

INVITATION TO TENDER BONDS

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY,  
invites its Bondowners to offer to sell for cash any or all of the following Bonds

Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2003-A							
Maturity Date (July 1)	Principal Amount	Interest Rate	CUSIP No. †	Maturity Date (July 1)	Principal Amount	Interest Rate	CUSIP No. †
2014	\$ 765,000	3.875%	544712TX0	2016	\$16,410,000	5.000%	544712UC4
2014	18,995,000	5.000	544712TY8	2017	31,415,000	5.000	544712UD2
2015	925,000	4.000	544712TZ5	2018	1,225,000	4.250	544712UE0
2015	19,770,000	5.000	544712UA8	2018	55,530,000	5.000	544712UF7
2016	600,000	4.100	544712UB6				

Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2003-B			
Maturity Date (July 1)	Principal Amount	Interest Rate	CUSIP No. †
2019	\$67,635,000	5.000%	544712US9
2020	86,140,000	4.500	544712UT7
2021	88,860,000	4.500	544712D82

**THE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON AUGUST [ ], 2012 UNLESS EARLIER TERMINATED OR EXTENDED.**

To make an informed decision as to whether, and how, to offer his or her Bonds, a Bondowner must read this Invitation and all of the Other Tender Materials (as described herein) carefully and consult with his or her broker, account executive, financial advisor and/or other financial professional. This Invitation and the Other Tender Materials, announcements of the Purchase Prices, final auction results and acceptance of tenders, and such other information with respect to the Offer (as defined herein) are and will be available from the Dealer Manager and the Information and Tender Agent and at [www.bondcom.com/](http://www.bondcom.com/).

Any Bondowner wishing to offer his or her Bonds pursuant to the Offer should follow the procedures more fully described herein. Institutional investors with questions about the Offer should contact the Dealer Manager. Individual investors and their brokers, account executives, financial advisors and other financial professionals with questions about the Offer should contact the Information and Tender Agent.

Key Dates and Times	
<i>All of these dates and times are subject to change. All times are New York City time. Notices of changes will be sent in the manner provided for in this Invitation.</i>	
Expiration Date.....	August [ ], 2012, 5:00 p.m.
Announcement of Purchase Prices.....	August [ ], 2012, 10:00 a.m.
Potential Announcement of "Second Look" Offer Period .....	August [ ], 2012, 10:00 a.m.
Expiration of "Second Look" Offer Period.....	August [ ], 2012, 5:00 p.m.
Announcement of Final Auction Results and Acceptance of Tender <sup>††</sup> .....	August [ ], 2012, 12:00 noon
Release of all Bonds offered which have not been accepted for purchase .....	August [ ], 2012
Settlement Date. Payment made on all accepted Bonds <sup>††</sup> .....	August [ ], 2012

The Dealer Manager for the Offer is:

**Morgan Stanley**

The Information and Tender Agent for the Offer is:

**Bondholders Communications Group**

Date of this Invitation to Tender Bonds: August [ ], 2012

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein are 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. None of LACMTA, the Dealer Manager or the Information and Tender Agent makes any representation as to, or takes any responsibility for, the accuracy of such CUSIP numbers.

†† Subject to conditions described in this Invitation and the Other Tender Materials.

This Invitation has not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the fairness or merits of this Invitation or upon the accuracy or adequacy of the information contained in this Invitation. Any representation to the contrary is a criminal offense.

The Offer is not being made to, and offers will not be accepted from or on behalf of, Bondowners in any jurisdiction in which the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require the Offer to be made through a licensed or registered broker or dealer, the Offer is being made on behalf of the Los Angeles County Metropolitan Transportation Authority (“LACMTA”), by the Dealer Manager.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Invitation and the Other Tender Materials and, if given or made, such information or representation may not be relied upon as having been authorized by LACMTA.

The delivery of this Invitation and the Other Tender Materials shall not under any circumstances create any implication that the information contained herein and therein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein and therein or in any attachments hereto and thereto or materials delivered herewith and therewith or in the affairs of LACMTA since the date hereof.

This Invitation and the Other Tender Materials contain statements relating to future results that are “forward-looking statements.” When used in this Invitation and the Other Tender Materials, the words “estimate,” “anticipate,” “forecast,” “project,” “intend,” “propose,” “plan,” “expect” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

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**INVITATION TO TENDER BONDS**  
**made by**  
**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

**INTRODUCTION**

**General**

Pursuant to this Invitation to Tender Bonds (this “*Invitation*”), the Los Angeles County Metropolitan Transportation Authority (“*LACMTA*”) is offering to purchase (the “*Offer*”) the following Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2003-A (the “*Series 2003-A Bonds*”), and Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2003-B (the “*Series 2003-B Bonds*,” and together with the Series 2003-A Bonds, the “*Bonds*”) from the beneficial owners (the “*Bondowners*”) thereof:

Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2003-A							
Maturity Date (July 1)	Principal Amount	Interest Rate	CUSIP No. †	Maturity Date (July 1)	Principal Amount	Interest Rate	CUSIP No. †
2014	\$ 765,000	3.875%	544712TX0	2016	\$16,410,000	5.000%	544712UC4
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2016	600,000	4.100	544712UB6				

Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds Series 2003-B			
Maturity Date (July 1)	Principal Amount	Interest Rate	CUSIP No. †
2019	\$67,635,000	5.000%	544712US9
2020	86,140,000	4.500	544712UT7
2021	88,860,000	4.500	544712D82

Each Bondowner is invited by LACMTA to offer to sell to LACMTA for cash all or any part of its beneficial ownership interests in the Series 2003-A Bonds and the Series 2003-B Bonds (in amounts of \$5,000 and integral multiples of \$5,000 only). An offer to sell Bonds of a Series, maturity date, interest rate and CUSIP number may be made at an offer price or prices specified by a Bondowner, or it may be made by offering to sell Bonds of a Series, maturity date, interest rate and CUSIP number without specifying an offer price. All offers must be made through LACMTA’s Automated Tender Offer Program account. LACMTA will not accept any offers that are not made through its Automated Tender Offer Program account. See “TERMS OF THE OFFER—Offers at an Offer Price,” “—Offers without an Offer Price” and “—Provisions Applicable to all Offers” below for more information on how a Bondowner can offer its Bonds.

*To make an informed decision as to whether, and how, to offer his or her Bonds, a Bondowner must read the following documents carefully and consult with his or her broker, account executive, financial advisor and/or other financial professional:*

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- (1) *This Invitation,*
- (2) *The Questions and Answers dated August [\_\_\_], 2012,*
- (3) *A letter from LACMTA dated August [\_\_\_], 2012, and*
- (4) *The Preliminary Official Statement (as described below under “—Plan of Finance”).*

The Questions and Answers, the letter from LACMTA and the Preliminary Official Statement are collectively referred to herein as the “**Other Tender Materials.**”

**None of LACMTA, the Dealer Manager (as defined herein), or the Information and Tender Agent (as defined herein) make any recommendation that any Bondowner tender or refrain from tendering all or any portion of such Bondowner’s Bonds, at what price or prices an offer should be made, or whether an offer should be made without specifying a price. Each Bondowner must make these decisions and should read this Invitation and the Other Tender Materials and consult with its broker, account executive, financial advisor and/or other financial professional in making these decisions.**

Subject to satisfaction of all conditions to LACMTA’s obligation to purchase tendered Bonds, as described herein and in the Other Tender Materials, the Bonds LACMTA accepts for purchase will be paid for on August [\_\_\_], 2012, or such later date as LACMTA determines in its sole discretion (the “**Settlement Date**”).

**LACMTA is under no obligation to purchase any of the Bonds tendered pursuant to the Offer. LACMTA may decide to purchase less than all (or none) of the Bonds. See “TERMS OF THE OFFER—Determination of Amounts to be Purchased” and “—Determination of Purchase Prices” for more information on the selection of tendered Bonds to be purchased, if any.**

#### **Determination of Purchase Prices**

The prices to be paid by LACMTA for the Bonds will be determined pursuant to the “Modified Dutch Auction” procedure described under “TERMS OF THE OFFER—Determination of Purchase Prices.”

#### **Plan of Finance**

The Offer is part of a plan by LACMTA to purchase and cancel and replace the Bonds (which may not be advance refunded under current federal income tax law nor current refunded under their respective terms) with new bonds at a lower yield than the effective yield offered to LACMTA by Bondowners via the tender process. LACMTA plans to purchase Bonds only to the extent it can realize a sufficient benefit by refinancing them with new bonds at a lower yield than the effective yield offered to LACMTA by Bondowners via the tender process. See the “Questions and Answers” for information regarding potential tender prices that will enable LACMTA to realize a benefit.

The Series 2003-A Bonds were issued pursuant to the Los Angeles County Transportation Commission Revenue Bond Act, Section 130500, et seq., of the California Public Utilities Code (the “**LACMTA Act**”), the Trust Agreement, dated as of July 1, 1986, as amended (the “**Trust Agreement**”), by and between LACMTA, as successor to the Los Angeles County Transportation Commission, and The Bank of New York Mellon Trust Company, N.A., as successor to BNY Western Trust Company, as

successor in interest to Wells Fargo Bank, N.A., successor by merger to First Interstate Bank of California, as trustee (the “*Trustee*”), and the Twenty-Third Supplemental Trust Agreement, dated as of April 1, 2003 (the “*Twenty-Third Supplemental Agreement*”), by and between LACMTA and the Trustee. The Series 2003-B Bonds were issued pursuant to the LACMTA Act, the Trust Agreement, and the Twenty-Fourth Supplemental Trust Agreement, dated as of June 1, 2003 (the “*Twenty-Fourth Supplemental Agreement*”), by and between LACMTA and the Trustee. The Trust Agreement, the Twenty-Third Supplemental Agreement and the Twenty-Fourth Supplemental Trust Agreement are collectively referred to herein as the “*Agreement*.”

In order to provide funds to purchase the Bonds, LACMTA proposes to issue its Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2012-A (the “*Series 2012-A Bonds*”). If the Series 2012-A Bonds are issued, they are expected to be issued on August [ ], 2012.

The purchase of any of the Bonds is conditioned upon LACMTA receiving sufficient proceeds from the Series 2012-A Bonds. No assurances can be given that the Series 2012-A Bonds will be issued in amounts sufficient to pay the purchase prices of the Bonds selected for purchase or that the purchase of the Bonds will be completed. See “TERMS OF THE OFFER—Conditions to Purchase” below.

The Series 2012-A Bonds are being offered pursuant to a Preliminary Official Statement dated July [ ], 2012 (together with any Appendices thereto, any documents incorporated therein by reference and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “*Preliminary Official Statement*”). The Preliminary Official Statement contains financial, operating and other information with respect to LACMTA. Bondowners of the Bonds are urged to read and review the Preliminary Official Statement prior to submitting an offer to tender Bonds.

Copies of the Preliminary Official Statement may be obtained from the Information and Tender Agent on its website at [www.\[bondcom.com/\\_\\_\\_\]](http://www.[bondcom.com/___]) or by calling Bondholder Communications Group, the Information and Tender Agent toll-free at [1-888-385-2663] or by emailing the Information and Tender Agent at [\_\_\_\_@bondcom].com. [Copies of the Preliminary Official Statement also are available at [www.\[munios.com.\]](http://www.[munios.com.]) **The Series 2012-A Bonds are not being offered for sale by this Invitation.**

See “ADDITIONAL CONSIDERATIONS—Refunding of Bonds” herein for information with respect to LACMTA’s plans to issue the Series 2013 Bonds (as defined herein) to refund and redeem on July 1, 2013 all or a portion of the Bonds that are not purchased by LACMTA pursuant to the Offer.

### **Brokerage Commissions and Solicitation Fees**

Bondowners will not be obligated to pay any brokerage commissions or solicitation fees to LACMTA, the Dealer Manager or the Information and Tender Agent in connection with the Offer. However, Bondowners should check with their broker, account executive, bank, financial institution or financial advisor to determine whether they will charge any commissions or fees.

### **Bonds Offered but not Purchased**

If LACMTA receives and accepts offers for the purchase of Bonds, any Bonds not purchased pursuant to the Offer will continue to be outstanding, and payable and secured, pursuant to the terms of the Agreement.

## **Purchased Bonds to be Cancelled**

All Bonds which LACMTA purchases pursuant to the Offer will be cancelled.

## **Dealer Manager and Information and Tender Agent**

Morgan Stanley & Co., LLC is the Dealer Manager for the Offer (the “*Dealer Manager*”). Institutional investors with questions about the Offer should contact the Dealer Manager. The Dealer Manager is also the underwriter of the Series 2012-A Bonds. Individual investors with questions about the Offer should contact Bondholder Communications Group, which serves as Information and Tender Agent (the “*Information and Tender Agent*”) for the Offer.

## **Prevailing Time**

All times in this Invitation are New York City time.

## **TERMS OF THE OFFER**

### **Expiration Date; Offers Only Through Issuer’s ATOP Account; Information to Bondowners**

The Offer will expire at 5:00 p.m., New York City time, on August [\_\_\_], 2012, unless earlier terminated or extended (the “*Expiration Date*”). Other than “Second Look” offers to accept the purchase prices as described under the heading “—Second Look Offer to Accept Purchase Prices” below, offers to sell Bonds received after 5:00 p.m., New York City time, on the Expiration Date will not be considered.

All of the Bonds are held in book-entry-only form through the facilities of The Depository Trust Company (“*DTC*”). *All offers must be made through LACMTA’s DTC Automated Tender Offer Program account (“LACMTA’s ATOP Account”). LACMTA will not accept any offers that are not made through LACMTA’s ATOP Account.* Bondowners who are not DTC participants can only make offers to sell Bonds by making arrangements with and instructing their broker, bank, account executive or other financial institution which maintains the account in which their Bonds are held (each a “*Financial Representative*”), to submit the Bondowner’s offer through LACMTA’s ATOP Account. A Bondowner may use the Bondowner’s Instructions, which may be obtained from the Information and Tender Agent on its website at [www.\[bondcom.com/\\_\\_\\_\]](http://www.[bondcom.com/___]), to give this instruction. To ensure a Bondowner’s offer is submitted to LACMTA’s ATOP Account by 5:00 p.m., New York City time, on the Expiration Date, Bondowner’s must provide instructions to their Financial Representative in sufficient time for their Financial Representative to submit their offer to LACMTA’s ATOP Account by this deadline. Bondowners should contact their Financial Representative for information on when they need the Bondowner’s instructions in order to submit the Bondowner’s offer to LACMTA’s ATOP Account by 5:00 p.m., New York City time, on the Expiration Date. See “—Transmission of Offers by Financial Institutions; Issuer’s ATOP Account.”

*LACMTA, the Dealer Manager and the Information and Tender Agent are not responsible for making or transmitting any offer to sell Bonds or for any mistakes, errors or omissions in the making or transmission of any offer.*

LACMTA may give information about the Offer to the market and Bondowners by delivery of the information to the following institutions: Bloomberg Financial Market Systems, the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system (“*EMMA*”) and DTC and by posting information to the Information and Tender Agent’s website at [www.\[bondcom.com/\\_\\_\\_\]](http://www.[bondcom.com/___]). These institutions and the Information and Tender Agent’s website are



collectively referred to herein as the “*Information Services.*” Delivery by LACMTA of information to the Information Services will be deemed to constitute delivery of this information to each Bondowner.

**LACMTA, the Dealer Manager and the Information and Tender Agent have no obligation to ensure that a Bondowner actually receives any information given to the Information Services.**

### **Offers at an Offer Price**

A Bondowner may make an offer to sell Bonds of a Series, maturity date, interest rate and CUSIP number in a par amount of its choosing (in amounts of \$5,000 and integral multiples of \$5,000 only) and at a price of its choosing (an “*Offer Price*”).

Each Offer Price must be expressed in *dollars per \$1,000 of the par amount* of Bonds of such Series, maturity date, interest rate and CUSIP number offered. An Offer Price may contain no more than two numbers to the right of the decimal point. Any Offer Price containing more than two numbers to the right of the decimal point will be truncated.

A Bondowner may offer portions of Bonds of a Series, maturity date, interest rate and CUSIP number that it owns at more than one Offer Price (e.g., one or more portion(s) with an Offer Price(s) and another portion without an Offer Price as described under “—Offers without an Offer Price” below) so long as all of these offers do not, in the aggregate, exceed the par amount of the Bonds of such Series, maturity date, interest rate and CUSIP number owned by that Bondowner.

An Offer Price will not be deemed to include any amount representing the interest which will accrue on a tendered Bond of such Series, maturity date, interest rate and CUSIP number to the purchase date (“*Accrued Interest*”). In addition to the purchase prices of the Bonds agreed to be purchased by LACMTA, Accrued Interest on such Bonds will be paid by LACMTA to the Bondowners on the Settlement Date.

### **Offers without an Offer Price**

A Bondowner may also make a non-competitive offer to sell Bonds of a Series, maturity date, interest rate and CUSIP number in a par amount of its choosing (in amounts of \$5,000 and integral multiples of \$5,000 only) by offering such Bonds without specifying an Offer Price. Subject to satisfaction of all conditions to LACMTA’s obligation to purchase tendered Bonds, as described herein and in the Other Tender Materials, Bondowners whose Bonds of a Series, maturity date, interest rate and CUSIP number are offered without a specified offer price will receive the purchase price paid to all other Bondowners of Bonds of such Series, maturity date, interest rate and CUSIP number whose offers are accepted.

### **Provisions Applicable to all Offers**

A Bondowner should ask their broker, account executive, financial advisor or other financial professional for help in determining whether to offer Bonds of a Series, maturity date, interest rate and CUSIP number, the par amount of Bonds of such Series, maturity date, interest rate and CUSIP number to be offered and whether they are to be offered at one or more Offer Prices and, if so, what the Offer Price(s) should be, or whether they should be offered without specifying an Offer Price. A Bondowner also should inquire as to whether their Financial Representative, financial advisor or other financial professional will charge a fee for submitting offers or if LACMTA purchases its offered Bonds. LACMTA, the Dealer Manager and the Information and Tender Agent will not charge any Bondowner for making an offer or if its offer is accepted.

Each offer must include the following information: (1) the Series designation of the Bond being offered (e.g. Series 2003-A or Series 2003-B), (2) the maturity date of the Bond being offered, (3) the interest rate of the Bond being offered, (4) the CUSIP number of the Bond being offered, (5) the par amount of the Bond being offered (such par amount must be stated in multiples of \$5,000), and (6) the Offer Price of the Bond being offered or indicate that such Bond is being offered without an Offer Price. If the par amount of a Bond offered is not in a multiple of \$5,000, the par amount of such offered Bond shall be reduced to the nearest integral multiple of \$5,000.

“All or none” offers are not permitted.

All offers must be made through LACMTA’s ATOP Account. LACMTA will not accept any offers that are not made through its ATOP Account. See “—Transmission of Offers by Financial Institutions; LACMTA’s ATOP Account.”

LACMTA, the Dealer Manager and the Information and Tender Agent are not responsible for making or transmitting any offer to sell Bonds or for any mistakes, errors or omissions in the making or transmission of any offer.

A Bondowner may only offer to sell Bonds it owns. By submitting an offer, a Bondowner warrants that it has full authority to transfer and sell such Bonds, and that the transferee will acquire good title, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims. All tenders shall survive the death or incapacity of the tendering Bondowner.

A Bondowner who would like to receive information furnished by LACMTA to the Information Services must make appropriate arrangements with their Financial Representative, financial advisor or other financial professional, the Information and Tender Agent, or the Information Services. All information furnished by LACMTA to the Information Services may be retrieved at [www.\[bondcom.com/\\_\\_\\_\\_\]](http://www.[bondcom.com/____]).

### **Transmission of Offers by Financial Institutions; Issuer’s ATOP Account**

LACMTA, through the Information and Tender Agent, will establish LACMTA’s ATOP Account at DTC for purposes of the Offer promptly after the date of this Invitation. Offers to sell Bonds may only be made to LACMTA through LACMTA’s ATOP Account. Any financial institution that is a participant in DTC may make a book-entry offer of the Bonds by causing DTC to transfer such Bonds into LACMTA’s ATOP Account in accordance with DTC’s procedures. Concurrently with the delivery of Bonds through book-entry transfer into LACMTA’s ATOP Account, an Agent’s Message (as described below) in connection with such book-entry transfer must be transmitted to and received at LACMTA’s ATOP Account by not later than 5:00 p.m., New York City time, on the Expiration Date. The confirmation of a book-entry transfer to LACMTA’s ATOP Account as described above is referred to herein as a “**Book-Entry Confirmation**.” The term “**Agent’s Message**” means a message transmitted by DTC to, and received by, the Information and Tender Agent and forming a part of the Book-Entry Confirmation which states that DTC has received an express acknowledgment from the DTC participant tendering Bonds that are the subject of such Book-Entry Confirmation, stating the Series, the maturity date(s), the interest rate(s), the CUSIP number(s), and the par amount(s) of the Bonds that have been offered by such participant pursuant to the Offer, the Offer Price(s), if any, and to the effect that such participant agrees to be bound by the terms of the Offer and this Invitation. The name and account number of the beneficial owner of the Bonds being tendered must be included in the Agent’s Message with respect to all tenders of \$250,000 (principal or maturity amount) or more of Bonds from a single beneficial owner.

*All offers must be made through LACMTA's ATOP Account. LACMTA will not accept any offers that are not made through its ATOP Account.* Bondowners who are not DTC participants can only make offers to sell Bonds by making arrangements with and instructing their Financial Representative to submit the Bondowner's offer through LACMTA's ATOP Account. A Bondowner may use the Bondowner's Instructions, which may be obtained from the Information and Tender Agent on its website at [www.\[bondcom.com/\\_\\_\\_\]](http://www.bondcom.com/) to give this instruction. To ensure a Bondowner's offer is submitted to LACMTA's ATOP Account by 5:00 p.m., New York City time, on the Expiration Date, Bondowner's must provide instructions to their Financial Representative in sufficient time for their Financial Representative to submit their offer to LACMTA's ATOP Account by this deadline. Bondowners should contact their Financial Representative for information on when they need the Bondowner's instructions in order to submit the Bondowner's offer to LACMTA's ATOP Account by 5:00 p.m., New York City time, on the Expiration Date.

### **Determinations as to Form and Validity of Offers; Right of Waiver and Rejection**

All questions as to the validity (including the time of receipt at LACMTA's ATOP Account), form, eligibility and acceptance of any offers will be determined by LACMTA in its sole discretion and will be final, conclusive and binding.

LACMTA reserves the right to waive any irregularities or defects in any offer. LACMTA, the Dealer Manager and the Information and Tender Agent are not obligated to give notice of any defects or irregularities in offers and they will have no liability for failing to give such notice.

**LACMTA reserves the absolute right to reject any and all offers, whether or not they comply with the terms of the Offer, this Invitation and the Other Tender Materials.**

### **Amendments and Withdrawals of Offers**

A Bondowner may amend its offer in any respect it chooses by withdrawing its previous offer and causing an amended offer to be received at LACMTA's ATOP Account by not later than 5:00 p.m., New York City time, on the Expiration Date. **Bondowners who have tendered their Bonds will not receive any information from LACMTA, the Dealer Manager or the Information and Tender Agent concerning offers by other Bondowners. Other than "Second Look" offers described under "— "Second Look" Offers to Accept Purchase Prices" below, offering Bondowners will not be afforded an opportunity to amend their offers after 5:00 p.m., New York City time, on the Expiration Date.**

An offer of Bonds may be withdrawn by a Bondowner by causing notice of such withdrawal to be received at LACMTA's ATOP Account by not later than 5:00 p.m., New York City time, on the Expiration Date.

*All amended offers and withdrawal notices must be made through LACMTA's ATOP Account. LACMTA will not accept any amended offers or notices of withdrawal that are not made through its ATOP Account.* Bondowners who are not DTC participants can only amend their offers or withdraw their offers by making arrangements with and instructing their Financial Representative to submit the Bondowner's amended offer or the Bondowner's notice of withdrawal through LACMTA's ATOP Account.

An amended or withdrawn offer must specify the Series designation of the Bond subject to such amended or withdrawn offer (e.g. Series 2003-A or Series 2003-B), the maturity date of the Bond subject to such amended or withdrawn offer, the interest rate of the Bond subject to such amended or withdrawn offer, the CUSIP number of the Bond subject to such amended or withdrawn offer, the par amount of the

Bond subject to such amended or withdrawn offer (such par amount must be stated in integral multiples of \$5,000), and, if applicable, the new Offer Price of the Bond subject to such amended offer. All questions as to the validity (including the time of receipt) of an amendment or withdrawal will be determined by LACMTA in its sole discretion and will be final, conclusive and binding.

### **Irrevocability of Offers; Return of Bonds Not Purchased**

All offers to sell Bonds will become irrevocable as of 5:00 p.m., New York City time, on the Expiration Date, or in the case of a reoffer pursuant to the “Second Look”, at 5:00 p.m., New York City time, on the expiration date of “Second Look” offers (August [ ], 2012).

On the second business day after the Expiration Date, LACMTA will instruct DTC to return to the offering institutions all Bonds that were offered but were not accepted for purchase. On the Settlement Date, LACMTA will promptly instruct DTC to return to the offering institutions all Bonds that were offered in the event that the purchase is not undertaken on the Settlement Date. See “—Conditions to Purchase.” LACMTA, the Dealer Manager and the Information and Tender Agent are not responsible or liable for the return of Bonds to these offering institutions or to their beneficial owners.

### **Determination of Amounts to be Purchased**

LACMTA shall be under no obligation to purchase any Bond offered. LACMTA will determine which Bonds, if any, it will purchase. LACMTA, therefore, has the right to purchase all, some or none of the Bonds offered.

After the Expiration Date, LACMTA will determine the amount (if any) of the Bonds that it will purchase. LACMTA plans to purchase Bonds only to the extent it can realize a sufficient benefit by refinancing them with new bonds at a lower yield than the effective yield offered to LACMTA by Bondowners via the tender process. The obligation of LACMTA to purchase tendered Bonds is subject to satisfaction of certain conditions. See “—Conditions to Purchase.”

### **Determination of Purchase Prices**

For each maturity date, interest rate and CUSIP number of each Series of Bonds, there will be a single purchase price (not including Accrued Interest), expressed in dollars per \$1,000 par amount (each a “*Purchase Price*”), determined as described in this section, for the Bonds that LACMTA decides to accept for purchase.

The Purchase Price for each Series, maturity date, interest rate and CUSIP number of Bonds which LACMTA decides to purchase and for which it has received offers specifying one or more Offer Prices will be determined by LACMTA by the “Modified Dutch Auction” procedure. Under this procedure, LACMTA, in its sole discretion, will determine a single Purchase Price for each maturity date, interest rate and CUSIP number of a Series of Bonds based on all Offer Prices submitted by Bondowners of each such maturity date, interest rate and CUSIP number of each such Series of Bonds. Bonds of such Series, maturity date, interest rate and CUSIP number offered at Offer Prices at or below this single Purchase Price will be purchased at such Purchase Price. In addition, Bonds of such Series, maturity date, interest rate and CUSIP number which were offered without specifying an Offer Price will be considered offered at this single Purchase Price and will be purchased at such Purchase Price.

LACMTA, in its sole discretion, will determine the appropriate Purchase Price and purchase amount of each maturity date, interest rate and CUSIP number of each Series of Bonds. LACMTA plans to purchase Bonds only to the extent it can realize a sufficient benefit by refinancing them with new

bonds at a lower yield than the effective yield offered to LACMTA by Bondowners via the tender process.

LACMTA will notify the Information Services (including by posting such information to the Information and Tender Agent's website at [www.\[bondcom.com/\\_\\_\\_\]](http://www.[bondcom.com/___])) of the Purchase Price of each maturity date, interest rate and CUSIP number of each Series of Bonds by 10:00 a.m., New York City time, on the business day after the Expiration Date.

### **“Second Look” Offers to Accept Purchase Prices**

LACMTA may set the Purchase Price for any Series, maturity date, interest rate and CUSIP number of the Bonds that will result in it accepting for purchase less than all of the Bonds of such Series, maturity date, interest rate and CUSIP number it desires to purchase. In this case, LACMTA **may, but is not obligated to**, allow Bondowners who offered Bonds of such Series, maturity date, interest rate and CUSIP number at Offer Prices that exceeded the Purchase Price to submit amended offers (also referred to herein as the **“Second Look” Offer**) to sell some or all of their previously offered (only) Bonds of such Series, maturity date, interest rate and CUSIP number at this Purchase Price. If LACMTA decides to allow for “Second Look” Offers, LACMTA will cause the Information Services to provide notice of LACMTA's decision (including by posting such notice to the Information and Tender Agent's website at [www.\[bondcom.com/\\_\\_\\_\]](http://www.[bondcom.com/___])) by 10:00 a.m., New York City time, on the business day immediately following the Expiration Date.

To be effective, an amended offer must be received at LACMTA's ATOP Account prior to 5:00 p.m., New York City time, on the business day immediately following the Expiration Date. An amended offer must be submitted in the same manner as the original offer. Bondowners may only reoffer all or a portion of the Bonds of such Series, maturity date, interest rate and CUSIP number that were initially offered. If a Bondowner did not submit an offer by 5:00 p.m., New York City time, on the Expiration Date, it may not make an amended offer to LACMTA. LACMTA **may (but is not obligated to)** accept for purchase at the applicable Purchase Price all or any portion of the Bonds of such Series, maturity date, interest rate and CUSIP number offered by these amended offers.

*All amended offers pursuant to the “Second Look” Offer must be made through LACMTA's ATOP Account. LACMTA will not accept any amended offers that are not made through its ATOP Account.* Bondowners who are not DTC participants can only amend their offers pursuant to the “Second Look” Offer by making arrangements with and instructing their Financial Representative to submit the Bondowner's amended offer through LACMTA's ATOP Account. The Bondowner's Instructions is not to be used by Bondowners that wish to amend their offers pursuant to the “Second Look” Offer. Bondowners who are not DTC participants should contact their Financial Representative for the appropriate method of submitting their instructions to their Financial Representative if they wish to reoffer their Bonds pursuant to the “Second Look” Offer.

**Notice of LACMTA's decision to allow for “Second Look” Offers will be provided by the Information Services (including by posting such notice to the Information and Tender Agent's website at [www.\[bondcom.com/\\_\\_\\_\]](http://www.[bondcom.com/___])) by 10:00 a.m., New York City time, on the business day immediately following the Expiration Date. Bondowners will need to make arrangements to receive LACMTA's notice in a timely manner.**

**If LACMTA decides to allow for “Second Look” Offers, Bondowners will have an [7-hour] time period in which to make amended offers pursuant to the “Second Look” Offer on the business day immediately following the Expiration Date. Bondowners should make prior arrangements with their Financial Representative if they wish to make an amended offer pursuant to the “Second**

**Look” Offer by 5:00 p.m., New York City time, on the business day immediately following the Expiration Date.**

*LACMTA, the Dealer Manager and the Information and Tender Agent are not responsible for making or transmitting any amended offer pursuant to the “Second Look” Offer or for any mistakes, errors or omissions in the making or transmission of any such offer.*

**Priority of Purchase**

LACMTA may receive offers of Bonds of each Series, maturity date, interest rate and CUSIP number at Offer Prices at or below the applicable Purchase Price set pursuant to the “Modified Dutch Auction” procedure (including any “Second Look” offers for such Bonds of such Series and maturity) and also without Offer Prices that, in the aggregate, exceed the par amount of Bonds of such Series, maturity date, interest rate and CUSIP number LACMTA has decided to purchase. In this case, LACMTA will accept for purchase the Bonds of such Series, maturity date, interest rate and CUSIP number in the following order of priority. These priorities will be applied in order until LACMTA has accepted for purchase all of the Bonds of such Series, maturity date, interest rate and CUSIP number it has decided to purchase.

- The first to be purchased will be all Bonds of such Series, maturity date, interest rate and CUSIP number offered without an Offer Price.
- The second to be purchased will be all Bonds of such Series, maturity date, interest rate and CUSIP number initially offered at Offer Prices at or below the applicable Purchase Price. These Bonds will be purchased in order of increasing Offer Prices (lowest to highest). Bonds of such Series, maturity date, interest rate and CUSIP number that have the same Offer Price will be accepted by date and time (earliest to latest) of receipt of offer at LACMTA’s ATOP Account. If more than one offer at the same Offer Price is received at the same date and time, these offers will be treated equally and will be accepted pro rata if these are the last Bonds of such Series, maturity date, interest rate and CUSIP number to be accepted for purchase.
- The third to be purchased will be all “Second Look” reoffered Bonds of such Series, maturity date, interest rate and CUSIP number in order of increasing Offer Prices (lowest to highest) at which these Bonds were initially offered (and pro rata among reoffered Bonds of such Series, maturity date, interest rate and CUSIP number with the same initial Offer Price if these are the last Bonds of such Series, maturity date, interest rate and CUSIP number to be accepted for purchase).

**Acceptance of Offers Constitutes Irrevocable Agreement; Notice of Results**

Acceptance by LACMTA of offers to sell Bonds will constitute an irrevocable agreement between the offering Bondowner and LACMTA to sell and purchase these Bonds, subject to the conditions and terms of the Offer, this Invitation and the Other Tender Materials.

The acceptance of Bonds offered (including Bonds offered pursuant to the “Second Look” Offer) will be made by notification to the Information Services (including by posting such information to the Information and Tender Agent’s website at [www.bondcom.com/\\_\\_\\_](http://www.bondcom.com/___)) by 12:00 noon, New York City time, on the second business day following the Expiration Date. This notification will state (a) the principal amount of each Series, maturity date, interest rate and CUSIP number of Bonds that LACMTA

has decided to accept for purchase and the applicable Purchase Price, or (b) that LACMTA has decided not to purchase any Bonds of such Series, maturity date, interest rate and CUSIP number.

### **Settlement Date; Purchase of Bonds**

Subject to satisfaction of all conditions to LACMTA's obligation to purchase tendered Bonds, as described herein and in the Other Tender Materials, the Settlement Date is the day on which Bonds accepted for purchase will be purchased and paid for at the applicable Purchase Price of and the Accrued Interest on these Bonds will also be paid. The Settlement Date has initially been set as August [\_\_\_], 2012. LACMTA may, in its sole discretion, change the Settlement Date by giving notice to the Information Services (including by posting such information to the Information and Tender Agent's website at [www.bondcom.com/\\_\\_\\_](http://www.bondcom.com/___)) prior to the change. If LACMTA does not complete the purchase of the Bonds by the Settlement Date (as such date may be changed), the right and obligation of LACMTA to purchase any Bonds will automatically terminate, without any liability to any Bondowner, and LACMTA will release tendered Bonds for transmission to Bondholders.

Subject to satisfaction of all conditions to LACMTA's obligation to purchase tendered Bonds, as described herein and in the Other Tender Materials, payment by LACMTA will be made in immediately available funds on the Settlement Date by deposit with DTC of the aggregate purchase price of and Accrued Interest on the Bonds accepted for purchase. It is expected that, in accordance with DTC's standard procedures, DTC will transmit the aggregate purchase price (plus Accrued Interest) in immediately available funds to each of its participant financial institutions holding the Bonds accepted for purchase on behalf of Bondowners for delivery to the Bondowners. **LACMTA, the Dealer Manager and the Information and Tender Agent have no responsibility or liability for the distribution of the purchase prices plus Accrued Interest by DTC to the Bondowners.**

### **Purchase Funds**

The Offer is part of a plan by LACMTA to purchase, cancel and replace the Bonds (which may not be advance refunded under current federal income tax law nor current refunded under their respective terms) with the Series 2012-A Bonds. In order to provide funds to purchase the Bonds, LACMTA proposes to issue the Series 2012-A Bonds. If the Series 2012-A Bonds are issued, the Series 2012-A Bonds are expected to be issued on August [\_\_\_], 2012. ***No assurances can be given that the Series 2012-A Bonds will be issued or that the purchase of the Bonds will be completed.*** See “—Conditions to Purchase” below.

[The Accrued Interest to be paid on the Settlement Date is expected to be paid by LACMTA from moneys in the Series 2003-A Bond Interest Subaccount and the Series 2003-B Bond Interest Subaccount established and maintained pursuant to the Agreement.]

### **Conditions to Purchase**

LACMTA will not be required to purchase any Bonds it has decided to purchase, and will incur no liability as a result, if, before payment for these Bonds:

- By 1:00 p.m., New York City time, on the Settlement Date, LACMTA does not, for any reason, have sufficient funds from the proceeds of the Series 2012-A Bonds to pay for the purchased Bonds;

- Litigation or another proceeding is pending or threatened which LACMTA believes may, directly or indirectly, have an adverse impact on the Offer or the expected benefits of the Offer to LACMTA or the Bondowners;
- A war, national emergency, banking moratorium, suspension of payments by banks, a general suspension of trading by the New York Stock Exchange or a limitation of prices on the New York Stock Exchange exists and LACMTA believes this fact makes it inadvisable to proceed with the purchase of Bonds; or
- A material change in the business or affairs of LACMTA which LACMTA believes makes it inadvisable to proceed with the purchase of Bonds.

These conditions are for the sole benefit of LACMTA and may be asserted by LACMTA, prior to the time of payment of the Bonds it has agreed to purchase, regardless of the circumstances giving rise to any of these conditions or may be waived by LACMTA in whole or in part at any time and from time to time in its discretion. The failure by LACMTA at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of LACMTA which may be asserted at any time and from time to time prior to the time of payment of the Bonds it has agreed to purchase. Any determination by LACMTA concerning the events described in this section will be final and binding upon all parties. If, prior to the time of payment for any Bonds any of the events described happens, LACMTA will have the absolute right to cancel its obligations to purchase Bonds without any liability to any Bondowner.

#### **Extension, Termination and Amendment of Offer; Changes to Terms**

LACMTA has the right to extend the Offer, as to any or all of the Bonds, to any date in its sole discretion, provided that a notice of any extension of the Expiration Date is given to the Information Services (including by posting such notice to the Information and Tender Agent's website at [www.\[bondcom.com/\\_\\_\\_\]](http://www.[bondcom.com/___])) not later than 9:00 a.m., New York City time, on the fifth business day prior to the new Expiration Date.

LACMTA also has the right to terminate the Offer at any time by giving notice to the Information Services (including by posting such notice to the Information and Tender Agent's website at [www.\[bondcom.com/\\_\\_\\_\]](http://www.[bondcom.com/___])) of such termination. The termination will be effective at the time specified in such notice.

LACMTA also has the right to amend or waive the terms of the Offer in any respect and at any time by giving notice to the Information Services (including by posting such notice to the Information and Tender Agent's website at [www.\[bondcom.com/\\_\\_\\_\]](http://www.[bondcom.com/___])) of this amendment or waiver. This amendment or waiver will be effective at the time specified in such notice.

If LACMTA extends the Offer, or amends the terms of the Offer (including a waiver of any term) in any material respect, LACMTA may (but is not required to) disseminate additional Offer material and extend the Offer to the extent required to allow reasonable time for dissemination to Bondowners and for Bondowners to respond.

No extension, termination or amendment of the Offer (or waiver of any terms of the Offer or this Invitation) will change LACMTA's right to decline to purchase any Bonds without liability. See "— Conditions to Purchase."



## **Representations by Tendering Bondowners to LACMTA**

By making an offer (including “Second Look” Offers), Bondowners will be deemed to have represented to and agreed with LACMTA that: (a) they have made their own independent decisions to make an offer, as to the terms thereof, and whether their offer is appropriate for them; (b) such decisions were based upon their own judgment and upon advice from such advisors as they have consulted; (c) they are not relying on any communication from LACMTA as investment advice or as a recommendation to make an offer, it being understood that the information from LACMTA related to the terms and conditions of the Offer shall not be considered investment advice or a recommendation to make an offer; and (d) they are capable of assessing the merits of and understanding (on their own and/or through independent professional advice), and do understand and accept, the terms and conditions of the Offer.

### **ADDITIONAL CONSIDERATIONS**

In deciding whether to participate in the Offer, each Bondowner should consider carefully, in addition to the other information contained in this Invitation and the Other Tender Materials, the following:

***Refunding of Bonds.*** Immediately following the Expiration Date (or the business day immediately following the Expiration Date, if LACMTA allows for Second Look Offers), LACMTA plans to offer its Los Angeles County Metropolitan Transportation Authority Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2013-A (the “***Series 2013-A Bonds***”) for sale, the proceeds of which will be used to, among other things, refund and defease the Bonds not otherwise purchased by LACMTA pursuant to the Offer (the “***Refunded Bonds***”). The issuance of the Series 2013-A Bonds and the refunding of the Refunded Bonds is subject to market conditions, and LACMTA will only issue the Series 2013-A Bonds to refund any of the Refunded Bonds if such issuance and refunding result in acceptable debt service savings to LACMTA. If issued, the Series 2013-A Bonds, will be issued on or about April [\_\_\_], 2013 and a portion of the proceeds of the Series 2013-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, and will be held in one or more escrow funds established for the Refunded Bonds. Certain amounts deposited into the escrow funds for the Refunded Bonds will be invested in direct, noncallable obligations of the United States Treasury and all remaining amounts deposited into the escrow funds will be held uninvested in cash. Amounts on deposit in the escrow funds will be used on July 1, 2013 to pay the redemption price of the Refunded Bonds of 100% of the principal amount thereof, plus accrued interest thereon.

***Issuer May Later Redeem, Purchase or Exchange Bonds At More Favorable Prices Than Those Purchased in the Offer.*** In addition to the planned refunding described in the previous paragraph, LACMTA reserves the right to, and may in the future decide to, redeem or acquire some or all of the Bonds not purchased pursuant to the Offer through optional redemptions, open market purchases, privately negotiated transactions, subsequent tender offers, exchange offers or otherwise, upon such terms and at such prices as it may determine, which may be more or less than the Purchase Price(s) paid pursuant to the Offer and could be for cash or other consideration. Any future redemptions, open market purchases, privately negotiated transactions, tender offers or exchange offers may be on the same terms or on terms that are more or less favorable to Bondowners of Bonds than the terms of the Offer. The decision to enter into future transactions the terms of such future transactions will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, LACMTA will ultimately choose to pursue in the future.

***Market for Bonds.*** The Bonds are neither listed on any national nor regional securities exchange or reported on a national quotation system. To the extent that the Bonds are traded, their prices may

fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Bondowners may be able to effect a sale of the Bonds at a price higher than the Purchase Price(s) established through the auction process in connection with the Offer.

***Treatment of Bonds Not Tendered In Offer.*** Bonds not tendered and purchased in the Offer will remain outstanding. The terms and conditions of the Bonds will continue to be governed by the terms of the Agreement and will remain unchanged.

***Timeliness of Offers and Availability of Bondowner.*** The Offer will expire at 5:00 p.m., New York City time, on the Expiration Date (August [\_\_\_], 2012), unless extended or terminated. Other than “Second Look” Offers, offers to sell Bonds received after 5:00 p.m., New York City time, on the Expiration Date will not be considered.

***All offers must be made through LACMTA’s ATOP Account. LACMTA will not accept any offers that are not made through its ATOP Account.*** Bondowners who are not DTC participants can only make offers to sell Bonds by making arrangements with and instructing their Financial Representative to submit the Bondowner’s offer through LACMTA’s ATOP Account. A Bondowner may use the Bondowner’s Instructions, which may be obtained from the Information and Tender Agent on its website at [www.\[bondcom.com/\\_\\_\\_\]](http://www.[bondcom.com/___]), to give this instruction. To ensure a Bondowner’s offer is submitted to LACMTA’s ATOP Account by 5:00 p.m., New York City time, on the Expiration Date, Bondowner’s must provide instructions to their Financial Representative in sufficient time for their Financial Representative to submit their offer to LACMTA’s ATOP Account by this deadline. Bondowners should contact their Financial Representative for information on when they need the Bondowner’s instructions in order to submit the Bondowner’s offer to LACMTA’s ATOP Account by 5:00 p.m., New York City time, on the Expiration Date.

**If LACMTA decides to allow for “Second Look” Offers, Bondowners will have an [7-hour] time period in which to make amended offers pursuant to the “Second Look” Offer on the business day immediately following the Expiration Date. Bondowners should make prior arrangements with their Financial Representative if they wish to make an amended offer pursuant to the “Second Look” Offer by 5:00 p.m., New York City time, on the business day immediately following the Expiration Date.**

LACMTA, the Dealer Manager and the Information and Tender Agent are not responsible for making or transmitting any offer to sell Bonds or for any mistakes, errors or omissions in the making or transmission of any offer.

### **CERTAIN FEDERAL INCOME TAX CONSEQUENCES**

LACMTA has been advised that sales by Bondowners pursuant to the Offer will be taxable transactions for federal income tax purposes. The tax consequences of a sale pursuant to the Offer may vary depending upon, among other things, the particular circumstances of the tendering Bondowner. Bondowners should consult their tax advisor with respect to the proper tax treatment of a sale pursuant to the Offer, in light of their individual tax situation.

Amounts paid to Bondowners tendering their Bonds for purchase may be subject to “backup withholding” (“***Backup Withholding***”) by reason of the events specified by Section 3406 of the Internal Revenue Code of 1986, as amended, and Treasury Regulations promulgated thereunder (collectively, the “***Code***”), which include failure of a Bondowner to supply their Financial Representative with such Bondowner’s taxpayer identification number certified under penalty of perjury. Backup Withholding

may also apply to Bondowners who are otherwise exempt from such Backup Withholding if such Bondowners fail to properly document their status as exempt recipients.

To comply with Circular 230 of the Internal Revenue Service, Bondowners are hereby notified that any discussion of federal income tax issues contained or referred to herein is not intended or written to be used, and cannot be used by Bondowners, for the purposes of avoiding penalties that may be imposed on them under the Code. This federal income tax discussion is included for general information only and should not be construed as a tax opinion nor tax advice by LACMTA or any of its advisors or agents to Bondowners. Such discussion does not purport to deal with all aspects of federal income taxation that may be relevant to particular Bondowners (e.g., a foreign person, bank, thrift institution, personal holding company, tax-exempt organization, regulated investment company, insurance company, or other broker or dealer in securities or currencies). In addition to federal tax consequences, the sale or exchange of the Bonds may be treated as a taxable event for other state and local and foreign tax purposes. Bondholders should not rely upon such discussion and are urged to consult their own tax advisors to determine the particular federal, state or local tax consequences of offer of sales made by them pursuant to the Offer, including the effect of possible changes in the tax laws.

### **SOLICITATION FEES; ELIGIBLE INSTITUTIONS ARE NOT AGENTS**

[LACMTA will pay to any commercial bank or trust company having an office, branch or agency in the United States, and any firm which is a member of the Financial Industry Regulatory Authority “FINRA”), or of a registered national securities exchange (an “Eligible Institution”), a solicitation fee of \$[ ] per \$1,000 on the first \$250,000 par amount of Bonds purchased by LACMTA from each of its retail customers pursuant to the Offer. A “*retail customer*” is an individual who owns no more than \$250,000 principal amount of the Bonds and manages his or her own investments or an individual who owns no more than \$250,000 principal amount of the Bonds and whose investments are managed by an investment manager or bank trust department that holds the investments of that individual in a separate account in the name of that individual.

Eligible Institutions must submit a requests for payment of solicitation fees on a Solicitation Fee Payment Request Form online at [www.bondcom.com/colb](http://www.bondcom.com/colb) no later than 5:00 p.m., New York City time, on the first (1<sup>st</sup>) business day following the Expiration Date, unless earlier terminated or extended. No payment of a solicitation fee will be made on requests received after this time. No solicitation fee will be paid on requests improperly submitted or for Bonds not purchased by LACMTA.

Eligible Institutions are not agents of LACMTA for the Offer.]

### **REIMBURSEMENT OF FINANCIAL INSTITUTION EXPENSES**

LACMTA will reimburse financial institutions their reasonable out-of-pocket expenses incurred in forwarding this Invitation and the Other Tender Materials to the Bondowners whose Bonds they hold (and to the Bondowners’ account executives), and in handling and forwarding offers to purchase these Bonds. This reimbursement will be at the amounts established by the New York Stock Exchange. Requests for reimbursement of out-of-pocket expenses must be made to the Information and Tender Agent, via facsimile at: [ ], Attention: [ ], or via email at [ ]@bondcom.com no later than 5:00 p.m., New York City time, on the first (1<sup>st</sup>) business day following the Expiration Date. No reimbursement will be made on requests received after this time.

## DEALER MANAGER

LACMTA has retained Morgan Stanley & Co., LLC to act on its behalf as Dealer Manager for the Offer. LACMTA will pay the Dealer Manager a fee of \$[ ] for each \$1,000 principal amount of Bonds tendered and purchased by LACMTA pursuant to the Offer. In addition, LACMTA will pay the Dealer Manager its reasonable out-of-pocket costs and expenses relating to the Offer. References in this Invitation to the Dealer Manager are to Morgan Stanley & Co., LLC only in its capacity as the Dealer Manager.

The Dealer Manager may contact Bondowners of the Bonds regarding the Offer and may request brokers, dealers, custodian banks, depositories, trust companies and other nominees to forward this Invitation and the Other Tender Materials to beneficial owners of the Bonds.

Morgan Stanley & Co., LLC is also acting as the underwriter of the Series 2012-A Bonds and will be paid an underwriting discount in its role as underwriter of the Series 2012-A Bonds.

## MISCELLANEOUS

No one has been authorized by LACMTA, the Dealer Manager or the Information and Tender Agent to recommend to any Bondowner whether to offer Bonds pursuant to the Offer, at what price any offer should be made, or whether an offer should be made without specifying a price. No one has been authorized to give any information or to make any representation in connection with the Offer other than those contained in this Invitation and the Other Tender Materials. Any recommendations, information and representations given or made cannot be relied upon as having been authorized by LACMTA, the Dealer Manager or the Information and Tender Agent.

None of LACMTA, the Dealer Manager or the Information and Tender Agent make any recommendation that any Bondowner tender or refrain from tendering all or any portion of the principal amount of such Bondowner's Bonds, at what price or prices an offer should be made, or whether an offer should be made without specifying a price. Each Bondowner must make these decisions and should read this Invitation and the Other Tender Materials and consult with its broker, account executive, financial advisor and/or other financial professional in making these decisions.

Institutional investors with questions about the Offer should contact the Dealer Manager. Individual investors and their brokers, account executives, financial advisors or other financial professionals with questions about the Offer should contact the Information and Tender Agent. The contact information for the Dealer Manager, and the Information and Tender Agent are as follows:

Dealer Manager:

**Morgan Stanley & Co., LLC**  
[Need contact information]

Information and Tender Agent:

**Bondholder Communications Group**  
Attn: [ ]  
30 Broad Street, 46<sup>th</sup> Floor  
New York, New York 10004  
Call toll Free: [(888) 385-2663]  
Tel: [(212) 809-2663]  
Fax: [(212) 437-9827]  
Email: [ ]@bondcom.com  
Website: www.bondcom.com/[ ]

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

By \_\_\_\_\_  
Chief Financial Services Officer and Treasurer

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