to time, in a combined amount of principal of and interest thereon (including the face value of any Series A-TE-Barclays Notes and Series A-T-Barclays Notes issued as Discount Commercial Paper Notes) not to exceed \$199,999,988 (the initial stated amount of the Barclays Letter of Credit (as defined herein)). Following the delivery of the Barclays Letter of Credit, LACMTA will have the capacity to issue and have outstanding Commercial Paper Notes in a combined amount of principal and interest thereon (including the face value of any Discount Commercial Paper Notes) equal to \$349,999,436 (the combined stated amount of the Citibank Letter of Credit and the Barclays Letter of Credit).

The Commercial Paper Notes may be issued, from time to time, pursuant to the LACMTA Act, the Resolutions and the Subordinate Trust Agreement to, among other things: (a) finance and refinance the acquisition, planning, design, construction and operation of a transit system within the County of Los Angeles (the “*County*”) as provided for in the LACMTA Act, the First Supplemental Subordinate Trust Agreement and Proposition A (as defined herein), (b) pay all or a portion of the principal of and interest on the Commercial Paper Notes when due, (c) reimburse the Banks for any authorized draws under the related Letter of Credit, and (d) finance costs of issuance of the Commercial Paper Notes.

Description of the Commercial Paper Notes

The Commercial Paper Notes will be issued in denominations of \$100,000 or integral multiples of \$1,000 in excess thereof. The Commercial Paper Notes may be issued and sold either as interest bearing notes or as discount notes (“*Discount Commercial Paper Notes*”). The Commercial Paper Notes will bear interest at, or be sold at a discount yielding, an annual rate not in excess of 12% per annum (calculated on the basis of a year consisting of 365 days and actual number of days elapsed). Interest on the Commercial Paper Notes will be payable at maturity. The Commercial Paper Notes will be sold at a price not less than par, except Discount Commercial Paper Notes will be sold at a price of par, less a discount representing interest to accrue thereon through maturity. Each respective Series of Commercial Paper Notes will mature not later than the earlier of (i) 270 days from their respective dates of issuance, and (ii) the Termination Date, which is defined in the First Supplemental Subordinate Trust Agreement to mean the earlier of (a) the Program Termination Date (June 30, 2022, or such later date as established by LACMTA under the terms of the First Supplemental Subordinate Trust Agreement, provided that the Program Termination Date will be automatically extended, without written amendment, on each June 30th for an additional year, unless a Program Termination Notice, as described in the First Supplemental Subordinate Trust Agreement, is delivered to the Subordinate Trustee, the Issuing and Paying Agent and the Dealers), or (b) the 5th day prior to the expiration date of the Letter of Credit supporting such Series of Commercial Paper Notes.

The Commercial Paper Notes will be issued as fully registered notes and registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“*DTC*”), New York, New York. Beneficial ownership interests in the Commercial Paper Notes will be available in book-entry-form only, and purchasers of the Commercial Paper Notes will not receive certificates representing their interests in the Commercial Paper Notes. While held in book-entry-only form, all payments of principal of and interest on the Commercial Paper Notes will be made by wire transfer to DTC or its nominee as the sole registered owner of the Commercial Paper Notes. Payments to the beneficial owners are the responsibility of DTC and its participants. See “APPENDIX C—BOOK-ENTRY-ONLY SYSTEM.”

SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES

Security for the Commercial Paper Notes

The Commercial Paper Notes are limited obligations of LACMTA, payable solely from and secured by (a) advances made under the applicable Letter of Credit, (b) proceeds from the sale of the Commercial Paper Notes, and (c) Net Pledged Revenues (as defined herein) and certain funds and accounts established pursuant to the Subordinate Trust Agreement. Neither the faith and credit nor the taxing power of the County, the State of California or any political subdivision or public agency thereof, other than LACMTA to the extent of the Net Pledged Revenues and certain other amounts held by the Subordinate Trustee under the Subordinate Trust Agreement, is pledged to the payment of the principal of or interest on the Commercial Paper Notes. LACMTA has no power to levy property taxes to pay the principal of and interest on the Commercial Paper Notes.

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF A SERIES OF COMMERCIAL PAPER NOTES, PROSPECTIVE PURCHASERS OF SUCH SERIES OF COMMERCIAL PAPER NOTES SHOULD RELY SOLELY UPON THE CREDIT OF THE APPLICABLE BANK PROVIDING THE RELATED LETTER OF CREDIT AND NOT UPON THE CREDIT OF LACMTA.

Letters of Credit

On April 25, 2019, Barclays Bank PLC (“*Barclays*”) will deliver an irrevocable direct-pay letter of credit (the “*Barclays Letter of Credit*”) to provide credit support for the timely payment of the principal of and interest on the Series A-TE-Barclays Notes and the Series A-T-Barclays Notes (collectively, the “*Barclays Covered Notes*”). The Barclays Letter of Credit is to be issued in an initial stated amount of \$199,999,988 (to cover principal of \$183,694,000 and interest on the Barclays Covered Notes accruing at a rate of 12% for 270 days based on a 365-day year in an amount equal to \$16,305,988), and will expire on April 22, 2022, unless extended or terminated sooner in accordance with its terms. See “THE LETTERS OF CREDIT AND THE REIMBURSEMENT AGREEMENTS—Barclays Letter of Credit and Reimbursement Agreement” and “APPENDIX A— CERTAIN INFORMATION REGARDING THE BANKS—BARCLAYS BANK PLC”

On April 17, 2017, Citibank, N.A. (“*Citibank*”) delivered an amended and restated irrevocable direct-pay letter of credit (the “*Citibank Letter of Credit*”) to provide credit support for the timely payment of the principal of and interest on the Series A-TE-Citi Notes and the Series A-T-Citi Notes (collectively, the “*Citibank Covered Notes*”). The Citibank Letter of Credit was issued in an initial stated amount of \$149,999,448 (to cover principal of \$137,770,001 and interest on the Citibank Covered Notes accruing at a rate of 12% for 270 days based on a 365-day year in an amount equal to \$12,229,447), and will expire on August 14, 2020, unless extended or terminated sooner in accordance with its terms. See “THE LETTERS OF CREDIT AND THE REIMBURSEMENT AGREEMENTS—Citibank Letter of Credit and Reimbursement Agreement” and “APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS—CITIBANK, N.A.”

Upon satisfaction of certain conditions, LACMTA may obtain one or more substitute letters of credit to replace one or more of the Letters of Credit then in effect so long as said substitute letter(s) of credit go into effect at least one Business Day prior to the termination of the Letter(s) of Credit then in effect, and the respective expiration date(s) with respect to such substitute letter(s) of credit are no earlier than the later of (a) six months after its effective date, or (b) the expiration date of the Letter(s) of Credit then in effect. LACMTA will deliver written notice of the proposed substitution to the Subordinate Trustee, the Issuing and Paying Agent, the Bank that is being replaced, the Holders of the Commercial Paper Notes supported by the Letter of Credit that is being replaced and the Dealers not less than ten days prior to the substitution date. All Outstanding Commercial Paper Notes supported by the Letter of Credit that is being replaced will mature on or prior to the date such substitute letter of credit is delivered to the Issuing and Paying Agent and becomes effective pursuant to its terms.

Net Pledged Revenues

The Commercial Paper Notes are secured by a pledge of and third lien on Net Pledged Revenues, which includes Pledged Revenues (as defined herein) less all amounts necessary to pay debt service and reserve requirements on the Senior Lien Bonds (as defined herein) and the Second Tier Obligations (as defined herein). The Commercial Paper Notes are secured by a pledge of and lien on Net Pledged Revenues on a parity with the payment obligations of LACMTA under the Reimbursement Agreements and any additional bonds or other obligations issued on a parity with respect to Net Pledged Revenues pursuant to the Master Subordinate Trust Agreement. For purposes of this Offering Memorandum, the Commercial Paper Notes, the payment obligations of LACMTA under the Reimbursement Agreements and any other bonds or obligations issued or incurred on parity with respect to Net Pledged Revenues pursuant to the Master Subordinate Trust Agreement are herein referred to as “*Subordinate Obligations*.” See “LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY— Outstanding Proposition A Sales Tax Obligations.”

“*Net Pledged Revenues*” are Pledged Revenues, available to pay debt service on the Subordinate Obligations after the payment of debt service and reserve requirements on the Senior Lien Bonds and the Second Tier Obligations.

“Pledged Revenues” include moneys collected as a result of the imposition of the Proposition A Sales Tax (as defined herein), less 25% thereof which is allocated to local jurisdictions for local transit purposes (the **“Local Allocation”**) and less an administrative fee paid to the California Department of Tax and Fee Administration (**“CDTFA”**) in connection with the collection and disbursement of the Proposition A Sales Tax. See **“PROPOSITION A SALES TAX AND COLLECTIONS”** below for additional information on the Proposition A Sales Tax.

“Second Tier Obligations” means obligations payable from Pledged Revenues on a subordinated basis to the Senior Lien Bonds, but senior to the payment of principal of and interest on the Commercial Paper Notes.

“Senior Lien Bonds” means indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations, issued under the provisions of the Senior Trust Agreement with a senior lien on Pledged Revenues.

“Senior Trust Agreement” means the Trust Agreement, dated as of July 1, 1986, between LACMTA and the Senior Trustee, together with all amendments and supplements thereto.

“Senior Trustee” means The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as successor to BNY Western Trust Company, as successor in interest to Wells Fargo Bank, N.A., as successor by merger to First Interstate Bank of California, as trustee under the Senior Trust Agreement, and its successors.

Flow of Funds (Proposition A Sales Tax). Pursuant to an agreement between LACMTA and CDTFA, CDTFA is required to remit monthly directly to the Senior Trustee the Proposition A Sales Tax revenues after deducting CDTFA’s costs of administering the Proposition A Sales Tax and after paying directly to LACMTA the Local Allocation (25% of net Proposition A Sales Tax cash receipts) (which for purposes of administrative ease is actually transferred first to the Senior Trustee who then disburses the Local Allocation to LACMTA). Under the Senior Trust Agreement, the Senior Trustee is required to deposit and apply the moneys received from CDTFA (75% of net Proposition A Sales Tax cash receipts), as needed, taking into consideration any other funds previously deposited or applied in such month for such purposes, as follows:

FIRST, to the credit of the bond interest account for the Senior Lien Bonds, an amount equal to the aggregate accrued interest for the current calendar month less any excess deposit made with respect to the last preceding calendar month plus any deficiency existing on the first day of the calendar month plus any amount of interest which has become due and has not been paid and for which there are insufficient funds in the bond interest account or another special account to be used to make such payment;

SECOND, to the credit of the bond principal account for the Senior Lien Bonds, the aggregate accrued principal for the current calendar month plus any accrued premium and any deficiency existing on the first day of the calendar month plus any amount of principal which has become due and has not been paid and for which there are insufficient funds in the bond principal account or another special account to be used to make such payment;

THIRD, to the credit of the reserve fund for the Senior Lien Bonds, or such other debt service reserve fund established under the Senior Trust Agreement, such portion of the balance, if any, remaining after the making of the deposits to the bond interest account and the bond principal account described above, if necessary, to increase the amount on deposit in the reserve fund for the Senior Lien Bonds and such other debt service reserve funds to an amount equal to the reserve fund requirement for the Senior Lien Bonds and the applicable requirement for such other debt service reserve fund, respectively, or if the entire balance is less than the amount necessary, then the entire balance will be deposited into the reserve fund for the Senior Lien Bonds and such other debt service reserve funds on a pro-rata basis with respect to the outstanding principal amounts of the applicable Senior Lien Bonds secured by the reserve fund for the Senior Lien Bonds and such other debt service reserve funds; provided, however, that so long as any reserve fund insurance policy is in effect and the provider of such reserve fund insurance policy is not in default of its obligations thereunder, the Senior Trustee will withdraw from the reserve fund for the Senior Lien Bonds or such other debt service reserve funds, as applicable, an amount sufficient to pay the provider

of such reserve fund insurance policy the greater of (i) the minimum amount required to be paid in accordance with the provisions of such reserve fund insurance policy and any related agreements between LACMTA and the provider of such reserve fund insurance policy or (ii) the amount necessary to reinstate the amount available to be drawn under such reserve fund insurance policy in order to meet the reserve fund requirement for the Senior Lien Bonds;

FOURTH, to make deposits for the payment of any Second Tier Obligations; and

FIFTH, to pay any remaining amount to the Subordinate Trustee under the Subordinate Trust Agreement in such amounts and at such times as will be needed to provide for payment of such obligations in accordance with the Subordinate Trust Agreement relating to such Subordinate Obligations, including but not limited to the obligation of LACMTA with respect to the Commercial Paper Notes.

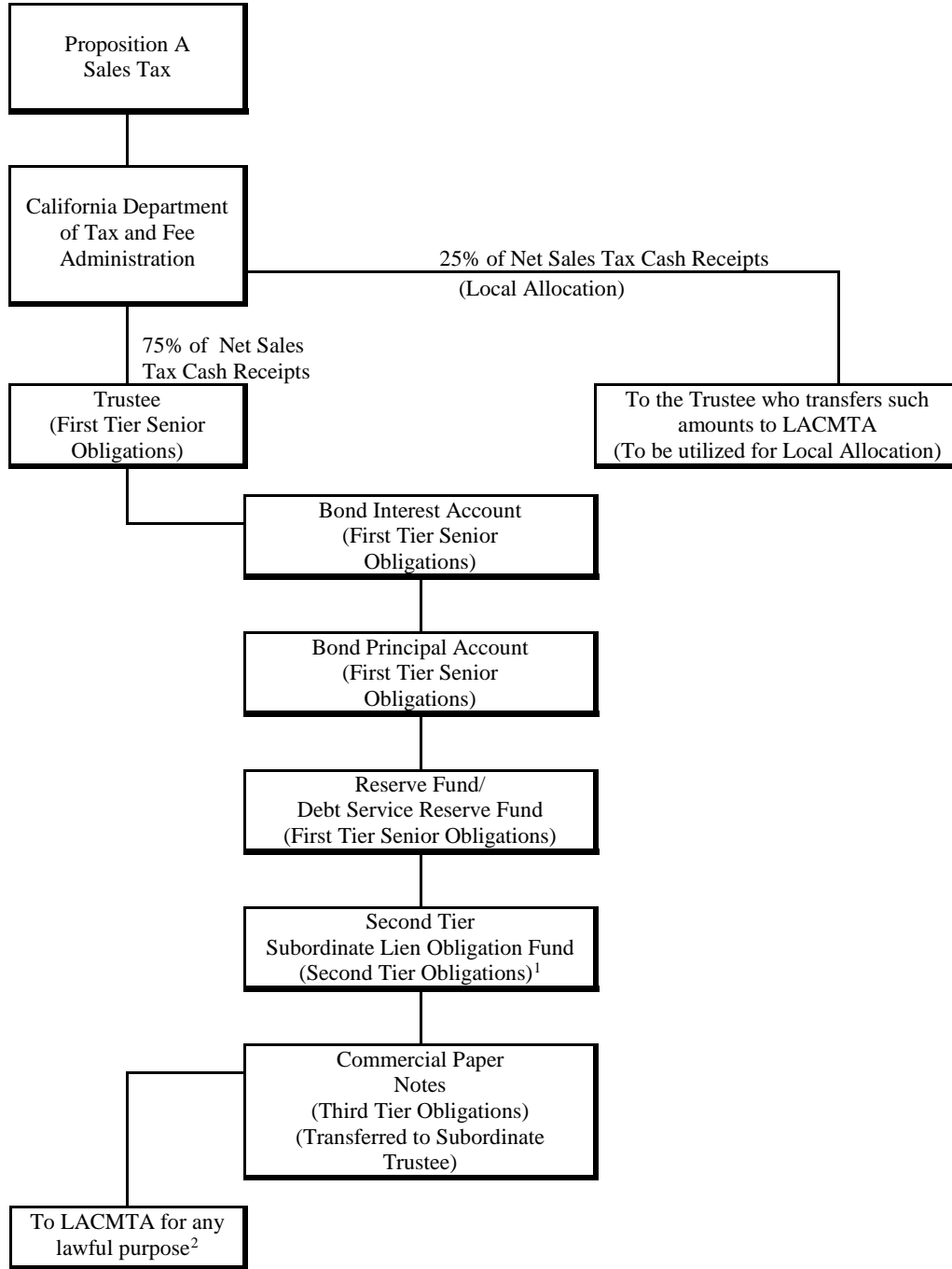
Any remaining funds will then be transferred to LACMTA and will be available to be used for any lawful purpose. As of the date of this Offering Memorandum, LACMTA has granted pledges on the remaining Proposition A Sales Tax revenues to the payment of and reserve requirements for certain general revenue bonds of LACMTA (the "Remaining Proposition A Obligations"). After the payment of the Remaining Proposition A Obligations, LACMTA may use any remaining Proposition A Sales Tax revenues in accordance with the provisions of Ordinance No. 16 (as defined herein).

As of the date of this Offering Memorandum, LACMTA has met the bondholder consent thresholds required under the springing amendments associated with funding requirements of the reserve fund for the Senior Lien Bonds. As a result, LACMTA now has the option of electing that certain of its Senior Lien Bonds be no longer secured by a reserve fund for Senior Lien Bonds. Currently, LACMTA's Senior Lien Bonds, Series 2019-A are the first series of Senior Lien Bonds not secured by a reserve fund for Senior Lien Bonds.

The following table provides a graphic presentation of the flow of funds for Proposition A Sales Tax cash receipts as of the date of this Offering Memorandum.

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**Proposition A Sales Tax
Flow of Funds**



¹ There are no Second Tier Obligations outstanding, nor are any additional Second Tier Obligations currently expected to be issued.

² All remaining funds are transferred to LACMTA, are released from the lien established under the Trust Agreement, and are thereafter no longer Pledged Revenues under the Trust Agreement.

THE LETTERS OF CREDIT AND THE REIMBURSEMENT AGREEMENTS

The following summary of the Letters of Credit and the Reimbursement Agreements does not purport to be comprehensive or definitive and is subject in all respects to all of the terms and provisions of the respective Letters of Credit and Reimbursement Agreements, to which reference is made hereby. Investors are urged to obtain and review a copy of the respective Letters of Credit and Reimbursement Agreements in order to understand all of their respective terms. Unless otherwise defined in the following summary, capitalized terms used in the following summary are defined in this Offering Memorandum or the respective Reimbursement Agreements and reference thereto is made for full understanding of their import.

Barclays Letter of Credit and Reimbursement Agreement

General. LACMTA and Barclays will enter into a Reimbursement Agreement, dated as of April 1, 2019 (the “**Barclays Reimbursement Agreement**”), pursuant to which Barclays will deliver the Barclays Letter of Credit to provide credit support for the timely payment of the principal of and interest on the Barclays Covered Notes (i.e., the Series A-TE-Barclays Notes and the Series A-T-Barclays Notes). See “APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS—BARCLAYS BANK PLC” *The Barclays Letter of Credit is not pledged to and will not support the payment of the principal of or interest on the Series A-TE-Citi Notes or the Series A-T-Citi Notes.*

In order to ensure timely payment of the principal of and interest on the Barclays Covered Notes, at LACMTA’s request, Barclays will deliver the Barclays Letter of Credit to the Issuing and Paying Agent as beneficiary pursuant to, and upon the terms and conditions stated in, the Barclays Reimbursement Agreement. On or before the date of maturity of any Barclays Covered Note, the Issuing and Paying Agent is authorized and directed to draw on the Barclays Letter of Credit an amount equal to the principal of and interest due on the Barclays Covered Notes maturing on such date. Pursuant to the First Supplemental Subordinate Trust Agreement, all amounts received from any drawing on the Barclays Letter of Credit are required to be deposited in the related account of the Commercial Paper Payment Fund established thereunder and held in trust and set aside exclusively for the payment of the principal of and interest on the Barclays Covered Notes for which such drawing was made, and the Subordinate Trustee is required to apply such amounts to the payment of the principal of and interest on such Barclays Covered Notes on the applicable maturity date.

Certain Provisions of the Barclays Letter of Credit and Reimbursement Agreement.

Certain Provisions of the Barclays Letter of Credit. On April 25, 2019, in accordance with the terms of the Barclays Reimbursement Agreement, Barclays will deliver the Barclays Letter of Credit in an original stated amount of \$199,999,988 (the “**Barclays Stated Amount**”), which is the sum of (i) the total aggregate principal amount of the Barclays Covered Notes secured by the Barclays Letter of Credit (\$183,694,000), plus (ii) interest accrued thereon at an assumed rate of 12% per annum for a period of 270 days, on the basis of a 365-day year (\$16,305,988). The Barclays Stated Amount of the Barclays Letter of Credit may be reduced and reinstated from time to time pursuant to the provisions of the Barclays Letter of Credit. All payments made by Barclays pursuant to the Barclays Letter of Credit shall be made from funds of Barclays and not from the funds of any other Person.

The Barclays Letter of Credit will automatically expire at the close of business, on the date which is the earliest to occur of (the “**Barclays Letter of Credit Termination Date**”): (a) April 22, 2022, as such date may be extended by Barclays upon delivery of a written notice of extension of the Barclays Letter of Credit; (b) the date upon which Barclays receives the certificate of the Issuing and Paying Agent (or, if a later effective date is stipulated in such certificate, then such later date), appropriately completed stating that (i) all outstanding Barclays Covered Notes have been paid in full in accordance with the Subordinate Trust Agreement and LACMTA has instructed the Issuing and Paying Agent to terminate the Barclays Letter of Credit or (ii) the Issuing and Paying Agent has accepted a substitute letter of credit in accordance with the First Supplemental Subordinate Trust Agreement, all drawing made under the Barclays Letter of Credit have been paid and LACMTA has instructed the Issuing and Paying Agent to terminate the Barclays Letter of Credit; and (c) the first to occur of (i) the date which is 10 calendar days after the Issuing and Paying Agent receives a final drawing notice from Barclays stating that a Barclays Event of Default (as defined below) has occurred and is continuing under the Barclays Reimbursement Agreement and requesting the Issuing and Paying Agent to make a final drawing under the Barclays Letter of Credit, or (ii) the date,

following receipt of such final drawing notice, upon which the Issuing and Paying Agent has drawn upon the Barclays Letter of Credit the amount required thereby and as permitted by the Barclays Letter of Credit and the proceeds of such drawing have been distributed to the Issuing and Paying Agent.

Events of Default and Remedies under the Barclays Reimbursement Agreement.

Events of Default. If any of the following events occur, each such event shall be a “*Barclays Event of Default*” under the Barclays Reimbursement Agreement:

(a) LACMTA fails to pay, or cause to be paid (i) any principal of or interest on any Drawing or any Advance when due, (ii) any Letter of Credit Fee within five (5) Business Days of the date such Letter of Credit Fee is due or (iii) any other Obligation (other than the Obligations described in clause (i) or (ii) within five (5) Business Days of the date such Obligation is due;

(b) any material representation, warranty or statement made by or on behalf of LACMTA in the Barclays Reimbursement Agreement or in any Related Document to which LACMTA is a party or in any certificate delivered pursuant to the Barclays Reimbursement Agreement or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made;

(c) (i) LACMTA fails to perform or observe any term, covenant or agreement contained in Sections 6.01(b), 6.01(i), 6.01(k)(ii), 6.01(k)(iii), 6.01(1) (with respect to amendments without consent only), 6.01(m), 6.01(p), 6.01(q), 6.01(r), 6.01(s), 6.01(t), 6.02 and 8.15 of the Barclays Reimbursement Agreement; or (ii) LACMTA fails to perform or observe any other term, covenant or agreement contained in the Barclays Reimbursement Agreement or the Fee Letter (other than those referred to in Sections 7.01(a) and 7.01(c)(i) of the Barclays Reimbursement Agreement) and any such failure cannot be cured or, if curable, remains uncured for thirty (30) days after the earlier of (A) written notice thereof to LACMTA or (B) an Authorized Officer having actual knowledge of such failure;

(d) LACMTA shall (i) default in any payment of any Proposition A Indebtedness, beyond the period of grace, if any, provided in the instrument or agreement under which such Proposition A Indebtedness was created; or (ii) default in the observance or performance of any agreement or condition relating to any Proposition A Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to permit the holder or holders of such Proposition A Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause (in each case, determined without regard to whether any notice is required) any such Proposition A Indebtedness to become due prior to its stated maturity;

(e) (i) a court or other Governmental Authority with jurisdiction to rule on the validity of the Barclays Reimbursement Agreement, the Trust Agreement, the Issuing and Paying Agent Agreement, the Act, Ordinance No. 16 or any other Related Document to which LACMTA is a party shall find, announce or rule that (A) any material provision of the Barclays Reimbursement Agreement and any other Related Document to which the Authority is a party; or (B) any provision of the Trust Agreement, the Issuing and Paying Agent Agreement, the Act or Ordinance No. 16 relating to the security for the Barclays Covered Notes, the Bank Note or the Obligations, the Authority’s ability to pay the Obligations or perform its obligations hereunder or under the Fee Letter or the interests, security, rights and remedies of Barclays or any Payment and Collateral Obligation, is not a valid and binding agreement of LACMTA;

(ii) an Authorized Officer of LACMTA, by duly authorized action of LACMTA, shall contest the validity or enforceability of the Barclays Reimbursement Agreement, any other Related Document to which LACMTA is a party or any provision of the Trust Agreement, the Issuing and Paying Agent Agreement, the Act or Ordinance No. 16 relating to the security for the Barclays Covered Notes, the Bank Note or the Obligations, LACMTA’s obligation to pay the Obligations or perform its obligations under the Barclays Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Barclays or the pledge of, lien on or security interest in the Net Pledged Revenues or any Payment and Collateral Obligation, or shall, by duly authorized action of LACMTA, seek an adjudication that the Barclays Reimbursement Agreement, any other Related Document to which LACMTA is a party or any provision of the Trust Agreement, the Issuing and Paying

Agent Agreement, the Act or Ordinance No. 16 relating to the security for the Barclays Covered Notes, the Bank Note or the Obligations, LACMTA's ability to pay the Obligations or perform its obligations under the Barclays Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Barclays or any Payment and Collateral Obligation, is not valid and binding on LACMTA or an Authorized Officer of LACMTA shall, by duly authorized action of LACMTA, repudiate LACMTA's obligations under the Barclays Reimbursement Agreement or under any other Related Document or any Payment and Collateral Obligation or any Governmental Authority with competent jurisdiction (including, without limitation, LACMTA) shall initiate legal proceedings seeking to declare any of the Related Documents or LACMTA's obligations to pay any Senior Lien Bonds or Senior Parity Debt as not valid and binding on LACMTA; or

(iii) the validity, effectiveness or enforceability of the pledge of, lien on or security interest in the Net Pledged Revenues under the Trust Agreement, the Issuing and Paying Agent Agreement or Ordinance No. 16 securing the Barclays Covered Notes and the Obligations hereunder and under the Fee Letter and the Bank Note or any Payment and Collateral Obligation shall at any time for any reason cease to be valid, effective or binding as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or shall be declared, in a final non appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(f) any provision of the Trust Agreement, the Issuing and Paying Agent Agreement or Ordinance No. 16 relating to the security for the Barclays Covered Notes, the Bank Note or the Obligations, LACMTA's ability to pay the Obligations or perform its obligations hereunder or under the Fee Letter or the interests, security, rights or remedies of Barclays, or any Related Document to which LACMTA is a party, except for any Dealer Agreement which has been terminated due to a substitution of a Dealer, shall cease to be in full force or effect, or LACMTA or any Person acting by or on behalf of LACMTA shall deny or disaffirm LACMTA's obligations under the Trust Agreement, the Issuing and Paying Agent Agreement, the Act or Ordinance No. 16 or any other Related Document to which LACMTA is a party or any Payment and Collateral Obligation;

(g) one or more final judgments or orders for the payment of money from Net Pledged Revenues which, individually or in the aggregate, equal or exceed \$15,000,000 (excepting therefrom any amounts covered by and available from insurance) shall have been rendered against the Authority and such judgment(s) or order(s) shall not have been satisfied, stayed, vacated, discharged or bonded pending appeal within a period of sixty (60) days from the date on which it was first so rendered;

(h) (i) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt (including, without limitation, amounts due under any Bank Agreement) secured by a lien, charge or encumbrance upon or payable from the Net Pledged Revenues; (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, LACMTA seeks to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, termination, composition or other relief with respect to it or its debts (or the existence of LACMTA is dissolved or terminated by any other means); (iii) LACMTA seeks appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of LACMTA's property, or LACMTA shall make a general assignment for the benefit of its creditors; (iv) there shall be commenced against LACMTA any case, proceeding or other action of a nature referred to in clause (ii) above and the same shall remain undismissed; (v) there shall be commenced against LACMTA any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof; (vi) a financial control board, or its equivalent, shall be imposed upon LACMTA by a Governmental Authority; (vii) LACMTA takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv), (v) or (vi) above; or (viii) LACMTA shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(i) either of Moody's or S&P suspends, withdraws (other than a withdrawal requested by the Authority for non-credit related reasons) or downgrades the long-term unenhanced rating of any Senior Lien Bonds (other than bank bonds, purchased bonds, revolving notes and other rated obligations payable to and held by any

credit or liquidity provider which constitute Senior Parity Debt) of the Authority below “Baa2” (or its equivalent) or below “BBB” (or its equivalent), respectively; *provided however*, if there is no long-term unenhanced debt rating on any Senior Lien Bonds (other than bank bonds, purchased bonds, revolving notes and other rated obligations payable to and held by any credit or liquidity provider which constitute Senior Parity Debt) outstanding, it shall constitute an Event of Default if either of Moody’s or S&P suspends, withdraws or downgrades the “shadow rating” assigned to Senior Lien Bonds below “Baa2” (or its equivalent) or below “BBB” (or its equivalent), respectively;

(j) any funds or accounts or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established pursuant to the Trust Agreement, the Act, Ordinance No. 16, the Issuing and Paying Agent Agreement or the other Related Documents, that have been pledged to or a lien granted thereon to secure the Barclays Covered Notes, the Bank Note or the Obligations, shall become subject to any writ, judgment, warrant or attachment, execution or similar process which shall not have been vacated, discharged, or stayed or bonded pending appeal within thirty (30) days from the entry thereof;

(k) (i) the occurrence of any event of default under the Senior Trust Agreement or the Trust Agreement (which is not waived pursuant to the terms thereof); (ii) any “event of default” shall have occurred and be continuing under any Related Document beyond the expiration of any applicable grace period (which is not otherwise described in Section 7.01 of the Barclays Reimbursement Agreement); or (iii) any “event of default” under any Bank Agreement shall have occurred and be continuing beyond the expiration of any applicable grace period;

(l) any provision of the Act or Ordinance No. 16 is supplemented, modified or amended in a manner that materially adversely impairs (i) LACMTA’s ability or obligation to impose or levy the Proposition A Sales Tax in the incorporated and unincorporated territory of the County of Los Angeles or collect Revenues and/or pay the Revenues directly to the Trustee or (ii) CDTFA’s obligation to collect of the Proposition A Sales Tax or CDTFA’s ability or obligation to transfer the Proposition A Sales Tax Revenues to the Trustee;

(m) LACMTA shall cease to exist, dissolve or terminate;

(n) the occurrence of (i) an Incipient Invalidity Event or (ii) an Invalidity Event;

(o) any Governmental Authority of competent jurisdiction shall declare a financial emergency or similar declaration with respect to LACMTA and shall appoint or designate, with respect to LACMTA, an entity such as an organization, a board, a commission, an authority, an agency or any other similar body to manage the affairs and operations of LACMTA and such appointed entity has the authority to intercept or direct all or substantially all of the Proposition A Sales Tax; or

(p) LACMTA shall issue any Senior Lien Bonds, Second Tier Obligations or Subordinate Obligations and the Pledged Tax collected for any 12 consecutive months out of the 18 consecutive months immediately preceding such issuance was less than 125% of Projected Maximum Total Annual Debt Service for all Senior Lien Bonds and Subordinate Obligations which are outstanding after such issuance.

Remedies. Upon the occurrence and during the continuation of a Barclays Event of Default, Barclays, in its sole discretion, may take any one or more of the following actions, and the taking of any one of such actions shall not preclude the taking of any other of such actions: (i) deliver to the Issuing and Paying Agent a Final Drawing Notice (as defined in the Barclays Reimbursement Agreement) to the effect that a Barclays Event of Default has been declared under the Barclays Reimbursement Agreement and that the Barclays Letter of Credit will terminate 10 days after receipt of such notice and requesting that the Issuing and Paying Agent make a Final Drawing (as defined in the Barclays Letter of Credit) under the Barclays Letter of Credit in an amount equal to the principal of the outstanding Barclays Covered Notes plus interest to their maturity, (ii) deliver to the Issuing and Paying Agent a notice in the form set forth in the Barclays Reimbursement Agreement (a “*Notice of No Issuance*”) and on the maturity date for the last Barclays Covered Note to mature which was issued prior to the delivery of such Notice of No Issuance Notice and upon Barclays honoring the Drawing under the Barclays Letter of Credit with respect to such Barclays Covered Note, the Barclays Letter of Credit shall be terminated and returned to Barclays, (iii) deliver to the Issuing and Paying Agent a notice in the form set forth in the Barclays Letter of Credit (a “*Reduction Notice*”) and on the maturity date for the last Barclays Covered Note to mature which was issued and outstanding prior to the

delivery of such Reduction Notice, the Stated Amount of the Barclays Letter of Credit shall be reduced to the principal amount of the Barclays Covered Notes outstanding on the date of the issuance of the Reduction Notice, (iv) cure any default, event of default or event of nonperformance under the Barclays Reimbursement Agreement or under any of the other Related Documents or (v) exercise any other rights or remedies available under any Related Document, the Act or Ordinance No. 16 or any other agreement or at law or in equity.

Upon the occurrence of a Barclays Event of Default described under clauses (h), (k)(i) or (m) under the caption “Events of Default” set forth above, Barclays may, by notice to LACMTA and the Subordinate Trustee, declare all outstanding Obligations of LACMTA (including, without limitation, outstanding Reimbursement Obligations) to be immediately due and payable (provided that the obligations of LACMTA under the Barclays Reimbursement Agreement shall become automatically and immediately due and payable without such notice upon the occurrence of a Barclays Event of Default described under clause (h) under the caption “Events of Default” set forth above or under Section 8.01(e) under the Senior Trust Agreement, such acceleration shall automatically occur (unless such automatic acceleration is expressly waived by Barclays in writing)), and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are thereby waived by LACMTA.

The rights and remedies of Barclays specified in the Barclays Reimbursement Agreement are for the sole and exclusive benefit, use and protection of Barclays, and Barclays is entitled, but shall have no duty or obligation to LACMTA, the Subordinate Trustee, the Issuing and Paying Agent, the holders of any Senior Lien Bonds or Subordinate Lien Obligations or any other Person, (i) to exercise or to refrain from exercising any right or remedy reserved to Barclays under the Barclays Reimbursement Agreement, or (ii) to cause the Subordinate Trustee, the Issuing and Paying Agent or any other Person to exercise or to refrain from exercising any right or remedy available to it under any of the Related Documents (as defined in the Barclays Reimbursement Agreement).

Citibank Letter of Credit and Reimbursement Agreement

General. LACMTA and Citibank entered into a Letter of Credit and Reimbursement Agreement, dated as of August 1, 2017 (the “*Citibank Reimbursement Agreement*”), pursuant to which Citibank delivered the Citibank Letter of Credit to provide credit support for the timely payment of the principal of and interest on the Citibank Covered Notes (i.e., the Series A-TE-Citi Notes and the Series A-T-Citi Notes). See “**APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS—CITIBANK, N.A.**” *The Citibank Letter of Credit is not pledged to and will not support the payment of the principal of or interest on the Series A-TE-Barclays Notes or the Series A-T-Barclays Notes.*

In order to ensure timely payment of the principal of and interest on the Citibank Covered Notes, at LACMTA’s request, Citibank delivered the Citibank Letter of Credit to the Issuing and Paying Agent as beneficiary pursuant to, and upon the terms and conditions stated in, the Citibank Reimbursement Agreement. On or before the date of maturity of any Citibank Covered Note, the Issuing and Paying Agent is authorized and directed to draw on the Citibank Letter of Credit an amount equal to the principal of and interest due on the Citibank Covered Notes maturing on such date. Pursuant to the First Supplemental Subordinate Trust Agreement, all amounts received from any drawing on the Citibank Letter of Credit are required to be deposited in the related account of the Commercial Paper Payment Fund established thereunder and held in trust and set aside exclusively for the payment of the principal of and interest on the Citibank Covered Notes for which such drawing was made, and the Subordinate Trustee is required to apply such amounts to the payment of the principal of and interest on such Citibank Covered Notes on the applicable maturity date.

Certain Provisions of the Citibank Letter of Credit and Reimbursement Agreement.

Certain Provisions of the Citibank Letter of Credit. On April 17, 2017, in accordance with the terms of the Citibank Reimbursement Agreement, Citibank delivered the Citibank Letter of Credit in an original stated amount of \$149,999,448 (the “*Citibank Stated Amount*”), which is the sum of (i) the total aggregate principal amount of the Citibank Covered Notes secured by the Citibank Letter of Credit (\$137,770,001), plus (ii) interest accrued thereon at an assumed rate of 12% per annum for a period of 270 days, on the basis of a 365-day year (\$12,229,447). The Citibank Stated Amount of the Citibank Letter of Credit may be reduced and reinstated from time to time pursuant

to the provisions of the Citibank Letter of Credit. All payments made by Citibank pursuant to the Citibank Letter of Credit shall be made from funds of Citibank and not from the funds of any other Person.

The Citibank Letter of Credit will automatically expire at the close of business, on the date which is the earliest to occur of (the “**Citibank Letter of Credit Termination Date**”): (a) August 14, 2020, as such date may be extended by Citibank upon delivery of a written notice of extension of the Citibank Letter of Credit; (b) the date upon which Citibank receives a notice from the Issuing and Paying Agent that all outstanding Citibank Covered Notes have been paid in full in accordance with the Subordinate Trust Agreement and LACMTA has instructed the Issuing and Paying Agent to terminate the Citibank Letter of Credit; (c) the date Citibank receives a notice from the Issuing and Paying Agent to the effect that the Issuing and Paying Agent has accepted a substitute letter of credit in accordance with the First Supplemental Subordinate Trust Agreement and LACMTA has instructed the Issuing and Paying Agent to terminate the Citibank Letter of Credit; and (d) the first to occur of (i) the date which is ten calendar days after the Issuing and Paying Agent receives a final drawing notice from Citibank stating that a Citibank Event of Default (as defined below) has occurred and is continuing under the Citibank Reimbursement Agreement and requesting the Issuing and Paying Agent to make a final drawing under the Citibank Letter of Credit, or (ii) the date, following receipt of such final drawing notice, upon which the Issuing and Paying Agent has drawn upon the Citibank Letter of Credit and the proceeds of such drawing have been distributed to the Issuing and Paying Agent.

Events of Default and Remedies under the Citibank Reimbursement Agreement.

Events of Default. If any of the following events occur, each such event shall be an “**Citibank Event of Default**” under the Citibank Reimbursement Agreement:

(a) Failure of LACMTA to pay, or cause to be paid, when due (i) any Reimbursement Obligations (as defined in the Citibank Reimbursement Agreement) or any interest thereon, (ii) any principal of or interest on any commercial paper notes issued pursuant to the Subordinate Trust Agreement as and when due under the Subordinate Trust Agreement; or (iii) any principal of, premium or interest on any Parity and Senior Debt;

(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 Bankruptcy Code, or (vi) take any official action to authorize any of the foregoing;

(c) Any of the following 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 involuntary case or other proceeding shall not be dismissed within 90 days; or (ii) an order for relief shall be entered against LACMTA under the federal bankruptcy laws as now or hereafter in effect or pursuant to any other state or federal laws concerning insolvency or of similar purpose; or (iii) there shall be commenced against LACMTA any case, proceeding or other action seeking issuance of a warrant of attachment, execution, restraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 90 days from the entry thereof; or (iv) LACMTA shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clauses (i), (ii) or (iii) above; or (v) LACMTA shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as the same becomes due; or (vi) a debt moratorium, debt adjustment, debt restructuring or comparable extraordinary restriction with respect to the payment of principal of or interest on the indebtedness of LACMTA shall be declared or imposed pursuant to a finding or ruling by LACMTA, the United States of America, the State of California, any instrumentality thereof or any other Governmental Authority of competent jurisdiction over LACMTA;

(d) The occurrence of (i) an Incipient Invalidity Event (as defined in the Citibank Reimbursement Agreement) or (ii) an Invalidity Event (as defined in the Citibank Reimbursement Agreement);

(e) Any of Moody's or S&P either (i) withdraws or suspends the underlying long-term rating of any Subordinate Obligations, Senior Lien Bonds or Parity and Senior Debt for credit related reasons or (ii) reduces the long-term underlying rating of any Subordinate Obligations, Senior Lien Bonds or Parity and Senior Debt, in the case of S&P, below "A-" (or its equivalent) or in the case of Moody's, below "A3" (or its equivalent);

(f) The existence of one or more final, non-appealable judgments against LACMTA for the payment of money payable out of Pledged Revenues ranking senior to or on a parity with the Subordinate Obligations, the operation or result of which, individually or in the aggregate, equals or exceed \$15,000,000, and such judgment, attachment or levy shall remain unpaid or the lien created thereby shall remain undischarged or unbonded (by property other than any of the Pledged Revenues) for a period of 60 days;

(g) Any Subordinate Obligations (as defined in the Citibank Reimbursement Agreement), Senior Lien Bonds (as defined in the Citibank Reimbursement Agreement), Parity and Senior Debt (as defined in the Citibank Reimbursement Agreement) or any termination payment under any Interest Rate Protection Agreement (as defined in the Citibank Reimbursement Agreement) that is secured by a lien on Pledged Revenues ranking senior to or on a parity with the Citibank Covered Notes shall not be paid when and as the same shall become due and payable (whether by scheduled maturity, required redemption, or acceleration), or any default shall occur under any Subordinate Obligations, Senior Lien Bonds, any Parity and Senior Debt or any termination payment under any Interest Rate Protection Agreement that is secured by a lien on Pledged Revenues ranking senior to or on a parity with the Citibank Covered Notes or under any indenture, agreement or other instrument pursuant to which any such Subordinate Obligations, Senior Lien Bonds, any Parity and Senior Debt or any termination payment under any Interest Rate Protection Agreement that is secured by a lien on Pledged Revenues ranking senior to or on a parity with the Citibank Covered Notes was issued and such default shall continue for a period of time sufficient to permit, or resulting in, the acceleration of the maturity of any such Subordinate Obligations, Senior Lien Bonds, any Parity and Senior Debt or any termination payment under any Interest Rate Protection Agreement that is secured by a lien on Pledged Revenues ranking senior to or on a parity with the Citibank Covered Notes (whether or not any such Subordinate Obligations, Senior Lien Bonds, any Parity and Senior Debt or any termination payment under any Interest Rate Protection Agreement that is secured by a lien on Pledged Revenues ranking senior to or on a parity with the Citibank Covered Notes is in fact accelerated);

(h) Any material representation or warranty made by LACMTA under or in connection with the Citibank Reimbursement Agreement (including, without limitation, representations and warranties incorporated in the Citibank Reimbursement Agreement by reference) shall prove to be untrue in any material respect on the date as of which it was made or deemed made;

(i) Failure to pay or cause to be paid, when due any other obligation owed to Citibank under the Citibank Reimbursement Agreement and under the Fee Agreement (as defined in the Citibank Reimbursement Agreement) (other than those referenced in clause (a) above) (together with interest thereon at the Default Rate (as defined in the Citibank Reimbursement Agreement)) and such failure shall continue for five days after the Subordinate Trustee and LACMTA have received written notice from Citibank that any such amount was not paid when due;

(j) The breach by LACMTA of any of the terms or provisions of certain enumerated covenants of LACMTA set forth in the Citibank Reimbursement Agreement;

(k) The breach by LACMTA of any material terms or provisions of the Citibank Reimbursement Agreement (other than breaches specifically addressed under this caption "Events of Default") and the continuance of such default for 30 days after written notice thereof shall have been received by LACMTA from Citibank;

(l) (i) The occurrence of any event of default under the Senior Trust Agreement or the Subordinate Trust Agreement (which is not waived pursuant to the terms thereof); or (ii) the occurrence of any event of default or termination under any of the Related Documents (which is not waived pursuant to the terms thereof) which is not

otherwise described under this caption “Events of Default,” other than the failure of Citibank to honor a properly presented and conforming draw;

(m) Any lien created by the Citibank Reimbursement Agreement, the Subordinate Trust Agreement or the Senior Trust Agreement in favor of, or for the benefit of, Citibank, shall, at any time or for any reason (except as expressly permitted to be released by the terms of such governing document), not constitute a valid Lien (as defined in the Citibank Reimbursement Agreement);

(n) At any time, (i) the Senior Lien Bonds shall not have been assigned a long-term rating from at least one of Moody’s, S&P or Fitch for credit related reasons or (ii) the Reimbursement Note (as defined in the Citibank Reimbursement Agreement) shall not have been assigned at least one long-term rating of at least investment grade from at least one of Moody’s, S&P or Fitch;

(o) LACMTA shall default in the payment of the principal of or interest on any Debt (as defined in the Citibank Reimbursement Agreement) owed to Citibank secured by or payable from the Proposition A Sales Tax;

(p) There shall be a change in any applicable law that shall limit the per annum maximum rate of interest applicable to any Citibank Covered Note to a rate of interest per annum less than 12% and the SIFMA Rate shall be greater than 6% per annum;

(q) Any governmental authority of competent jurisdiction shall declare a financial emergency or similar declaration with respect to LACMTA and shall appoint or designate, with respect to LACMTA, an entity such as an organization, a board, a commission, an authority, an agency or any other similar body to manage the affairs and operations of LACMTA and such appointed entity has the authority to intercept or direct all or substantially all of the Proposition A Sales Tax; or

(r) LACMTA shall issue any Senior Lien Bonds, Second Tier Obligations or Subordinate Obligations and the Pledged Tax collected for any 12 consecutive months out of the 18 consecutive months immediately preceding such issuance was less than 130% of Projected Maximum Total Annual Debt Service for all Senior Lien Bonds, Second Tier Obligations and Subordinate Obligations which are outstanding after such issuance.

Remedies. Upon the occurrence and during the continuation of an Citibank Event of Default, Citibank, in its sole discretion, may take any one or more of the following actions, and the taking of any one of such actions shall not preclude the taking of any other of such actions: (a) deliver to the Issuing and Paying Agent a Final Drawing Notice (as defined in the Citibank Reimbursement Agreement) to the effect that a Citibank Event of Default has been declared under the Citibank Reimbursement Agreement and that the Citibank Letter of Credit will terminate ten days after receipt of such notice and requesting that the Issuing and Paying Agent make a Final Drawing (as defined in the Citibank Letter of Credit) under the Citibank Letter of Credit in an amount equal to the principal of the outstanding Citibank Covered Notes plus interest to their maturity, (b) deliver to the Issuing and Paying Agent a notice in the form set forth in the Citibank Letter of Credit (a “**No Issuance Notice**”) and on the maturity date for the last Citibank Covered Note to mature which was issued prior to the delivery of such No Issuance Notice and upon Citibank honoring the Drawing under the Citibank Letter of Credit with respect to such Citibank Covered Note, the Citibank Letter of Credit shall be terminated and returned to Citibank, (c) deliver to the Issuing and Paying Agent a notice in the form set forth in the Citibank Letter of Credit (a “**Reduction Notice**”) and on the maturity date for the last Citibank Covered Note to mature which was issued and outstanding prior to the delivery of such Reduction Notice, the Stated Amount of the Citibank Letter of Credit shall be reduced to the principal amount of Citibank Covered Notes outstanding on the date of the issuance of the Reduction Notice, (d) cure any default, event of default or event of nonperformance under the Citibank Reimbursement Agreement or under any of the other Related Documents or (e) exercise any other rights or remedies available under any Related Document, any other agreement or at law or in equity.

Upon the occurrence of a Citibank Event of Default described under clauses (b), (c), (l)(i) or (h) under the caption “Events of Default” set forth above, Citibank may, by notice to LACMTA and the Subordinate Trustee, declare all outstanding Obligations of LACMTA (including, without limitation, outstanding Reimbursement Obligations) to be immediately due and payable (provided that the obligations of LACMTA under the Citibank Reimbursement Agreement shall become automatically and immediately due and payable without such notice upon

the occurrence of a Citibank Event of Default described under clause (b) or (c) under the caption “Events of Default” set forth above or under Section 8.01(e) under the Senior Trust Agreement, such acceleration shall automatically occur (unless such automatic acceleration is expressly waived by Citibank in writing)), and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are thereby waived by LACMTA.

The rights and remedies of Citibank specified in the Citibank Reimbursement Agreement are for the sole and exclusive benefit, use and protection of Citibank, and Citibank is entitled, but shall have no duty or obligation to LACMTA, the Subordinate Trustee, the Issuing and Paying Agent, the holders of any Senior Lien Bonds or Subordinate Lien Obligations or any other Person, (i) to exercise or to refrain from exercising any right or remedy reserved to Citibank under the Citibank Reimbursement Agreement, or (ii) to cause the Subordinate Trustee, the Issuing and Paying Agent or any other Person to exercise or to refrain from exercising any right or remedy available to it under any of the Related Documents (as defined in the Citibank Reimbursement Agreement).

PROPOSITION A SALES TAX AND COLLECTIONS

The Proposition A Sales Tax

Under the California Public Utilities Code, LACMTA is authorized to adopt retail transactions and use tax ordinances applicable in the incorporated and unincorporated territory of the County in accordance with California’s Transaction and Use Tax Law (California Revenue and Taxation Code Section 7251 et seq.), upon authorization by a specified percentage of the electors voting on the issue. In accordance with the County Transportation Commissions Act (Section 130000 et seq. of the California Public Utilities Code (the “*Transportation Commissions Act*”)), the Los Angeles County Transportation Commission (as predecessor to LACMTA), on August 20, 1980, adopted Ordinance No. 16 (“*Ordinance No. 16*”) which imposed a retail transactions and use tax. Ordinance No. 16 was submitted to the electors of the County in the form of “Proposition A” and approved at an election held on November 4, 1980. Ordinance No. 16 imposes a tax of 1/2 of 1% of the gross receipts of retailers from the sale of tangible personal property sold at retail in the County and a use tax at the same rate upon the storage, use or other consumption in the County, subject to certain limited exceptions. The retail transactions and use tax imposed by Ordinance No. 16 and approved by the voters with the passage of Proposition A is referred to in this Offering Memorandum as the “*Proposition A Sales Tax*.” As approved by the voters, the Proposition A Sales Tax is not limited in duration. The validity of the Proposition A Sales Tax was upheld in 1982 by the California Supreme Court in *Los Angeles County Transportation Commission v. Richmond*.

Collection of the Proposition A Sales Tax is administered by CDTFA, which imposes a charge for administration. Such charge is based on the actual costs incurred by CDTFA in connection with the administration of the collection of the Proposition A Sales Tax. In accordance with Ordinance No. 16, LACMTA is required to allocate the proceeds of the Proposition A Sales Tax as follows:

Proposition A Sales Tax Apportionment

Use	Percentage
Local Allocation	25%
Rail Development Program ¹	35%
Discretionary	<u>40%</u>
TOTAL	100%²

¹ Pursuant to the Act of 1998 (as defined herein) LACMTA is prohibited from spending Proposition A Sales Tax revenues on the costs of planning, design, construction or operation of any New Subway (as defined herein), including debt service on bonds, notes or other evidences of indebtedness issued for such purposes after March 30, 1998. See “—Initiatives and Changes to Proposition A Sales Tax—The Act of 1998” below.

² Up to 5% of the Proposition A Sales Tax revenues received by LACMTA may be used by LACMTA to pay administrative costs. Administrative costs are payable only from Proposition A Sales Tax revenues that have been released to LACMTA and are no longer Pledged Revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES—Net Pledged Revenues—Flow of Funds (Proposition A Sales Tax)” above.

Source: LACMTA

As described below, CDTFA has agreed to remit directly on a monthly basis the remaining Proposition A Sales Tax revenues to the Senior Trustee after deducting the costs of administering the Proposition A Sales Tax and disbursing the Local Allocation to LACMTA (which for purposes of administrative ease, is first transferred to the Senior Trustee who then disburses the Local Allocation to LACMTA). After application of Proposition A Sales Tax revenues to the funds and accounts related to the Senior Lien Bonds in accordance with the Senior Trust Agreement, the Senior Trustee is required to transfer the remaining unapplied Proposition A Sales Tax revenues for deposit to the funds and accounts established and maintained for the Second Tier Obligations and the Commercial Paper Notes and related obligations. Any Proposition A Sales Tax revenues remaining after the deposits described above are required to be released to LACMTA to be used by LACMTA to pay the Remaining Proposition A Obligations. The Commercial Paper Notes do not have a lien on and are not secured by any Proposition A Sales Tax revenues that are transferred to LACMTA to be used to pay the Remaining Proposition A Obligations, or for any lawful purposes of LACMTA.

The amount retained by CDTFA from collections of Proposition A Sales Tax is based on the total local entity cost reflected in the annual budget of the State of California, and includes direct, shared and central agency costs incurred by CDTFA. The amount retained by CDTFA is adjusted to account for the difference between CDTFA’s recovered costs and its actual costs during the prior two fiscal years. For fiscal years 2013 through 2018, CDTFA’s fee for administering the Proposition A Sales Tax was as follows:

Fiscal Year Ended (June 30)	Fee (\$’s in millions)	Percentage of Proposition A Sales Tax Revenues
2013	\$6.4	0.9%
2014	8.3	1.2
2015	8.6	1.2
2016	9.2	1.2
2017	9.2	1.2
2018	8.7	1.1

LACMTA assumes that such CDTFA fee may increase incrementally each year. CDTFA can change the fee at its discretion in the future.

Under the Senior Trust Agreement and the Subordinate Trust Agreement, LACMTA has covenanted that (a) it will not take any action which will impair or adversely affect in any manner the pledge of the Pledged Revenues or the rights of the holders of the Senior Lien Bonds or the Subordinate Obligations (including the Commercial Paper Notes) and (b) it will be unconditionally and irrevocably obligated, so long as any of the Senior Lien Bonds and the Subordinate Obligations (including the Commercial Paper Notes) are outstanding and unpaid, to take all lawful action necessary or required to continue to entitle LACMTA to receive the Pledged Revenues at the same rates as provided by law (as of the date of the Senior Trust Agreement), to pay from the Pledged Revenues and the Net Pledged Revenues the principal of and interest on the Senior Lien Bonds and the Subordinate Obligations, respectively, in the manner and pursuant to the priority set forth in the Senior Trust Agreement and the Subordinate Trust Agreement, and to make the other payments provided for in the Senior Trust Agreement and the Subordinate Trust Agreement.

Under the LACMTA Act, the State of California pledges to, and agrees with, the holders of any bonds and notes issued under the LACMTA Act and with those parties who may enter into contracts with LACMTA pursuant to the LACMTA Act that the State of California will not limit or alter the rights vested by the LACMTA Act in LACMTA until such bonds and notes, together with the interest thereon, are fully met and discharged and the contracts are fully performed on the part of LACMTA. However, such pledge and agreement does not preclude the State of California from changing the transactions and items subject to the statewide general sales tax and thereby altering the amount of Proposition A Sales Tax collected.

Initiatives and Changes to Proposition A Sales Tax

Proposition 218. In 1996, the voters of the State of California approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the California State Constitution. Among other things, Article XIII C removes limitations, if any, that exist on the initiative power in matters of local taxes, assessments, fees and charges. Even though LACMTA’s enabling legislation did not limit the initiative power of the electorate prior to Proposition 218, Proposition 218 has affirmed the right of the voters to propose initiatives that could influence the Proposition A Sales Tax.

The Act of 1998. One such initiative was approved by the voters of the County in 1998 in the form of the “Metropolitan Transportation Authority Reform and Accountability Act of 1998” (the “**Act of 1998**”). The Act of 1998 prohibits the use of Proposition A Sales Tax, among other things, to pay any costs of planning, design, construction or operation of any “New Subway,” including debt service on bonds, notes or other evidences of indebtedness issued for such purposes after March 30, 1998. “**New Subway**” is defined in the Act of 1998 to mean any rail line which is in a tunnel below the grade level of the earth’s surface (including any extension or operating segment thereof), except for Segment 1, Segment 2 and Segment 3 (North Hollywood) of the Metro Red Line. The Act of 1998 does not limit the use of Proposition A Sales Tax revenues to provide public mass transit improvements to railroad right-of-ways. The Act of 1998 does not limit in any way the collection of the Proposition A Sales Tax; it only limits the uses of such taxes. LACMTA believes that the proceeds of all obligations previously issued by LACMTA which are secured by the Proposition A Sales Tax have been used for permitted purposes under the Act of 1998. **Therefore, the Act of 1998 has no effect on LACMTA’s ability to continue to use the Proposition A Sales Tax to secure payment of its outstanding obligations secured by the Proposition A Sales Tax.**

Historical Proposition A Sales Tax Collections

The following table presents, among other things, collections of net Proposition A Sales Tax revenues and corresponding Pledged Revenues for the fiscal years ended June 30, 2009 through June 30, 2018.

**Historical Net Proposition A Sales Tax Revenues
Local Allocations and Pledged Revenues (dollars in millions)**

Fiscal Year	Net Proposition A Sales Tax Revenue ^{1,2}	Annual Percentage Change	Allocations to Local Governments ¹	Pledged Revenues ^{1,3}
2009	\$620.8	(9.15)%	\$155.2	\$465.6
2010	565.7	(8.88)	141.4	424.3
2011	601.9	6.40	150.5	451.4
2012	648.7	7.78	162.2	486.5
2013	687.2	5.93	171.8	515.4
2014 ⁴	717.1	4.35	179.3	537.8
2015	745.7	3.99	186.4	559.2
2016	763.6	2.40	190.9	572.7
2017	789.3	3.37	197.3	592.0
2018	836.5	5.98	209.1	627.4

¹ Rounded to the closest \$100,000.

² Reflects Proposition A Sales Tax revenues, as found in the LACMTA’s audited financial statements, less administrative fee paid to CDTFA but before local allocations.

³ Proposition A Sales Tax revenues for the fiscal years shown, less required allocations to local governments for transit purposes and less the administrative fee paid to CDTFA. Pledged Revenue is 75% of the Net Sales Tax Revenue.

⁴ LACMTA’s FY 2014 audited financial statements include an increase in Proposition A sales tax revenues of \$61.4 million due to an accounting accrual adjustment resulting in a one-time increase to the reported amount. Amounts shown for FY 2014 Net Sales Tax Revenue, Pledged Revenue and Debt Service Coverage are reported and calculated excluding the \$61.4 million accounting and accrual adjustment.

Source: LACMTA

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

General Description

The Los Angeles County Metropolitan Transportation Authority (“LACMTA”) is the largest public transit operator west of Chicago. As the principal transit provider in the southern California region, LACMTA serves about 75% of all transit trips within its 1,433 square mile service area, carrying an estimated 900,000 passengers per day on buses and nearly 350,000 passengers on rail. LACMTA operates four light rail lines, serving 80 stations along 80 miles of track and two heavy rail lines that serve 16 stations along 17.4 miles of track. In addition to the transit services provided by LACMTA, it also provides funding to 40 other municipal operators that offer fixed route service and more than 100 other local return and non-profit agencies that provide community-based transportation. LACMTA also provides highway construction funding and traffic flow management.

LACMTA was established in 1993 pursuant to the provisions of the LACMTA Act. LACMTA is the consolidated successor entity to both the Southern California Rapid Transit District (the “*District*”) and the Los Angeles County Transportation Commission (the “*Commission*”). As the consolidated successor entity, LACMTA succeeded to all powers, duties, rights, obligations, liabilities, indebtedness, bonded or otherwise, immunities and exemptions of the Commission and the District, including the Commission’s responsibility for planning, engineering and constructing a county-wide rail transit system. The Commission was authorized, subject to approval by the electorate of the County, to adopt a retail transaction and use tax ordinance, with the revenues of such tax to be used for public transit purposes. On November 4, 1980, the voters of the County approved the Proposition A Sales Tax pursuant to Ordinance No. 16. The Proposition A Sales Tax is in addition to a ½ of 1 percent sales tax imposed by LACMTA beginning in 1990 known as “*Proposition C Sales Tax*”, and a 30-year ½ of 1 percent sales tax imposed by LACMTA beginning in 2009 known as the “*Measure R Sales Tax*.” At the election held on November 8, 2016, more than two-thirds of the electors of the County voting on the issue approved an additional sales and use tax (the “*Measure M Sales Tax*”) to improve transportation and ease traffic congestion. The Measure M Sales Tax is a new

½ of 1 percent sales tax first imposed on July 1, 2017 that will increase to 1 percent in 2039 when the Measure R Sales Tax expires. The Measure M Sales Tax does not have a scheduled expiration date. No part of the revenues resulting from the imposition and collection of the Proposition C Sales Tax, the Measure R Sales Tax or the Measure M Sales Tax is pledged to secure, or is available for the payment of the principal of or interest accrued on, Commercial Paper Notes.

LACMTA is governed by a 14-member Board of Directors (the “*Board*”). The Board is composed of the five members of the County Board of Supervisors, the Mayor of the City of Los Angeles, two public members and one member of the City Council of the City of Los Angeles appointed by the Mayor of the City of Los Angeles, four members who are either a mayor or a member of a city council of a city in the County (other than the City of Los Angeles) and who have been appointed by the Los Angeles County City Selection Committee (comprised of individuals appointed by the Mayors of each city in the County), and a non-voting member appointed by the Governor.

Transportation Services

LACMTA is a multi-faceted transportation agency responsible for the coordination of transportation policy, funding and planning within the County as well as the development and operation of bus, light rail and heavy rail within the greater Los Angeles region. This breadth of services distinguishes LACMTA from other transportation agencies across the country.

Bus System. LACMTA operates the second largest bus system in the United States. LACMTA provides bus service within its service area in the County and to portions of Orange and Ventura Counties, operating a vehicle fleet of approximately 2,300 buses. LACMTA’s bus system covers over 160 routes and serves approximately 14,000 bus stops, including two premium bus rapid transit dedicated busways. System-wide, LACMTA buses provide approximately 6.4 million revenue service hours annually with an average of approximately 860,000 weekday boardings on a system-wide basis for the fiscal quarter ended December 31, 2018 and total boardings of 65.3 million for the fiscal quarter ended December 31, 2018, including Orange Line busway ridership. In addition, LACMTA contracts with outside service providers, with approximately 41,000 average weekday boardings for the fiscal quarter ended December 31, 2018 and total boardings of 3.2 million for the fiscal quarter ended December 31, 2018. Virtually all of LACMTA’s bus fleet is composed of compressed-natural gas (“CNG”) powered buses. As of March 1, 2019, the average age of LACMTA’s bus fleet was approximately 9.36 years. At the October 27, 2016 Board meeting, the Board approved a motion calling for staff to draw up plans to fully electrify LACMTA’s Orange Line by 2020. LACMTA received a \$4.3 million grant from the US Department of Transportation to partially fund the acquisition of five new 60-foot electric buses and eight new charging stations to be utilized on the Orange Line. In July, 2017, the LACMTA Board approved the purchase of approximately 95 electric buses to be added to its fleet and committed to converting the entire fleet to zero emission vehicles by 2030.

Metro Rapid Bus. In June 2000, LACMTA launched the Metro Rapid Demonstration Program (“Metro Rapid”). Initially, Metro Rapid consisted of two lines—one along Ventura Boulevard in the San Fernando Valley and the other along the Wilshire/Whittier transit corridor. In September 2002, based on the success of Metro Rapid, the Board adopted the Metro Rapid Five-Year Implementation Plan that identified additional Metro Rapid corridors to be implemented through Fiscal Year 2007-08. All of the 25 Metro Rapid corridors are now operating, covering approximately 400 miles in the City of Los Angeles, the County and 34 other cities. In addition to LACMTA, Santa Monica’s Big Blue Bus, Culver City Bus and Torrance Transit operate Metro Rapid. The Metro Rapid Program provides fast, frequent regional bus service throughout the County. Key features of the Metro Rapid Program include simple route layouts, frequent service, fewer stops, low-floor buses to facilitate boarding and alighting, color-coded buses and stations, and traffic signal priority.

Metro Orange Line. The Metro Orange Line is a 18-mile Bus Rapid Transit service that operates along an exclusive right-of way and transports thousands of commuters between Warner Center in the west San Fernando Valley to the Metro Red Line subway station in North Hollywood. The Metro Orange Line buses operate in exclusive lanes along a 13-mile stretch of LACMTA-owned right-of-way and one mile in mixed flow traffic on public streets. The Metro Orange Line has 18 stations, each located roughly one mile apart, with park and ride facilities at seven stations providing approximately 4,700 parking spaces. The Metro Orange Line Extension

Project, which opened in June 2012, extended the Orange Line four-miles north from the Canoga park-and-ride lot to the Chatsworth Amtrak/Metrolink Station.

Highway/ExpressLanes System. The ExpressLanes Program is a cooperative effort between Caltrans and LACMTA, and was originally funded through a combination of federal, State and local resources. As part of a congestion reduction demonstration program, LACMTA converted I-10 and I-110 High Occupancy Vehicle (“HOV”) Lanes to Express Lanes and provided the choice for drivers of single occupant vehicles to pay to travel in a high occupancy lane, based on dynamic congestion pricing. The general purpose lanes on these highways are not tolled. Current funding is provided by toll revenues generated by the Express Lanes. This program also includes improvements to the transit service along the freeways, and has funded transit facility and roadway improvements and provided funding to enhance system connectivity. In early 2017, the LACMTA Board approved a plan to convert additional existing HOV lanes to ExpressLanes in phases over the next 30 years.

Rail System. In 1992, the Commission developed a comprehensive rail rapid transit system development plan (the “Rail System”) which has been revised from time to time. The Rail System currently consists of four light rail lines: the Metro Blue Line, the Metro Green Line, the Metro Gold Line (including the Gold Line Eastside Extension) and the Exposition Line; and two heavy rail lines: Metro Red Line and the Metro Purple Line. The Rail System covers 98 miles and serves 93 stations, with weekday estimated ridership of approximately 350,000 for the fiscal quarter ended December 31, 2018.

Metro Blue Line. The Metro Blue Line is an approximately 22 mile light rail line that extends from downtown Los Angeles, where it links to the Metro Red Line, to the City of Long Beach. The Metro Blue Line passes through portions of the cities of Los Angeles, Long Beach, Compton, Carson and other cities, and certain unincorporated areas of the County. The Metro Blue Line consists of a dual-track line with 22 stations, with a fleet of 54 articulated rail cars and a primary maintenance facility (which also supports vehicles from the Metro Green Line) and yard located in Long Beach adjacent to the Long Beach Freeway with a storage and maintenance capacity of 89 vehicles. Passenger service began in July 1990. The Metro Blue Line had estimated ridership of approximately 4.9 million for the fiscal quarter ended December 31, 2018.

Metro Green Line. The Metro Green Line is a 19.5-mile light rail line linking the El Segundo employment area near the Los Angeles International Airport to the City of Norwalk near the San Gabriel River Freeway. The Metro Green Line has 14 stations including a station that intersects the Metro Blue Line and one that provides passenger connections to the Harbor Freeway Transitway, an elevated busway developed by Caltrans. The Metro Green Line began operations in August 1995, and had estimated ridership of approximately 2.5 million for the fiscal quarter ended December 31, 2018.

Metro Gold Line. The Metro Gold Line is a 13.7-mile light rail line which extends from downtown Los Angeles (where it links to the Metro Red Line) to the City of Pasadena. The Metro Gold Line consists of a dual-track line with 13 stations. The Metro Gold Line began operations in July 2003. The Gold Line Eastside Extension, which opened in November 2009, is a six-mile, dual track light rail system with eight new stations and one station modification. The system originates at Union Station in downtown Los Angeles, where it connects with the Metro Gold Line, traveling generally east to Pomona and Atlantic Boulevards through one of the most densely populated areas of the County. In March 2016, service began on an 11-mile extension of the Gold Line from Pasadena to Azusa. Estimated ridership for the entire Metro Gold Line was approximately 4.1 million for the fiscal quarter ended December 31, 2018.

The Metro Gold Line is being further extended as discussed below under “FUTURE TRANSPORTATION PROJECTS – Gold Line Foothill Extension.”

Exposition Line. The Exposition Line is an approximately 13.1 mile long light rail line that runs from downtown Los Angeles to Santa Monica along the Exposition Boulevard corridor. The first portion of the Exposition Line opened in June 2012 and extended approximately 8.6 miles from downtown Los Angeles to Culver City. The second portion, which began revenue operations in May 2016, extends 6.6 miles westward from Culver City to downtown Santa Monica and added seven stations to the Exposition Line. Estimated ridership for the Exposition Line was more than 4.96 million for the fiscal quarter ended December 31, 2018.

Metro Red Line and Metro Purple Line. The Metro Red Line and Metro Purple Line were designed as state-of-the-art, modern heavy rail subway lines comparable to transit systems in San Francisco, Atlanta and Washington, DC. The Metro Red Line and Metro Purple Line are dual-rail steel-wheeled, high speed rapid subway systems that originally were to consist of a 19.7 mile 18-station line that was to connect the Los Angeles central business district to the San Fernando Valley, through the Wilshire Corridor and Hollywood, and to East Los Angeles through Union Station. However, due to the “Metropolitan Transportation Authority Reform and Accountability Act of 1998” (the “Act of 1998”) and federal and State funding shortfalls, the development of the Metro Red Line and the Metro Purple Line were significantly reduced, including the indefinite suspension of certain extensions. The Act of 1998 prohibits LACMTA from utilizing any of the Proposition A Sales Tax or the Proposition C Sales Tax revenues for the costs of planning, design, construction or operation of any new subway, including debt service on any obligations issued for such purposes after March 30, 1998. However, the Act of 1998 did not prohibit LACMTA from continuing the construction of the Metro Red Line and the Metro Purple Line as long as such design, construction and operation are paid from other sources.

The Metro Red Line was constructed in segments. Segment 1 from Union Station to Alvarado Street opened in January 1993. Segment 2 extended west from Alvarado Street to Vermont Avenue where it branches north to Hollywood Boulevard/Vine Street and west to Wilshire Boulevard/Western Avenue. The west branch became operational in July 1996 and was renamed the Purple Line in August 2006. Segment 3 extending the north branch from Hollywood/Vine to North Hollywood opened in June 2000. The Red Line is 14.9 miles long with 14 stations. LACMTA is in the process of extending the Metro Purple Line from its current terminus at Wilshire/Western to the westside of Los Angeles. This project is described under “FUTURE TRANSPORTATION IMPROVEMENTS—Transit Projects” below. Estimated ridership for the entire Metro Red and Purple Lines was approximately 11.0 million for the fiscal quarter ended December 31, 2018.

Commuter Rail. The Southern California Regional Rail Authority (“SCRRA”) oversees commuter rail services in the region that includes Los Angeles, Riverside, Ventura, Orange, San Bernardino and San Diego Counties. SCRRA operates the Metrolink system, which consists of seven lines totaling 512 miles and 55 stations and is primarily geared toward providing commuter rail service from outlying communities to downtown Los Angeles. Average weekday boardings were approximately 40,000 for the fiscal quarter ended December 31, 2018. LACMTA is the Los Angeles County participant in SCRRA and contributes funds to SCRRA. Other participants include the Orange County Transportation Authority, the Riverside County Transportation Commission, the San Bernardino Association of Governments and the Ventura County Transportation Authority.

Transit System Enterprise Fund. LACMTA accounts for the revenues and expenses of its transit system as an enterprise fund, separate from accounting of its governmental funds, such as the Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues. As is generally true with large transit systems, the operating expenses for LACMTA’s transit system greatly exceed operating revenues. The Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues are a primary source of funding for the transit system. Additionally, LACMTA relies heavily on other local, State and federal sources to pay for operating expenses and capital improvements. LACMTA is currently undertaking future transit improvements to the transit system, which require substantial investment and increase operating costs. As the system expands, LACMTA is committed to looking for additional revenue sources, to re-prioritize existing and new programs, and to regularly reassessing the service provided to minimize duplication and improve efficiency. Proposition A Sales Tax revenues are available to pay operating expenses only after debt service on the First Tier Senior Lien Bonds and certain other amounts are paid. See “SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES – Flow of Funds.”

Future Transportation Improvements

LACMTA, as the State-designated planning and programming agency for the County, identifies future transportation needs and transportation funding and construction priorities in the County. LACMTA prepares a Long Range Transportation Plan that identifies the costs of major transportation projects and the anticipated funding sources.

Capital Planning. In October 2009, the Board approved a 2009 Long Range Transportation Plan (“2009 LRTP”) which updated the prior Long Range Transportation Plan. LACMTA’s capital program is built on two major planning documents, the Long Range Transportation Plan, which has a 40-year vision and a financial forecast

component, most recently updated for the Board in October, 2017 (as updated, the “LRTP Financial Forecast”), and the Short Range Financial Forecast, a ten-year plan last updated for the Board in October 2018 and guiding capital investment through 2028. These plans incorporate the mix of projects approved by voters in concert with the four sales tax measures that fund a large share of Metro’s operations and capital programs. Annually, LACMTA’s Office of Management and Budget reviews the active projects called for in the LRTP Financial Forecast and the Short Range Financial Forecast, and prepares a proposed budget recommending project appropriations as part of the annual Capital Program, which is incorporated within the overall annual agency budget.

The LRTP Financial Forecast reflects LACMTA’s assessment of growth patterns, regional congestion, strategies to improve local air quality, transit-oriented development, the latest technical assumptions and climate change issues (as determined in the 2009 LRTP), and incorporates both the Measure R and Measure M “Expenditure Plans,” which identify the projects and programs to be pursued, and the amount and timing of sales tax expenditures. The 2009 LRTP is being updated and a new Long Range Transportation Plan is expected to be adopted by 2020.

The Short Range Financial Forecast is a ten-year component of the LRTP Financial Forecast and reflects LACMTA’s financial plan for operations and capital investments into the transit system and identifies a funding strategy from future transportation revenues. The Short Range Financial Forecast includes a financial baseline that addresses LACMTA’s current and known future operations, maintenance and capital financial commitment under a set of growth assumptions.

The LRTP Financial Forecast and the Short Range Financial Forecast are the guiding policies behind funding decisions on subsequent transportation projects and programs in the County and guide the programming of funds in the federally-mandated transportation improvement program (“TIP”). The TIP includes a listing of all transportation-related projects that require federal funding or other approval by the federal transportation agencies of USDOT. The TIP also lists non-federal, “regionally significant” projects for informational and air quality modeling purposes. Major capital projects and programs that are identified in the LRTP Financial Forecast and Short Range Financial Forecast have priority for future programming of funds, subject to the funding restrictions in the Expenditure Plans and Board-adopted funding policies. While these projects and programs require further Board approval at various stages of their development, they are priorities for further planning, design, construction and the pursuit of additional funding.

The Short Range Financial Forecast, and the subsequent updated financial forecasts include projections of debt financing by LACMTA composed of a combination of Proposition A, Proposition C, Measure R and Measure M secured debt. The Short Range Financial Forecast updates the assumptions about debt issuance and assumes approximately \$7.1 billion in new long-term debt financing from Fiscal Year 2019 through Fiscal Year 2028, not including the TIFIA loans described under “—Transit Projects” below. The Short Range Financial Forecast assumes the funding of approximately \$833.3 million, \$1.5 billion, \$1.2 billion, and \$3.5 billion through the issuance of additional Proposition A First Tier Senior Lien Bonds, Proposition C Senior Bonds, Measure R Senior Bonds, and Measure M Senior Bonds respectively, from Fiscal Year 2019 through Fiscal Year 2028.

The Long Range Transportation Plan, the LRTP Financial Forecast and the Short Range Financial Forecast are planning tools and therefore the timing and amount of any debt issuance is likely to change. The actual amount and timing of any debt issuance depends on a number of factors including the actual scope, timing and cost of transportation projects, the ability to obtain funding from other sources and the amount of Proposition A, Proposition C, Measure R and Measure M Sales Tax revenues available to fund the projects in the LRTP Financial Forecast and the Short Range Financial Forecast.

Transit Projects. LACMTA has several major transit projects in planning and under construction: the Crenshaw/LAX Transit Project, the Regional Connector and the Westside Purple Line Extension.

Crenshaw/LAX Transit Project. The Crenshaw/LAX Transit Project is a north/south corridor that serves the cities of Los Angeles, Inglewood, Hawthorne and El Segundo as well as portions of unincorporated Los Angeles County. The line extends 8.5 miles, from the intersection of Crenshaw and Exposition Boulevards to a connection with the Metro Green Line at the Aviation/LAX Station. The total project budget is currently \$2.06 billion. The costs of the project are expected to be paid from Measure R Sales Tax revenues, Proposition A Sales Tax revenues, Proposition C Sales Tax revenues, other local sources, and federal and State sources. The project has received a

\$546 million TIFIA loan, which is to be repaid from available Measure R Sales Tax. LACMTA has drawn the full amount of such TIFIA loan.

Regional Connector. The Regional Connector is a 1.9-mile light rail line with three underground stations in downtown Los Angeles. The Project will provide a direct connection from the 7th/Metro Center Station to the existing Metro Gold Line tracks to the north and east of 1st and Alameda. This connection will provide through service between the Metro Blue Line, Metro Gold Line and Metro Exposition Line corridors. The total project budget is currently \$1.81 billion. LACMTA has been awarded a \$669.9 million federal grant for the Regional Connector project. Additionally, the project has received a \$160 million TIFIA loan, which is to be repaid from Measure R Sales Tax revenues. As of March 1, 2019, LACMTA has drawn down \$135.7 million of the TIFIA loan proceeds. The remaining project costs are expected to be paid from federal, State and local sources (other than Proposition A Sales Tax Revenues).

Westside Purple Line Extension. The Westside Purple Line Extension (the “Purple Line Extension”) is an extension of the Metro Purple Line from its current terminus at Wilshire/Western to the westside of Los Angeles. The Board has certified the Final Environmental Impact Report and has adopted the project definition for the nine-mile Purple Line Extension. The Purple Line Extension currently is planned to be constructed in three sections.

Section 1 of the Purple Line Extension is currently under construction and extends the existing Metro Purple Line by 3.92 miles beginning at the Wilshire/Western Station to the City of Beverly Hills and adds three stations to the Phase 1 terminus at Wilshire/La Cienega. The total budget for Section 1 of the Purple Line Extension is \$2.53 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a \$1.25 billion federal grant and has entered into an agreement for an \$856 million TIFIA loan, to be repaid from Measure R Sales Tax revenues, with respect to Section 1 of the Purple Line Extension. As of March 1, 2019, LACMTA had drawn down \$340.6 million of such TIFIA loan proceeds. The remaining project costs for Section 1 are expected to be paid from Measure R Sales Tax revenues, State sources and other local sources (other than Proposition A Sales Tax Revenues).

Section 2 of the Purple Line Extension is currently under construction and extends the existing Metro Purple Line by 2.59 miles beginning at the future Section 1 Wilshire/La Cienega Station to Century City and adds two new stations. The total budget for Section 2 of the Purple Line Extension is estimated at \$2.28 billion, excluding finance charges and unallocated contingency. LACMTA has been awarded a \$1.187 billion federal grant and has entered into an agreement for a TIFIA loan for \$307 million to be repaid from Measure R Sales Tax revenues. As of March 1, 2019, LACMTA had drawn down \$207 million of such TIFIA loan proceeds. The remaining project costs for Section 2 are expected to be paid from Measure R Sales Tax revenues, other Federal sources, and State sources.

Section 3 of the Purple Line Extension will extend the existing Metro Purple Line by 2.56 miles beginning at the future Section 2 Century City Constellation Station to the Westwood VA Hospital and add two stations. The total budget for Section 3 of the Purple Line Extension is \$2.76 billion, excluding finance charges and unallocated contingency. Approximately \$1.44 billion in funds is expected to come from Federal sources, the remaining funds are expected to come from other sources (not including Proposition A Sales Tax Revenues).

Gold Line Foothill Extension. LACMTA plans to extend the Metro Gold Line 12.3 miles from Azusa to Claremont. However, due to unfavorable economic conditions affecting bid prices, the project is now building out to an interim terminus at Pomona. LACMTA is currently working with the Gold Line Foothill Extension Construction Authority (“GLFECA”), an independent transportation planning and construction agency created in 1999. The GLFECA is tasked with designing and constructing the line. Once built, LACMTA will operate it in conjunction with existing LACMTA rail services. The total project budget for Phase 1 of the extension is \$1.4 billion. Project costs are expected to be paid primarily from Measure M Sales Tax Revenues and State sources. The GLFECA will continue to seek funds to extend the project to Claremont. In addition, the San Bernardino Associated Governments has requested that an additional station in Montclair be added to the plans for the second phase, if this occurs, the extension to Montclair and the Montclair station would be funded by San Bernardino County, not by LACMTA.

Outstanding Proposition A Sales Tax Obligations

LACMTA currently may issue three priority levels of obligations secured by Proposition A Sales Tax revenues: Senior Lien Bonds, Second Tier Obligations and Third Tier Obligations (the third of which includes the Commercial Paper Notes). LACMTA has incurred other obligations which are secured by certain “remaining” Proposition A Sales Tax cash receipts. LACMTA had outstanding the following Proposition A Sales Tax obligations as of January 1, 2019: Senior Lien Bonds in the aggregate principal amount of \$1,187,295,000, and Third Tier Obligations consisting of Commercial Paper Notes in the aggregate principal amount of \$105,000,000. As of January 1, 2019, LACMTA did not have any Second Tier Obligations outstanding.

Miscellaneous

LACMTA maintains a website at www.metro.net. Information on such website is not part of this Offering Memorandum nor has such information been incorporated by reference herein, and such website should not be relied upon in deciding whether to invest in the Commercial Paper Notes.

INVESTMENT CONSIDERATION

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF A SERIES OF COMMERCIAL PAPER NOTES, PROSPECTIVE PURCHASERS OF SUCH SERIES OF COMMERCIAL PAPER NOTES SHOULD RELY SOLELY ON THE CREDIT STRENGTH OF THE APPLICABLE BANK PROVIDING THE RELATED LETTER OF CREDIT AND NOT ON THE CREDIT STRENGTH OF LACMTA. The purchase and ownership of the Commercial Paper Notes involve investment risk. Prospective purchasers of the Commercial Paper Notes are urged to read this Offering Memorandum in its entirety.

TAX MATTERS

On January 24, 1991, Kutak Rock & Campbell and Grant & Duncan delivered the initial tax-exempt opinion with respect to interest on the Tax-Exempt Notes. On January 10, 1994, Kutak Rock, Los Angeles, California, delivered its legal opinions in connection with certain amendments to the Subordinate Trust Agreement and the First Supplemental Trust Agreement, and the extension of the Program Termination Date. According to the January 10, 1994 opinion, the January 24, 1991 opinion is not withdrawn, but is superseded thereby. The form of the January 10, 1994 opinion of Kutak Rock is attached hereto as Appendix B. Paragraph 4 of the January 10, 1994 opinion only applies to the Tax-Exempt Notes.

THE DEALERS

LACMTA has appointed Barclays Capital Inc., Goldman Sachs & Co. LLC, and RBC Capital Markets, LLC, as dealers with respect to the offering and sale of the Commercial Paper Notes (the “*Dealers*”). Under the respective dealer agreements, by and between LACMTA and each of the respective Dealers, the Dealers have no commitment to purchase any of the Commercial Paper Notes, but are obligated only to use their best efforts as agents of LACMTA to solicit and arrange sales of the Commercial Paper Notes on behalf of LACMTA.

RATINGS

See “SUMMARY OF THE BANKS, THE LETTERS OF CREDIT AND THE RATINGS” on the inside front cover of this Offering Memorandum for the ratings on the Commercial Paper Notes. The ratings on the Commercial Paper Notes provided by the respective rating agencies are based, in part, on information provided by LACMTA and the Banks. Such ratings reflect only the respective views of such rating agencies, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that a rating will continue for any given period of time or that a rating will not be revised or withdrawn entirely by the rating agency which issued that rating, if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market prices of the Commercial Paper Notes. Additional information can be obtained directly from the rating agencies at:

Moody's Investors Service
7 World Trade Center
250 Greenwich Street
New York, NY 10007
Telephone: (212) 553-0300

S&P Global Ratings
55 Water Street
New York, NY 10041
Telephone: (212) 438-2124

NO CONTINUING DISCLOSURE OBLIGATION

The Commercial Paper Notes are exempt from the continuing disclosure requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

ADDITIONAL INFORMATION

The purpose of this Offering Memorandum is to provide information to purchasers of the Commercial Paper Notes. The information contained herein has been obtained from LACMTA, the Banks, DTC, and other sources believed to be reliable. No attempt is made herein to summarize the Subordinate Trust Agreement, the Issuing and Paying Agent Agreement, the Reimbursement Agreements, the terms and provisions of the Commercial Paper Notes or other matters which may be material to a decision to purchase the Commercial Paper Notes. Purchasers of Commercial Paper Notes are expected to conduct their own due diligence and analysis prior to making an investment decision.

The references herein to the Subordinate Trust Agreement, the Issuing and Paying Agent Agreement, the Commercial Paper Notes, the Letters of Credit and the Reimbursement Agreements do not purport to be complete or definitive, do not constitute summaries thereof and are qualified in their entirety by reference to the provisions thereof. Copies of the Subordinate Trust Agreement, the Issuing and Paying Agent Agreement, the Letters of Credit and the Reimbursement Agreements are on file with the Subordinate Trustee.

Requests for any of the foregoing should be directed to:

U.S. Bank National Association
100 Wall Street, 16th Floor
New York, New York 10005
Telephone: (212) 951-8512
Attention: Corporate Trust Services

This Offering Memorandum is submitted in connection with the issuance and sale of the Commercial Paper Notes and may not be reproduced or used, in whole or in part, for any other purpose. The information contained herein and in the Appendices hereto is subject to change without notice and neither the delivery hereof nor any sale made hereunder will create any implication that there has been no change in the affairs of LACMTA or the Banks since the date hereof.

Any statements in this Offering Memorandum involving matters of opinion, projections or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. Neither any advertisement of the Commercial Paper Notes nor this Offering Memorandum is to be construed as constituting a contract or agreement between LACMTA and the purchasers or owners of the Commercial Paper Notes.

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APPENDIX A

CERTAIN INFORMATION REGARDING THE BANKS

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF A SERIES OF COMMERCIAL PAPER NOTES, PROSPECTIVE PURCHASERS OF SUCH SERIES OF COMMERCIAL PAPER NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE APPLICABLE BANK PROVIDING THE RELATED LETTER OF CREDIT AND NOT ON THE CREDIT OF LACMTA.

The following information relates to and has been furnished by the respective Bank for inclusion herein. No other party has independently verified or assumes any responsibility for such information, and each of LACMTA and the Dealers cannot and do not make any representation as to the accuracy or completeness of such information or the absence of material adverse changes in such information subsequent to the date hereof. The delivery of this Offering Memorandum shall not create any implication that there has been no change in the affairs of any of the Banks since the date hereof or that the information contained or referred to in this section is correct as of any time subsequent to the date hereof.

BARCLAYS BANK PLC

Barclays Bank PLC (the Bank, and together with its subsidiary undertakings, the Bank Group) is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered and head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0) 20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from “Barclays Bank International Limited” to “Barclays Bank PLC”. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the Group) is the ultimate holding company of the Group.

The Group is a transatlantic consumer and wholesale bank with global reach offering products and services across personal, corporate and investment banking, credit cards and wealth management anchored in the Group’s two home markets of the UK and the US. The Group is organised into two clearly defined business divisions – Barclays UK division and Barclays International division. These are housed in two banking subsidiaries – Barclays UK sits within Barclays Bank UK PLC and Barclays International sits within the Bank – which operate alongside Barclays Services Limited but, in accordance with the requirements of ring-fencing legislation, independently from one another. Barclays Services Limited drives efficiencies in delivering operational and technology services across the Group.

The Bank and the Bank Group offer products and services designed for the Group’s larger corporate, wholesale and international banking clients.

The short term unsecured obligations of the Bank are rated A-1 by Standard & Poor’s Credit Market Services Europe Limited, P-1 by Moody’s Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term unsecured unsubordinated obligations of the Bank are rated A by Standard & Poor’s Credit Market Services Europe Limited, A2 by Moody’s Investors Service Ltd. and A+ by Fitch Ratings Limited.

Based on the Bank Group’s audited financial information for the year ended December 31, 2018, the Bank Group had total assets of £877,700m (2017: £1,129,343m), total net loans and advances of £1,36,959m (2017: £324,590m), total deposits of £1,99,337m (2017: £399,189m), and total equity of £47,711m (2017: £65,734m) (including non-controlling interests of £2m (2017: £1m)). The profit before tax of the Bank Group for the year ended 31 December 2018 was £1,286m (2017: £1,758m) after credit impairment charges and other provisions of £643m (2017: £1,553m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Bank for the year ended December 31, 2018.

Barclays Bank PLC is responsible only for the information contained in this Appendix A under the heading “Barclays Bank PLC” and did not participate in the preparation of, or in any way verify the information contained in, any other part of this Offering Memorandum. Accordingly, Barclays Bank PLC assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of this Offering Memorandum.

CITIBANK, N.A.

Citibank was originally organized on June 16, 1812, and now is a national banking association organized under the National Bank Act of 1864. Citibank is an indirect wholly owned subsidiary of Citigroup Inc. (“Citigroup”), a Delaware holding company.

The long term ratings of Citibank and its consolidated subsidiaries are as follows:

Rating Agency	Long-Term	Short-Term	Outlook
Moody’s	Aa3	P-1	Stable
S&P	A+	A-1	Stable
Fitch	A+	F1	Stable

Citibank is a commercial bank that, along with its subsidiaries and affiliates, offers a wide range of banking and trust services to its customers throughout the United States and the world. As a national bank, Citibank is a regulated entity permitted to engage only in banking and activities incidental to banking. Citibank is primarily regulated by the Office of the Comptroller of the Currency (the “Comptroller”), which also examines its loan portfolios and reviews the sufficiency of its allowance for credit losses.

Citibank’s deposits at its U.S. branches are insured by the Federal Deposit Insurance Corporation (the “FDIC”) and are subject to FDIC insurance assessments. The Letter of Credit is not insured by the FDIC or any other regulatory agency of the United States or any other jurisdiction. Citibank may, under certain circumstances, be obligated for the liabilities of its affiliates that are FDIC-insured depository institutions.

Under U.S. law, deposits in U.S. offices and certain claims for administrative expenses and employee compensation against a U.S. insured depository institution which has failed will be afforded a priority over other general unsecured claims, including deposits in non-U.S. offices and claims under non-depository contracts in all offices, against such an institution in the “liquidation or other resolution” of such an institution by any receiver. Such priority creditors (including the FDIC, as the subrogee of insured depositors) of such FDIC-insured depository institution will be entitled to priority over unsecured creditors in the event of a “liquidation or other resolution” of such institution.

For further information regarding Citibank, reference is made to the Annual Report on Form 10-K of Citigroup and its subsidiaries for the year ended December 31, 2018, filed by Citigroup with the Securities and Exchange Commission (the “SEC”). Copies of Citigroup’s 10-K may be obtained, upon payment of a duplicating fee, by writing to the SEC at 100 F Street, N.E., Washington, D.C. 20549. In addition, Citigroup’s 10-K is available at the SEC’s web site (<http://www.sec.gov>).

In addition, Citibank submits quarterly to the Comptroller certain reports called “Consolidated Reports of Condition and Income for a Bank With Domestic and Foreign Offices” (“Call Reports”). The Call Reports are on file with, and publicly available at, the Comptroller’s offices at 250 E Street, SW, Washington, D.C. 20219 and are also available on the web site of the FDIC (<http://www.fdic.gov>). Each Call Report consists of a Balance Sheet, Income Statement, Changes in Equity Capital and other supporting schedules at the end of and for the period to which the report relates.

Any of the reports referenced above are available upon request without charge from Citi Document Services by calling toll-free at (877) 936-2737 (outside the United States at (716) 730-8055), by e-mailing a request to docserv@citi.com or by writing to: Citi Document Services, 540 Crosspoint Parkway, Getzville, New York 14068.

The information contained under “CERTAIN INFORMATION REGARDING THE BANKS—Citibank, N.A.” in this Offering Memorandum relates to and has been obtained from Citibank. The information concerning Citibank contained herein is furnished solely to provide limited introductory information regarding Citibank and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced above.

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APPENDIX B

FORM OF KUTAK ROCK'S OPINION DATED JANUARY 10, 1994

January 10, 1994

Los Angeles County Metropolitan
Transportation Authority
818 West Seventh Street
Los Angeles, CA 90017

\$350,000,000
Los Angeles County Metropolitan Transportation Authority
Second Subordinate Sales Tax Revenue
Commercial Paper Notes Series A

Ladies and Gentlemen:

We have served as Note Counsel in connection with the authorization and issuance by the Los Angeles County Metropolitan Transportation Authority (the "Authority"), the successor agency to the Southern California Rapid Transit District and the Los Angeles County Transportation Commission, duly organized and existing pursuant to Chapter 2, Division 12 of the California Public Utilities Code (commencing with Section 130050.2), of its Second Subordinate Sales Tax Revenue Commercial Paper Notes, Series A (the "Commercial Paper Notes"), that have been authorized to be issued in an amount not to exceed \$350,000,000 in principal and interest accrued outstanding at any one time. The Commercial Paper Notes are authorized to be issued pursuant to the laws of the State of California, including Chapter 5 of Division 12 of the California Public Utilities Code and Chapter 11 of Division 6, Title 1 of the California Government Code (collectively the "Act"). The Commercial Paper Notes are being issued pursuant to a resolution of the Authority adopted on January 23, 1991 (the "Resolution"), and a Subordinate Trust Agreement dated as of January 1, 1991 (the "Master Agreement"), a First Supplemental Subordinate Trust Agreement dated as of January 1, 1991 (the "Supplemental Agreement") and a Second Supplemental Subordinate Trust Agreement dated as of January 1, 1994 (the "Second Supplemental Agreement"), all between the Authority and BankAmerica National Trust Company, as the successor to Security Pacific National Trust Company (New York), as trustee (the "Trustee").

In connection with the issuance of the Commercial Paper Notes, we have examined a record of proceedings relative to the Commercial Paper Notes submitted to us, including certified copies of the Resolution, the Master Agreement, the Supplemental Agreement, the Second Supplemental Agreement and the form of the Commercial Paper Notes.

We have also examined certificates of the Authority, the Trustee and others as to certain factual matters and such other documents, opinions, records and matters as we have deemed necessary in rendering our opinion set forth in this letter.

The Authority has previously entered into a Trust Agreement dated as of July 1, 1986 (the "Senior Lien Trust Agreement") between the Authority and First Interstate Bank of California, the senior trustee, and, under such Senior Lien Trust Agreement, the Authority has pledged the retail transactions and use tax imposed by Ordinance No. 16 ("Ordinance No. 16") adopted by the Authority on August 20, 1980 and approved by the electors of Los Angeles County on November 4, 1980, less 25% thereof which is allocated to certain local jurisdictions as provided in Ordinance No. 16 and less the administrative fee deducted by the State Board of Equalization (the "Pledged Revenues"). Simultaneously with the execution and delivery of the Master Agreement and the Supplemental Agreement, the Authority will enter into a supplemental agreement to the Senior Lien Trust Agreement directing that Pledged Revenues remaining after deposits required under the Senior Lien Trust Agreement have been made (the "Net Pledged Revenues") be paid to the Trustee. The Commercial Paper Notes are secured by a lien on and pledge of the Net Pledged Revenues, which are more specifically defined in the Supplemental Agreement as those Pledged Revenues remaining after the Senior Lien Trustee has made deposits described in clauses (a) to (d), inclusive, of Section 4.05 of the Senior Lien Trust Agreement.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE COMMERCIAL PAPER NOTES, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE COMMERCIAL PAPER NOTES.

In examining the documents, records and matters referred to in this opinion, we have not undertaken to independently verify the accuracy of the factual matters represented, warranted or certified therein, and we have assumed compliance with the covenants and agreements contained in the Master Agreement, the Supplemental Agreement, the Second Supplemental Agreement and the Tax Regulatory Certificate.

Based on the foregoing and in reliance thereon, as of the date hereof, we are of the opinion that:

1. The Authority is a county transportation authority duly organized and existing pursuant to Sections 130050.2 et seq. of the California Public Utilities Code.

2. The Authority has, and the above-described proceedings show, lawful authority for the execution and delivery of the Master Agreement, the Supplemental Agreement, the Second Supplemental Agreement and the Tax Regulatory Certificate under the laws of the State of California, and each of such documents has been duly authorized, executed and delivered and constitutes a valid, legal and binding obligation of the Authority, enforceable against the Authority in accordance with its terms.

3. Such proceedings show lawful authority for the issuance of the Commercial Paper Notes under the laws of the State of California, and assuming due authentication and delivery pursuant to the terms of the Supplemental Agreement, the Commercial Paper Notes, when issued, will constitute valid and binding special obligations of the Authority, payable in accordance with their terms. The principal of and interest on the Commercial Paper Notes shall be payable solely from and are secured by a pledge of the Net Pledged Revenues, the proceeds of Commercial Paper Notes issued to retire outstanding Commercial Paper Notes, Additional Payment Sources as defined in the Supplemental Agreement and amounts available to the Trustee under an irrevocable direct pay letter of credit on deposit with the Trustee.

4. Under laws, regulations, rulings and judicial decisions existing on the date of this opinion, interest on the Commercial Paper Notes (a) is excluded from gross income for federal income tax purposes and (b) is not a specific preference item for purposes of the alternative minimum tax imposed on individuals and corporations by the Internal Revenue Code of 1986, as amended, (the "Code"). Interest on the Commercial Paper Notes received by the owners thereof, however, will be included in the adjusted current earnings of certain corporations and such corporations are required to include in the calculations of alternative minimum taxable income 75% of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses). The opinions set forth in the first sentence of this paragraph are subject to continuing compliance by the Authority with the covenants regarding federal tax law in the Tax Regulatory Certificate. Failure to comply with such covenants could cause interest on the Commercial Paper Notes to be included in gross income retroactive to the date of issue of the Commercial Paper Notes. The accrual or receipt of interest on the Commercial Paper Notes may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular status or other items of income or deduction. We express no opinion regarding any such consequences.

5. Pursuant to the Act, interest on the Commercial Paper Notes is exempt from all taxes on income in the State of California.

The obligations of the Authority and the security provided therefor, as contained in the Commercial Paper Notes, the Master Agreement and the Supplemental Agreement may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect.

This opinion letter shall be deemed delivered on each Business Day unless and until Note Counsel advises the Authority and the Trustee by telephonic notice, confirmed in writing, that this opinion letter is withdrawn. The opinions expressed in Paragraph 4 and 5 may be withdrawn in the event of a change in laws, regulations, rulings or judicial decisions applicable to the Commercial Paper Notes or the Authority or a failure of compliance by the Authority with the covenants regarding federal tax contained in the Master Agreement, the Supplemental Agreement and the Tax Regulatory Certificate.

This opinion letter supersedes the opinion letter delivered by Kutak Rock & Campbell and Grant & Duncan on January 24, 1991, in conjunction with initial issuance of the Commercial Paper Notes by the Authority. The January 24, 1991 opinion letter is not being withdrawn but superseded in order to provide certain updated information.

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APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the caption “—General” below has been provided by The Depository Trust Company (“DTC”). LACMTA, the Subordinate Trustee, the Issuing and Paying Agent and the Dealers make no representation as to the accuracy or the completeness of such information. The Beneficial Owners (as defined below) of the Commercial Paper Notes should confirm the following information with DTC, the Direct Participants (as defined below) or the Indirect Participants (as defined below).

NONE OF LACMTA, THE SUBORDINATE TRUSTEE OR THE ISSUING AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF COMMERCIAL PAPER NOTES UNDER THE SUBORDINATE TRUST AGREEMENT; (C) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE OWNERS OF THE COMMERCIAL PAPER NOTES; (D) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF COMMERCIAL PAPER NOTES; OR (E) ANY OTHER MATTER REGARDING DTC.

General

DTC will act as securities depository for the Commercial Paper Notes. The Commercial Paper Notes will 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 Master Note Certificate has been issued for each Series of the Commercial Paper Notes.

DTC 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 Standard & Poor’s rating of “AA+.” The DTC Rules applicable to Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. LACMTA has not undertaken any responsibility for and make no representations as to the accuracy or the completeness of the content of such material contained on the websites described in the preceding sentence including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites.

Purchases of the Commercial Paper Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Commercial Paper Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“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 Commercial Paper Notes 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 Commercial Paper Notes, except in the event that use of the book-entry system for the Commercial Paper Notes is discontinued.

To facilitate subsequent transfers, all Commercial Paper Notes 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 Commercial Paper Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Commercial Paper Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Commercial Paper Notes 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 Participants 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 the Commercial Paper Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Commercial Paper Notes, such as defaults and proposed amendments to the Commercial Paper Note documents. For example, Beneficial Owners of the Commercial Paper Notes may wish to ascertain that the nominee holding the Commercial Paper Notes 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 registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Commercial Paper Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to LACMTA, the Subordinate Trustee or the Issuing and Paying Agent 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 Commercial Paper Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Commercial Paper Notes 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 LACMTA, the Subordinate Trustee or the Issuing and Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by 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 Participant and not of DTC, LACMTA, the Subordinate Trustee or the Issuing and Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time-to-time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of LACMTA, the Subordinate Trustee or the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Commercial Paper Notes at any time by giving reasonable notice to LACMTA, the Subordinate Trustee or the Issuing and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Commercial Paper Notes are required to be printed and delivered.

LACMTA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Commercial Paper Notes will be printed and delivered to DTC.

The information in this Appendix C concerning DTC and DTC's book-entry system has been obtained from sources that LACMTA believes to be reliable, but LACMTA takes no responsibility for the accuracy thereof.

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