mandatory tender for purchase is payable from the proceeds of remarketing of Series 2008-A1 Bonds. If the proceeds of remarketing of the Series 2008-A1 Bonds are insufficient to pay the purchase price of any tendered Series 2008-A1 Bonds, then the Liquidity Provider will be obligated to pay the purchase price of such tendered Series 2008-A1 Bonds under the terms and subject to the conditions and limitations set forth in the Liquidity Facility. The ability of the Liquidity Provider to pay the purchase price of any tendered Series 2008-A1 Bonds depends on its liquidity and credit condition and may be adversely affected by changes in its financial condition.

Furthermore, pursuant to the Liquidity Facility, the obligation of the Liquidity Provider to purchase Series 2008-A1 Bonds subject to optional tender or mandatory tender for purchase may be immediately and automatically suspended or terminated without notice if certain events occur. See “THE LIQUIDITY FACILITY AND LIQUIDITY FACILITY PROVIDER—The Liquidity Facility” below. If such events occur, the purchase price of any tendered Series 2008-A1 Bonds will be payable only from remarketing proceeds. LACMTA has no obligation to pay the purchase price of any tendered Series 2008-A1 Bonds.

Under the Agreement, if moneys sufficient to pay the purchase price of all tendered Series 2008-A1 Bonds on any purchase date are not available (including if the obligation of the Liquidity Provider to purchase tendered Series 2008-A1 Bonds is immediately and automatically suspended or terminated) (1) no purchase will be consummated on such purchase date; (2) all tendered Series 2008-A1 Bonds will be returned to their owners; and (3) all remarketing proceeds will be returned to the Remarketing Agent for return to the persons providing such moneys. All Series 2008-A1 Bonds will bear interest at the Maximum Rate during such period of time from and including the applicable purchase date to (but not including) the date that all such tendered Series 2008-A1 Bonds are successfully remarketed. However, an insufficiency of moneys to pay the purchase price of tendered Series 2008-A1 Bonds will not constitute an Event of Default under the Agreement.


**Risks Related to Variable-Rate Bonds and Interest Rate Swaps**

LACMTA has issued and may issue in the future First Tier Senior Lien Bonds that bear interest at a variable rate. The First Tier Senior Lien Bonds, including the Series 2008-A1 Bonds, are limited obligations of LACMTA payable from the Proposition A Sales Tax and certain other amounts held by the Trustee under the Agreement. If any series of First Tier Senior Lien Bonds that bears interest at a variable rate experiences a substantial increase in that rate, then that increase may adversely affect the amount of Proposition A Sales Tax revenues available for payment of debt service on the First Tier Senior Lien Bonds, including the Series 2008-A1 Bonds.

LACMTA is party to two interest rate swap agreements that are intended to manage its interest rate exposure with respect to the Series 2008-A1 Bonds, Series 2008-A2 Bonds, Series 2008-A3 Bonds and Series 2008-A4 Bonds. See “PROPOSITION A SALES TAX OBLIGATIONS—Outstanding Proposition A Sales Tax Obligations—Second Tier Obligations” below. Under each of these interest rate swap agreements, the total notional amount of the interest rate swap agreements is equal to the aggregate principal amount of the related Bonds. In accordance with the provisions of each of these interest rate swap agreements, LACMTA pays a fixed rate of interest to the applicable counterparty and receives a floating rate of interest from the applicable counterparty that is based on a percentage of the one-month
London Interbank Offered Rate for deposits of U.S. dollars. The intended effect of these interest rate swap agreements is to hedge LACMTA’s risk to the volatility of interest rates.

Although LACMTA has entered into these interest rate swap agreements to hedge its exposure to the volatility of interest rates, amounts that LACMTA receives under these interest rate swap agreements do not constitute Pledged Revenues. If interest rates on the variable-rate First Tier Senior Lien Bonds increase, so will the amounts of debt service that LACMTA will need to pay on the First Tier Senior Lien Bonds. LACMTA has no obligation to offset that increase by applying amounts it receives under the interest rate swap agreements to the payment of debt service on the First Tier Senior Lien Bonds, including the Series 2008-A1 Bonds. Accordingly, the holders of the First Tier Senior Lien Bonds cannot rely on these interest rate swap agreements to hedge the risk of interest rate volatility of any series of First Tier Senior Lien Bonds issued as variable rate bonds.

In addition, these interest rate swap agreements entail risk to LACMTA. The swap counterparties (Bank of Montreal and Deutsche Bank AG) may fail or be unable to perform, interest rates may vary from assumptions or LACMTA may be required to post collateral in favor of its counterparties (and has done so in the past) or to make significant payments to its counterparties in the event of an early termination of an interest rate swap. An early termination of an interest rate swap agreement could occur due to a default by either party or the occurrence of a termination event.

See “PROPOSITION A SALES TAX OBLIGATIONS—Outstanding Proposition A Sales Tax Obligations—Second Tier Obligations” in this Remarketing Memorandum for further discussion of these interest rate swap agreements.

Risks Related to the Remarketing Agent

The Remarketing Agent Is Paid by LACMTA. The Remarketing Agent’s responsibilities include determining the interest rate from time to time and remarking the Series 2008-A1 Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Remarketing Agreement), all as further described in this Remarketing Memorandum. LACMTA appoints and pays the Remarketing Agent for its services. As a result, the interests of the Remarketing Agent may differ from those of existing and potential purchasers of the Series 2008-A1 Bonds.

The Remarketing Agent May Suspend Its Remarketing Efforts. Under the terms of the Remarketing Agreement, under certain circumstances the Remarketing Agent is required to suspend its remarketing efforts. In addition, under the terms of the Remarketing Agreement, the Remarketing Agent may suspend its remarketing efforts if certain events occur.

The Remarketing Agent Routinely Purchases Bonds for Its Own Account. The Remarketing Agent acts as a remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Series 2008-A1 Bonds for its own account. The Remarketing Agent acquires tendered Series 2008-A1 Bonds for its own inventory in order to achieve a successful remarketing of the Series 2008-A1 Bonds (i.e., because there otherwise are not enough buyers to purchase the Series 2008-A1 Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase the Series 2008-A1 Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Series 2008-A1 Bonds by routinely purchasing and selling the Series 2008-A1 Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Series 2008-A1 Bonds. The Remarketing Agent may also sell any Series 2008-A1 Bonds it has purchased to one or more affiliated investment vehicles for collective
ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to
the Series 2008-A1 Bonds. The purchase of Series 2008-A1 Bonds by the Remarketing Agent may create
the appearance that there is greater third party demand for the Series 2008-A1 Bonds in the market than is
actually the case. The practices described above also may reduce the supply of Series 2008-A1 Bonds
that may be tendered in a remarketing.

**Series 2008-A1 Bonds May Be Offered at Different Prices on any Date.** Pursuant to the
Remarketing Agreement, the Remarketing Agent is required to determine on the Rate Determination Date
the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the
Series 2008-A1 Bonds at par plus accrued interest, if any, on the date the rate becomes effective (the
“Effective Date”). The interest rate will reflect, among other factors, the level of market demand for the
Series 2008-A1 Bonds (including whether the Remarketing Agent is willing to purchase Series 2008-A1
Bonds for its own account). The purchase of the Series 2008-A1 Bonds by the Remarketing Agent may
cause the interest rate on the Series 2008-A1 Bonds to be lower than it would be if the Remarketing
Agent did not purchase Series 2008-A1 Bonds. The Remarketing Agreement requires that the
Remarketing Agent use its best efforts to sell tendered bonds at par, plus accrued interest. There may or
may not be Series 2008-A1 Bonds tendered and remarshaled on a Rate Determination Date and the
Remarketing Agent may or may not be able to remarket any Series 2008-A1 Bonds tendered for purchase
on such date at par. As an owner of Series 2008-A1 Bonds, the Remarketing Agent may sell Series
2008-A1 Bonds at varying prices, including at a discount to par, to different investors on a Rate
Determination Date or any other date. The Remarketing Agent is not obligated to advise purchasers in a
remarketing if it does not have third party buyers for all of the Series 2008-A1 Bonds at the remarketing
price. The Remarketing Agent, in its sole discretion, may offer Series 2008-A1 Bonds on any date,
including the Rate Determination Date, at a discount to par to some investors.

**The Ability to Sell the Series 2008-A1 Bonds Other than Through Tender Process May Be
Limited.** The Remarketing Agent may buy and sell the Series 2008-A1 Bonds other than through the
tender process. However, it is not obligated to do so and may cease doing so at any time without notice.
Thus, investors who purchase the Series 2008-A1 Bonds, whether in a remarketing or otherwise, should
not assume that they will be able to sell the Series 2008-A1 Bonds other than by tendering the Series
2008-A1 Bonds in accordance with the tender process.

**The Remarketing Agent May Resign or Cease Remarketing the Series 2008-A1 Bonds, Without
a Successor Being Named.** Under the terms of the Remarketing Agreement, the Remarketing Agent may
at any time resign and be discharged of its duties and obligations by giving at least 60 days’ prior written
notice to LACMTA, the Trustee, and the Liquidity Provider. The resignation of the Remarketing Agent
will be effective even if LACMTA has not appointed a successor Remarketing Agent.

**Considerations Regarding Lease/Leaseback Transactions**

From January 1997 through July 2003, LACMTA entered into a number of “lease/leaseback”
leveraged lease agreements (the “Lease/Leaseback Transactions”) for assets including heavy rail vehicles,
buses, light rail vehicles, and various real property operating facilities. American International Group
(“AIG”) provided a fixed income investment product known as a payment undertaking agreement that
was used in seven of the Lease/Leaseback Transactions in order to invest proceeds to fund all the
scheduled rent payments and early buyout option payments. In addition, AIG provided credit support in
the form of letters of credit for three Lease/Leaseback Transactions. Under the Lease/Leaseback
Transactions, if AIG’s credit ratings fall below certain thresholds, then LACMTA is required to replace
AIG as the provider of the payment undertaking agreement or the credit enhancement, as applicable. In
September 2008, AIG’s credit ratings fell below these thresholds, which gave rise to LACMTA’s
obligation to replace the payment undertaking agreements and credit enhancement. In the current market
environment, most products specified in the lease/leaseback transaction documents as acceptable replacement facilities are not available. In May 2011, LACMTA reached an agreement with one lessor to terminate a lease/leaseback transaction with minimal settlement costs. Extensions to the deadlines to obtain acceptable replacement facilities are in place with most other lessors. LACMTA is in contact with the remaining lessors to negotiate agreements in lieu of obtaining a replacement facility or agree on minimal out-of-pocket settlement amounts. Failure to reach a solution could result in early termination of six of the leases that could require LACMTA to pay as much as $150 million, plus legal costs. If LACMTA is required to make any such payment, it expects to pay that amount from its general fund or from the proceeds of a future borrowing. None of LACMTA’s obligations under these Lease/Leaseback Transactions is secured by a pledge on the Proposition A Sales Tax; however, LACMTA may issue indebtedness secured by Proposition A Sales Tax to make such payment. In any event, LACMTA does not believe that any of these termination payments will adversely affect the timely payment of principal of and interest on the First Tier Senior Lien Bonds, including the Series 2008-A1 Bonds. See APPENDIX A—“LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—Lease/Leaseback Transactions.”

DESCRIPTION OF THE SERIES 2008-A1 BONDS

General

See APPENDIX C—”SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS” for definitions of certain terms used in this the Remarketing Memorandum.

The Series 2008-A1 Bonds are limited obligations of LACMTA and are secured under the Trust Agreement, dated as of July 1, 1986, as amended and supplemented (the “Trust Agreement”), by and between LACMTA and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as supplemented by the Amended and Restated Twenty-Eighth Supplemental Trust Agreement, dated as of August 1, 2011 (the “Twenty-Eighth Supplement”).

The Series 2008-A1 Bonds mature on July 1, 2031. The Series 2008-A1 Bonds are registered bonds and have been issued in denominations of $100,000 and any integral multiple of $5,000 in excess thereof (collectively, the “Authorized Denominations”), in book-entry-only form, registered in the name of Cede & Co., as nominee for DTC, the bond depository for the Series 2008-A1 Bonds.

LACMTA will remarket the Series 2008-A1 Bonds in a Weekly Mode. The Series 2008-A1 Bonds will bear interest at a Weekly Rate determined by the Remarketing Agent as described below, subject to certain conditions and exceptions. LACMTA may convert the Series 2008-A1 Bonds to a different interest rate mode if LACMTA satisfies the conditions set forth in the Agreement. The Series 2008-A1 Bonds are subject to mandatory tender in the event of any interest rate mode conversion (except for conversions between the Weekly Mode and the Daily Mode). The Series 2008-A1 Bonds are also subject to mandatory tender in other circumstances as described below under “—Mandatory Tender for Purchase of Series 2008-A1 Bonds.”

This Remarketing Memorandum describes the terms of the Series 2008-A1 Bonds while they bear interest at a Weekly Rate. There are significant differences in the terms of the Series 2008-A1 Bonds bearing interest at other rates. This Remarketing Memorandum is not intended to provide information with respect to the Series 2008-A Bonds bearing interest at rates other than a Weekly Rate.
Payment of Interest and Principal on the Series 2008-A1 Bonds

Interest on the Series 2008-A1 Bonds shall be payable on a monthly basis on the first Business Day of each month; each Mode Change Date or the date of any conversion of the Series 2008-A1 Bonds to bear interest at an ARS Rate or an Index Interest Rate; and on the maturity date of the Series 2008-A1 Bonds. Interest on the Series 2008-A1 Bonds will be computed on the basis of a 365 or 366-day year, for the actual number of days elapsed.

Interest will be payable to the registered owners of the Series 2008-A1 Bonds as of the Record Date before the applicable interest payment date. The “Record Date” is the last Business Day prior to the applicable interest payment date for the Series 2008-A1 Bonds bearing interest at a Weekly Rate, provided that a special record date may be set with respect to overdue interest.

The Trustee will pay principal and purchase price of and interest on the Series 2008-A1 Bonds to Cede & Co., so long as Cede & Co. is the registered owner of the Series 2008-A1 Bonds, as nominee for DTC. DTC will, in turn, remit such principal, purchase price and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX D—“BOOK-ENTRY-ONLY SYSTEM” in this Remarketing Memorandum.

The mechanics for payment of principal, interest and purchase price when the Series 2008-A1 Bonds are not held by DTC are described in APPENDIX C—“SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS” in this Remarketing Memorandum.

Determination Of Interest Rates for the Series 2008-A1 Bonds

While the Series 2008-A1 Bonds are in the Weekly Mode, the Series 2008-A1 Bonds will bear interest at a Weekly Rate for each Weekly Rate Period. Each Weekly Rate Period will be the period commencing on the Thursday of each week to and including Wednesday of the following week, except that (i) in connection with a reconversion to the Weekly Rate, the first Weekly Rate Period will be from the Mode Change Date to and including the Wednesday of the following week, (ii) in the case of a Substitution Date or Mandatory Purchase Date specified in clause (v) in the first paragraph under the heading “—Mandatory Tender for Purchase of Series 2008-A1 Bonds,” the Weekly Rate Period shall end on the day before the Substitution Date or Mandatory Purchase Date and a new Weekly Rate Period shall commence on the Substitution Date or Mandatory Purchase Date and end on the Wednesday of the following week and (iii) in connection with the conversion from the Weekly Rate, the last Weekly Rate Period shall end on the day next preceding the Mode Change Date or the date of conversion to an ARS Rate or Index Interest Rate.

The Remarketing Agent will determine the interest rate for the Series 2008-A1 Bonds for the Weekly Rate Periods (i) each Wednesday or, if Wednesday is not a Business Day, then the Business Day next succeeding such Wednesday and (ii) not later than the Business Day prior to a Substitution Date, a Mode Change Date to the Weekly Mode or a Mandatory Purchase Date described in clause (v) of the first paragraph under the heading “—Mandatory Tender for Purchase of Series 2008-A1 Bonds.” In the case of a reconversion to the Weekly Mode, the Rate Determination Date shall be no later than the Business Day prior to the Mode Change Date to the Weekly Mode and thereafter as described above.

The Weekly Rate for each Interest Period shall be the rate of interest determined by the Remarketing Agent on and as of the Rate Determination Date to be the minimum rate which in its opinion, under then-existing market conditions, would result in the sale of the Series 2008-A1 Bonds at par plus accrued interest, if any. No Series 2008-A1 Bonds may bear interest at an interest rate higher