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Los Angeles, CA 90012-2952
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Metro

September 9, 2015

TO: BOARD OF DIRECTORS (Distributed by Email)

THROUGH: PHILLIP A. WASHINGTON
CHIEF EXECUTIVE OFFICER

FROM: NALINI AHUJA
EXECUTIVE DIRECTOR, FINANCE AND BUDGET

SUBJECT: REFUNDING OF GENERAL REVENUE BONDS

ISSUE

At the September meeting, the Board will be requested to authorize the issuance of General Revenue refunding bonds to refund variable rate 2004 General Revenue Refunding Bonds, in order to lock in low fixed interest rates. As part of that authorization, the Board will authorize the preparation of a preliminary official statement (POS). In connection with the upcoming issuance of the refunding bonds, Bond Counsel requires that the POS be provided to Board members. The Board should review the draft POS to ensure it provides an accurate and complete description of the LACMTA. Should you have questions or comments, please call Donna Mills at 213-922-4047.

NEXT STEPS

- Receive ratings on the bonds.
- Distribute the preliminary official statement to potential investors.
- Initiate pre-marketing effort.
- Negotiate the sale of the bonds with the underwriter.

ATTACHMENT

A. Draft Preliminary Official Statement

Prepared by: LuAnne Edwards Schurtz, Assistant Treasurer

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2015

NEW ISSUE-BOOK-ENTRY-ONLY

RATINGS: Moody's: "___"
S&P: "___"
(See "RATINGS" herein)

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to LACMTA, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the 2015-A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the 2015-A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In addition, in the opinion of Bond Counsel to LACMTA, under existing statutes, interest on the 2015-A Bonds is exempt from personal income taxes of the State of California and its political subdivisions. See "TAX MATTERS."

[LACMTA Logo]

$[Principal Amount]*
LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY
General Revenue Refunding Bonds
(Union Station Gateway Project), Series 2015-A

Dated: Date of Delivery **Due: As shown on inside cover**

The Los Angeles County Metropolitan Transportation Authority General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015-A (the "Series 2015-A Bonds") are being issued by the Los Angeles County Metropolitan Transportation Authority ("LACMTA") pursuant to the provisions of Section 130050.2 *et seq.* of the California Public Utilities Code (the "Act"), the Trust Agreement, dated as of January 1, 1995 (the "1995 Trust Agreement"), by and between LACMTA and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as amended and supplemented, including by the Seventh Supplemental Trust Agreement, dated as of October 1, 2015 (the "Seventh Supplement" and, together with the 1995 Trust Agreement, as amended and supplemented, the "Trust Agreement"), and a resolution of the Board of Directors of LACMTA adopted on September __, 2015. The Series 2015-A Bonds are special, limited obligations of LACMTA that are payable, together with Parity Obligations, from and secured by a pledge of Pledged Revenues and Remaining Sales Tax (each as defined herein) and by certain other amounts held under the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS" herein. The proceeds of the Series 2015-A Bonds, together with other available funds, will be used by LACMTA to (i) refund all of LACMTA's outstanding General Revenue Refunding Bonds (Union Station Gateway Project) Series 2004-A, Series 2004-B, Series 2004-C and Series 2004-D, and (ii) pay the costs of issuing the Series 2015-A Bonds.

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 PLEDGED REVENUES AND REMAINING SALES TAX, AS PROVIDED IN THE TRUST AGREEMENT) IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2015-A BONDS.

The Series 2015-A Bonds will be issued only in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). The Series 2015-A Bonds will bear interest at the rates and mature on the dates set forth on the inside cover hereof. Interest on the Series 2015-A Bonds will be payable on January 1 and July 1 of each year, commencing [First Interest Payment Date]. Purchasers will not receive certificates from LACMTA or the Trustee representing their interest in the Series 2015-A Bonds. Individual purchases and sales of the Series 2015-A Bonds may be made in book-entry form only. See "THE SERIES 2015-A BONDS – Book-Entry Only System" and APPENDIX E – "BOOK-ENTRY ONLY SYSTEM."

The Series 2015-A Bonds are subject to optional redemption prior to maturity, as more fully described herein.

This cover page is not intended to be a summary of the Series 2015-A Bonds or the security thereof. Investors must read the Official Statement in its entirety to obtain information essential to making an informed investment decision.

The Series 2015-A Bonds will be offered when, as and if issued by LACMTA, and received by the Underwriters, subject to the legal opinion of Hawkins Delafield & Wood LLP, Bond Counsel to LACMTA. Certain legal matters will be passed upon by the Los Angeles County Counsel, as General Counsel to LACMTA and Hawkins Delafield & Wood LLP, as Disclosure Counsel to LACMTA. Certain legal matters will be passed upon

* Preliminary, subject to change.

for the Underwriters by their counsel, [UWC], [City], [State]. It is expected that the Series 2015-A Bonds in book-entry form will be available for delivery to DTC in book-entry form on or about ________, 2015.

[UWS to come.]

Date of Official Statement: ___________, 2015

MATURITY SCHEDULE

$[Principal Amount]*
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
General Revenue Refunding Bonds
(Union Station Gateway Project), Series 2015-A

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP No.†
	$	%	%	

* Preliminary, subject to change.

† Copyright 2015, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by the CUSIP Service Bureau, managed on behalf of the American Bankers Association by Standard & Poor's. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for CUSIP service. CUSIP numbers have been assigned by an independent company not affiliated with LACMTA and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Series 2015-A Bonds. LACMTA does not take any responsibility for the accuracy of the CUSIP numbers.

[Insert Map of LACMTA System]

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

LACMTA Officers

Phillip A. Washington, Chief Executive Officer
Nalini Ahuja, Executive Director, Finance and Budget
Donna R. Mills, Treasurer

LACMTA General Counsel

Office of the County Counsel
Los Angeles, California

Financial Advisor

Public Resources Advisory Group
Los Angeles, California

Bond Counsel and Disclosure Counsel

Hawkins Delafield & Wood LLP
Los Angeles, California

Trustee and Escrow Agent

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Verification Agent

[Verification Agent]
[City, State]

LACMTA has not authorized any dealer, broker, salesperson or other person to give any information or to make any representation in connection with the offer or sale of the Series 2015-A Bonds other than as set forth in this Official Statement and, if given or made, such other information or representation must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2015-A Bonds, by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not a contract with the purchasers or owners of the Series 2015-A Bonds. Statements contained in this Official Statement which involve estimates, projections or matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of facts.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion in this Official Statement are subject to change without notice, and the delivery of this Official Statement and any sale made pursuant to this Official Statement do not, under any circumstances, imply that the information and expressions of opinion in this Official Statement and other information regarding LACMTA have not changed since the date hereof. LACMTA is circulating this Official Statement in connection with the sale of the Series 2015-A Bonds and this Official Statement may not be reproduced or used, in whole or in part, for any other purpose.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015-A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2015-A BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE INITIAL PUBLIC OFFERING PRICE STATED AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

This Official Statement contains statements relating to future results that are "forward looking statements." When used in this Official Statement, the words "estimate," "forecast," "projection," "intend," "expect" and similar expressions identify forward looking statements. Any forward looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward looking statements. Some assumptions used to develop forward looking statements inevitably will not be realized, and unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results; those differences could be material.

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OFFICIAL STATEMENT

$[Principal Amount][*]
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
General Revenue Refunding Bonds
(Union Station Gateway Project), Series 2015-A

INTRODUCTION

This Official Statement, which includes the cover page and the appendices hereto, sets forth information in connection with the offering by the Los Angeles County Metropolitan Transportation Authority ("LACMTA") of $[Principal Amount]* aggregate principal amount of its General Revenue Refunding Bonds, (Union Station Gateway Project), Series 2015-A (the "Series 2015-A Bonds"). This Introduction is not a summary of this Official Statement. This Introduction is qualified by the more complete and detailed information contained in this entire Official Statement and the documents summarized or described in this Official Statement. Prospective investors should review this entire Official Statement, including the cover page and appendices, before they make an investment decision to purchase the Series 2015-A Bonds. LACMTA is only offering the Series 2015-A Bonds to potential investors by means of the entire Official Statement. Capitalized terms used but not defined herein have the meanings ascribed to them in "APPENDIX D—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS."

LACMTA

LACMTA was established in 1993 pursuant to the provisions of Section 130050.2 *et seq*. of the California Public Utilities Code (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.

For further description of LACMTA, its other sources of revenues, the services it provides and the projects it is undertaking, see APPENDIX A — "LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY." For certain economic and demographic data about the County, see APPENDIX C—"LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION."

Authorization; Purpose of the Series 2015-A Bonds

LACMTA is issuing the Series 2015-A Bonds pursuant to the provisions of Section 130050.2 *et seq.* of the California Public Utilities Code (the "Act"), the Trust Agreement, dated as of January 1, 1995 (the "1995 Trust Agreement"), by and between LACMTA and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as amended and supplemented, including by the Seventh Supplemental Trust Agreement, dated as of October 1, 2015 (the "Seventh Supplement" and, together with the 1995 Trust Agreement, as amended and supplemented, the "Trust Agreement"), and a resolution of the Board of Directors of LACMTA adopted on September __, 2015. The proceeds of the Series 2015-A Bonds, together with other available funds, will be used by LACMTA to (i) refund all of LACMTA's General Revenue Refunding Bonds (Union Station Gateway Project) Series 2004-A, Series 2004-B, Series 2004-C and Series 2004-D (the "Series 2004 Bonds" and the portion thereof being refunded is referred to herein as the "Refunded Bonds") currently outstanding in the aggregate principal amount of $86,175,000, and (ii) pay the costs of issuing the Series 2015-A Bonds. See "PLAN OF REFUNDING" and "SOURCES AND USES OF FUNDS."

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[*] Preliminary, subject to change.

Description of the Series 2015-A Bonds

The Series 2015-A Bonds are special, limited obligations of LACMTA to be issued pursuant to the Act and secured by the Trust Agreement. Interest on the Series 2015-A Bonds is payable semiannually on January 1 and July 1 of each year, commencing on [First Interest Payment Date]. The Series 2015-A Bonds will be initially delivered in book-entry only form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Series 2015-A Bonds. Individual purchases of the Series 2015-A Bonds will be made in book-entry form only. Purchasers of the Series 2015-A Bonds will not receive physical certificates representing their ownership interests in the Series 2015-A Bonds purchased. Individual purchases of the Series 2015-A Bonds will be made in book-entry form only in denominations of $5,000 and any integral multiple thereof. Principal and interest payments on the Series 2015-A Bonds are payable directly to DTC by the Trustee. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments through DTC participants to the beneficial owners of Series 2015-A Bonds. See "THE SERIES 2015-A BONDS – DTC and the Book-Entry Only System" and APPENDIX E – "BOOK-ENTRY ONLY SYSTEM."

The Series 2015-A Bonds are subject to optional redemption and mandatory sinking fund redemption as described under "THE SERIES 2015-A BONDS – Redemption."

Security and Sources of Payment for the Series 2015-A Bonds and other Parity Obligations

Under the Trust Agreement, the Series 2015-A Bonds are special, limited obligations of LACMTA secured on a parity with any other Bonds and Parity Debt (each as defined herein) (collectively, "Parity Obligations") secured under the Trust Agreement. Upon the issuance of the Series 2015-A Bonds, the only other outstanding Bonds issued under the Trust Agreement will be the LACMTA's General Revenue Refunding Bonds (Union Station Gateway Project) Series 2010-A (the "Series 2010-A Bonds") which are currently outstanding in the principal amount of $48,635,000. The LACMTA has covenanted in the Seventh Supplement that it will not issue any additional Bonds or Parity Debt under the Trust Agreement payable from Pledged Revenues and Remaining Sales Tax on a parity with the Series 2010-A Bonds and the Series 2015-A Bonds except for refunding Bonds (the "Refunding Bonds") issued thereunder. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS – Existing Parity Obligations."

The Series 2015-A Bonds, the Series 2010-A Bonds and any additional Refunding Bonds hereafter issued under the Trust Agreement, are secured by: (1) a prior lien on and pledge of the "Pledged Revenues," which are defined as General Revenues (herein defined) and all interest, profits and other income received from the investment of the General Revenues (other than amounts in the Redemption Fund (the "Redemption Fund") and the Rebate Fund (the "Rebate Fund") held under the Trust Agreement); (2) a prior lien on and pledge of the "Remaining Sales Tax," which is defined as any and all Proposition A Sales Tax and Proposition C Sales Tax transferred or received by LACMTA which is available to be used by LACMTA to make payments on the Bonds, after first applying such funds to the payment or satisfaction of debt service requirements relating to any other securities or obligations of LACMTA secured by a pledge that is senior to the Bonds on Proposition A Sales Tax and/or Proposition C Sales Tax (each as defined herein) (the obligations secured by a prior lien on Proposition A Sales Tax and Proposition C Sales Tax are referred to herein collectively as the "Senior Sales Tax Obligations") and (3) all amounts (including proceeds of the Bonds and Parity Debt) held by the Trustee under the Trust Agreement or under the applicable supplemental agreement (the "Supplemental Agreement"), including earnings thereon (except for amounts held in the Rebate Fund and the Redemption Fund).

The Trust Agreement requires LACMTA to deposit with the Trustee by the tenth day of each calendar month Pledged Revenues to pay the principal of and the interest on the outstanding Parity Obligations, including the Series 2015-A Bonds, due on the next succeeding payment date. Remaining Sales Tax is not deposited with the Trustee unless Pledged Revenues are insufficient to pay principal of and interest on the Parity Obligations, including the Series 2015-A Bonds.

In addition, if Pledged Revenues and Remaining Sales Tax are insufficient to pay principal of and interest on the Parity Obligations, including the Series 2015-A Bonds, when due, LACMTA has covenanted under the Trust Agreement to make such payments from any moneys available to it for use for any lawful purpose, including but not limited to Available LTF Revenues and Available STA Revenues (each as defined herein), prior to payment of any costs and expenses of LACMTA other than any debt service for obligations having a prior lien on such sources of revenue. Notwithstanding the foregoing, LACMTA has not pledged or granted a security interest in Available LTF Revenues or Available STA Revenues to secure the Series 2015-A Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS."

See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 A BONDS" and in APPENDIX A – "LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—OUTSTANDING DEBT" for a description of existing Parity Obligations and existing Senior Sales Tax Obligations.

Limited Obligation

The Series 2015-A Bonds are special, limited obligations of LACMTA payable from and secured by a prior lien on and pledge of Pledged Revenues and Remaining Sales Tax, and are also payable in the event of a deficiency from certain other amounts, all as provided under the 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 PLEDGED REVENUES AND REMAINING SALES TAX, AS PROVIDED IN THE TRUST AGREEMENT) IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2015-A BONDS..

Reserve Fund

Pursuant to the Trust Agreement, the Trustee maintains a Reserve Fund (the "Reserve Fund") for the Bonds. Upon the issuance of the Series 2015-A Bonds and the refunding described herein, "Reserve Fund Requirement" will mean, as of any date of calculation under the Trust Agreement, the least of: (1) 10% of the original proceeds of all the Bonds, (2) Maximum Annual Debt Service on all the Bonds, or (3) 125% of average Annual Debt Service on all the Bonds. Prior to the issuance of the Series 2015-A Bonds and the refundings described herein, the Reserve Fund Requirement was calculated on a series by series basis. Holders and Beneficial Owners of the Series 2015-A Bonds are deemed by their purchase of the Series 2015-A Bonds to have consented to amendments to the Trust Agreement which provide for the Reserve Fund Requirement to be calculated based upon the aggregate of the Bonds Outstanding, as described above.

Amounts in the Reserve Fund are used to make payments of principal of and interest on all Bonds issued under the Trust Agreement, including the Series 2015-A Bonds, to the extent the amounts in the Bond Interest Account or Bond Principal Account of the Debt Service Fund are not sufficient to pay in full the principal of and interest on the Bonds, including the Series 2015-A Bonds, when due.

See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS – Reserve Fund."

Existing Senior Sales Tax Obligations

LACMTA has issued Senior Sales Tax Obligations that are secured by pledges of Proposition A Sales Tax and Proposition C Sales Tax that are senior to the pledge of the Remaining Sales Tax securing the Bonds, including the Series 2015-A Bonds. "Proposition A Sales Tax" means the one-half of 1% retail transactions and use tax approved by the voters with the passage of Proposition A and imposed in the County of Los Angeles for public transit purposes. "Proposition C Sales Tax" means the one-half of 1% retail transactions and use tax approved by the voters with the passage of Proposition C and imposed in the County of Los

Angeles for public transit purposes. As of October 1, 2015, LACMTA had outstanding the following Senior Sales Tax Obligations: (1) obligations secured by Proposition A Sales Tax, being First Tier Senior Lien Bonds in the aggregate principal amount of $1,052,015,000, Second Tier Obligations in the aggregate principal amount of $19,360,000 and Proposition A Commercial Paper in the aggregate principal amount of $62,500,000; and (2) obligations secured by Proposition C Sales Tax, being Senior Bonds in the aggregate principal amount of $1,159,800,000 and Proposition C Commercial Paper in the aggregate principal amount of $18,624,000. See APPENDIX A – "LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY – OUTSTANDING DEBT." LACMTA plans to issue additional Senior Sales Tax Obligations upon satisfaction of the requirements in the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS – Issuance of Additional Parity Obligations and Senior Sales Tax Obligations."

Additional Parity Obligations and Senior Sales Tax Obligations

Upon the issuance of the Series 2015-A Bonds, the only other outstanding Bonds issued under the Trust Agreement will be the Series 2010-A Bonds, which are currently outstanding in the principal amount of $48,635,000. The LACMTA has covenanted in the Seventh Supplement that it will not issue any additional Bonds or Parity Debt under the Trust Agreement payable from Pledged Revenues and Remaining Sales Tax on a parity with the Series 2010-A Bonds and the Series 2015-A Bonds except for Refunding Bonds issued thereunder. See "– Existing Parity Obligations" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS – Existing Parity Obligations." Such additional Refunding Bonds may be issued upon satisfying the requirements set forth in the Trust Agreement, including delivery to the Trustee of a certificate of LACMTA showing that (i) Annual Debt Service in each year on all Outstanding Parity Obligations after the issuance of the Refunding Bonds will not exceed Annual Debt Service in each year on all Outstanding Parity Obligations prior to the issuance of the Refunding Bonds and (ii) Maximum Annual Debt Service after the issuance will not increase. In addition, LACMTA may address cash flow deficiencies by issuing Revenue Anticipation Notes that are payable from General Revenues on a parity with the Parity Obligations, including the Series 2015-A Bonds, without complying with the additional bonds test in the Trust Agreement. Further, LACMTA plans to issue additional bonds or other indebtedness secured by the Proposition A Sales Tax and/or the Proposition C Sales Tax on a basis senior to the Parity Obligations, including the Series 2015-A Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS—Issuance of Additional Parity Obligations and Senior Sales Tax Obligations."

Continuing Disclosure

LACMTA will agree to provide, or cause to be provided, with respect to the Series 2015-A Bonds, to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission (as amended, "Rule 15c2-12"), certain annual financial information and operating data no later than 195 days following the end of LACMTA's Fiscal Year and notice of certain enumerated events. These covenants will be made in order to assist the Underwriters in complying with Rule 15c2-12. See "CONTINUING DISCLOSURE" herein and APPENDIX D—"FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Additional Information

Brief descriptions of the Series 2015-A Bonds, the Trust Agreement and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, report or other instrument. The information herein is subject to change without notice, and the delivery of this Official Statement will under no circumstances, create any implication that there has been no change in the affairs of LACMTA since the date hereof. This Official Statement is not to be construed as a contract or agreement between LACMTA and the purchasers or Owners of any of the Series 2015-A Bonds. LACMTA maintains a website, the information on which is not part of this Official Statement, has not and is not incorporated by reference herein, and should not be relied upon in deciding whether to invest in the Series 2015-A Bonds.

Copies of the Trust Agreement may be obtained from LACMTA at One Gateway Plaza, 21st Floor, Treasury Department, Los Angeles, California 90012, or by emailing TreasuryDept@metro.net, or by calling (213) 922-2554.

PLAN OF REFUNDING

LACMTA will use the proceeds of the Series 2015-A Bonds, together with other available funds, to (i) refund all of the Outstanding Series 2004 Bonds (*i.e.*, the "Refunded Bonds") and (ii) pay the costs of the Series 2015-A Bonds. The Series 2004 Bonds are currently outstanding in the aggregate principal amount of $86,175,000. A portion of the proceeds of the Series 2015-A Bonds, together with certain available moneys to be contributed by LACMTA, will be deposited with The Bank of New York Mellon Trust Company, N.A., as trustee and escrow agent (the "Escrow Agent"), and will be held in an escrow fund for the Refunded Bonds (the "Escrow Fund") to be created under the terms of an escrow agreement (the "Escrow Agreement") between LACMTA and Escrow Agent. All amounts deposited into the Escrow Fund will be held uninvested in cash. Amounts on deposit in the Escrow Fund will be used on the respective redemption dates set forth below (the "Redemption Date") to pay the redemption price of the Series 2004 Bonds of 100% of the principal amount thereof, plus accrued interest thereon.

Series 2004 Bonds

Series	Maturity	Redemption Date	CUSIP	Principal Amount Outstanding	Principal Amount to be Refunded
2004-A	July 1, 2027		54471RCE5	$23,200,000	$23,200,000
2004-B	July 1, 2027		54471RCF2	22,725,000	22,725,000
2004-C	July 1, 2027		54471RCG0	20,125,000	20,125,000
2004-D	July 1, 2027		54471RCH8	20,125,000	20,125,000
			Total	$86,175,000	$86,175,000

[Verification Agent], [certified public accountants], will verify that the amounts deposited to the Escrow Fund will be sufficient to pay principal, interest and redemption price due on the Series 2004 Bonds through and including the Redemption Date. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2015-A Bonds.

Sources	
Principal Amount	$
Net Original Issue Premium	
Release of Amounts from the Series 2004 Bonds Debt Service Fund	
[Release of Amounts from the Reserve Fund]	
Total Sources	$
Uses	
Deposit to Escrow Fund	$
Costs of Issuance(1)	
Total Uses	$

(1) Includes underwriter's discount, legal fees, rating agency fees, financial advisor fees, verification agent fees, financial printer costs and other costs of issuance.

THE SERIES 2015-A BONDS

General Description of the Series 2015-A Bonds

The Series 2015-A Bonds are special, limited obligations of LACMTA issued pursuant to and secured under the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS." In connection with the issuance of the Series 2015-A Bonds, LACMTA will enter into the Seventh Supplement to provide for the issuance of the Series 2015-A Bonds and related matters. The Series 2015-A Bonds will be dated, and accrue interest from, the date of their delivery and will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates per annum and mature in the amounts and on the dates, all as shown on the inside cover page of this Official Statement. The Series 2015-A Bonds will be initially delivered in book-entry-only form only and will be registered in the name of Cede & Co., as nominee for DTC, which will act as securities depository for the Series 2015-A Bonds. Individual purchases of the Series 2015-A Bonds will be made in book-entry form only in the principal amount of $5,000 or any multiple thereof. Interest on the Series 2015-A Bonds will be payable on January 1 and July 1 of each year, commencing [First Interest Payment Date] (each, an "Interest Payment Date"). The Trustee will make payments of the principal and interest on the Series 2015-A Bonds directly to DTC, or its nominee, Cede & Co., so long as DTC or Cede & Co. is the Registered Owner of the Series 2015-A Bonds. See "THE SERIES 2015-A BONDS—DTC and the Book-Entry Only System" herein.

Redemption Provisions

Optional Redemption.* The Series 2015-A Bonds maturing on or before July 1, 20__, are not subject to optional redemption prior to their stated maturities. The Series 2015-A Bonds maturing on or after July 1, 20__, will be subject to optional redemption, in whole or in part, on any date on or after July 1, __20, from any available source of funds of LACMTA, at a redemption price equal to the principal amount of the Series 2015-A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. Any such redemption will be in such order of maturity as LACMTA will designate in the above-mentioned written notice.

Selection for Redemption. If less than all of the Series 2015-A Bonds of a particular maturity are to be redeemed, the Trustee will select the Series 2015-A Bonds to be redeemed from all Series 2015-A Bonds of such maturity or such given portion thereof not previously called for redemption, by lot in any manner which the Trustee in its sole discretion will deem appropriate. For purposes of such selection, the Trustee will treat each Series 2015-A Bond as consisting of separate $5,000 portions and each such portion will be subject to redemption as if such portion were a separate bond.

Notice of Redemption. Notice of redemption will be mailed by the Trustee by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days before any redemption date, to the Registered Owners of any Series 2015-A Bonds designated for redemption at their addresses appearing on the registration book. Each notice of redemption will state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Series 2015-A Bonds (or all Series 2015-A Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Series 2015-A Bonds within a maturity are called for redemption) bond numbers of the Series 2015-A Bonds to be redeemed, the maturity or maturities of the Series 2015-A Bonds to be redeemed and in the case of Series 2015-A Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on the redemption date there will become due and payable on each of said Series 2015-A Bonds the redemption price thereof, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Series 2015-A Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein will affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date.

Notwithstanding the foregoing, in the case of any optional redemption of the Series 2015-A Bonds, the notice of redemption will state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Series 2015-A Bonds on the anticipated redemption date, and that the optional redemption will not occur if, by no later than the scheduled redemption date, sufficient moneys to optionally redeem the Series 2015-A Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Series 2015-A Bonds to be optionally redeemed, such event will not constitute an Event of Default, the Trustee will send written notice to the Owners to the effect that the redemption did not occur as anticipated, and the Series 2015-A Bonds for which notice of optional redemption was given will remain Outstanding for all purposes of the Trust Agreement.

LACMTA will have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. The Trustee will mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

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* Preliminary, subject to change.

Purchase in Lieu of Redemption. Purchase in lieu of optional redemption will be available to all Series 2015-A Bonds called for optional redemption or for such lesser portion of such Series 2015-A Bonds as constitute authorized denominations. LACMTA may direct the Trustee (or another agent appointed by LACMTA to make such purchase in lieu of redemption upon behalf of LACMTA, to purchase all or specified lesser portion of the Series 2015-A Bonds called for optional redemption at the optional redemption price.

DTC and the Book-Entry Only System

DTC will act as securities depository for the Series 2015-A Bonds. The Series 2015-A Bonds will be registered in the name of Cede & Co. (DTC's nominee), and will be available to ultimate purchasers only under the book-entry system maintained by DTC in the denomination of $5,000 or any integral multiple thereof. Ultimate purchasers of Series 2015-A Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Series 2015-A Bonds. So long as the Series 2015-A Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein (other than under "TAX MATTERS") to the Owners of the Series 2015-A Bonds will mean Cede & Co., and will not mean the Beneficial Owners of the Series 2015-A Bonds. Payments by the Trustee of the principal of and interest on the Series 2015-A Bonds and any notice with respect to any Series 2015-A Bond will be sent directly to DTC, or its nominee, Cede & Co., so long as DTC or Cede & Co. is the Registered Owner of the Series 2015-A Bonds. Disbursements of such payments and delivery of such notices to DTC's Participants are the responsibility of DTC and disbursements of such payments and delivery of such notices to the Beneficial Owners are the responsibility of DTC's Participants and Indirect Participants. See APPENDIX E "BOOK-ENTRY ONLY SYSTEM."

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS

General

The Series 2015-A Bonds are special, limited obligations of LACMTA which, together with other series of Parity Obligations issued under the Trust Agreement, are payable from and secured by a prior lien on and pledge of the "Pledged Revenues," which are defined in the Trust Agreement as General Revenues and all interest, profits and other income received from the investment of the General Revenues (other than amounts in the Redemption Fund and Rebate Fund). "General Revenues" consist of all fare box revenues and fees and advertising revenues, together with interest income thereon, derived from the facilities and properties maintained and operated by LACMTA. See "—General Revenues" below. The Trust Agreement requires LACMTA to deposit with the Trustee by the tenth day of each calendar month Pledged Revenues to pay the principal of and the interest on the outstanding Parity Obligations, including the Series 2015-A Bonds, due on the next succeeding payment date, as described under "—Flow of Funds" below.

The Bonds, including the Series 2015-A Bonds, are also secured by a lien on and pledge of the Remaining Sales Tax. The "Remaining Sales Tax" is defined in the Trust Agreement as all Proposition A Sales Tax and Proposition C Sales Tax transferred or received by LACMTA which is available to be used by LACMTA to make payments on Bonds issued under the Trust Agreement, including the Series 2015-A Bonds, <u>after</u> first applying such funds to the payment or satisfaction of debt service requirements relating Senior Sales Tax Obligations, which are obligations that have a prior lien on and pledge of Proposition A Sales Tax and/or Proposition C Sales Tax receipts, as set forth under "—Remaining Proposition A and Proposition C Sales Tax" below. Under the Trust Agreement, the Remaining Sales Tax, unlike Pledged Revenues, is not required to be deposited by LACMTA with the Trustee on a monthly basis, unless the Trustee determines that Pledged Revenues are insufficient. See "—Existing Parity Obligations" and "—Issuance of Additional Parity Obligations and Senior Sales Tax Obligations" below.

In addition, the Series 2015-A Bonds are secured by all amounts (including proceeds of the Bonds and Parity Debt) held by the Trustee under the Trust Agreement or under the applicable Supplemental Agreement, including earnings thereon (except for amounts held in the Rebate Fund and the Redemption Fund).

Further, if Pledged Revenues are insufficient to pay principal of and interest on the Bonds when due, LACMTA has covenanted under the Trust Agreement to make such payments from any moneys available to it for use for any lawful purpose including, but not limited to, Available LTF Revenues and Available STA Revenues, prior to LACMTA's use of such moneys to pay any of its costs and expenses other than payment of any debt service on any obligations of LACMTA having a prior lien on such source of revenue. Notwithstanding the foregoing, LACMTA has not pledged nor granted a security interest in Available LTF Revenues or Available STA Revenues to secure the Series 2015-A Bonds. See "—Available LTF and STA Funds" below.

Under the Act, the State of California (the "State") pledges to, and agrees with, the holders of any bonds issued under the Act, including the Series 2015-A Bonds, and with those parties who may enter into contracts with LACMTA pursuant to the Act, that the State will not limit or alter the rights vested by the Act in LACMTA until such bonds, 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 from making limitations or alterations if and when adequate provision has been made by law for the protection of the holders of such bonds and those entering into contracts with LACMTA.

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 PLEDGED REVENUES AND REMAINING SALES TAX, AS PROVIDED IN THE TRUST AGREEMENT) IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2015-A BONDS.

Upon the issuance of the Series 2015-A Bonds, the only other outstanding Bonds under the Trust Agreement will be the Series 2010-A Bonds. The LACMTA has covenanted in the Seventh Supplement that it will not issue any additional Bonds or Parity Debt under the Trust Agreement payable from Pledged Revenues and Remaining Sales Tax on a parity with the Series 2010-A Bonds and the Series 2015-A Bonds except for Refunding Bonds issued thereunder.

Issuance of Additional Parity Obligations and Senior Sales Tax Obligations

Upon the issuance of the Series 2015-A Bonds, the only other outstanding Bonds issued under the Trust Agreement will be the Series 2010-A Bonds, which are currently outstanding in the principal amount of $48,635,000. The LACMTA has covenanted in the Seventh Supplement that it will not issue any additional Bonds or Parity Debt under the Trust Agreement payable from Pledged Revenues and Remaining Sales Tax on a parity with the Series 2010-A Bonds and the Series 2015-A Bonds except for Refunding Bonds issued thereunder. See "– Existing Parity Obligations" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS – Existing Parity Obligations." Such additional Refunding Bonds may be issued upon satisfying the requirements set forth in the Trust Agreement, including delivery to the Trustee of a certificate of LACMTA showing that (i) Annual Debt Service in each year on all Outstanding Parity Obligations after the issuance of the Refunding Bonds will not exceed Annual Debt Service in each year on all Outstanding Parity Obligations prior to the issuance of the Refunding Bonds and (ii) Maximum Annual Debt Service after the issuance will not increase. In addition, LACMTA may address cash flow deficiencies by issuing Revenue Anticipation Notes that are payable from General Revenues on a parity with the Parity Obligations, including the Series 2015-A Bonds, without complying with the additional bonds test in the Trust Agreement. See APPENDIX C—"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—AGREEMENT—Additional Bonds and Parity Debt."

In addition, LACMTA may issue additional bonds or other indebtedness secured by the Proposition A Sales Tax and/or the Proposition C Sales Tax (collectively "Sales Tax Obligations") on a parity with or senior to the Series 2015-A Bonds and the Series 2010-A Bonds. Such additional Sales Tax Obligations may be issued upon satisfying certain conditions in the Trust Agreement, which include delivery by LACMTA of a certificate of a Consultant to the Trustee that the amount of the Proposition A Sales Tax and/or the Proposition C Sales Tax collected for any 12 consecutive months out of the 18 consecutive months immediately preceding the issuance of the proposed Sales Tax Obligations is at least 300% of Maximum Annual Debt Service for all Bonds, Parity Debt and all other Sales Tax Obligations which will be Outstanding immediately after the issuance of the proposed Sales Tax Obligations. The definition of "Maximum Annual Debt Service" in the Trust Agreement includes certain assumptions and adjustments for variable rate, put and other forms of debt, and as it relates to Sales Tax Obligations takes into account the settlement amount payable by LACMTA under any related interest rate swap agreement in connection with the termination of any such swap only if: (a) a Swap Provider Termination Trigger under such swap agreement has occurred and is continuing and there has not occurred an early termination date thereunder; or (b) to the extent that a Swap Provider Termination Trigger has occurred and there has been a declaration of an early termination date under such swap agreement or the deemed occurrence of an early termination date. Unless any of the events described in clauses (a) or (b) have occurred, no settlement amounts shall be taken into account in calculating Maximum Annual Debt Service for such purposes. See APPENDIX C—"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—AGREEMENT—Additional Bonds and Parity Debt."

Flow of Funds

Under the Trust Agreement, LACMTA is required to deposit Pledged Revenues with the Trustee for deposit in the Revenue Fund on the tenth day of each calendar month in order to enable the Trustee to make the deposits required by the Trust Agreement, which are described below. If on the tenth day of any calendar month Pledged Revenues are insufficient to make such required deposits, LACMTA covenants that (i) it will deposit any moneys available to it for use for any lawful purpose, including, but not limited to, Remaining Sales Tax, Available LTF Revenues and Available STA Revenues, prior to payment of any costs and expenses of LACMTA other than debt service payable from such sources of revenue, with the Trustee to the extent required to satisfy the deposit requirements of the Trust Agreement and (ii) it will deposit all Pledged Revenues received on or after such tenth day together with any moneys received and available to it for use for any lawful purpose, including, but not limited to, Remaining Sales Tax, Available LTF Revenues and Available STA Revenues, prior to the payment of any costs and expenses of LACMTA other than any debt service payable therefrom, with the Trustee until such date as the deposit requirements of the Trust Agreement have been satisfied, as described below:

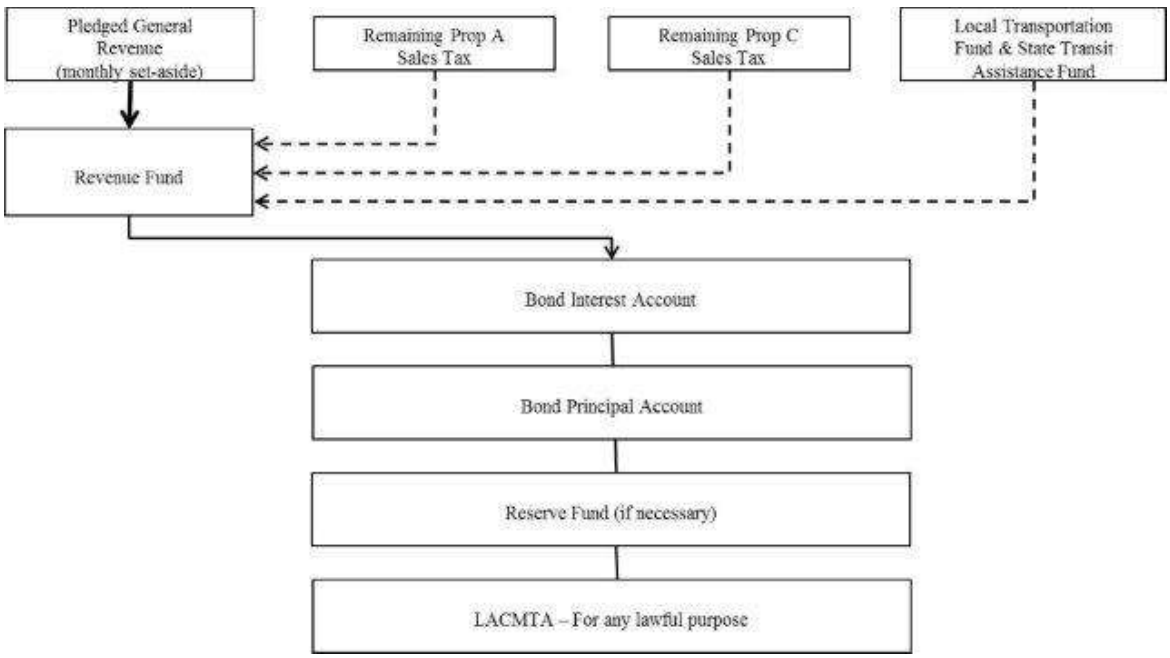
(1) First, to the credit of the Bond Interest Account, an amount equal to the Aggregate Accrued Interest for the current calendar month less any Excess Deposit made with respect to the last preceding calendar month plus any Deficiency existing on the first day of the calendar month plus any amount of interest which has become due and has not been paid and for which there are insufficient funds in the Bond Interest Account or any other special account to be used to make such payment; in addition, the Trustee shall pay to any interest rate swap agreement counterparty, including the Series 2004 Swap Provider, to the extent required, amounts deposited in the Bond Interest Account for the payment of any scheduled payment required thereunder, excluding termination payments.

(2) Second, to the credit of the Bond Principal Account, an amount equal to the Aggregate Accrued Principal for the current calendar month less any Excess Deposit made with respect to the last preceding 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 any other special account to be used to make such payment; and

(3) Third, to the credit of the Reserve Fund, such portion of the balance, if any, remaining after making the deposits to the interest and principal accounts as described above, as is necessary to increase the amount on deposit in the Reserve Fund to an amount equal to the Reserve

Fund Requirement, or if the entire balance is less than the amount necessary, then the entire balance shall be deposited into the Reserve Fund.

The following chart illustrates the flow of funds set forth under the Trust Agreement.



Reserve Fund

Pursuant to the Trust Agreement, the Trustee maintains a Reserve Fund (the "Reserve Fund") for the Bonds. Upon the issuance of the Series 2015-A Bonds and the refunding described herein, "Reserve Fund Requirement" will mean, as of any date of calculation under the Trust Agreement, the least of: (1) 10% of the original proceeds of all the Bonds, (2) Maximum Annual Debt Service on all the Bonds, or (3) 125% of average Annual Debt Service on all the Bonds. Prior to the issuance of the Series 2015-A Bonds and the refundings described herein, the Reserve Fund Requirement was calculated on a series by series basis. Holders and Beneficial Owners of the Series 2015-A Bonds are deemed by their purchase of the Series 2015-A Bonds to have consented to amendments to the Trust Agreement which provide for the Reserve Fund Requirement to be calculated based upon the aggregate of the Bonds Outstanding, as described above.

Amounts in the Reserve Fund are used to make payments of principal of and interest on all Bonds issued under the Trust Agreement, including the Series 2015-A Bonds, to the extent the amounts in the Bond Interest Account or Bond Principal Account of the Debt Service Fund are not sufficient to pay in full the principal of and interest on the Bonds, including the Series 2015-A Bonds, when due.

Under the terms of the Trust Agreement, LACMTA may substitute an insurance policy or surety bond provided by a bond insurer or a letter of credit ("Reserve Fund Insurance Policy") in lieu of or in partial substitution for cash or securities deposited in the Reserve Fund in order to meet the Reserve Fund Requirement. Such Reserve Fund Insurance Policy must be provided by an entity rated in the two highest Rating Categories by Moody's Investors Service and Standard & Poor's Ratings Services.

SOURCES OF PAYMENT FOR GENERAL REVENUE BONDS

Pledged Amounts and Other Available Moneys

The following tables sets forth for Fiscal Years 2005 through 2015 the debt service coverage on the Parity Obligations based on the Pledged Revenues and Remaining Sales Tax for the indicated Fiscal Year and the debt service coverage on the Parity Obligations based on the Pledged Revenues, Remaining Sales Tax, Available LTF Revenues and Available STA Revenues.

TABLE 1
Debt Service Coverage Including Pledged Revenues and Remaining Sales Tax Revenues

Fiscal Year	Pledged Revenue	Remaining Proposition A Sales Tax Revenue[1]	Remaining Proposition C Sales Tax Revenue[1]	Parity Debt Service	Debt Service Coverage[2]	Available LTF and STA Revenues[3]	Total Coverage[4]
2005	$292,203	$320,812	$397,744	$24,889	40.61x	$215,117	49.25x
2006	321,767	345,539	431,493	24,975	44.00	264,588	54.59
2007	348,111	371,608	455,275	25,096	46.82	396,533	62.62
2008	378,680	364,449	443,735	26,753	44.36	282,107	54.91
2009	385,919	311,821	378,901	25,481	42.25	302,587	54.13
2010	366,084	257,960	347,146	25,773	37.68	221,923	46.29
2011	393,209	298,179	372,205	11,420	93.13	193,451	110.07
2012	398,050	339,596	406,574	12,271	93.25	273,850	115.56
2013	391,688	361,189	435,579	12,408	95.78	309,791	120.75
2014	391,100	390,291	444,876	12,541	97.78	468,521[5]	135.14
2015[6]	417,595	408,118	456,546	9,978[7]	128.51	399,469	168.54

Source: Los Angeles County Metropolitan Transportation Authority.

(1) Net sales tax revenue after payment of Proposition A Obligations debt service or Proposition C Obligations debt service, as applicable.

(2) Based on the amounts pledged to pay debt service on the Parity Obligations for the indicated Fiscal Year.

(3) LACMTA has covenanted to use these amounts, which are a part of the available moneys of LACMTA, to pay debt service on the Series 2015-A Bonds and Series 2010-A Bonds to the extent the Pledged Revenues and Remaining Sales Tax are not sufficient to pay debt service. However, these amounts are not pledged to secure payment of the Series 2015-A Bonds and Series 2010-A Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS - General" and "– Flow of Funds."

(4) Based on the amounts pledged to pay debt service on the Parity Obligations, together with Available LTF Revenues and Available STA Revenues, for the indicated Fiscal Year.

(5) Excludes one-time accounting accrual adjustment of $31.7 Million.

(6) Unaudited.

(7) Following termination of a fixed rate swap associated with the Series 2004 Bonds on July 1, 2014, the interest portion of the affected auction rate bonds was paid.

Pledged Revenues

Fare Box Revenues and Other General Revenues. The following table sets forth historical operating fare box revenues, other General Revenues and debt service coverage on Bonds Outstanding under the Trust Agreement for Fiscal Years 2011 through 2015.

TABLE 2
Historical Operating Fare Box Revenues and Other General Revenues Available For Debt Service

Fiscal Year	Operating Fare Box Revenues	Other General Revenues[(1)]	Total General Revenues	Debt Service on Series 2004 Bonds[(2)]	Debt Service on Series 2010 Bonds[(2)]	Total Debt Service[(2)]	Debt Service Coverage From Pledged Revenues
2011[(3)]	$345,973,000	$47,236,000	$393,209,000	$3,185,139	$8,234,365	$11,419,504	34.43x
2012	344,014,000	54,036,000	398,050,000	3,183,663	9,087,425	12,271,088	32.44
2013	340,010,000	51,678,000	391,688,000	3,128,693	9,279,225	12,407,918	31.57
2014	339,599,000	51,501,000	391,100,000	3,064,219	9,476,475	12,540,694	31.19
2015[(4)]	351,648,000	65,947,000	417,595,000	325,252	9,652,875	9,978,127	41.85

Source: Los Angeles County Metropolitan Transportation Authority.
(1) Includes advertising revenues, interest income, income derived from the facilities and properties operated by LACMTA, and certain other miscellaneous Proprietary Fund - Enterprise Fund revenues.
(2) Debt service for the Bond Year ending July 1, but budgeted in the Fiscal Year ending June 30. Debt service on the Series 2004 Bonds through Fiscal Year 2013-14 includes the net payment by LACMTA under a swap agreement that was terminated on July 1, 2014 and the interest paid on the Series 2004 Bonds.
(3) Reflects implementation of a fare restructuring effective July 1, 2010.
(4) Unaudited. Reflects implementation of a fare restructuring effective September 15, 2014.

The following table sets forth the Statement of Revenues, Expenses, and Changes in Fund Net Position of the Enterprise Fund and the components thereof constituting Pledged Revenues from Fiscal Year 2010 through 2014.

TABLE 3
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund – Enterprise Fund
(Amounts expressed in thousands)

	2010	**2011**	**2012**	**2013**	**2014**
OPERATING REVENUES					
Passenger fares[1]	$316,427	$345,973	$344,014	$340,010	$339,599
Route subsidies	--	--	--	--	--
Auxiliary transportation[1,2]	25,660	28,000	27,815	24,543	20,639
Lease and rental[1]	--	1,195	4,088	4,459	5,929
Toll revenues	--	--	--	12,991	34,665
TOTAL OPERATING REVENUES	342,087	375,168	375,917	382,003	400,832
OPERATING EXPENSES					
Salaries and wages	468,310	443,070	440,036	449,918	464,042
Fringe benefits	355,833	369,583	360,877	371,076	417,467
Professional and technical services	141,531	136,188	156,413	173,580	188,222
Material and supplies	87,598	93,583	89,065	89,013	96,611
Casualty and liability	30,634	40,585	41,622	42,264	45,306
Fuel, lubricants, and propulsion power	97,852	79,241	69,486	73,823	80,985

(Table continued on next page.)
(Table continued from prior page.)

Purchased transportation	42,013	42,449	36,072	37,771	40,113

Depreciation	432,802	513,069	437,423	465,103	439,125
Other	14,046	44,108	50,966	95,457	52,852
TOTAL OPERATING EXPENSES	1,670,619	1,761,876	1,681,960	1,798,005	1,824,723
OPERATING LOSS	(1,328,532)	(1,386,708)	(1,306,043)	(1,416,002)	(1,423,891)
NON-OPERATING REVENUES (EXPENSES)					
Local grants	854	1,197	1,359	412	1,844
State grants			181	340	76
Federal grants	238,981	259,871	287,977	272,199	239,888
Investment income[1]	8,811	14,680	13,785	16,775	13,273
Net appreciation/decline in fair value of investments[1]	(709)	(1,489)	1,695	1,202	(12)
Interest expense	(137,187)	(148,131)	(157,942)	(134,724)	(136,318)
Gain/Loss on disposition of capital assets[1]	(451)	(1,511)	294	(2,850)	(35)
Other revenue[1]	16,346	4,872	6,359	7,549	11,707
TOTAL NET NON-OPERATING REVENUES	126,645	129,489	153,708	160,903	130,423
LOSS BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	(1,201,887)	(1,257,219)	(1,152,335)	(1,255,099)	(1,293,468)
CAPITAL GRANTS AND CONTRIBUTIONS					
Local grants	784	20,030	17,052	604	615
State grants	208,109	37,961	46,708	44,534	139,836
Federal grants	202,499	124,387	143,749	90,515	157,748
Transfers in – capital	450,046	516,175	576,753	589,809	1,342,547
TOTAL CAPITAL GRANTS AND CONTRIBUTIONS	861,438	698,553	784,262	725,462	1,640,746
TRANSFERS					
Transfers in	619,221	554,808	522,998	625,955	742,233
Transfers out	--	--	--	--	(145,497)
CHANGE IN NET POSITION	278,772	(3,858)	154,925	96,318	944,014
Net position – beginning of year	4,532,677	4,811,449	4,807,591	4,962,516	5,058,834
NET POSITION – END OF YEAR	$4,811,449	$4,807,591	$4,962,516	$5,058,834	$6,002,848

Source: Los Angeles County Metropolitan Transportation Authority.

(1) Denotes the portion of the Enterprise Fund that represents General Revenues pledged to repayment of the Bonds

(2) Primarily advertising revenues.

Ridership and Fare Box Revenues. The following table sets forth LACMTA's bus and rail boardings and fare box revenues by transportation mode for Fiscal Years 2011 through 2015.

TABLE 4
Bus and Rail Ridership and Fare Box Revenues by Transportation Mode

	Passenger Boardings		**Fare Box Revenues**				**% Change**
Fiscal Year	**Bus**	**Rail**	**Bus**	**Light Rail**	**Heavy Rail**	**Total**	**in Fare Box Revenues**
2011[(1)]	357,221,000	95,706,000	$274,557,000	$36,627,000	$34,788,000	$345,973,000	9.3%
2012	346,437,000	101,517,000	272,571,000	37,778,000	33,665,000	344,014,000	-0.6%
2013	395,504,000	113,168,000	260,692,000	44,565,000	34,753,000	340,010,000	-1.2%
2014	345,055,000	114,070,000	259,886,000	44,412,000	35,300,000	339,599,000	-0.0%
2015[(2)]	338,925,000	110,187,000	273,578,000	44,503,000	33,567,000	351,648,000	3.5%

Source: Los Angeles County Metropolitan Transportation Authority.
(1) Effective July 1, 2010, a fare increase was implemented resulting in an increase in average fare per boarding except for heavy rail.
(2) Unaudited. Effective September 15, 2014, a fare increase was implemented.

The following table sets forth the fare schedule for Fiscal Years 2012 through 2016.

TABLE 5
Fare Schedule
Fiscal Years 2012 Through 2016

	Fiscal Year 2012-2014 Fare Structure	**Fiscal 2015-2016 Fare Structure[(1)]**
Regular		
Base Fare	$1.50	$1.75
Token	1.50	1.75
Day Pass[(2)]	5.00	7.00
7 Day Pass	20.00	25.00
30 Day Pass	75.00	100.00
30 Day + Zone 1 Pass[(3)]	--	122.00
Metro to Muni Transfer	0.35	0.50
Senior/Disabled/Medicare		
Base Fare	$0.55	$0.75
Cash-Off-Peak (65+)	0.25	0.35
Day Pass	1.80	2.50
30 Day Pass	14.00	20.00
Metro to Muni Transfer	0.10	0.25
Students		
K-12 One Way Fare	$1.00	$1.00
K-12 30 Day Pass	24.00	24.00
College/Vocational 30-Day Pass	36.00	43.00

Source: Los Angeles County Metropolitan Transportation Authority.
(1) Fare increase implemented September 15, 2014. New Base Fares paid in cash are 1-Ride Base Fares and do not include transfers. One way trip base fares on TAP (a plastic card containing smart chip technology that allows for electronically purchasing and loading Metro transit passes) are 1-Way Trips and include transfers to other Metro lines for up to two hours to complete a one way trip. Additional charges apply to ride Metro Silver Line and Metro Express Buses.
(2) Regular Day Pass fare was decreased from $6.00 to $5.00 on August 1, 2011.
(3) Allows passengers to ride Metro for 30 consecutive days from first tap. Includes all Metro services.

Passengers can pay fares and purchase day, weekly, and monthly passes using the Transit Access Pass ("TAP") card, and transfer between lines operated by LACMTA and other carriers using the EZ Transit Pass. Passengers can also pay fares with cash or tokens for each LACMTA bus boarding. For Freeway Express buses, there are additional zone charges based on distance. LACMTA offers discounted cash fares and passes for senior, disabled, college student, and K-12 student passengers. All LACMTA passes are sold on a plastic, reusable TAP card that has an electronic chip inside. There are latched fare gates on the LACMTA heavy rail, Green Line, and selected stations on the Blue Line and Gold Line. Other light rail lines and the Orange Line have TAP validators and fare inspectors conduct random checks.

The following table sets forth LACMTA's base fares, average fares per boarding and total boardings for Fiscal Years 2010 through 2015.

TABLE 6
Historical Boardings and Fares
Fiscal Years 2010 Through 2015

Fiscal Year	Cash Base Fare	Average Fare per Boarding	Bus and Rail Boardings (in millions)	Change in Average Fare	Change in Boardings
2010	$1.25	$0.69	460.3	-1.4%	-3.8%
2011[1]	1.50	0.76	453.0	10.1	-1.6
2012	1.50	0.77	448.0	1.3	-1.1
2013	1.50	0.72	472.7	-6.5	5.5
2014	1.50	0.74	459.1	2.8	-2.9
2015[2]	1.75	0.78	449.1	5.4	-2.2

Source: Los Angeles County Metropolitan Transportation Authority.
(1) Reflects implementation of a fare restructuring effective July 1, 2010.
(2) New fare structure effective September 15, 2014.

In addition to fare box receipts, LACMTA generates operating funds through intergovernmental operating cash grants, auxiliary transportation receipts which are comprised of advertising and rents, and non-transportation revenues which primarily include interest earnings.

Like large transit systems, LACMTA does not generate sufficient fare box or other revenues from the operation of its bus and rail systems to pay for the operation of the bus and rail systems. The operational costs of LACMTA's transit system are subsidized from other sources, primarily from the Proposition A Sales Tax, the Proposition C Sales Tax, Measure R Sales Tax and revenues received from the State, including revenues received under the State Transportation Development Act discussed under "—Available LTF and STA Funds" below. LACMTA anticipates that its transit operations will continue to require substantial subsidies for the foreseeable future.

LACMTA's Proprietary Fund - Enterprise Fund is the account in LACMTA's financial statements which records its revenues and expenditures, including those from transit and bus operations. See Appendix B—"LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014—Notes to Financial Statements—Note I.C." Revenues available in the Proprietary Fund - Enterprise Fund were negatively impacted by reductions in funding from the State and by the significant decline in Proposition A and Proposition C sales tax revenues in Fiscal Year 2008 through Fiscal Year 2012 as a result of the national recession. During LACMTA's development of its budget for Fiscal Year 2016, [describe any potential shortfalls in Enterprise Fund and proposed resolutions.] For additional information on LACMTA and its operations, see APPENDIX A—"LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY."

Remaining Sales Tax

Authority for Proposition A Sales Tax and Proposition C 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 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 Official Statement 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*. See "LITIGATION."

In accordance with the Transportation Commissions Act, the Commission (as predecessor to LACMTA), on August 8, 1990, adopted Ordinance No. 49 ("Ordinance No. 49") which imposed a retail transactions and use tax. Ordinance No. 49 was submitted to the electors of the County in the form of "Proposition C" and approved at an election held on November 6, 1990. Ordinance No. 49 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. 49 and approved by the voters with the passage of Proposition C is referred to in this Official Statement as the "Proposition C Sales Tax." As approved by the voters, the Proposition C Sales Tax is not limited in duration. The validity of the Proposition C Sales Tax was upheld in 1982 by the California Supreme Court in *Los Angeles County Transportation Commission v. Richmond*. See "LITIGATION."

Collection of the Proposition A Sales Tax and the Proposition C Sales Tax is administered by the State Board of Equalization, which imposes a charge for administration. Such charge is based on the actual costs incurred by the State Board of Equalization in connection with the administration of the collection of the Proposition A Sales Tax and the Proposition C Sales Tax. In accordance with Ordinance No. 16 and Ordinance No. 49, LACMTA is required to allocate the proceeds of the Proposition A Sales Tax and the Proposition C Sales Tax as follows:

TABLE 7
Proposition A Sales Tax Apportionment

Use	Percentage
Local Allocation	25%
Rail Development Program[1]	35
Discretionary	40
TOTAL	100%[2]

Source: Los Angeles County Metropolitan Transportation Authority.

(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 Remaining Sales Tax revenues pledged to repayment of the Bonds, including the Series 2015-A Bonds.

TABLE 8
Proposition C Sales Tax Apportionment

Uses	Percentage
To local jurisdiction for local transit based on population (Local Allocation)	20%
To LACMTA for construction and operation of the bus transit and rail system[1]	40
To LACMTA to expand rail and bus security	5
To LACMTA for commuter rail, construction of transit centers, park and ride lots and freeway bus stops	10
To LACMTA for transit related improvements to freeways and state highways	25
TOTAL	100%[2]

Source: Los Angeles County Metropolitan Transportation Authority.

(1) Pursuant to the Act of 1998 (as defined herein) LACMTA is prohibited from spending Proposition C Sales Tax revenues on the costs of planning, design, construction or operation of any New Subway (as defined below), 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 C Sales Tax—The Act of 1998" below.

(2) Up to 1.5% of the non-Local Allocation portion of the Proposition C Sales Tax revenues received by LACMTA may be used by LACMTA to pay administrative costs. Administrative costs are payable only from Proposition C Sales Tax revenues that have been released to LACMTA and are no longer Pledged Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS – Flow of Funds" above.

The State Board of Equalization has agreed to remit directly on a monthly basis the remaining Proposition A Sales Tax revenues to the Trustee for the LACMTA's Proposition A Sales Tax obligations (the "Proposition A Obligation 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 Proposition A Obligations Trustee who then disburses the Local Allocation to LACMTA). After application of Proposition A Sales Tax revenues to the funds and accounts for the Proposition A Obligations, the Proposition A Obligations Trustee releases the remaining Proposition A Sales Tax revenues to LACMTA to be used by LACMTA first, if necessary, to pay debt service on the Bonds, including the Series 2015-A Bonds, termination payments under the Swap Agreement relating to certain Proposition A Obligations (the "Proposition A Swap Agreement") and fees and other amounts owed under covenant agreements for the Proposition A Obligation issued as index interest rate bonds, and second, for any lawful purposes of LACMTA. The Proposition A Obligations 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 debt service on the General Revenue Bonds and fees and other amounts owed under covenant agreements for the Index Interest Rate Bonds, or for any lawful purposes of LACMTA. LACMTA had outstanding the following Proposition A Sales Tax obligations as of October 1, 2015: First Tier Senior Lien Bonds in the aggregate principal amount of

$1,052,015,000 Second Tier Obligations in the aggregate principal amount of $19,360,000, and Proposition A Commercial Paper Notes in the aggregate principal amount of $62,500,000. With respect to its Proposition A Commercial Paper Notes, LACMTA is currently authorized to issue up to $350,000,000 aggregate principal amount if supported by a letter of credit. LACMTA may issue additional Proposition A Obligations upon the satisfaction of certain conditions.

The State Board of Equalization, after deducting the cost of administering the Proposition C Sales Tax and disbursing the Local Allocation to LACMTA (which for purposes of administrative ease, is first transferred to the Proposition C Obligations Trustee who then disburses the Local Allocation to LACMTA), has agreed to remit directly on a monthly basis the remaining Proposition C Sales Tax revenues to the Trustee for the LACMTA's Proposition C Sales Tax Obligations (the "Proposition C Obligations Trustee"). After application of Proposition C Sales Tax revenues to the funds and accounts for the Proposition C Obligations, the Proposition C Obligations Trustee releases the remaining Proposition C Sales Tax revenues to LACMTA to be used by LACMTA first, if necessary, to pay debt service on the Bonds, including the Series 2015-A Bonds, and second, for any lawful purposes of LACMTA. The Proposition C Obligations do not have a lien on and are not secured by any Proposition C Sales Tax revenues that are transferred to LACMTA to be used to pay debt service on the General Revenue Bonds. LACMTA had outstanding the following Proposition C Sales Tax obligations as of October 1, 2015: $1,159,800,000 Proposition C Senior Bonds and $18,624,000 Proposition C Commercial Paper.

The amount retained by the State Board of Equalization from collections of Proposition A Sales Tax and Proposition C 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 the State Board of Equalization. The amount retained by the State Board of Equalization is adjusted to account for the difference between the State Board of Equalization's recovered costs and its actual costs during the prior two fiscal years. For fiscal years 2012 through 2015, the State Board of Equalization's fees for administering each of the Proposition A Sales Tax and Proposition C Sales Tax were as follows:

TABLE 9
Fees for Administering each of the Proposition A Sales Tax and Proposition C Sales Tax

Fiscal Year Ended (June 30)	Fees ($'s in millions)	Percentage of Proposition A/C Sales Tax Revenues
2012	$6.2	1.0 %
2013	6.4	0.9
2014	8.3	1.2
2015	8.6	1.2

Source: Los Angeles County Metropolitan Transportation Authority.

The State Board of Equalization fee may increase incrementally each year. The State Board of Equalization can change the fee at its discretion in the future.

Under the Trust Agreement, LACMTA has covenanted that it will not take any action which will have a material adverse effect upon the Pledged Revenues or the Remaining Sales Tax or have a material adverse effect upon the pledge of the Pledged Revenues or the Remaining Sales Tax made in the Trust Agreement or the rights of the holders of the Bonds or the Parity Debt. Under the Trust Agreement, the LACMTA shall be unconditionally and irrevocably obligated, so long as any of the Bonds are Outstanding and unpaid, to take all lawful action necessary or required to continue to entitle the LACMTA to receive the Pledged Revenues and the Remaining Sales Tax to pay from the Pledged Revenues and the Remaining Sales Tax the principal of and interest on the Bonds.

Under the LACMTA Act, the State of California pledges to, and agrees with, the holders of any bonds 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, 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 and Proposition C Sales Tax collected. See "RISK FACTORS—California State Legislature or Electorate May Change Items Subject to Sales Tax."

The 1/2 of 1% Proposition A Sales Tax and 1/2 of 1% Proposition C Sales Tax imposed by LACMTA in the County are in addition to the general sales tax levied statewide by the State of California (currently 7.5%), the 30-year 1/2 of 1% sales tax approved by County voters in November 2008 to fund LACMTA transportation projects and operations known as the "Measure R Sales Tax," and the taxes that apply only within certain cities in the County. The cities of Avalon, Commerce, Culver City, El Monte, Inglewood, San Fernando, Santa Monica and South El Monte in the County have each enacted a sales tax of 1/2 of 1% applicable to transactions within their respective city limits, and the cities of La Mirada, Pico Rivera and South Gate in the County have each enacted a sales tax of 1% applicable to transactions within their respective city limits. The combined various sales taxes described above results in (a) transactions within the County, and outside the cities of Avalon, Commerce, Culver City, El Monte, Inglewood, San Fernando, Santa Monica, South El Monte, La Mirada, Pico Rivera and South Gate, currently being taxed at an effective rate of 9%, (b) transactions within the cities of Avalon, Commerce, Culver City, El Monte, Inglewood, San Fernando, Santa Monica and South El Monte currently being taxed at an effective rate of 9.5%, and (c) transactions within the cities of La Mirada, Pico Rivera and South Gate currently being taxed at an effective rate of 10%. These tax rates and the items subject to the Proposition A Sales Tax and Proposition C Sales Tax are subject to change. See "RISK FACTORS—California State Legislature or Electorate May Change Items Subject to Proposition A Sales Tax" and "—Increases in Sales Tax Rate May Cause Declines in Proposition A Sales Tax Revenues." See also "APPENDIX A—THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—OUTSTANDING DEBT."

Initiatives and Changes to Proposition A Sales Tax and Proposition C Sales Tax. 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 XIIIC and XIIID to the California State Constitution. Among other things, Article XIIIC removes limitations, if any, that exist on the initiative power in matters of local taxes, assessments, fees and charges. Proposition 218 has affirmed the right of the voters to propose initiatives that could impact the Proposition A Sales Tax and the Proposition C Sales Tax.

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 and Proposition C Sales Tax 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 Red Line. The Act of 1998 does not limit the use of Proposition A Sales Tax or Proposition C 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 or the Proposition C Sales Tax; it only limits the uses of such taxes. **Therefore, the Act of 1998 has no effect on LACMTA's ability to continue to use the Proposition A Sales Tax or the Proposition C Sales Tax to secure payment of its outstanding obligations secured by the Proposition A Sales Tax or the Proposition C Sales Tax. The Act of 1998 will not limit the ability of LACMTA to secure payment of the Series 2015-A Bonds with a pledge of the Remaining Sales Tax**.

As required by the Act of 1998, LACMTA contracted with an independent auditor to complete an audit with respect to the receipt and expenditure of Proposition A Sales Tax and Proposition C Sales Tax between the effective dates of Proposition A and Proposition C and June 30, 1998. The independent auditor completed the audit in November 1999. The Act of 1998 further requires LACMTA to contract for an independent audit each subsequent fiscal year to determine LACMTA's compliance with the provisions of Proposition A, Proposition C and the Act of 1998 relating to the receipt and expenditure of Proposition A Sales Tax revenues and Proposition C Sales Tax revenues. For Fiscal Years 1999 through 2014, the independent auditors determined that LACMTA was in compliance with Proposition A, Proposition C and the Act of 1998 for each such respective fiscal year (the "Annual Act of 1998 Audit").

In connection with each Annual Act of 1998 Audit, the independent auditor annually audits how LACMTA spends Proposition A Sales Tax and Proposition C Sales Tax revenues during the related fiscal year to ensure that it spends those revenues for the categories of use set forth in Proposition A and Proposition C. See Table 6 (Proposition A Sales Tax Apportionment) and Table 7 (Proposition C Sales Tax Apportionment) above. For purposes of determining LACMTA's compliance with the categories of use set forth in Proposition A and Proposition C, LACMTA allocates the annual payments of principal and interest with respect to each series of Bonds to the categories of use for which such series of Bonds financed or refinanced.

The Act of 1998 also established the "Independent Citizens' Advisory and Oversight Committee" (the "Committee") whose responsibilities include reviewing LACMTA's annual audit of its receipt and expenditure of Proposition A Sales Tax and Proposition C Sales Tax, the holding of public hearings regarding the annual audit and issuing reports based upon those audits and public hearings. The Committee is made up of five members, of which one member is appointed by the chair of the Los Angeles County Board of Supervisors, one member is appointed by the chair of the Board, one member is appointed by the Mayor of the City of Los Angeles, one member is appointed by the Mayor of the City of Long Beach, and one member is appointed by the Mayor of the City of Pasadena.

Historical Remaining Proposition A Sales Tax. The following table sets forth the Proposition A Sales Tax revenues of LACMTA, net of required allocations to local governments for transit purposes and net of debt service payments on all Proposition A Obligations, for Fiscal Years 2010 through 2015.

TABLE 10
Historical Remaining Proposition A Sales Tax Revenues

Fiscal Year	Net Proposition A Sales Tax Revenues(1)	Annual Percentage Change	Proposition A Debt Service(2)	Remaining Proposition A Sales Tax Revenues
2011	$451,412,000	6.38%	$153,233,000	$298,179,000
2012	486,519,000	7.78	146,923,000	339,596,000
2013	515,379,000	5.93	154,190,000	361,189,000
2014(3)	537,675,000	4.33	147,384,000	390,291,000
2015(4)	554,962,000	3.22	146,844,000	408,118,000

Source: Los Angeles County Metropolitan Transportation Authority.

(1) Actual Proposition A Sales Tax revenues for the Fiscal Years shown, as reported in LACMTA's audited financial statements, less required allocations to local governments for transit purposes and less the administrative fee paid to the State Board of Equalization, rounded to the closest $1,000.

(2) Includes debt service on first tier senior, second tier bonds, and interest paid on third tier obligations of the LACMTA (collectively, the "Senior Proposition A Sales Tax Obligations"), which constitute outstanding commercial paper, rounded to the closest $1,000.

(Table continued on next page.)

(Table continued from prior page.)

(3) LACMTA's Fiscal Year 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 Fiscal Year 2014 Net Proposition A Sales Tax Revenues and Remaining Proposition A Sales Tax Revenues are reported and calculated excluding the $61.4 million accounting accrual adjustment.

(4) Unaudited.

Proposition A Sales Tax revenues fluctuate based on general economic conditions within the County. To project future Proposition A Sales Tax revenues for budgetary purposes, LACMTA relies on reports from local economists and other publicly available sources of data. LACMTA does not itself develop forecasts of current or future economic conditions. Furthermore, the State Board of Equalization does not provide LACMTA with any forecasts of Proposition A Sales Tax revenues for future periods. Therefore, LACMTA is unable to predict with certainty future levels of Proposition A Sales Tax revenues. See "RISK FACTORS—Economic Factors May Cause Declines in Proposition A Sales Tax Revenues" above.

Proposition A Sales Tax revenues will be available to pay debt service on the Bonds, including the Series 2015-A Bonds, only after payment of all current payments due on the Proposition A Obligations and required allocations to local governments for transit purposes. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS—General."

LACMTA plans to issue additional Proposition A prior lien obligations upon the satisfaction of certain additional bonds tests contained in the Trust Agreement and in the Trust Agreements relating to outstanding Proposition A Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS—Issuance of Additional Parity Obligations and Senior Sales Tax Obligations," and APPENDIX A—"LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—FUTURE TRANSPORTATION IMPROVEMENTS."

Historical Proposition C Sales Tax Collections. The following table presents, among other things, collections of net Proposition C Sales Tax revenues and corresponding Pledged Revenues and Senior Bonds debt service coverage ratios for the fiscal years ending June 30, 2010 through June30, 2015.

TABLE 11
Historic Proposition C Sales Tax Revenues
(Dollars in Millions)

Fiscal Year Ended June 30	Net Proposition C Sales Tax Revenues[1]	Annual Percentage Change	Proposition C Debt Service[2]	Remaining Proposition C Sales Tax Revenues
2011	$481.5	6.39%	4.28	$477.22
2012	519.0	7.79	4.62	514.38
2013	549.9	5.95	4.81	545.09
2014[3]	573.8	4.35	4.46	569.34
2015[4]	592.2	3.21	4.37	587.83

Source: Los Angeles County Metropolitan Transportation Authority.

(1) Actual Proposition C Sales Tax revenues for the Fiscal Years shown, as reported in LACMTA's audited financial statements, less required allocations to local governments for transit purposes and less the administrative fee paid to the State Board of Equalization, rounded to the closest $1,000.

(2) Includes debt service on obligations of the LACMTA secured by a prior lien on Proposition C Sales Tax (collectively, the "Senior Proposition C Sales Tax Obligations"), rounded to the closest $1,000.

(3) LACMTA's Fiscal Year 2014 audited financial statements include an increase in Proposition C 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 Fiscal Year 2014 Net Proposition C Sales Tax Revenues and Remaining Proposition C Sales Tax Revenues are reported and calculated excluding the $61.4 million accounting accrual adjustment.

(4) Unaudited.

Proposition C Sales Tax revenues fluctuate based on general economic conditions within the County. To project future Proposition C Sales Tax revenues for budgetary purposes, LACMTA relies on reports from local economists and other publicly available sources of data. LACMTA does not itself develop forecasts of current or future economic conditions. Furthermore, the State Board of Equalization does not provide LACMTA with any forecasts of Proposition C Sales Tax revenues for future periods. Therefore, LACMTA is unable to predict with certainty future levels of Proposition C Sales Tax revenues. See "RISK FACTORS—Economic Factors May Cause Declines in Proposition C Sales Tax Revenues" above

Available LTF and STA Funds

If Pledged Revenues and Remaining Sales Tax are insufficient to pay debt service on the Bonds, including the Series 2015-A Bonds, when due, LACMTA has covenanted under the Trust Agreement to make such payments from any moneys available to it for use for any lawful purpose including, but not limited to, Available LTF Revenues and Available STA Revenues, prior to use of such monies to pay any costs and expenses of LACMTA other than payment of debt service on any obligations of LACMTA payable from such sources of revenue prior to debt service on Bonds. Notwithstanding the foregoing, LACMTA has not pledged nor granted a security interest in Available LTF Revenues or Available STA Revenues to secure the Bonds.

LACMTA receives State and local subsidies consisting, in part, of an allocation of sales tax revenue under the California Transportation Development Act of 1971, as amended ("TDA"), whereby one-fourth of 1% of the State's current 8.25% sales tax is available for public transportation and operating and capital expenses in the county in which the sales tax is collected. The TDA provides two sources for funding public transportation. The first is the County Local Transportation Fund ("LTF") which was established in 1972. The second is the State Transit Assistance Program which was established in 1979 pursuant to the State Transit Assistance Act.

The LTF is used for the deposit of the portion of State sales tax revenues apportioned to the County on the basis of the amount of such tax revenues collected by the State Board of Equalization within the County. LTF funds are apportioned, allocated and paid by designated local or regional transportation planning entities to individual transportation service entities. LACMTA is the agency responsible for approving allocations of LTF funds from the Los Angeles County Transportation Fund. LACMTA is presently an eligible recipient for LTF funds allocated by the State to the County.

LTF funds for operating assistance are available to LACMTA in an amount based on the following formula: the local transportation funds shall not exceed 50 percent of the sum of LACMTA's operating budget, capital requirements and debt service requirements, less LACMTA's federal operating grants and state transit assistance fund subsidies. In accordance with procedures and eligibility requirements set forth in the TDA, LACMTA directs the Auditor-Controller of the County to release the LTF funds to LACMTA. LACMTA has been in compliance with TDA eligibility requirements and has received LTF funds in each year since these funds became available in 1973. LACMTA's Fiscal Year 2016 budget assumes receipt of $381.8 million of available LTF funds. LTF funds are received in substantially equal monthly installments. However, there have been times when LACMTA (or its predecessor agencies) have experienced delays in receiving such payments. LACMTA may submit supplemental claims for LTF funds during the year. Funds remaining with the County Auditor-Controller are carried over to the following year.

The following table contains a summary of the amounts of LTF funds available from annual sales tax collections in the County allocated to LACMTA for the Fiscal Years 2010 through 2015.

TABLE 12
Local Transportation Fund Funding Trends

Fiscal Year	Amount[1]
2010	$220,871,000
2011	93,439,000
2012	144,085,000
2013	203,829,000
2014[2]	353,790,000
2015	308,724,000

Source: Los Angeles County Metropolitan Transportation Authority

(1) If Pledged Revenues and Remaining Sales Tax are insufficient to pay debt service on the Series 2010-A Bonds and the Series 2015-A Bonds, when due, LACMTA has covenanted to make such payments from other available moneys, including available Local Transportation Fund revenues and available State Transit Assistance Funding revenues.

(2) Excludes one-time accounting accrual adjustment of $31,700,000.

In addition to LTF funds, LACMTA has historically received State sales tax revenues pursuant to the State Transit Assistance Act ("STA"). STA funds are appropriated by the State on the basis of population and operator revenue based formulas. They are deposited in the County's State Transit Assistance Fund, and are allocated by LACMTA. LACMTA's Fiscal Year 2016 budget assumes receipt of $105.7 million of available STA funds.

The following table sets forth a summary of the amounts of STA funds allocated to LACMTA for the Fiscal Years 2010-2015.

TABLE 13
State Transit Assistance Funding Trends

Fiscal Year	Amount[1]
2010[2]	$ 1,052,000
2011	100,012,000
2012	129,765,000
2013	105,962,000
2014	114,731,000
2015[3]	90,745,000

Source: Los Angeles County Metropolitan Transportation Authority

(1) If Pledged Revenues and Remaining Sales Tax are insufficient to pay debt service on the Series 2010-A Bonds and the Series 2015-A Bonds, when due, LACMTA has covenanted to make such payments from other available moneys, including available Local Transportation Fund revenues and available State Transit Assistance Funding revenues.

(2) Lower amount in Fiscal Year 2010 was due to the State diverting a substantial portion of Statewide STA to itself to mitigate its budget shortfalls in accordance with State law.

(3) Unaudited.

The following table sets forth the combined debt service schedule on the Series 2015-A Bonds and all Outstanding Bonds.

TABLE 14
Combined Debt Service Schedule[1]

Bond Year Ending (July 1)	Series 2015-A Bonds		Total Debt Service on the Series 2015-A Bonds	Total Debt Service on the Series 2004 Bonds[2]	Total Debt Service on the Series 2010-A Bonds	Total Debt Service on all Outstanding Bonds
	Principal	Interest				
2015					$9,476,475	
2016					9,652,875	
2017					9,864,725	
2018					10,049,300	
2019					10,232,300	
2020					10,451,050	
2021					10,311,800	
2022					5,512,500	
2023					-	
2024					-	
2025					-	
2026					-	
2027					-	
					-	
Total:						

(1) Preliminary, subject to change.

(2) Reflects all Series 2004 Bonds Outstanding prior to the issuance of the Series 2015-A Bonds and the refunding described herein. All Series 2004 Bonds will be refunded with proceeds of the Series 2015-A Bonds.

RISK FACTORS

The ability of the LACMTA to pay principal of and interest on the Series 2015-A Bonds depends primarily upon the receipt by the LACMTA of Pledged Revenues, Remaining Sales Tax Revenues, Available LTF and STA Funds and other amounts pledged under the Trust Agreement. Some of the events which could prevent the LACMTA from receiving sufficient amounts to enable it to pay the principal of and interest on the Series 2015-A Bonds are summarized below. The following description of risks is not intended to be an exhaustive list of the risks associated with the purchase of the Series 2015-A Bonds and the order of the risks set forth below does not necessarily reflect the relative importance of the various risks.

Work Stoppages Can Limit General Revenues

The Series 2015-A Bonds are secured by a pledge of Pledged Revenues, which include fare box revenues and other General Revenues, and the amount of General Revenues is dependent upon LACMTA providing bus and rail service and collecting fares. LACMTA may be unable to provide bus and rail service in the event of a work stoppage by its operators. Since September 16, 2000, LACMTA has suffered two major work stoppages. A strike in 2000 lasted 32 days and a strike in 2003 lasted 35 days. A strike could have a material adverse impact upon the level of General Revenues and, therefore, upon the ability of LACMTA to use General Revenues to pay debt service on the Series 2015-A Bonds. See APPENDIX A— "LOS ANGELES METROPOLITAN TRANSPORTATION AUTHORITY— LABOR RELATIONS."

Economic Factors May Cause Declines in Remaining Sales Tax Revenues

The Series 2015-A Bonds are limited obligations of LACMTA secured by a pledge of Pledged Revenues and Remaining Sales Tax Revenues and certain other amounts held under the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS." The amount of Remaining Sales Tax revenues received depends on the level of taxable sales transactions within the County, which, in turn, depends on the level of general economic activity in the County. In Fiscal Years 2009 and 2010, the national economic recession and regional general economic conditions resulted in reductions in economic activity and taxable sales within the County, and correspondingly Remaining Sales Tax revenues received by LACMTA declined. Sales tax revenues have increased in Fiscal Years 2011 through 2014. It is possible that Remaining Sales Tax revenues could decline in the future, reducing amounts available to pay the principal of and interest on the Series 2015-A Bonds.

Remaining Sales Tax revenues fluctuate based on general economic conditions within the County. To project future Remaining Sales Tax revenues for budgetary purposes, LACMTA relies on reports from local economists and other publicly available sources of data. LACMTA does not itself develop forecasts of current or future economic conditions. Furthermore, the State Board of Equalization does not provide LACMTA with any forecasts of Remaining Sales Tax revenues for future periods. Therefore, LACMTA is unable to forecast or predict with certainty future levels of Remaining Sales Tax revenues. In addition, the County is located in a seismically active region. A major earthquake or other natural disaster could adversely affect the economy of the County and the amount of Remaining Sales Tax revenues. Future significant declines in the amount of Remaining Sales Tax revenues could ultimately impair the ability of LACMTA to pay principal of and interest on the Series 2015-A Bonds. See "GENERAL REVENUES – Remaining Sales Tax – Historical Remaining Proposition A Sales Tax" and "– Historical Proposition C Sales Tax."

California State Legislature or Electorate May Change Items Subject to Sales Tax

With limited exceptions, the Proposition A Sales Tax and Proposition C Sales Tax are imposed on the same transactions and items subject to the general sales tax levied statewide by the State of California. In the past, the California State Legislature and the California State electorate have made changes to the transactions and items subject to the State of California's general sales tax and, therefore, the Proposition A Sales Tax and Proposition C Sales Tax. In 1991, the California State Legislature enacted legislation which expanded the transactions and items subject to the general statewide sales tax to include fuel for aviation and shipping, bottled water, rental equipment and newspapers and magazines. In 1992, the California State electorate approved an initiative which eliminated candy, gum, bottled water and confectionery items as items subject to the California State's general sales tax. In each case, the same changes were made to transactions or items subject to the Proposition A Sales Tax and Proposition C Sales Tax.

The California State Legislature is currently considering legislation in two separate assembly bills authorizing LACMTA to impose an additional transportation transactions and use tax at a rate of 0.5%, subject to the adoption of an expenditure plan and voter approval. One would exempt the proposed transportation transactions and use tax from the general county constraint that limits the combined rate of all transactions and use tax taxes in any county to 2%. Also pending is legislation to amend that limitation to provide that the combined rate of all transactions and use tax taxes imposed in any county shall not exceed 2 percent but that a tax shall not be considered to be in accordance with this part if, upon its adoption, the combined rate in the county will exceed 3 percent. LACMTA is unable to predict the likelihood of approval and enactment of any such proposed legislation or whether such a tax would be approved by the voters. In the future, the California State Legislature or the California State electorate could further change the transactions and items upon which the statewide general sales tax and the Proposition A Sales Tax and Proposition C Sales Tax are imposed. Such a change could either increase or decrease Proposition A Sales Tax and Proposition C Sales Tax revenues depending on the nature of the change. See "PROPOSITION A SALES TAX AND COLLECTIONS."

Increases in Sales Tax Rate May Cause Declines in Remaining Sales Tax Revenues

Increases in sales tax rates, whether by the electorate of a municipality within the County, the County or the State or by the State Legislature, may affect consumer spending decisions and as a result adversely impact sales transactions in the County and, thereby, reduce Remaining Sales Tax revenues. Several increases in sales tax rates have occurred in recent years. In November 2008, County voters approved Measure R, which increased the sales tax rate within the County by ½ of 1% for a period of 30 years to fund LACMTA transportation projects and operations. Measure R sales tax revenues are separate from the Proposition A Sales Tax and Proposition C Sales Tax revenues and do not secure the Series 2015-A Bonds. Collection of the additional sales tax rate commenced July 1, 2009. In June 2012, the Board of Directors of LACMTA approved a proposal to extend the Measure R sales tax for 30 years beyond its current expiration date (June 30, 2039). The proposed extension failed to receive the required 2/3 approval of the voters of the County at the November 2012 election. In November 2012, the voters of the State approved an additional ¼ of 1% State general sales tax, which became effective on January 1, 2013 and will expire on December 31, 2016. Previously, in 2009, as part of its approval of the State of California's revised budget, the California State Legislature temporarily increased the State's general sales tax rate by 1.0 percent between April 1, 2009 and July 1, 2011. Additional increases in sales tax rates, while not currently pending, can be expected to be proposed and imposed, from time to time, in the County of Los Angeles.

Increased Internet Use May Reduce Remaining Sales Tax Revenues

The increasing use of the Internet to conduct electronic commerce may affect the levels of Remaining Sales Tax revenues. Internet sales of physical products by businesses located in the State of California, and Internet sales of physical products delivered to the State of California by businesses located outside of the State of California are generally subject to the retail transactions and use tax imposed by Proposition A and Proposition C. Legislation passed as part of the California Budget Act of 2011 imposes a use tax collection responsibility for certain out-of-state, and particularly Internet, retailers who meet certain criteria. The new responsibility took effect in September 2012. However, LACMTA believes that some Internet transactions still may avoid taxation either through error or deliberate non-reporting, and this potentially reduces the amount of Remaining Sales Tax revenues.

Transit System Operations Dependent on Non-Farebox Revenues

As described in "APPENDIX A – LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY," LACMTA is a multi-faceted transportation agency that owns and operates a transit system within the greater Los Angeles region that includes bus, light rail and heavy rail. As is generally true with large transit systems, LACMTA does not generate sufficient fare box or other revenues from the operation of its bus and rail systems and other programs to pay for the operation of such systems. Thus, the operational costs of LACMTA's transit system are subsidized from other sources, primarily from the

Proposition A, Proposition C and Measure R sales tax revenues. LACMTA anticipates that transit operations will require increasing amounts of substantial subsidies for the foreseeable future. See “APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY” for a discussion of short-range forecasts that have identified increasing operational deficits in future years, due primarily to the operating costs that will be required as new improvements to the transit system are completed.

Impact of Bankruptcy of LACMTA

LACMTA may be authorized under Chapter 9 of the United States Bankruptcy Code to file for Chapter 9 municipal bankruptcy under certain circumstances. Should LACMTA file for bankruptcy, there could be adverse effects on the holders of the Series 2015-A Bonds.

If the Remaining Sales Tax revenues are “special revenues” under the Bankruptcy Code, then Remaining Sales Tax revenues collected after the date of the bankruptcy filing should be subject to the lien of the Trust Agreement. “Special revenues” are defined to include taxes specifically levied to finance one or more projects or systems, excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the governmental entity. If a court determined that the Remaining Sales Tax was levied to finance the general purposes of LACMTA, rather than specific projects, then the Proposition A Sale Tax and Proposition C Sales Tax revenues would not be special revenues. No assurance can be given that a court would not hold that the Remaining Sales Tax revenues are not special revenues or that the Series 2015-A Bonds are not of a type protected by the “special revenues” provisions of the Bankruptcy Code. Were the Remaining Sales Tax revenues determined not to be “special revenues,” or were the Series 2015-A Bonds determined to not be protected by the Bankruptcy Code, then Remaining Sales Tax revenues collected after the commencement of a bankruptcy case would likely not be subject to the lien of the Trust Agreement. The holders of the Series 2015-A Bonds may not be able to assert a claim against any property of LACMTA other than the Remaining Sales Tax revenues, and were these amounts no longer subject to the lien of the Trust Agreement following commencement of a bankruptcy case, then there could thereafter be no amounts from which the holders of the Series 2015-A Bonds are entitled to be paid.

The Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system from which the special revenues are derived, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. The law is not clear as to whether, or to what extent, the Remaining Sales Tax revenues would be consider to be “derived” from a project or system. To the extent that the Remaining Sales Tax revenues are determined to be derived from a project or system, LACMTA may be able to use Remaining Sales Tax revenues to pay necessary operating expenses, before the Remaining Sales Tax revenues are turned over to the Trustee to pay amounts owed to the holders of the Series 2015-A Bonds. It is not clear precisely which expenses would constitute necessary operating expenses.

If LACMTA is in bankruptcy, the parties (including the Trustee and the holders of the Series 2015-A Bonds) may be prohibited from taking any action to collect any amount from LACMTA or to enforce any obligation of LACMTA, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Series 2015-A Bonds from funds in the Trustee’s possession. The procedure pursuant to which the Remaining Sales Tax revenues are paid directly to the Trustee by the California State Board of Equalization may no longer be enforceable, and LACMTA may be able to require that the Remaining Sales Tax revenues be paid directly to it by the Board of Equalization.

If LACMTA has possession of Remaining Sales Tax revenues (whether collected before or after commencement of the bankruptcy) and if LACMTA does not voluntarily pay such moneys to the Trustee, it is not entirely clear what procedures the Trustee or the holders of the Series 2015-A Bonds would have to follow to attempt to obtain possession of such Remaining Sales Tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

LACMTA may be able to borrow additional money that is secured by a lien on any of its property (including the Remaining Sales Tax revenues), which lien could have priority over the lien of the Trust Agreement, or to cause some of the Remaining Sales Tax revenues to be released to it, free and clear of lien of the Trust Agreement, in each case as long as the bankruptcy court determines that the rights of the Trustee and the holders of the Series 2015-A Bonds will be adequately protected.

LACMTA may also be able, without the consent and over the objection of the Trustee and the holders of the Series 2015-A Bonds, to alter the priority, principal amount, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Trust Agreement and the Series 2015-A Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the Series 2015-A Bonds while the court considers any of these issues, and any of these issues could result in delays or reductions in payments on the Series 2015-A Bonds. There may be other possible effects of a bankruptcy of LACMTA that could result in delays or reductions in payments on the Series 2015-A Bonds, or result in losses to the holders of the Series 2015-A Bonds. Regardless of any specific adverse determinations in an LACMTA bankruptcy proceeding, the fact of an LACMTA bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Series 2015-A Bonds.

Voter Initiatives and California State Legislative Action May Impair Remaining Sales Tax

Voters have the right to place measures before the electorate in the County or the State of California and the California State Legislature may take actions to limit the collection and use of the Remaining Sales Tax. Such initiatives or actions may impact various aspects of the security, source of payment and other credit aspects of the Series 2015-A Bonds. See “REMAINING SALES TAX AND COLLECTIONS—Initiatives and Changes to Remaining Sales Tax.”

Risks Related to Variable-Rate Bonds and Interest Rate Swaps

LACMTA has issued and may issue in the future Senior Sales Tax Obligations that bear interest at a variable rate. The Senior Sales Tax Obligations are limited obligations of LACMTA payable from the Proposition A Sales Tax and Proposition C Sales Tax prior to payment of debt service on Parity Obligations, including the Series 2015-A Bonds, under the Trust Agreement. If any series of Senior Sales Tax Obligations that bears interest at a variable rate experiences a substantial increase in that rate, then that increase may adversely affect the amount of Remaining Sales Tax revenues available for payment of debt service on the Parity Obligations, including the Series 2015-A Bonds, under the Trust Agreement. LACMTA does not have any swap agreements outstanding.

LITIGATION

There is no litigation pending or, to the knowledge of LACMTA, threatened, against LACMTA in any way questioning or affecting the validity of the Series 2015-A Bonds, the imposition and collection of the Proposition A Sales Tax, Proposition C Sales Tax or the pledge of the Pledged Revenues. On April 30, 1982, the California Supreme Court, in Los Angeles County Transportation Commission v. Richmond, upheld the validity of the Proposition A Sales Tax. Various claims of other types have been asserted against LACMTA. See “APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—LITIGATION AND OTHER REGULATORY ACTIONS.”

LEGAL MATTERS

The validity of the Series 2015-A Bonds and certain other legal matters are subject to the approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel to LACMTA. A complete copy of the proposed

Bond Counsel opinion is contained in APPENDIX E hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon by the Los Angeles County Counsel, as General Counsel to LACMTA and Hawkins Delafield & Wood LLP, as Disclosure Counsel to LACMTA. Certain legal matters will be passed upon for the Underwriters by their counsel, [UWC].

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to LACMTA, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the 2015-A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the 2015-A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. The Tax Certificate of LACMTA (the "Tax Certificate"), which will be delivered concurrently with the delivery of the 2015-A Bonds will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by LACMTA in connection with the 2015-A Bonds, and Bond Counsel has assumed compliance by LACMTA with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the 2015-A Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to LACMTA, under existing statutes, interest on the 2015-A Bonds is exempt from personal income taxes of the State of California.

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the 2015-A Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assume no obligation to update, revise or supplement its opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to their attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the 2015-A Bonds, or under state and local tax law.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the 2015-A Bonds in order that interest on the 2015-A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the 2015-A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the 2015-A Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. LACMTA, in executing the Tax Certificate, will certify to the effect that LACMTA will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the 2015-A Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the 2015-A Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the 2015-A Bonds.

Prospective owners of the 2015-A Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the 2015-A Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a 2015-A Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of the 2015-A Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of 2015-A Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Counsel further is of the opinion that, for any 2015-A Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the 2015-A Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a 2015-A Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the 2015-A Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that 2015-A Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the 2015-A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a 2015-A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the 2015-A Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the 2015-A Bonds under Federal or state law or otherwise prevent beneficial owners of the 2015-A Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the 2015-A Bonds. For example, the Fiscal Year 2016 Budget proposed by the Obama Administration recommends a 28% limitation on "all itemized deductions, as well as other tax benefits" including "tax-exempt interest." The net effect of such a proposal, if enacted into law, would be that an owner of a tax-exempt obligation with a marginal tax rate in excess of 28% would pay some amount of Federal income tax with respect to the interest on such tax-exempt obligation, regardless of issue date.

Prospective purchasers of the 2015-A Bonds should consult their own tax advisors regarding the foregoing matters.

FINANCIAL ADVISOR

LACMTA has retained Public Resources Advisory Group as Financial Advisor (the "Financial Advisor") for the sale of the Series 2015-A Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

FINANCIAL STATEMENTS

The financial statements of LACMTA for the Fiscal Year ended June 30, 2014 and the Management's Discussion and Analysis and certain supplementary information, and the Independent Auditors' Report of KPMG LLP, independent accountants, dated December 19, 2014 (collectively, the "2014 Financial Statements") are included as APPENDIX B—"LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014." LACMTA's financial statements as of June 30, 2014 and for the year then ended, included in this Official Statement, have been audited by KPMG LLP, independent accountants, as stated in their Report appearing in APPENDIX B. LACMTA has not requested, nor has KPMG LLP given, KPMG LLP's consent to the inclusion in APPENDIX B of its Report on such financial statements. In addition, KPMG LLP has not performed any post-audit review of the financial condition of LACMTA and has not reviewed this Official Statement.

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION

Certain economic and demographic information about the County is included in APPENDIX C—"LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION." The economic and demographic information provided has been collected from sources that LACMTA considers to be reliable. Because it is difficult to obtain timely economic and demographic information, the economic condition of the County may not be fully apparent in all of the publicly available local and regional economic statistics provided herein. In particular, the economic statistics provided herein may not fully capture the impact of current economic conditions.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

[Verification Agent], will verify, from the information provided to them, the mathematical accuracy of the computations contained in the provided schedules to determine that the amounts to be held in the Escrow Fund will be sufficient to pay principal, interest and redemption price due on the Series 2005-A Bonds through and including the Redemption Date. [Verification Agent] will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest on the Series 2015-A Bonds.

CONTINUING DISCLOSURE

At the time of issuance of the Series 2015-A Bonds, LACMTA will execute a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), which will provide for disclosure obligations on the part of LACMTA. Under the Continuing Disclosure Certificate, LACMTA will covenant for the benefit of Owners and Beneficial Owners of the Series 2015-A Bonds to provide certain financial information and operating data relating to LACMTA by not later than 195 days after the end of the prior fiscal year (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Listed Events"). The Annual Reports and the notices of Listed Events will be filed with the MSRB through its EMMA System. See "APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE." LACMTA has become aware that some information that was made available in a timely manner on the EMMA System was not linked to the CUSIP numbers for all affected series of bonds. LACMTA has corrected this issue. In addition, LACMTA has become aware that in a few instances, notices of changes in ratings on some of LACMTA's bonds were not filed in a timely manner. LACMTA has made corrective filings regarding these ratings changes.

UNDERWRITING

The 2015-A Bonds are being purchased by [Book Runner], as representative (the "Representative") for itself, [Other UWs] (collectively, the "Underwriters"). The Underwriters have agreed to purchase the 2015-A Bonds at the aggregate purchase price of $__________ (which is equal to the aggregate principal amount of the 2015-A Bonds of $__________, plus/minus an original issue premium/discount of $__________ and less an underwriting discount of $__________) pursuant to the Bond Purchase Contract (the "Bond Purchase Contract") by and between LACMTA and the Representative. Pursuant to the Bond Purchase Contract, the Underwriters will purchase all of the 2015-A Bonds. The Underwriters may offer and sell the 2015-A Bonds to certain dealers and others at prices or yields different from the initial public offering prices or yields stated on the inside cover page of this Official Statement. The initial public offering prices or yields may be changed from time to time by the Underwriters.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Financial Services LLC business ("S&P") have assigned the Series 2015-A Bonds ratings of "___" (______ outlook) and "___" (_______ outlook), respectively. Such credit ratings reflect only the views of such organizations and any desired explanation of the meaning and significance of such credit ratings, including the methodology used and any outlook thereon, should be obtained from the rating agency furnishing the same, at the following addresses, which are current as of the date of this Official Statement: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; and Standard & Poor's, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its credit rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the ratings will remain in effect for any given period of time or that any such rating will not be revised, either downward or upward, or withdrawn entirely, or a positive, negative or stable outlook announced, by the applicable rating agency, if, in its judgment, circumstances so warrant. LACMTA undertakes no responsibility to bring to the attention of the Owners of the Series 2015-A Bonds any announcement regarding the outlook of any rating agency with respect to the Series 2015-A Bonds. Any downward revision or withdrawal or announcement of negative outlook could have an adverse effect on the market price of the Series 2015-A Bonds. Maintenance of ratings will require periodic review of current financial data and other updating information by assigning agencies.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Treasurer of the Los Angeles County Metropolitan Transportation Authority, One Gateway Plaza, Los Angeles, California 90012, Attention: Treasury Department, Email: TreasuryDept@metro.net, Telephone: (213) 922-2554, or from LACMTA's Financial Advisor, Public Resources Advisory Group, Telephone: (310) 477-8487. LACMTA maintains a website at http://www.metro.net. Information on such website is not part of this Official Statement and such information has not been incorporated by reference in this Official Statement and should not be relied upon in deciding whether to invest in the Series 2015-A Bonds.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By ____
Treasurer

APPENDIX A

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

GENERAL

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 1.0 million passengers per day on buses and nearly 345,000 passengers on rail. LACMTA operates four light rail lines, serving 67 stations along 70.3 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 Section 130050.2 *et seq.* of the California Public Utilities Code (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 of Los Angeles (the "County"), to adopt a retail transactions 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."

Board of Directors

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.

The Board of LACMTA exclusively exercises and discharges the following powers and responsibilities: (a) establishment of overall goals and objectives, (b) adoption of the aggregate budget for all of its organizational units, (c) designation of additional municipal bus operators under criteria enumerated in the LACMTA Act, (d) approval of all final rail corridor selections, (e) final approval of labor contracts covering employees of LACMTA and its organizational units, (f) establishment of LACMTA's organizational structure, (g) conducting hearings and setting fares for the operating organizational units, (h) approval of transportation zones, (i) approval of any debt instrument with a maturity date exceeding the end of the Fiscal Year in which it is issued, (j) approval of benefit assessment districts and assessment rates and (k) approval of contracts for construction and transit equipment acquisition which exceed $5,000,000 and making findings in connection with certain procurement decisions.

The current members of the Board and a brief biography of each member are provided below.

Mark Ridley-Thomas, Chair. Mr. Ridley-Thomas was elected to the Board representing the Second Supervisorial District in November 2008 and was reelected in June 2012. Previously, he served as a California State Senator, 26th District, 2006 to 2008, and chaired the Senate Committee on Business, Professions and Economic Development. Mr. Ridley-Thomas was first elected to public office in 1991, serving on the Los Angeles City Council for nearly a dozen years during which time he sat on the Board. He later served two terms in the California State Assembly, where he chaired the Committee on Jobs, Economic Development and the Economy and the Assembly Democratic Caucus. He earned a baccalaureate degree in Social Relations, minor in Government, and a master's degree in Religious Studies (concentration in Christian Ethics) from Immaculate Heart College. Mr. Ridley-Thomas received his Ph.D. in Social Ethics and Policy Analysis from the University of Southern California.

John Fasana, First Vice-Chair. Mr. Fasana has served on the Duarte City Council since 1987, and served as Mayor of the City of Duarte in 1990, 1997, 2004, and 2009. Mr. Fasana was selected by the Los Angeles County City Selection Committee and has represented the San Gabriel Valley Sector on the Board since its inception in 1993. Mr. Fasana serves as Chair of the San Gabriel Valley Council of Governments Transportation Committee and is a member of the board of the Metro Gold Line Foothill Extension Construction Authority. Mr. Fasana has worked 30 years with Southern California Edison and is a graduate of Whittier College with a Bachelor of Arts in Business Administration.

Eric Garcetti, Second Vice-Chair. Mr. Garcetti was elected Mayor of Los Angeles in 2013. From 2001 until taking office as Mayor, Mr. Garcetti served on the Los Angeles City Council representing the Thirteenth District and was elected to serve as President of the Los Angeles City Council four times from 2006 to 2012. Mr. Garcetti earned his B.A. and M.A. from Columbia University. He has also studied as a Rhodes Scholar at Oxford and the London School of Economics and taught at Occidental College and University of Southern California.

Michael D. Antonovich. Mr. Antonovich has been the Los Angeles County Supervisor representing the Fifth Supervisorial District since his election in 1980. From 1972 to 1978, he served as a member of the California State Assembly. He also served as a member of the Board of Trustees of the Los Angeles Community College District from 1968 to 1973. Mr. Antonovich has held teaching positions with the Los Angeles Unified School District and Pepperdine University. He received a Bachelor of Arts and master's degree from California State University, Los Angeles.

Mike Bonin. Mr. Bonin was elected to Los Angeles City Council in July 2013 to represent the Eleventh District. He was appointed to the Board by Mayor Garcetti in July 2013 and acts as Chair of the City Council's Transportation Committee and as Vice Chair of the Metro Exposition Line Construction Authority. Previously, Mr. Bonin served as chief deputy to former Councilmember Bill Rosendahl. In that role, he was an alternate member on the Board of the Metro Exposition Line Construction Authority and a Co-Chair of the North Runway Safety Advisory Committee. He has also served as district director for U.S. Congresswoman Jane Harman and deputy chief of staff for Councilmember Ruth Galanter and is co-founder and program director of Camp Courage, a training program for LGBT community organizers. Mr. Bonin received his B.A. in U.S. History from Harvard University.

James T. Butts, Jr. Mr. Butts was elected as Mayor of the City of Inglewood on January 11, 2011 and reelected on November 4, 2014. Mr. Butts has more than 42 years of public safety and municipal government experience. He has held the rank of general manager or assistant general manager of large and complex municipal organizations for the past 28 years. He served 19 years in the Inglewood Police Department rising to the rank of Deputy Chief, 15 years as the Chief of Police for the City of Santa Monica, and 5 years as an Assistant General Manager for the Los Angeles World Airport system in charge of Public Safety and Counter-Terrorism. Mr. Butts received a Bachelor of Science degree in Business Administration from California State University, Los Angeles and a master's degree in Business Administration from California Polytechnic University in Pomona.

Diane DuBois. In January 2009, the California League of Cities Los Angeles County Division appointed Lakewood City Councilmember Diane DuBois to the Board representing the Southeast Long Beach Sector. Councilmember DuBois was elected to the City Council of Lakewood in 2005. Prior to her City Council service, she was a Lakewood Planning and Environment Commissioner for 28 years. She has been a board member and volunteer of Lakewood Meals On Wheels, a board member of the Greater Long Beach Girl Scout Council, a governing board member of Lakewood Regional Medical Center, a member of Soroptimists International of Lakewood/Long Beach, and a volunteer at Pathways Volunteer Hospice.

Jacquelyn Dupont-Walker. Ms. Dupont-Walker is the founding President of Ward Economic Development Corporation, a faith-based community development organization and is chair of the USC Master Plan Advisory Committee where she represents the residents of the West Adams district. She was appointed to the Board by Mayor Garcetti in July 2013 and is involved in numerous other civic organizations. She serves as the AME Church International Social Action Officer and as the Social Action Chair of Delta Sigma Theta–Century City.

Don Knabe. Mr. Knabe is the Los Angeles County Supervisor representing the Fourth Supervisorial District, having been elected in 1996 and re-elected in 2000, 2004, 2008 and 2012. Alongside a successful career as a small business owner, Mr. Knabe was elected to the Cerritos City Council in 1980 and served for eight years, including two terms as Mayor. Mr. Knabe was appointed to the President's Homeland Security Advisory Council and was Chair of the State and Local Officials Senior Advisory Committee. He received a bachelor's degree in Business Administration from Graceland College in Lamoni, Iowa.

Paul Krekorian. Mr. Krekorian was elected to the Los Angeles City Council to represent the Second District in 2009 and was re-elected in 2013 and 2015. He was appointed to the Board by Mayor Garcetti in July 2013. Prior to his election to the Los Angeles City Council, he represented California's 43rd Assembly District in the California State Assembly for three years. Prior to being elected to public office, Mr. Krekorian served as President of the Burbank Board of Education and practiced law. He attended the University of Southern California and received his Juris Doctor from the University of California, Berkeley, School of Law.

Sheila Kuehl. Ms. Kuehl was elected to the Board representing the Third Supervisorial District in 2014. Ms. Kuehl served eight years in the State Senate and six years in the State Assembly, and, in 2008, left the legislature under California's term limits statute. She served as Founding Director of the Public Policy Institute at Santa Monica College. In 2012, she was appointed Regents' Professor of Public Policy at UCLA. Prior to her election to the Legislature, Ms. Kuehl was a law professor at Loyola, UCLA and USC Law Schools and co-founded and served as managing attorney of the California Women's Law Center. She graduated from Harvard Law School in 1978. She served on the Harvard University Board of Overseers from 1998 to 2005.

Ara Najarian. Mr. Najarian was elected to the Glendale City Council in April of 2005 and re-elected in 2009 and 2013; he served as Mayor from 2007 to 2008 and 2010 to 2011. He was selected to the Board in 2006 by the Los Angeles County City Selection Committee to represent the North County/San Fernando Valley Sector. He served as LACMTA Chairman from 2009-2010. He is past Chair of the Glendale Housing Authority and previously served as Chair of the Glendale Redevelopment Agency. He was elected to serve on the Glendale Community College Board of Trustees from 2003 to 2005. Mr. Najarian was Chair of the Glendale Transportation and Parking Commission. Mr. Najarian also serves on Metrolink's Board of Directors. Mr. Najarian has been an attorney in private practice in Glendale for 25 years. He attended Occidental College where he received a Bachelor of Arts in Economics and later earned his Juris Doctor from University of Southern California School of Law.

Hilda L. Solis. Ms. Solis was elected to the Board representing the First Supervisorial District in 2014. Prior to her election to the Board, Ms. Solis was confirmed as Secretary of Labor on February 24, 2009, becoming the first Latina to serve in the United States Cabinet. Prior to confirmation as Secretary of Labor, Secretary Solis represented the 32nd Congressional District in California, a position she held from 2001 to 2009. Solis graduated from California State Polytechnic University, Pomona, and earned a Master of Public Administration from the University of Southern California. A former federal employee, she worked in the Carter White House Office of Hispanic Affairs and was later appointed as a management analyst with the Office of Management and Budget in the Civil Rights Division.

Carrie Bowen, Ex Officio Member. Ms. Bowen became the Acting Director of the California Department of Transportation District 7 in August 2013. She was appointed to the Board by Governor Brown in August 2013 and provides oversight to all divisions including administration, construction, design, environmental, external affairs, maintenance, operations, planning, project management and right-of-way. Previously, Ms. Bowen served as District 10 Director, following her appointment in January 2011. She has worked for Caltrans for approximately 30 years, rising to the position of Deputy District Director for the Central Region, Environmental Division. In addition to her work with Caltrans, Ms. Bowen also served on Assemblyman Jim Costa's staff from 1985 to 1991.

Management

General. The management of LACMTA is carried out under the direction of its Chief Executive Officer, who performs any duties delegated to him or her by the Board. The Board also appoints a General Counsel, Inspector General and Board Secretary. The Chief Executive Officer serves at the pleasure of the Board, as do the General Counsel, Inspector General and Board Secretary. Certain of LACMTA's executives and a brief biography of each executive are provided below.

Chief Executive Officer. Phillip A. Washington became Chief Executive Officer in May 2015. Prior to his appointment as Chief Executive Officer, Mr. Washington served as General Manager of the Denver Regional Transportation District. Mr. Washington served in that position since December 2009, with previous service as Interim General Manager since June 2009 and Assistant General Manager, Administration since 2000. Mr. Washington is credited with completing the Eagle P3 project, a $2.2 billion public-private partnership that built the District's East Rail Line, a commuter rail from Denver International Airport to downtown Denver. Mr. Washington was a highly decorated 24-year military professional, having attained the highest military noncommissioned officer rank, that of Command Sergeant Major, E-9, before retiring from service in June 2000. He began his military career in Air Defense Artillery units and served in virtually every noncommissioned officer leadership role. He has also been a distinguished project manager, strategic planner, contract representative, human resource director, trainer and budget technician. Mr. Washington received a Bachelor of Arts degree in Business Administration from Columbia College and a master's degree in Management from Webster University.

Executive Director, Finance and Budget. Nalini Ahuja was appointed as Executive Director, Finance and Budget in February 2014. Prior to her appointment as Executive Director, Finance and Budget, Ms. Ahuja served as LACMTA's Executive Director, Office of Management, Budget & Local Programming from 2010 to 2012, at which point her duties were expanded to include oversight of LACMTA's Transit Access Pass ("TAP") operations. As the Executive Director, Finance and Budget, she is responsible for oversight of LACMTA's Office of Management, Budget, Local Programming & TAP operations and the agency's Financial Services including accounting and treasury functions. She has also served LACMTA as Director, Countywide Planning; Transportation Manager V, Local Programming; Acting Budget Director, Office of Management & Budget; and Project Manager, South Bay Area Team. Ms. Ahuja began her career with LACMTA's predecessor, the Los Angeles County Transportation Commission, in 1986, as a technical and administrative analyst which led to her position as Project Manager with the South Bay Area Team in 1990. Ms. Ahuja earned a bachelor's degree in Economics from Miranda House, University of Delhi as well as a master's degree in Economics from Delhi School of Economics and a master's degree in Urban Planning from UCLA.

Treasurer. Donna R. Mills was appointed Treasurer in July 2013, following her appointment to Interim Treasurer in January 2013. Ms. Mills previously served LACMTA as Assistant Treasurer beginning in April 2001, and as Senior Investment Manager beginning in December 1995. As Treasurer, she is responsible for directing LACMTA's investment management and debt management programs, and for overseeing pension and benefits administration. Prior to joining LACMTA, Ms. Mills served as a Financial Planning Administrator and as Cash Manager for Pacific Enterprises. She also worked as a Banking Analyst and as a Research Assistant for the Federal Reserve Bank of Philadelphia. Ms. Mills received a Bachelor of Arts in Economics and Sociology from the University of Pennsylvania and an MBA from the University of California, Berkeley.

Public Transportation Services Corporation

In December 1996, LACMTA created the Public Transportation Services Corporation ("PTSC"), a nonprofit public benefit corporation organized under the laws of the State. PTSC was created in order to transfer certain functions, then performed by LACMTA, and the employees related to those functions, to this new corporation. The purpose of PTSC is to conduct essential public transportation activities including but not limited to the following: (a) to coordinate multimodal multi-jurisdictional transportation planning; (b) to program federal, State and local funds for transportation projects County-wide within the County; (c) to oversee construction; (d) to provide certain administrative services to the Los Angeles County Service Authority for Freeway Emergencies and the Southern California Regional Rail Authority; (e) to provide administrative support and security services for the foregoing and to the operation of LACMTA's bus and rail system; and (f) such other activities and services as it deems necessary. One advantage of PTSC is that it allows its employees, including those transferred from LACMTA, to participate in the California Public Employees Retirement System.

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. Most other transportation agencies specialize in three or fewer of the referenced transportation services.

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 over 2,200 buses. LACMTA's bus system covers 183 routes and serves approximately 16,000 bus stops, including two premium bus rapid transit dedicated busways. Systemwide, LACMTA buses provide approximately 7.1 million revenue service hours annually with an average of approximately 1.0 million weekday boardings for the fiscal quarter ended June 30, 2015 and total boardings of 84.6 million for the fiscal quarter ended June 30, 2015, including Orange Line busway ridership. In addition, LACMTA contracts with outside service providers, with approximately 50,000 average weekday boardings for the fiscal quarter ended June 30, 2015. Virtually all of LACMTA's bus fleet is composed of compressed-natural gas ("CNG") powered buses. As of [April 1, 2015], the average age of LACMTA's bus fleet was approximately 8.3 years.

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 CityBus 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 14-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 14 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 opened in October 2005, at a total cost of $273.1 million. The Metro Orange Line Extension Project (the "MOL Extension"), a four-mile extension of the Metro Orange Line extending from the Canoga park-and-ride lot to the Chatsworth Amtrak/Metrolink Station, opened in June 2012. The MOL Extension includes: the busway, new station platforms at the Canoga park-and-ride lot, and new stations at Sherman Way, Roscoe Boulevard, Nordhoff Street, and the Chatsworth Metrolink Station, and added an additional 800 parking spaces. The original budget was $215.6 million, which was subsequently reduced to an estimated total cost for the MOL Extension of $154.0 million.

Highway System

The High Occupancy Vehicle ("HOV") lane program is a cooperative effort between Caltrans and LACMTA, and is funded through a combination of federal, State and local resources. As part of a congestion reduction demonstration program, LACMTA has converted I-10 and I-110 High Occupancy Vehicle ("HOV") Lanes to High Occupancy Toll Lanes and provide the choice for drivers of single occupant vehicles to pay to travel in a high occupancy lane, based on congestion pricing. The general purpose lanes on these highways are not tolled. This program also includes improvements to the transit service along the freeways, transit facility improvements and increased funding for vanpools. LACMTA also provides highway construction funding and traffic flow management.

Rail System

General. 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 Project; and two heavy rail lines: Metro Red Line and the Metro Purple Line.

Metro Blue Line. The Metro Blue Line was designed as a modern, state-of-the-art light rail transit line, which extends approximately 22 miles 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. A portion of the Metro Blue Line utilizes a reserved, but not necessarily grade-separated, right-of-way on which electrically powered vehicles, drawing current from overhead wire, operate singly or in trains. Passenger service began in July 1990 and had estimated ridership of approximately 6.1 million for the fiscal quarter ended June 30, 2015.

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 and yard located in Long Beach adjacent to the Long Beach Freeway with a storage and maintenance capacity of 89 vehicles. The vehicle maintenance facility supports vehicles from both the Metro Blue Line and the Metro Green Line. Total travel time between the terminal points of the Metro Blue Line is approximately 58 minutes. The Metro Blue Line project budget was $877 million.

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. Travel time between the terminal points of the Metro Green Line is approximately 35 minutes. The Metro Green Line began operations in August 1995, and had estimated ridership of approximately 3.0 million for the fiscal quarter ended June 30, 2015. The Metro Green Line Project budget was $712.3 million.

Metro Gold Line and Gold Line Eastside Extension. The Metro Gold Line (formerly known as the Pasadena 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. Travel time of the Metro Gold Line between the Sierra Madre Villa station and downtown Los Angeles is approximately 35 minutes. The Metro Gold Line began operations in July 2003. The Metro Gold Line project budget was $725 million, $451 million of which was funded by the Pasadena Metro Blue Line Construction Authority and $274 million of which was funded by LACMTA.

The Gold Line Eastside Extension Project ("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. The total estimated project cost for the Eastside Extension is $898.8 million. Estimated ridership for the Metro Gold Line, including the Eastside Extension, was approximately 3.4 million for the fiscal quarter ended June 30, 2015.

Gold Line Foothill Extension. LACMTA has been working with the Metro Gold Line Foothill Extension Construction Authority to extend the existing Metro Gold Line from its current terminus in Pasadena to Montclair. The extension consists of two phases. Phase One will continue from Sierra Madre Villa in Pasadena east over 11 miles with stops in the cities of Arcadia, Duarte, Irwindale, Monrovia and two in Azusa. Phase One is currently being constructed, with revenue operations forecasted for 2016. $777 million of Measure R Sales Tax revenues have been committed to Phase One of the Metro Gold Line Foothill Extension. Funding is currently being sought for the second phase, which would continue east from Azusa to Montclair.

Exposition Light Rail Transit Project. The Exposition Light Rail Transit Project (the "Exposition Project") is a light rail project under development by LACMTA that is being designed and constructed by the Exposition Metro Line Construction Authority ("Exposition Authority"), a single purpose entity created under State law. When completed, the light rail line will be approximately 15 miles and run from downtown Los Angeles to Santa Monica along the Exposition Boulevard corridor. Construction on the Exposition Project began in September 2006. Phase One of the project, which fully opened in June 2012, extends approximately 8.6 miles from downtown Los Angeles to Venice/Robertson in Culver City. Estimated ridership for Phase One of the Exposition Project was approximately 2.4 million for the fiscal quarter ended June 30, 2015.

Since April 2005, the Board approved several increases to the original full funding plan for Phase One of the Exposition Project of $640 million, and the current approved budget is $978.9 million. Pursuant to the current full funding plan for Phase One, approximately 84% of the projected total costs are paid from State and federal sources, and the remainder are paid from Proposition A Sales Tax revenues, Proposition C Sales Tax revenues and other local sources.

Phase Two of the Exposition Project, which is currently under construction, will extend westward from the Venice/Robertson station, primarily along the old Pacific Electric Exposition right-of-way, to 4th Street and Colorado in downtown Santa Monica. In February 2011, the Board approved a budget of $1.5 billion for Phase Two of the Exposition Project, of which approximately 60% of the costs are expected to be paid from Measure R Sales Tax revenues, 15% from Proposition A Sales Tax and Proposition C Sales Tax revenues, and the remainder from federal and State and local sources. Revenue operations are forecasted for 2016.

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 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 of the 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, LACMTA is not precluded 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 funds other than Proposition A Sales Tax revenues and Proposition C Sales Tax revenues.

The initial 4.4-mile Metro Red Line Segment 1 extends from Union Station to Alvarado Street in the downtown section of the City of Los Angeles, with five stations located along the line. Segment 1 began operating in January 1993. The total cost of constructing Segment 1 was $1.45 billion. In addition to constructing the rail line, the total cost of Segment 1 included the purchase of passenger vehicles, fare collection equipment, automatic train control equipment, the yards and shops required for the full construction of the Metro Red Line alignment.

Segment 2 of the Metro Red Line is 6.8 miles long with eight stations extending west from Alvarado Street to Vermont Avenue where it branches north and west. The west branch continues west under Wilshire Boulevard to Western Avenue. The west branch became operational in July 1996 and was renamed the Purple Line in August 2006. The north branch turns up Vermont Avenue and travels through Hollywood to Hollywood Boulevard and Vine Street. The north branch opened for service in June 1999. The total cost of Segment 2 was $1.81 billion and in excess of the approximately $1.74 original Board approved budget. The project was ultimately completed within the revised Board approved budget and schedule.

Segment 3 of the Metro Red Line was originally designed to consist of the north and west extensions from Segment 2 and an east extension from Union Station of Segment 1. As a result of the passage of the Act of 1998, funding shortfalls and the internal guidelines adopted by the Board, only the north extension was completed. The eastside extension was reengineered as a light rail line. See “Metro Gold Line and Gold Line Eastside Extension” above. The north extension runs west and north from the Segment 2 Hollywood and Vine station to a North Hollywood station with two intermediate stops. This final segment of the subway opened in June 2000. The total cost of the North Hollywood segment was $1.29 billion.

The ridership estimate for the entire Metro Red Line and Metro Purple Line was approximately 11.4 million for the fiscal quarter ended June 30, 2015. As currently planned, primary passenger access to the Metro Red Line will be provided from the Orange Line, other rail projects and from LACMTA’s extensive bus network. The extension of the Metro Purple Line from its current terminus at Wilshire and Western to the Westside of Los Angeles is included in LACMTA’s Long Range Transportation Plan. The Westside Subway Extension is currently estimated to extend approximately nine miles from its current terminus and is expected to be constructed in three sections. See “FUTURE TRANSPORTATION IMPROVEMENTS—Long Range Transportation Plan” below.

Proposition A Sales Tax and Proposition C Sales Tax revenues have funded and will fund portions of some of the projects described above and those described below under the caption “FUTURE TRANSPORTATION IMPROVEMENTS—Long Range Transportation Plan.” Whether or not such projects were or can be completed on budget or on schedule as initially contemplated and approved by the Board depends on a large number of factors, many of which are beyond the control of LACMTA. LACMTA expects to complete each unfinished phase and component of such projects consistent with its Board approved original or amended budget, to secure all necessary Board approvals and to seek other local, federal and State sources where included in budget expectations and where appropriate. LACMTA expects with respect to these projects remaining to be completed that, subject to revisions in scope, the projects will be delivered substantially on time and on budget. However, there can be no assurances that such unfinished projects will be completed within the budgets or on the schedules, including as described in this Official Statement, and particularly within original Board approved budget amounts and timelines. The costs for these projects may require additional use of Proposition A Sales Tax and Proposition C Sales Tax revenues or issuance of additional bonds secured by Proposition A Sales Tax or Proposition C Sales Tax revenues, subject to the restrictions of the Act of 1998, beyond that currently contemplated by LACMTA. See "RISK FACTORS—Project Costs; Capital Needs."

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 38,400 for the fourth quarter of fiscal year 2015. 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, including the Proposition A sales tax revenues. See "APPENDIX B—LOS ANGELES METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014." As indicated in Appendix B and as is generally true with large transit systems, the operating expenses for LACMTA's transit system greatly exceed operating revenues. As a result, LACMTA relies heavily on a variety of local, State and federal sources to pay for operating expenses and capital improvements. A primary source of this funding is Proposition A, Proposition C and Measure R sales tax revenues. Short range forecasts have identified potential situations where operating deficits in this enterprise fund may substantially increase in coming years due to project costs exceeding budget and/or expenses increasing at a greater rate than revenues, primarily due to operating costs that will be required as new improvements to the transit system are completed and become operational. Management of LACMTA intends during the timeframe of the short range forecast to look for additional revenue sources, re-prioritize existing and new programs, right-size transportation service and realize organizational efficiencies to close anticipated shortfalls. More recently, Management of LACMTA has identified that cash flow deficits may begin within the next six months because federal grants are being withheld and federal loans may be withheld as described in "LITIGATION AND OTHER REGULATORY MATTERS – California Public Employees' Pension Reform Act of 2013. See "APPENDIX A – LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—Transportation Services" and "—"Future Transportation Improvements" for a description of the five major transit projects LACMTA is currently undertaking and the future transit improvements expected to LACMTA's transit system, all of which require substantial investment and increase operating costs. Management of LACMTA intends to address any operating deficits due to delays in federal funding by one or more the following options: seeking another legislative exemption related to PEPRA, issuing additional debt, delaying work on existing construction projects and service contracts, suspending the issuance of future construction and service contracts and/or other capital reductions. Management does not believe that these cash flow and operating deficits will have an adverse impact on the ability of LACMTA to pay debt service on the Bonds, including the Series 2015-A Bonds.

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. See "RISK FACTORS—Project Costs; Capital Needs."

Long Range Transportation Plan

General. In October 2009, the Board approved a 2009 Long Range Transportation Plan ("2009 LRTP"), which updated the prior long range transportation plan. The 2009 LRTP identifies projected costs of planning, constructing and running the transportation system based on a financial forecast of future revenue assumptions through 2040. During the planning process, data was reviewed that predict where and what the current challenges are on the existing transportation system, where mobility issues could arise in 2040, and how the transportation system could be improved with new investments.

The 2009 LRTP 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, and incorporates Measure R projects. The 2009 LRTP identified a $297.6 billion countywide investment in the County's transportation system through 2040, funded with more than 45 sources of federal, State and local funds. The 2009 LRTP is now the guiding policy behind funding decisions on subsequent transportation projects and programs in the County. Major capital projects and programs that are identified in the 2009 LRTP have priority for future programming of funds. 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.

Projected Debt. In June 2013, the Board approved the updated financial forecast of the 2009 LRTP, including projections of debt financing by LACMTA of $7.5 billion from Fiscal Year 2013 through Fiscal Year 2040, composed of a combination of Proposition A, Proposition C and Measure R-secured debt. Of the total projected amount of LACMTA debt issuance, approximately $4.5 billion is estimated to be financed through Fiscal Year 2019. 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 and Measure R sales tax revenues available to fund the projects in the LRTP, and the actual amounts and timing of future debt issuance may be materially different from the estimate in the May 2013 update of the 2009 LRTP.

Short Range Transportation Plan. In July 2014, the Board approved the 2014 Short Range Transportation Plan ("2014 SRTP"), which identifies the ten-year plan through 2024, based on the long-term goals identified in the 2009 LRTP. The 2014 SRTP updates the assumptions about debt issuance and assumes approximately $2.4 billion in new debt financing from Fiscal Year 2015 through Fiscal Year 2019, not including the TIFIA loans described below under "—Transit Projects." The 2014 SRTP assumes the issuance of approximately $933 million in additional Proposition A Senior Bonds through Fiscal Year 2019. Based on historical practice, LACMTA expects that actual bond issuance during this period will be less.

Transit Projects. The 2013 update of the 2009 LRTP included the Crenshaw/LAX Transit Corridor, the Regional Connector and the Westside Purple Line Subway Extension Section 1 as major transit projects planned to be under construction in the first decade of the LRTP. These are in addition to the Gold Line Foothill Extension and Phase 2 of the Exposition Project discussed above under "—Rail System—Gold Line Foothill Extension" and "—Exposition Light Rail Transit Project."

The Crenshaw/LAX Transit Corridor 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 alignment 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 $2.058 billion of which approximately 32% of the costs are expected to be paid from Measure R Sales Tax revenues, 12% from Proposition A Sales Tax revenues, Proposition C Sales Tax revenues and other local sources, and the remainder from federal and State sources. In addition to the sources above, the project has been approved to receive a $545.9 million Transportation Infrastructure Finance & Innovation Act ("TIFIA") loan, which is to be repaid from Measure R revenues and is expected to pay for approximately 27% of project costs. LACMTA has drawn $263.9 million loan proceeds as of September 1, 2015.

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, enhancing regional connectivity. The total project budget is $1.460 billion. LACMTA has been awarded a $669.9 million Full Funding Grant Agreement in Federal New Starts funds for the Regional Connector project which is expected to pay for approximately 47% of project costs. Additionally, LACMTA has been approved for a $160 million TIFIA loan for the project, which is expected to pay for approximately 11% of project costs, although LACMTA has not drawn any loan proceeds to date. The loan is to be repaid from Measure R revenues. The remaining project costs are expected to be paid from other Federal, State and local sources, in addition to approximately 0.5% being paid from additional Measure R Sales Tax revenues.

The Westside Purple Line Extension is an extension of the Purple Line from its current terminus at Wilshire and Western. The LACMTA Board has certified the Final Environmental Impact Report (FEIR) and has adopted the Project definition for the nine-mile Westside Subway Purple Line Extension Project. The Project currently is planned to be constructed in three sections. Section 1 is planned to extend 3.92 miles from the existing Wilshire/Western Station to a terminus station at the intersection of Wilshire/La Cienega. The total project budget is $2.77 billion for Section 1, excluding finance charges. LACMTA has been awarded a $1.25 billion Full Funding Grant Agreement in Federal New Starts funds for the Westside Subway Extension Section 1 project and was approved for a TIFIA loan for $856 million to be repaid from Measure R revenues, although LACMTA has not drawn any loan proceeds to date. Approximately 39% of project costs are expected to be paid from the Federal New Starts funds, 31% from the TIFIA loan, 24% from additional Measure R Sales Tax revenues, and the remainder from other Federal, State and local sources.

LABOR RELATIONS

General

As of August 1, 2015, LACMTA had approximately 9,793 employees, of which approximately 87% are covered by labor agreements. Full and part-time LACMTA bus and train operators are represented by the United Transportation Union ("UTU"); LACMTA mechanics and service attendants are members of the Amalgamated Transit Union ("ATU"); LACMTA clerks are members of the Transportation Communications Union ("TCU"); bus and rail transportation and maintenance supervisors are members of the American Federation of State County and Municipal Employees ("AFSCME"); and LACMTA security guards are members of the Teamsters Union. The following table summarizes the number of employees covered by the labor agreements of LACMTA with each of its employee bargaining units as of August 1, 2015 and the current expiration dates of the labor agreements.

Employee Bargaining Unit	Number of Employees	Contract Expiration Date
United Transportation Union	4,534	06/30/17
Amalgamated Transit Union	2,348	06/30/17
Transportation Communications Union	836	06/30/17
Am. Fed. of State, County and Municipal Employees	722	06/30/17
Teamsters Union	85	06/30/17

Since September 16, 2000, LACMTA has suffered two major work stoppages. In September 2000, members of UTU went on strike and many members of TCU, ATU and AFSCME honored the picket lines, and in October 2003, members of ATU went on strike and many members of UTU, TCU and AFSCME honored the picket lines. During both strikes LACMTA was able to provide substitute service on a limited basis through contracted services and other operators. The strike in 2000 lasted 32 days and the strike in 2003 lasted 35 days.

Defined Benefit Pension Plan

LACMTA has a single-employer public employee retirement system that includes five defined benefit plans (the "Plans") that cover substantially all employees (except PTSC employees) and provides retirement, disability, and death benefits. The benefit provisions and all other requirements are established by State statute, ordinance, collective bargaining agreements or Board actions. Four of the Plans are restricted to specific union members, while the fifth provides benefits to non-represented employees and to members of the Teamsters Union. In addition, LACMTA provides pension benefits to most PTSC employees through a defined benefit plan administered by the California Public Employees' Retirement System ("PERS"), a multiple-employer pension system. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. For a description of these defined benefit plans and LACMTA's obligations to make contributions to these plans, see "Note III—DETAILED NOTES ON ALL FUNDS—J. Pensions" in the Notes to the Financial Statements in "APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014."

Other Post-Employment Benefits

LACMTA provides post-employment health care and life insurance benefits for retired employees and their families. Pursuant to Governmental Accounting Standards Board Pronouncement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)," LACMTA is required to account for its expenses and a portion of the present value of future expenses related to these benefits. For a description of these benefits, LACMTA's obligations to account for certain projected future costs of these benefits and other matters regarding these benefits, see "Note III—DETAILED NOTES ON ALL FUNDS—K. Other Postemployment Benefits (OPEB)" in the Notes to the Financial Statements in APPENDIX B—"LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014."

OUTSTANDING DEBT

General

LACMTA has issued debt secured by the Proposition A Sales Tax, the Proposition C Sales Tax, the Measure R Sales Tax, and other revenues of LACMTA, and may issue additional obligations so secured upon satisfaction of certain additional bonds tests in the applicable indentures governing such debt. See "FUTURE TRANSPORTATION IMPROVEMENTS—Long Range Transportation Plan" above. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015-A BONDS" in the front part of this Official Statement for a discussion of obligations secured by the Proposition A Sales Tax.

Debt and Interest Rate Swap Policies

In April 2015, the Board approved an updated Debt Policy for LACMTA (the "Debt Policy"). The Debt Policy sets forth guidelines for the issuance and management of LACMTA's debt. Among other things, the Debt Policy sets forth allowable uses of debt and debt policy maximums. It requires LACMTA to develop a capital improvement plan which includes the capital projects LACMTA plans to undertake in future years. The Debt Policy also sets forth guidance on the type of debt that may be incurred by LACMTA (*e.g.*, long-term versus short-term), the source of payment for such debt, and other factors to be considered when incurring debt.

In April 2015, the Board approved an updated Interest Rate Swap Policy for LACMTA (the "Swap Policy"). The Swap Policy includes guidelines to be used by LACMTA when entering into interest rate swaps and management practices that address the special risks associated with interest rate swaps. The Swap Policy requires that LACMTA evaluate the risks, on an ongoing basis, of existing interest rate swaps. As of September 1, 2015, LACMTA has no interest rate swaps in place.

Proposition A Sales Tax Obligations

General. LACMTA has three priority levels of obligations secured by the Proposition A Sales Tax: its Proposition A First Tier Senior Obligations, the Proposition A Second Tier Obligations and Proposition A Third Tier Obligations (being the Proposition A Commercial Paper).

First Tier Obligations. LACMTA had the following Proposition A First Tier Senior Sales Tax Revenue Bonds outstanding as of September 1, 2015:

Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Bonds
(Outstanding as of September 1, 2015)

Proposition A First Tier Senior Sales Tax Revenue Bonds[1]	Outstanding Principal Amount
Senior Sales Tax Revenue Refunding Bonds, Series 2015-A	$ 26,480,000
Senior Sales Tax Revenue Refunding Bonds, Series 2014-A	135,715,000
Senior Sales Tax Revenue Refunding Bonds, Series 2013-A	248,395,000
Senior Sales Tax Revenue Refunding Bonds, Series 2012-A	51,380,000
Senior Sales Tax Revenue Refunding Bonds, Series 2011-A	61,725,000
Senior Sales Tax Revenue Refunding Bonds, Series 2011-B	91,110,000
Senior Sales Tax Revenue Refunding Bonds, Series 2009-A	165,745,000
Senior Sales Tax Revenue Refunding Bonds, Series 2008-A1	59,525,000
Senior Sales Tax Revenue Refunding Bonds, Series 2008-A2	59,600,000
Senior Sales Tax Revenue Refunding Bonds, Series 2008-A3	59,575,000
Senior Sales Tax Revenue Refunding Bonds, Series 2008-A4	59,700,000
Senior Sales Tax Revenue Refunding Bonds, Series 2008-B	20,615,000
Senior Sales Tax Revenue Refunding Bonds, Series 2007-A	12,450,000
Total	$1,051,015,000

[1] The First Tier Senior Lien Bonds are payable from and secured by prior first liens on Pledged Revenues.
Source: LACMTA.

Second Tier Obligations. On October 6, 1993, the Community Redevelopment Financing Authority of the Community Redevelopment Agency of the City of Los Angeles, California issued its Grand Central Square Multifamily Housing Bonds, 1993 Series A (the "Housing Bonds") and its Grand Central Square Qualified Redevelopment Bonds, 1993 Series A (the "Redevelopment Bonds"). The Redevelopment Bonds were refunded on April 30, 2002 with the proceeds of The Community Redevelopment Agency of the City of Los Angeles, California Grand Central Square Qualified Redevelopment Bonds, 2002 Refunding Series A (the "Refunding Redevelopment Bonds"). The Housing Bonds were refunded on June 21, 2007 with the proceeds of The Community Redevelopment Agency of the City of Los Angeles, California Grand Central Square Multifamily Housing Revenue Refunding Bonds, 2007 Series A (the "2007 Series A Refunding Housing Bonds") and Grand Central Square Multifamily Housing Revenue Refunding Bonds, 2007 Series B (the "2007 Series B Refunding Housing Bonds" and, together with the 2007 Series A Refunding Housing Bonds, the "Refunding Housing Bonds"). LACMTA is obligated (but only from LACMTA's 40% discretionary share of

Proposition A Sales Tax revenues) pursuant to Pledge Agreements to make debt service payments with respect to the Refunding Redevelopment Bonds and the 2007 Series B Refunding Housing Bonds. To the extent the trustee for the Refunding Redevelopment Bonds and the 2007 Series B Refunding Housing Bonds has sufficient revenues and other funds, the trustee will reimburse LACMTA to the extent of its payment from such funds. As of September 1, 2015, $5,835,000 aggregate principal amount of the 2007 Series B Refunding Housing Bonds and $13,525,000 aggregate principal amount of the Refunding Redevelopment Bonds were outstanding.

On June 28, 2011, State law was enacted which dissolved all redevelopment agencies in existence in the State of California as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. The obligations of the CRA/LA, a Designated Local Authority and Successor Agency to The Community Redevelopment Agency of the City of Los Angeles, California, with respect to the Refunding Redevelopment Bonds are unchanged but subject to certain statutory procedures with respect to its operations and providing tax increment revenues in support of enforceable obligations. The CRA/LA is not obligated to pay any amount in respect of the obligation of LACMTA on the Refunding Redevelopment Bonds and the 2007 Series B Refunding Housing Bonds if not paid when and as due.

LACMTA’s regularly scheduled payment obligations under the Refunding Redevelopment Bonds and the Refunding Housing Bonds constitute “Second Tier Obligations,” and are payable from Proposition A Sales Tax revenues on a subordinate basis to the First Tier Senior Lien Bonds.

Third Tier Obligations. Pursuant to the Subordinate Trust Agreement, dated as of January 1, 1991, as amended and supplemented, by and between LACMTA (as successor to the Commission) and U.S. Bank National Association, the successor to the BankAmerica Trust Company, as the successor to Security Pacific National Trust Company (New York), as trustee, LACMTA is authorized to issue up to $350,000,000 aggregate principal amount of its Proposition A commercial paper notes (the “Proposition A Commercial Paper Notes”). The Proposition A Commercial Paper Notes can only be issued and outstanding if they are supported by a letter of credit. The Proposition A Commercial Paper Notes are payable from Proposition A Sales Tax revenues on a subordinate basis to the First Tier Senior Lien Bonds (including the Series 2015-A Bonds) and the Second Tier Obligations.

A portion of the Proposition A Commercial Paper Notes are supported by two letters of credit (the “Proposition A CP Letters of Credit”) issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch, and MUFG Union Bank, N.A. LACMTA’s reimbursement obligations with respect to the Proposition A CP Letters of Credit are payable from Proposition A Sales Tax revenues on parity with the Proposition A Commercial Paper Notes and on a subordinate basis to the First Tier Senior Lien Bonds (including the Series 2015-A Bonds) and the Second Tier Obligations. The following table sets forth certain terms of the Proposition A CP Letters of Credit.

Proposition A CP Letters of Credit

Letter of Credit Provider	Sumitomo Mitsui Banking Corporation, acting through its New York Branch	MUFG Union Bank, N.A.
Amount of Letter of Credit	$74,999,724[1]	$74,999,724[2]
Issuance Date	March 11, 2013	March 11, 2013
Expiration Date	March 11, 2016	March 11, 2016

1 Supports $68,885,000 of principal and $6,114,724 of interest.
2 Supports $68,885,000 of principal and $6,114,724 of interest.
Source: LACMTA.

The Proposition A Commercial Paper Notes and LACMTA's reimbursement obligations under the reimbursement agreement entered into with respect to the Proposition A CP Letter of Credit constitute "Third Tier Obligations." As of September 1, 2015, $62,500,000 aggregate principal amount of Proposition A Commercial Paper Notes were outstanding.

Other Obligations Secured by Proposition A Sales Tax. LACMTA also entered into covenant agreements in connection with certain of its outstanding Proposition A Obligations. Certain fees and amounts under such covenant agreements are payable from Proposition A Sales Tax as described below.

Series 2008-A1 Covenant Agreement. In connection with the purchase of the Series 2008-A1 Bonds and Series 2008-A2 Bonds by Banc of America Preferred Funding Corporation, LACMTA entered into a Covenant Agreement dated July 29, 2014 (the "Series 2008-A1 Covenant Agreement"), by and between Bank of America Preferred Funding Corporation and LACMTA. Pursuant to the Series 2008-A1 Covenant Agreement, LACMTA is obligated to pay certain specified fees and other amounts, which are payable from Proposition A Sales Tax on a subordinate basis to the First Tier Senior Lien Bonds, the Second Tier Obligations and the Third Tier Obligations.

Series 2008-A2 Covenant Agreement. In connection with the purchase of the Series 2008-A2 Bonds by Banc of America Preferred Funding Corporation, LACMTA entered into Covenant Agreements dated August 1, 2014 (the "Series 2008-A2 Covenant Agreement"), by and between Bank of America Preferred Funding Corporation and LACMTA. Pursuant to the Series 2008-A2 Covenant Agreement, LACMTA is obligated to pay certain specified fees and other amounts, which are payable from Proposition A Sales Tax on a subordinate basis to the First Tier Senior Lien Bonds, the Second Tier Obligations and the Third Tier Obligations.

Series 2008-A3 and Series 2008-A4 Covenant Agreements**.** In connection with the purchase of the Series 2008-A3 and Series 2008-A4 Bonds by U.S. Bank National Association, LACMTA entered into a Covenant Agreement, dated August 1, 2014 (the "Series 2008-A3 and Series 2008-A4 Covenant Agreement"), by and between U.S. Bank National Association and LACMTA. Pursuant to the Series 2008-A3 and Series 2008-A4 Covenant Agreement, LACMTA is obligated to pay certain specified fees and other amounts, which are payable from Proposition A Sales Tax on a subordinate basis to the First Tier Senior Lien Bonds, the Second Tier Obligations and the Third Tier Obligations.

Proposition C Sales Tax Obligations

General. LACMTA has two priority levels of obligations secured by the Proposition C Sales Tax: its Proposition C Senior Sales Tax Revenue Bonds and Proposition C Senior Parity Debt, and its Proposition C Subordinate Lien Obligations. In addition, LACMTA has incurred other obligations, which are secured by certain "remaining" Proposition C Sales Tax cash receipts. See "—Other Obligations" below.

Proposition C Senior Sales Tax Revenue Bonds. LACMTA had the following Proposition C Senior Sales Tax Revenue Bonds outstanding as of September 1, 2015:

Los Angeles County Metropolitan Transportation Authority
Proposition C Senior Sales Tax Revenue Bonds
(Outstanding as of September 1, 2015)

Proposition C Senior Sales Tax Revenue Bonds	Principal Amount
Senior Sales Tax Revenue Refunding Bonds, Series 2014-A	$ 61,180,000
Senior Sales Tax Revenue Refunding Bonds, Series 2013-A	116,065,000
Senior Sales Tax Revenue Refunding Bonds, Series 2013-B	302,730,000
Senior Sales Tax Revenue Refunding Bonds, Series 2013-C	59,770,000
Senior Sales Tax Revenue Refunding Bonds, Series 2012-A	14,635,000
Senior Sales Tax Revenue Refunding Bonds, Series 2012-B	74,885,000
Senior Sales Tax Revenue Refunding Bonds, Series 2010-A	37,150,000
Senior Sales Tax Revenue Refunding Bonds, Series 2009-B	165,460,000
Senior Sales Tax Revenue Refunding Bonds, Series 2009-D	54,155,000
Senior Sales Tax Revenue Refunding Bonds, Series 2009-E	90,995,000
Senior Sales Tax Revenue Refunding Bonds, Series 2008-A	70,035,000
Senior Sales Tax Revenue Refunding Bonds, Series 2006-A	112,740,000
Total	$1,159,800,000

Source: LACMTA.

Proposition C Senior Parity Debt. LACMTA may designate as Proposition C Senior Parity Debt certain indebtedness, installment sale obligations, lease obligations or other obligations for borrowed money, or payment obligations under interest swaps or other arrangements payable on parity with the Proposition C Senior Sales Tax Revenue Bonds. LACMTA currently has no Proposition C Senior Parity Debt outstanding. LACMTA may incur Proposition C Senior Parity Debt upon the satisfaction of certain additional bonds tests.

Proposition C Subordinate Lien Obligations. On June 9, 1993, LACMTA received authorization to issue and have outstanding, at any one time, up to $150,000,000 (principal of and interest thereon) of commercial paper notes (the "Proposition C Commercial Paper Notes") payable from and secured by Proposition C Sales Tax revenues. The Proposition C Commercial Paper Notes are payable from Proposition C Sales Tax revenue on a basis subordinate to the lien on Proposition C Sales Tax revenues granted to the Proposition C Senior Sales Tax Revenue Bonds and the Proposition C Senior Parity Debt. As of September 1, 2015, the Proposition C Commercial Paper Notes were outstanding with a maturity value of $18,624,000. The Proposition C Commercial Paper Notes are supported by a letter of credit (the "Proposition C CP Letter of Credit") issued by State Street Bank and Trust Company. LACMTA's reimbursement obligations with respect to the Proposition C CP Letter of Credit are payable from Proposition C Sales Tax revenues on a parity with the Proposition C Commercial Paper Notes.

In addition, LACMTA is authorized to issue and have outstanding, from time to time, up to $75,000,000 in aggregate principal amount of its Subordinate Proposition C Sales Tax Revenue Revolving Obligations (the "Proposition C Revolving Obligations"), which are payable from Proposition C Sales Tax revenues on a parity with the Proposition C Commercial Paper Notes and which are considered part of the $150,000,000 authorization for Proposition C Commercial Paper. As of September 1, 2015, LACMTA has $45,000,000 Proposition C Revolving Obligations outstanding. All Proposition C Revolving Obligations issued by LACMTA are purchased by the Wells Fargo Bank, National Association, in accordance with the terms of a revolving credit agreement (the "Proposition C Revolving Credit Agreement"). The Proposition C Revolving Obligations bear interest at variable rates determined pursuant to the terms of the Proposition C Revolving Credit Agreement. Except as otherwise provided in the Proposition C Revolving Credit Agreement, the principal of all Proposition C Revolving Obligations outstanding are due and payable on April 22, 2016. However, subject to the terms of the Proposition C Revolving Credit Agreement, on April 22, 2016, LACMTA can convert any outstanding Proposition C Revolving Obligations to a term loan that will be payable in twelve equal quarterly installments following April 22, 2016.

The following table sets forth certain terms of Proposition C Commercial Paper Notes, including the Proposition C CP Letter of Credit and the Proposition C Revolving Obligations.

Proposition C CP Letter of Credit		**Proposition C Revolving Obligations**	
Letter of Credit Provider	State Street Bank and Trust Company	**Revolving Obligations Bank**	Wells Fargo Bank, National Association
Principal Amount	$68,885,000	**Principal Amount**	$75,000,000
Expiration Date	April 22, 2016	**Expiration Date**	April 22, 2016[1]

1 Plus $6,114,724 of interest.

1 Can be converted to term loan payable in twelve equal quarterly installments.

Source: LACMTA.

Measure R

On November 16, 2010, LACMTA issued $732,410,000 aggregate principal amount of its Measure R Senior Sales Tax Revenue Bonds, Series 2010-A and Series 2010-B (the "Measure R Bonds") to finance certain transportation projects. These bonds are payable from the Measure R Sales Tax. As of September 1, 2015, there was $669,420,000 aggregate principal amount of the Measure R Bonds outstanding. LACMTA may incur additional debt secured by and payable from the Measure R Sales Tax. LACMTA has received approval for three TIFIA loans (though it has not drawn any loan proceeds to date), to be repaid from Measure R revenues. All three TIFIA loans are subordinate to the Measure R Bonds. See "FUTURE TRANSPORTATION IMPROVEMENTS—Long Range Transportation Plan—Transit Projects" for additional information on the TIFIA loans.

Lease/Leaseback and Lease-to-Service Obligations

From January 1997 through July 2003, LACMTA entered into ten "defeased lease/leaseback" leveraged lease agreements for assets including heavy rail vehicles, buses, light rail vehicles, and various real property operating facilities. Under these agreements, LACMTA entered into a head lease as lessor with an investor and simultaneously into a sublease agreement as lessee to lease the assets back. LACMTA received upfront rent prepayments which were invested in fixed income investments in an amount that, including interest income, would be sufficient to fund all scheduled sublease payments through exercise of an early buyout option. LACMTA has realized $64.7 million in net benefit after funding of fixed income investments and payment of transaction expenses.

American International Group Inc. or its affiliates ("AIG") provided a fixed income investment product known as a "payment undertaking agreement" ("PUA") that was used in eight of the lease/leaseback transactions in order to invest the proceeds to fund all the scheduled rent payments and early buy-out option payments. In addition, LACMTA obtained credit enhancement from AIG and Assured Guaranty Municipal Corp. (as successor to Financial Security Assurance Inc.) ("AGM") for several of the transactions. As a result of declines in AIG's and AGM's credit ratings, LACMTA was contractually obligated to replace the PUAs or provide credit enhancement for eight transactions. The remaining two were unaffected.

LACMTA has terminated three of the eight affected leases and has entered into collateral posting agreements for three others. Issues remain with two of the affected leases and LACMTA is discussing potential solutions with the applicable lessors. Failure to reach a solution with respect to the two remaining affected transactions could result in early termination of the transactions and could require LACMTA to pay up to $41.98 million, plus legal costs.

See "Note III—DETAILED NOTES ON ALL FUNDS—M. Long-term Debt—Lease/leaseback and Lease-to-service Obligations" in the Notes to the Financial Statements in "APPENDIX B—LOS ANGELES

COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014."

INVESTMENT POLICY

General

Certain features of LACMTA's Investment Policy are summarized in Note III—DETAILED NOTES ON ALL FUNDS—A. Cash and Investments" in the Notes to the Financial Statements in APPENDIX B—"LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014."

Investment Balances

As of June 30, 2015 (based on unaudited financial information), LACMTA had approximately $768.9 million in market value deposited in non-discretionary bond proceeds and debt service trust accounts, primarily invested in U.S. Treasury securities, Federal Agencies, money market funds, forward purchase agreements and the County of Los Angeles Pooled Surplus Investments maintained by the County of Los Angeles Treasurer and Tax Collector. LACMTA had an additional approximately $1.663 billion in non-discretionary trust accounts, primarily for pension and OPEB.

As of June 30, 2015, LACMTA also had approximately $1.34 billion in book value deposited in discretionary (operating) accounts. Such discretionary investments are summarized below:

Investments	Percentage of Total Book Value as of June 30, 2015
Local Agency Investment Fund	6.7%
Bank Deposits	2.9
Managed Investments	
U.S. Treasuries	20.3
Federal Agencies	29.8
Corporate Notes	16.8
Commercial Paper	6.3
Municipal Securities	2.8
Money Market Funds	9.9
Asset Backed Securities	4.4
Sub Total Managed Investments	90.3%
Total Cash and Investments*	100.0%

* Numbers may not add due to rounding.
Source: LACMTA.

As of June 30, 2015, the liquid reserve of the discretionary accounts, which totaled approximately $449 million in both book value and market value, was managed internally by LACMTA and had an average maturity of 26 days. LACMTA's Investment Policy prohibits investing in reverse repurchase agreements.

Additional information regarding LACMTA's investments are included in "Note III—DETAILED NOTES ON ALL FUNDS—A. Cash and Investments" in the Notes to the Financial Statements in "APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014."

LITIGATION AND OTHER REGULATORY ACTIONS

[To be updated.]

Sales Tax Litigation

On April 30, 1982, the California Supreme Court, in *Los Angeles County Transportation Commission v. Richmond*, upheld the constitutionality of the Proposition A Sales Tax. On March 3, 1992, the California Court of Appeal, in *Vernon v. State Board of Equalization*, upheld the validity of the Proposition C Sales Tax. On September 28, 1995, the California Supreme Court affirmed the California Court of Appeal's ruling in *Santa Clara County Local Transportation Authority v. Guardino*, which invalidated a half cent sales tax by the Santa Clara County Local Transportation Authority. LACMTA does not believe such decision has any effect on the validity of LACMTA's Proposition A Sales Tax.

Construction Litigation

Tutor-Saliba-Perini ("TSP"), a joint venture construction company, filed suit against LACMTA claiming extra charges under certain Metro Red Line Segment 2 contracts. LACMTA cross-complained for violation of the California False Claims Act and for breaches of contract. The trial on the complaint and cross-complaint concluded in August 2001, with a judgment for LACMTA, which judgment was reversed in January 2005. After retrying portions of this case, certain rulings, including a jury verdict in favor of LACMTA on one of its cross-claims, a stipulation for judgment in favor of TSP on certain of its undisputed claims, and a final judgment in the case were entered and appeals were filed. In June 2014, the appellate court issued an opinion which upheld the jury verdict in favor of LACMTA. The opinion remanded the sureties' request for $21,000,000 in attorneys' fees from LACMTA to the trial court. LACMTA does not believe the outcome of the litigation will have a material adverse impact on its ability to pay debt service on any of its obligations.

Kiewit Infrastructure West Co., f/k/a Kiewit Pacific Company, a Delaware corporation, in connection with a design/build contract for the I-405 Sepulveda Pass Widening Project, claims damages in the $500 million range. LACMTA has rejected much of the claims and Kiewit has filed a complaint for declaratory relief, anticipatory breach of the dispute resolution and DRB (Disputes Review Board) process, breach of contract and breach of implied covenant of good faith and fair dealing. The parties are negotiating a binding arbitration agreement in lieu of litigation. LACMTA does not believe the outcome of the litigation will have a material adverse impact on its ability to pay debt service on any of its obligations.

California Public Employees' Pension Reform Act of 2013

In 2012 the State Legislature adopted and the Governor signed into law the Public Employees Pension Reform Act of 2013, Cal. Gov't Code §7522, *et seq.* ("PEPRA"), which establishes limits on California public employee defined benefit pension plans. Several unions representing certain public transit employees in the State (including employees of LACMTA) have asserted to the U.S. Department of Labor ("USDOL") that PEPRA is inconsistent with collective bargaining rights that are protected under Section 13(c) of the Federal Transit Act. Section 13(c) requires that employee protections must be certified by the Department of Labor before Federal transit funds can be released to a mass transit provider. PEPRA's application to LACMTA's Plans (see "LABOR RELATIONS—Defined Benefit Pension Plan") is addressed in California Government Code §7522.02(3)(A), which states that PEPRA does not apply to employees whose interests are protected under Section 5333(b) of Title 49 of the United States Code, until a federal district court rules that USDOL erred in determining that the application of PEPRA precludes certification under Section 5333(b) of Title 49 of the United States Code, or until January 1, 2016, whichever is sooner.

On December 30, 2014, the United States District Court ruled that USDOL's determination that PEPRA discontinued collective bargaining rights was arbitrary and capricious, and that USDOL acted in excess of its statutory authority in denying a federal grant application based on PEPRA. USDOL has filed its notice of appeal of that decision and thus far has not certified $99.2 million in federal grants requested by LACMTA. LACMTA cannot predict the outcome of USDOL's appeal, what the USDOL's decision will be regarding the $99.2 million of federal grants that are currently pending certification, or what effect this may have on federal loans received by LACMTA or the $595.1 million in federal grants LACMTA expects to submit in the near future. With the increased demands on cash flow resulting from the major transit projects LACMTA is undertaking, LACMTA has projected cash flow shortfalls within the next six months due primarily to the delay in federal funding resulting from the USDOL and judicial determinations with respect to PEPRA. [Update.] See "TRANSPORTATION SERVICES – Transit System Enterprise Fund."

Other Litigation

In addition to the matters herein discussed, various other claims have been asserted against LACMTA. In the opinion of LACMTA, none of the pending claims will materially and adversely affect LACMTA's ability to pay the principal of and interest on any of its obligations.

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APPENDIX B

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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APPENDIX C

LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

The Proposition C Sales Tax derives from a retail transaction and use taxes applicable to all taxable sales throughout Los Angeles County. As such, sale tax revenues reflect a number of economic factors that influence taxable transactions, including population, employment and income. Some of those factors are described below.

The economic and demographic information provided below has been collected from sources that LACMTA considers to be reliable. Because it is difficult to obtain timely economic and demographic information, the economic condition of Los Angeles County may not be fully apparent in all of the publicly available local and regional economic statistics provided herein. In particular, the economic statistics provided herein may not fully capture the impact of current economic conditions.

Los Angeles County

With a population of over 10 million in 2014, the County is the largest in the country, and represents over a quarter of the State of California's population. The County covers 4,084 square miles, and includes 88 incorporated cities as well as unincorporated communities with over one million residents.

Population

The table below summarizes the populations of the County and State of California (the "State"), estimated as of January 1 of each year. The population estimates for 2005 and later incorporate 2010 Census counts as the benchmark and, as a result, are noticeably lower than previously published estimates.

Table 1
COUNTY AND STATE POPULATION STATISTICS

	County of Los Angeles	Annual Growth Rate[(1)]	State of California	Annual Growth Rate[(1)]
1980	7,477,421	-	23,667,836	-
1985	8,121,000	1.67%	26,113,000	1.99%
1990	8,832,500	1.69	29,558,000	2.31
1995	9,103,896	0.61	31,617,770	1.36
2000	9,477,651	0.81	33,721,583	1.30
2005	9,816,153	0.70	35,869,173	1.24
2010	9,818,605	0.00	37,253,956	0.76
2011	9,847,712	0.30	37,427,946	0.47
2012	9,908,030	0.60	37,680,593	0.67
2013	9,980,432	0.73	38,030,609	0.92
2014	10,054,852	0.74	38,357,121	0.85
2015	10,136,559	0.81	38,714,725	0.92

(1) For five-year time series, figures represent average annual growth rate for each of the five years.
Source: State of California, Department of Finance, Report 84 E-4 Population Estimates for California Counties and Cities, January 1, 1976 through January 1, 1980; Report 90 E-4 Population Estimates for California State and Counties January 1, 1981 to January 1, 1990; E-4 Historical Population Estimates for City, County and the State, 1991-2000, with 1990 and 2000 Census Counts. E-4 Population Estimates for Cities, Counties and the State, 2001-2010, with 2000 and 2010 Census Counts. September 2011. State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2014, with 2010 Census Benchmark. Sacramento, California, May 2014. State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2013 and 2014. Sacramento, California, May 2014.

Industry and Employment

The following table summarizes the average number of employed and unemployed residents of the County, based on the annual "benchmark," an annual revision process in which monthly labor force and payroll employment data, which are based on estimates, are updated based on detailed tax records. The "benchmark" data is typically released in March for the prior calendar year.

The California Employment Development Department has reported preliminary unemployment figures for June 2015 of 6.2% statewide and 7.3% for Los Angeles County (not seasonally adjusted).

Table 2
ESTIMATED AVERAGE ANNUAL EMPLOYMENT AND UNEMPLOYMENT OF RESIDENT LABOR FORCE [1]

Civilian Labor Force	2010	2011	2012	2013	2014
County of Los Angeles					
Employed	4,302,300	4,326,100	4,367,800	4,495,700	4,610,800
Unemployed	615,100	603,400	535,800	486,600	415,100
Total	4,917,400	4,929,500	4,914,600	4,982,300	5,025,900
Unemployment Rates					
County	12.5%	12.2%	10.9%	9.8%	8.3%
State	12.2	11.7	10.4	8.9	7.5
United States	9.6	9.0	8.1	7.4	6.2

(1) March 2014 Benchmark report; not seasonally adjusted.
Source: California Employment Development Department, Labor Market Information Division for the State and County; U.S. Bureau of Labor, Department of Labor Statistics for the U.S. Note: Based on surveys distributed to households; not directly comparable to Industry Employment data reported in Table 3. Items may not add to totals due to rounding.

The table below summarizes the California Employment Development Department's estimated average annual employment for the County, which includes full-time and part-time workers who receive wages, salaries, commissions, tips, payment in kind, or piece rates. Percentages indicate the percentage of the total employment for each type of employment for the given year. For purposes of comparison, the most recent employment data for the State is also summarized.

The Trade, Transportation and Utilities sector was the largest employment sector in the County in 2014, employing 19.0% of wage and salary workers. Educational and Health Services, at 17.7%, was the second highest employment sector in the County, followed by Professional and Business Services, which employed 14.4% of wage and salary workers.

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Table 3
LOS ANGELES COUNTY
ESTIMATED INDUSTRY EMPLOYMENT AND LABOR FORCE[1]

	County				State of California	
	2000	% of Total	2014	% of Total	2014	% of Total
Agricultural	7,700	0.1%	5,300	0.1%	417,200	2.7%
Natural Resources and Mining	3,400	0.0	4,700	0.1	31,300	0.2
Construction	131,800	3.2	120,200	2.9	675,400	4.3
Manufacturing	615,200	14.9	364,900	8.7	1,269,600	8.0
Trade, Transportation and Utilities	784,900	19.0	800,700	19.0	2,871,100	18.00
Information	243,700	5.8	195,900	4.7	457,900	2.9
Financial Activities	244,300	5.9	209,700	4.7	784,300	5.0
Professional and Business Services	590,700	14.3	609,400	14.4	2,433,400	15.3
Educational and Health Services	463,100	11.2	748,000	17.7	2,414,400	15.2
Leisure and Hospitality	345,000	8.3	464,600	11.0	1,757,100	11.1
Other Services	140,200	3.4	151,700	3.6	539,800	3.4
Government	581,400	14.0	556,700	13.2	2,411,000	15.2
Total[2]	4,130,900	100.0%	4,231,700	100.0%	16,062,300	100.0%

(1) The California Economic Development Department has converted employer records from the Standard Industrial Classification coding system to the North American Industry Classification System.
(2) Total may not equal sum of parts due to independent rounding.
Note: Based on surveys distributed to employers; not directly comparable to Civilian Labor Force data reported in Table 2.
Source: California Employment Development Department, Labor Market Information Division. Based on March 2014 Benchmark report released March 6, 2015.

Personal Income

The U.S. Census Bureau defines personal income as the income received by all persons from all sources, and is the sum of "net earnings," rental income, dividend income, interest income, and transfer receipts. "Net earnings" is defined as wages and salaries, supplements to wages and salaries, and proprietors' income, less contributions for government social insurance, before deduction of personal income and other taxes.

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The following table summarizes the latest available estimate of personal income for the County, State and United States.

Table 4
COUNTY, STATE AND U.S.
PERSONAL INCOME

Year and Area	Personal Income[1] (thousands of dollars)	Per Capita Personal Income[1] (dollars)
2009		
County	$ 394,935,230	$ 40,351
State	1,537,094,676	41,587
United States	12,080,223,000	39,379
2010		
County	$ 403,962,065	$ 41,113
State	1,578,553,439	42,282
United States	12,417,659,000	40,144
2011		
County	$ 424,763,231	$ 42,953
State	1,685,635,498	44,749
United States	13,189,935,000	42,332
2012		
County	$ 455,788,782	$ 45,800
State[3]	1,805,193,769	47,505
United States[3]	13,873,161,000	44,200
2013		
County[2]	$ 466,098,988	$ 46,530
State[3]	1,856,614,186	48,434
United States[3]	14,151,427,000	44,765
2014		
County[2]	N/A	N/A
State[3]	1,944,369,223	50,109
United States[3]	14,708,582,165	46,129

(1) Per capita personal income was computed using Census Bureau midyear population estimates. Per capita personal income is total personal income divided by total midyear population. Last updated: November 20, 2014; new estimates for 2013.
(2) Last updated: November 20, 2014—new estimates for 2013 for the County.
(3) Last updated: March 25, 2015—new estimates for 2014 for the State and U.S.
Source: U.S. Bureau of Economic Analysis, "Table SA1 - Personal Income Summary," (accessed August 17, 2015). U.S. Bureau of Economic Analysis, "Table CA1 - Personal Income Summary," (accessed August 17, 2015).

Retail Sales

The following table sets forth a history of taxable sales for the County for calendar years 2008 through 2012, 2012 being the last full year for which data is currently available.

Table 5
COUNTY OF LOS ANGELES
TAXABLE SALES[1]
(in thousands)

	2008	2009	2010	2011	2012	2013
Motor Vehicle and Parts Dealers	$ 13,282,539	$ 10,801,444	$ 11,285,457	$ 12,686,384	$ 14,479,392	$ 15,543,657
Furniture and Home Furnishings Stores	4,482,776	2,058,460	2,158,334	2,321,830	2,441,922	2,568,630
Electronics and Appliance Stores		3,406,513	3,454,412	3,416,744	3,570,668	3,576,308
Bldg, Materials & Garden Equipment & Supplies	6,388,930	5,754,600	6,129,586	6,306,814	6,510,966	6,558,312
Food and Beverage Stores	4,921,329	5,410,953	5,405,254	5,591,250	5,824,815	6,051,754
Health and Personal Care Stores		2,735,112	2,773,004	2,998,946	3,163,312	3,306,274
Gasoline Stations	13,437,380	9,629,797	11,012,642	13,394,467	14,037,507	13,817,056
Clothing and Clothing Accessories Stores	6,290,994	7,145,713	7,607,711	8,356,612	9,166,549	9,926,558
Sporting Goods, Hobby, Book, and Music Stores		2,434,950	2,448,246	2,478,020	2,454,806	2,487,061
General Merchandise Stores	12,861,677	10,059,028	10,369,383	10,866,531	11,157,997	11,463,750
Miscellaneous Store Retailers		4,319,761	4,449,560	4,649,598	4,798,211	4,953,245
Other Retail Stores	13,537,617	-	-	-	-	-
Nonstore Retailers		810,972	790,565	897,596	1,200,322	1,906,573
Food Services and Drinking Places	14,607,067	13,876,812	14,291,264	15,286,655	16,512,136	17,481,996
Total Retail and Food Services	89,810,309	78,444,115	82,175,416	89,251,447	95,318,603	99,641,174
All other outlets(2)	36,874,784	34,300,613	34,766,918	37,189,291	39,976,979	40,438,534
TOTAL ALL OUTLETS[3]	$131,881,744	$112,744,727	$116,942,334	$126,440,737	$135,295,582	140,079,708

(1) In early 2007 the Board of Equalization began a process of converting business codes of sales and use tax permit holders to North American Industry Classification System (NAICS) codes. The Board reports that his process is now complete; over one million permit holders were converted from the previous business coding system to the NAICS codes. Beginning in 2009, their reports summarize taxable sales and permits using the NAICS codes. As a result of the coding change, however, industry-level data for 2009 are not comparable to that of prior years.
(2) Primarily manufacturing and wholesale businesses.
(3) Items may not add to totals due to rounding.
Source: California State Board of Equalization, Research and Statistics Division.

APPENDIX D

SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS

APPENDIX E

FORM OF BOND COUNSEL APPROVING OPINION

Upon delivery of the Series 2015-A Bonds, Hawkins Delafield & Wood LLP, Bond Counsel to the LACMTA, proposes to issue an approving opinion in substantially the following form:

[Closing Date]

Los Angeles County Metropolitan Transportation Authority
Los Angeles, California

We have acted as Bond Counsel to the Los Angeles County Metropolitan Transportation Authority ("LACMTA") in connection with the issuance by LACMTA of its $___________ aggregate principal amount of General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015-A (the "Series 2015-A Bonds"), issued pursuant to the Los Angeles County Transportation Commission Revenue Bond Act, Chapter 5 of Division 12 of the California Public Utilities Code, and a Trust Agreement, dated as of January 1, 1995 (the "1995 Trust Agreement"), as amended and supplemented, including by the Seventh Supplemental Trust Agreement, dated as of October 1, 2015 (the "Seventh Supplement" and, together with the 1995 Trust Agreement and the other amendments and supplements thereto, the "Agreement"), each by and between LACMTA and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Trust Agreement.

In our capacity as Bond Counsel, we have reviewed: the Trust Agreement; the Tax Certificate of the Authority, dated the closing date of the Series 2015-A Bonds, with respect to tax matters relating to the Series 2015-A Bonds, including all appendices and exhibits thereto (collectively, the "Tax Certificate"); opinions of Los Angeles County Counsel, as General Counsel to LACMTA, and others; certificates of LACMTA, the Trustee and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

Based on and subject to the foregoing, as of the date hereof and under existing law, we are of the following opinions:

1. The Series 2015-A Bonds constitute valid and binding limited, special obligations of LACMTA, as provided in the Trust Agreement.

2. The Trust Agreement has been duly authorized, executed and delivered by LACMTA and constitutes the valid and binding limited obligation of LACMTA, enforceable against LACMTA in accordance with its terms. The Trust Agreement creates a valid pledge to secure the payment of principal of and interest on the Series 2015-A Bonds, on a parity with any Bonds and Parity Debt currently Outstanding or hereinafter issued under or pursuant to the Trust Agreement, of the Pledged Revenues and the Remaining Sales Tax and other amounts held by the Trustee in certain funds and accounts established pursuant to the Trust Agreement, on the terms and conditions set forth in the Trust Agreement, including provisions permitting the application thereof for other purposes.

3. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (a) interest on the 2015-A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (b) interest on the 2015-A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the 2015-A Bonds in order that, for Federal income tax purposes, interest on the 2015-A Bonds be not included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of 2015-A Bond proceeds, restrictions on the investment of 2015-A Bond proceeds prior to expenditure and the requirement that certain earnings be rebated to the Federal government. Noncompliance with such requirements may cause interest on the 2015-A Bonds to become subject to Federal income taxation retroactive to their date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained.

In rendering the opinion in this paragraph (iv), we have relied upon and assumed (a) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the 2015-A Bonds, and (b) compliance by LACMTA with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

4. Under existing statutes, interest on the 2015-A Bonds is exempt from State of California personal income taxes.

Except as stated in paragraphs 3 and 4 above, we express no opinion regarding any Federal, state or local tax consequences arising with respect to the 2015-A Bonds or the ownership or disposition thereof. We render this opinion under existing statutes and court decisions as of the date of issuance of the 2015-A Bonds, and assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of the interest on the 2015-A Bonds, or under state and local tax law.

We undertake no responsibility for the accuracy, completeness or fairness of any official statement or other offering materials relating to the 2015-A Bonds and express herein no opinion relating thereto.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances, or any changes in law or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

The foregoing opinions are qualified to the extent that the enforceability of the 2015-A Bonds, the Resolutions and the Tax Certificate may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and are subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law), and to the limitations on legal remedies against governmental entities in the State of California (including, but not limited to, rights of indemnification).

Very truly yours,

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the subcaption "—General" below has been provided by DTC. LACMTA makes no representations as to the accuracy or completeness of such information. Further, LACMTA undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on DTC's websites as described under "—General," including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites. The beneficial owners of the Series 2015-A Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER LACMTA NOR THE TRUSTEE 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 THE SERIES 2015-A BONDS UNDER THE TRUST AGREEMENT; (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2015-A BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT TO THE OWNERS OF THE SERIES 2015-A BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF SERIES 2015-A BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2015-A Bonds. The Series 2015-A Bonds will be issued as full-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 full-registered Series 2015-A Bond certificate will be issued for each maturity of the Series 2015-A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Trustee.

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. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange

Commission. More information about DTC can be found at www.dtcc.com. The information on such website is not incorporated by reference herein.

Purchases of the Series 2015-A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015-A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015-A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015-A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2015-A Bonds, except in the event that use of the book-entry system for the Series 2015-A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015-A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2015-A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015-A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015-A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct 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.

While the Series 2015-A Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Series 2015-A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2015-A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to LACMTA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2015-A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of and interest payments on the Series 2015-A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from LACMTA or the Trustee, on payable 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, or the Trustee, 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 or the Trustee, 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 Series 2015-A Bonds at any time by giving reasonable notice to LACMTA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2015-A Bond certificates 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). DTC's procedures provide that upon receipt of a withdrawal request from an issuer, DTC will take the following actions: (1) DTC will issue an Important Notice notifying its participants of the receipt of a withdrawal request from the issuer reminding participants that they may utilize DTC's withdrawal procedures if they wish to withdraw their securities from DTC; and (2) DTC will process withdrawal requests submitted by participants in the ordinary course of business, but will not effectuate withdrawals based upon a request from the issuer. In that event, Series 2015-A Bond certificates will be printed and delivered to DTC.

The information in this Appendix G 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.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2015-A BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE PARTICIPANTS.

In the event that the book-entry-only system is discontinued, payments of principal of and interest on the Series 2015-A Bonds will be payable as described in the front part of this Official Statement under the caption "THE SERIES 2015-A BONDS – DTC and the Book-Entry Only System."