

FEE LETTER
DATED [JANUARY __, 2019]

Reference is hereby made to (i) that certain Reimbursement Agreement dated as of January 1, 2019 (the “*Agreement*”), between LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (the “*Authority*”) and BARCLAYS BANK PLC (the “*Bank*”), relating to the Second Subordinate Sales Tax Revenue Commercial Paper Notes, Series A-TE (Proposition A) and Second Subordinate Sales Tax Revenue Commercial Paper Notes, Series A-T (Proposition A) (collectively, the “*Notes*”), and (ii) that certain Irrevocable Letter of Credit dated [January __, 2019], issued pursuant to the Agreement, supporting the Notes. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Letter is to confirm the agreement between the Bank and the Authority with respect to the Letter of Credit Fee (as defined below) and certain other fees and expenses payable by the Authority to the Bank pursuant to the Agreement. This Fee Letter is the Fee Letter referenced in the Agreement. This Fee Letter and the Agreement are to be construed as one agreement between the Authority and the Bank, and all obligations hereunder are to be construed as obligations thereunder payable solely from the sources set forth in the Agreement. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Letter.

ARTICLE I. DEFINITIONS.

As used in this Fee Letter:

- (a) “*Letter of Credit Fee*” has the meaning set forth in Section 2.1 hereof.
- (b) “*Letter of Credit Fee Rate*” has the meaning set forth in Section 2.1 hereof.
- (c) “*Quarterly Payment Date*” has the meaning set forth in Section 2.1 hereof.

Any capitalized terms used herein that are not specifically defined herein shall have the same meanings herein as in the Agreement.

ARTICLE II. FEES.

Section 2.1. Letter of Credit Fee. The Authority agrees to pay or cause to be paid to the Bank on April 1, 2019, for the period commencing on the Closing Date and ending on March 31, 2019, and in arrears on the first Business Day of each July, October, January and April (each such date referred to herein as a “*Quarterly Payment Date*”) occurring thereafter to the Termination Date, and on the Termination Date, a non-refundable Letter of Credit Fee (the “*Letter of Credit Fee*”) with respect to the Stated Amount of the Letter of Credit (without regard to any temporary reductions thereof) during each period in respect of which such payment is to

be made at the rate per annum (the “*Letter of Credit Fee Rate*”) specified below based upon the then applicable Rating (as defined below).

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	FACILITY FEE RATE
1	Aa1 or above	AA+ above	AA+ or above	___%
2	Aa2	AA	AA	___%
3	Aa3	AA-	AA-	___%
4	A1	A+	A+	___%
5	A2	A	A	___%
6	A3	A-	A-	___%
7	Baa1	BBB+	BBB+	___%
8	Baa2	BBB	BBB	___%

The term “*Rating*” as used above shall mean the lowest long-term unenhanced debt rating assigned by any of Moody’s, S&P or Fitch to the Senior Lien Bonds (without regard to any form of credit enhancement). For the avoidance of doubt, in the event of split Ratings (i.e., one or more of the Rating Agency’s Ratings is at a different level than any other Rating by either of the other Rating Agencies), the Letter of Credit Fee Rate shall be based upon the Level in which the lowest such Rating appears. Any change in the Letter of Credit Fee Rate resulting from a change in the Rating shall be and become effective as of and on the date of the announcement of the change in the Rating. The Authority acknowledges that as of the Closing Date the Letter of Credit Fee Rate is that specified above for Level 1. In the event that any relevant rating is suspended, withdrawn or otherwise unavailable from any Rating Agency, and for so long as such relevant rating remains so suspended, withdrawn or otherwise unavailable, or upon the occurrence and during the continuance of any Default or Event of Default, in each such case, the Letter of Credit Fee Rate shall, immediately and automatically and without notice to the Authority, increase by an additional [___]% per annum above that set forth in Level 8. The Letter of Credit Fee shall be payable in immediately available funds and computed on the basis of a year of 360 days and the actual number of days elapsed.

Section 2.2. Draw Fees. The Authority agrees to pay to the Bank a non-refundable drawing fee equal to \$[___] for each Drawing under the Letter of Credit.

Section 2.3. Transfer Fee. As a condition precedent to each transfer of the Letter of Credit in accordance with its terms or the appointment of a successor Issuing and Paying Agent, the Authority agrees to pay the Bank a non-refundable fee of \$[___], and to reimburse the Bank for its actual costs and expenses associated with such transfer or appointment (including, without limitation, the reasonable fees and expenses of counsel to the Bank).

Section 2.4. Amendment, Waiver Fee and Other Fees and Expenses. As a condition precedent thereto, the Authority agrees to pay to the Bank in connection with each amendment, supplement, or modification to the Agreement (or any Note Agreement, the amendment, supplement or modification of which requires the consent of the Bank), or execution of any standard waiver or consent, a non-refundable fee equal to \$[___] (the “*Amendment Fee*”), or

such other fee as may be agreed to between the Authority and the Bank, plus, in each case, the reasonable fees and expenses of counsel to the Bank; *provided, however*, that the Amendment Fee for any non-standard waiver or consent shall be in an amount as may be agreed to between the Authority and the Bank determined at the time such non-standard waiver or consent is requested by the Authority.

Section 2.5. Termination Fee; Reduction Fee. (a) Notwithstanding anything set forth herein or in the Agreement to the contrary, the Authority agrees not to terminate or replace, or cause the termination or replacement of, the Letter of Credit prior to the one-year anniversary of the Closing Date, except upon (i) the payment by the Authority to the Bank of a termination fee (the "*Termination Fee*"), in an amount equal to the product of (1) the Letter of Credit Fee Rate in effect on the date of such termination or replacement, (2) the Stated Amount in effect on the date of such termination or replacement (without regard to any temporary reduction thereof) and (3) a fraction, the numerator of which is equal to the number of days from and including the date of such termination or replacement to and including the first anniversary of the Closing Date and the denominator of which is 360 and (ii) compliance with the provisions of the Agreement; *provided, however*, that no Termination Fee shall become payable if the Letter of Credit is terminated or the Agreement replaced as a result of (x) a reduction of any of the Bank's senior unsecured short-term ratings below "P-1", "F1" or "A-1", respectively, by any of Moody's, Fitch or S&P or (y) the Program Termination Date. No termination of the Agreement shall become effective unless all amounts payable by the Authority to the Bank pursuant to this Section 2.5 have been paid in full.

(b) Notwithstanding anything set forth herein or in the Agreement to the contrary, the Authority agrees not to permanently reduce the Stated Amount of the Letter of Credit prior to the one-year anniversary of the Closing Date, without the payment by the Authority to the Bank of a reduction fee (the "*Reduction Fee*") in connection with each and every permanent reduction of the Stated Amount in an amount equal to the product of (A) the Letter of Credit Fee Rate in effect on the date of such reduction, (B) the difference between the Stated Amount prior to such permanent reduction and the Stated Amount after such permanent reduction and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such reduction to and including the first anniversary of the Closing Date, and the denominator of which is 360 and (ii) compliance with the provisions of the Agreement; *provided, however*, that no Reduction Fee shall become payable if the Stated Amount is reduced as a result of (x) a reduction of any of the Bank's senior unsecured short-term ratings below "P-1", "F1" or "A-1", respectively, by any of Moody's, Fitch or S&P or (y) the Program Termination Date. No permanent reduction of the Agreement shall become effective unless all amounts payable by the Authority to the Bank pursuant to this Section 2.5 have been paid in full.

Section 2.6. Payment Office. For purposes of the Agreement, "*Payment Office*" means Barclays Bank PLC, New York, ABA #: [____], Account Number: [____], Reference: Letter of Credit No. [LC ##] or such other account as the Bank may designate from time to time.

Section 2.7. Payment Due Date and Default Rate. To the extent any fee payable under this Fee Letter is not paid when due, such fee shall accrue interest from the date payment is due

until payment in full at a per annum rate of interest equal to the Default Rate to the extent allowed by law.

ARTICLE III. MISCELLANEOUS.

Section 3.1. Upfront Fee. The Authority shall pay to the Bank the reasonable fees of domestic counsel to the Bank in an amount not to exceed to \$[____] and the reasonable fees of foreign counsel to the Bank in an amount equal to \$[____], all payable in accordance with this Fee Letter. The reasonable fees of counsel to the Bank shall be paid directly to the Bank.

Section 3.2. Amendments. No amendment to this Fee Letter shall become effective without the prior written consent of the Authority and the Bank.

Section 3.3. Governing Law. THIS FEE LETTER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE ACTS OF THE STATE OF NEW YORK; *PROVIDED* THAT THE POWER AND AUTHORITY OF THE AUTHORITY TO EXECUTE, DELIVER AND PERFORM ITS OBLIGATIONS UNDER THIS FEE LETTER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE ACTS OF THE STATE OF CALIFORNIA.

Section 3.4. Counterparts. This Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument; and any of the parties hereto may execute this Fee Letter by signing such counterpart. This Fee Letter may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

Section 3.5. Severability. Any provision of this Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 3.6. Confidentiality. This Fee Letter is delivered to the Authority on the understanding that neither this Fee Letter nor any of its terms shall be disclosed, directly or indirectly, to any other Person except (a) to the Authority's officers, directors, employees, accountants, attorneys, agents and advisors who are directly involved in the consideration of this matter on a confidential and need-to-know basis and for whose breach of this confidentiality undertaking the Authority shall be responsible or (b) under compulsion of law (whether by interrogatory, subpoena, civil investigative demand, open records request or otherwise) or by order of any court or governmental or regulatory body; *provided* that, to the extent lawful, the Authority shall give the Bank reasonable prior notice of such disclosure.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By: _____
Name: _____
Title: _____

BARCLAYS BANK PLC

By: _____

Name:

Title: