PRELIMINARY OFFICIAL STATEMENT DATED [____________], 2016

NEW ISSUE—BOOK-ENTRY ONLY
[DAC Logo]

Ratings: Moody's: "[___]"
S&P: "[___]"
See "RATINGS" herein.

In the opinion of Kutak Rock LLP, Bond Counsel to LACMTA, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2016-A Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is further of the opinion that interest on the Series 2016-A Bonds is exempt from present State of California personal income taxes. For a more complete description, see "TAX MATTERS" herein.

[LACMTA Logo]

$[PAR]*
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Measure R Senior Sales Tax Revenue Bonds
Series 2016-A

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

The Los Angeles County Metropolitan Transportation Authority ("LACMTA") is issuing its Measure R Senior Sales Tax Revenue Bonds, Series 2016-A (the "Series 2016-A Bonds") pursuant to the Amended and Restated Trust Agreement, dated as of February 1, 2014, as amended and supplemented (the "Master Agreement"), between LACMTA and U.S. Bank National Association, as trustee (the "Trustee"), and a Supplemental Trust Agreement, to be dated as of November 1, 2016 (the "2016-A Supplemental Agreement," and together with the Master Agreement, the "Trust Agreement"), between LACMTA and the Trustee. The Series 2016-A Bonds are limited obligations of LACMTA payable from and secured by a first lien on and pledge of the Pledged Revenues (which includes the receipts from the imposition in the County of Los Angeles for public transit purposes of a one-half cent retail transactions and use tax, less 15% thereof paid to local jurisdictions and certain administrative fees) and by certain other amounts held under the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016-A BONDS" and "MEASURE R SALES TAX AND COLLECTIONS" herein. LACMTA will use the proceeds of the Series 2016-A Bonds and other available funds to (a) finance a portion of the costs of the Project, (b) refund, repay and redeem certain outstanding Subordinate Obligations, and (c) pay the costs of issuance of the Series 2016-A Bonds.

The Series 2016-A Bonds will mature on the dates and in the principal amounts and will bear interest at the rates set forth on the inside front cover hereof. LACMTA will pay interest on the Series 2016-A Bonds on June 1 and December 1, commencing on June 1, 2017. The Series 2016-A Bonds will be issued in denominations of $5,000 and integral multiples thereof. The Series 2016-A Bonds will be issued in fully registered form and will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), the securities depository for the Series 2016-A Bonds. Individual purchases and sales of the Series 2016-A Bonds may be made in book-entry form only. See "APPENDIX H—BOOK–ENTRY–ONLY SYSTEM."

The Series 2016-A Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity as described in this Official Statement. See "DESCRIPTION OF THE SERIES 2016-A BONDS—Redemption."

Neither the faith and credit nor the taxing power of the County of Los Angeles, the State of California or any political subdivision or public agency thereof, other than LACMTA to the extent of the Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement, is pledged to the payment of the principal of or interest on the Series 2016-A Bonds. LACMTA has no power to levy property taxes to pay the principal of and interest on the Series 2016-A Bonds.

This cover page contains certain information for general reference only. It is not intended to be a summary of the terms of, or the security for, the Series 2016-A Bonds. Investors must read this Official Statement in its entirety to obtain information essential to making an informed investment decision. Capitalized terms used on this cover page and not otherwise defined have the meanings set forth herein.

The Series 2016-A Bonds are offered, when, as and if issued by LACMTA, subject to the approval of validity by Kutak Rock LLP, Bond Counsel to LACMTA, and to certain other conditions. Certain legal matters will be passed upon for LACMTA by Los Angeles County Counsel, as General Counsel to LACMTA, and certain legal matters will be passed upon for LACMTA by Kutak Rock LLP, as Disclosure Counsel to LACMTA. Certain legal matters will be passed upon for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. It is expected that the Series 2016-A Bonds in book-entry form will be available for delivery through the facilities of DTC on or about _____________, 2016.

BofA Merrill Lynch

J.P. Morgan **Loop Capital Markets**
Citigroup **RBC Capital Markets**
Drexel Hamilton

---

* Preliminary; subject to change.

Date of Official Statement

MATURITY SCHEDULE

$[PAR][*]
Los Angeles County Metropolitan Transportation Authority
Measure R Senior Sales Tax Revenue Bonds
Series 2016-A

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP Nos.[†]

$_________ ___% Series 2016-A Term Bonds due June 1, 20___, Yield ___%, Price ___%; CUSIP No. [†]

[*] Preliminary; subject to change.
[†] Copyright 2016, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by CUSIP Global Services ("CGS"), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with LACMTA and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Series 2016-A Bonds. Neither LACMTA nor the Underwriters take responsibility for the accuracy of the CUSIP numbers.

[Insert Map of LACMTA System]

[This page intentionally left blank.]

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

LACMTA Officers

Phillip A. Washington, Chief Executive Officer
Nalini Ahuja, Chief Financial Officer
Donna R. Mills, Treasurer

LACMTA General Counsel

Office of the County Counsel
Los Angeles, California

FINANCIAL ADVISOR

Fieldman, Rolapp & Associates, Inc.
Irvine, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Kutak Rock LLP

TRUSTEE

U.S. Bank National Association
Los Angeles, California

LACMTA has not authorized any dealer, broker, salesperson or other person to give any information or to make any representation in connection with the offer or sale of the Series 2016-A Bonds other than as set forth in this Official Statement and, if given or made, such other information or representation must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2016-A Bonds, by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not a contract with the purchasers or owners of the Series 2016-A Bonds. Statements contained in this Official Statement which involve estimates, projections or matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of facts.

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

The information and expressions of opinion in this Official Statement are subject to change without notice, and the delivery of this Official Statement and any sale made pursuant to this Official Statement do not, under any circumstances, imply that the information and expressions of opinion in this Official Statement and other information regarding LACMTA have not changed since the date hereof. LACMTA is circulating this Official Statement in connection with the sale of the Series 2016-A Bonds and this Official Statement may not be reproduced or used, in whole or in part, for any other purpose.

In making an investment decision, investors must rely on their own examination of the terms of the offering and the security and sources of payment of the Series 2016-A Bonds, including the merits and risks involved. The Series 2016-A Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Agreement been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. Neither the U.S. Securities and Exchange Commission nor any other federal, state or other governmental securities regulatory agency, has passed upon the merits of the Series 2016-A Bonds or the accuracy or completeness of this Official Statement. The Series 2016-A Bonds have not been recommended by any federal or state securities commission or regulatory authority. Any representation to the contrary may be a criminal offense.

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

Table of Contents

Page

OFFICIAL STATEMENT

$[PAR][*]
Los Angeles County Metropolitan Transportation Authority
Measure R Senior Sales Tax Revenue Bonds
Series 2016-A

INTRODUCTION

This Official Statement, which includes the cover page and the appendices hereto, sets forth information in connection with the offering by the Los Angeles County Metropolitan Transportation Authority ("LACMTA") of $[PAR][*] aggregate principal amount of its Measure R Senior Sales Tax Revenue Bonds, Series 2016-A (the "Series 2016-A Bonds"). This Introduction is not a summary of this Official Statement. This Introduction is qualified by the more complete and detailed information contained in this entire Official Statement and the documents summarized or described in this Official Statement. Prospective investors should review this entire Official Statement, including the cover page and appendices, before they make an investment decision to purchase the Series 2016-A Bonds. LACMTA is only offering the Series 2016-A Bonds to potential investors by means of this entire Official Statement. Capitalized terms used but not defined herein have the meanings ascribed to them in "APPENDIX E—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—DEFINITIONS."

LACMTA

LACMTA was established in 1993 pursuant to the provisions of Section 130050.2 et seq. of the California Public Utilities Code (the "LACMTA Act"). LACMTA is the consolidated successor entity to both the Southern California Rapid Transit District (the "District") and the Los Angeles County Transportation Commission (the "Commission"). As the consolidated successor entity, LACMTA succeeded to all powers, duties, rights, obligations, liabilities, indebtedness, bonded or otherwise, immunities and exemptions of the Commission and the District, including the Commission's responsibility for planning, engineering and constructing a county-wide rail transit system. LACMTA was authorized, subject to approval by the electorate of the County of Los Angeles (the "County"), to adopt a retail transactions and use tax ordinance, with the revenues of such tax to be used for public transit purposes. Pursuant to such authorization, on July 24, 2008, LACMTA adopted its Ordinance No. 08-01, the Traffic Relief and Rail Expansion Ordinance, Imposing a Transactions and Use Tax to be Administered by the Board of Equalization (the "Measure R Ordinance"), which provides for the levy of a Countywide retail and transactions and use tax of one-half of 1% for transportation purposes, known as the "Measure R Sales Tax." [See "APPENDIX D—MEASURE R ORDINANCE."]

At an election held on November 4, 2008, the voters of the County approved the Measure R Sales Tax. Collection of the Measure R Sales Tax commenced on July 1, 2009 and terminates on June 30, 2039. For more information regarding the Measure R Sales Tax, see "MEASURE R SALES TAX AND COLLECTIONS—The Measure R Sales Tax."

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

[*] Preliminary; subject to change.

Purpose of the Series 2016-A Bonds

LACMTA will use the proceeds of the Series 2016-A Bonds, along with other moneys, to (a) pay a portion of the costs of the Project (as defined herein), (b) refund, repay and redeem certain Subordinate Obligations (consisting of Subordinate Revolving Obligations (as defined herein) and Subordinate Series C Bonds (as defined herein), and (c) pay the costs associated with issuing the Series 2016-A Bonds. For a more detailed description of LACMTA's proposed use of proceeds from the issuance of the Series 2016-A Bonds, see "PLAN OF FINANCE."

Description of the Series 2016-A Bonds

The Series 2016-A Bonds are limited obligations of LACMTA to be issued pursuant to and secured under the Amended and Restated Trust Agreement, dated as of February 1, 2014, as amended and supplemented (the "Master Agreement"), between LACMTA and U.S. Bank National Association, as trustee (the "Trustee"), and a Supplemental Trust Agreement, to be dated as of November 1, 2016 (the "2016-A Supplemental Trust Agreement" and, together with the Master Agreement, the "Trust Agreement"), between LACMTA and the Trustee.

The Series 2016-A Bonds will be issued in registered form, in denominations of $5,000 or any integral multiple thereof. The Series 2016-A Bonds will be dated their initial date of delivery and will mature on the dates and in the principal amounts and will bear interest at the rates per annum as shown on the inside front cover of this Official Statement, computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2016-A Bonds will be delivered in book-entry-only form and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2016-A Bonds. See "APPENDIX H—BOOK-ENTRY-ONLY SYSTEM."

Security and Sources of Payment for the Series 2016-A Bonds

The Series 2016-A Bonds are limited obligations of LACMTA payable solely from and secured by a pledge of the "Pledged Revenues," which essentially consist of Pledged Tax Revenues. "Pledged Tax Revenues" means the amounts collected on account of the Measure R Sales Tax, less any refunds and the administrative fee paid to the California State Board of Equalization (the "State Board of Equalization") in connection with the collection and disbursement of the Measure R Sales Tax, and less 15% thereof which constitutes the Local Return allocated to local jurisdictions pursuant to the Measure R Ordinance. In addition, the Series 2016-A Bonds are secured by all other amounts held by the Trustee under the Trust Agreement (except for amounts held in the Rebate Fund and any Letter of Credit Account and any Purchase Fund created under a Supplemental Trust Agreement). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016-A BONDS" and "MEASURE R SALES TAX AND COLLECTIONS—The Measure R Sales Tax."

Measure R Sales Tax Obligations

Under the Trust Agreement, LACMTA may issue three tiers of obligations secured by a pledge of the Pledged Revenues. LACMTA may issue Senior Bonds and incur debt and other obligations payable on a parity with Senior Bonds ("Parity Obligations"), which are secured by a senior lien on the Pledged Revenues. The Series 2016-A Bonds are Senior Bonds and are payable on a parity with all other Senior Bonds and any Parity Obligations. LACMTA also may issue and/or incur Subordinate Obligations and Junior Subordinate Obligations, which are secured by subordinate liens on the Pledged Revenues and are junior and subordinate to the Senior Bonds (including the Series 2016-A Bonds) and the Parity Obligations as to the lien on and source and security for payment from Pledged Revenues. See

"SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016-A BONDS—Measure R Sales Tax Obligations."

As of October 1, 2016, LACMTA had Senior Bonds outstanding in the aggregate principal amount of $652,055,000 (consisting of LACMTA's Measure R Senior Sales Tax Revenue Bonds, Series 2010-A (the "Series 2010-A Bonds") and Measure R Senior Sales Tax Revenue Bonds, Series 2010-B (the "Series 2010-B Bonds," and together with the Series 2010-A Bonds, the "Series 2010 Bonds")). See "MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—Senior Obligations." As of the date of this Official Statement, LACMTA does not have any Parity Obligations outstanding.

LACMTA may issue additional Senior Bonds and incur Parity Obligations upon the satisfaction of certain additional bonds tests contained in the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016-A BONDS—Additional Senior Obligations." The 2014 Short Range Transportation Plan (the "2014 SRTP") approved by the Board of Directors of LACMTA (the "Board"), updated through the March 2016 financial forecast, assumes the issuance of approximately $1.3 billion in Senior Bonds (including the Series 2016-A Bonds) through Fiscal Year 2020. LACMTA's March 2016 updated financial forecast projects the issuance of $2 billion in Senior Bonds (including the Series 2016-A Bonds) through 2039. For further discussion of the 2014 SRTP and the March 2016 financial forecast, see "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—FUTURE TRANSPORTATION IMPROVEMENTS—Short Range Transportation Plan."

LACMTA has covenanted in the Trust Agreement not to issue or incur any obligations with a pledge of or lien on Pledged Revenues prior or superior to that of the Senior Bonds (including the Series 2016-A Bonds) and any Parity Obligations.

In addition, LACMTA has issued and/or incurred Subordinate Obligations and Junior Subordinate Obligations that are secured by a pledge of Pledged Revenues that is junior and subordinate to the Senior Bonds (including the Series 2016-A Bonds) and Parity Obligations as to the lien on and source and security for payment from the Pledged Revenues. See "MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—Subordinate Obligations" and "—Junior Subordinate Obligations (TIFIA Loans)." LACMTA may issue additional Subordinate Obligations and Junior Subordinate Obligations upon the satisfaction of certain conditions set forth in the Trust Agreement. See "APPENDIX E—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—SUMMARY OF TRUST AGREEMENT—[___________]."

The Series 2016-A Bonds Are Limited Obligations of LACMTA Only

Neither the faith and credit nor the taxing power of the County, the State of California (the "State") or any political subdivision or agency thereof, other than LACMTA to the extent of Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement, is pledged to the payment of the principal of or interest on the Series 2016-A Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2016-A Bonds.

The Series 2016-A Bonds are limited obligations of LACMTA and are payable, both as to principal and interest, solely from a first lien on and pledge of the Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement. Other than Pledged Revenues and such other amounts held by the Trustee under the Trust Agreement, the general fund of LACMTA is not liable, and neither the credit nor the taxing power of LACMTA is pledged, to the payment of the principal of or interest on the Series 2016-A Bonds.

Continuing Disclosure

In connection with the issuance of the Series 2016-A Bonds, for purposes of assisting the Underwriters in complying with Rule 15c2-12 (the "Rule") promulgated by the U.S. Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as amended, LACMTA will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (the "EMMA System"), certain annual financial information and operating data relating to LACMTA and notice of certain enumerated events. See "CONTINUING DISCLOSURE" and "APPENDIX G—FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Reference to Documents and Definitions

Brief descriptions of the Series 2016-A Bonds, the Trust Agreement and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, report or other instrument. The information herein is subject to change without notice, and the delivery of this Official Statement will under no circumstances, create any implication that there has been no change in the affairs of LACMTA since the date hereof. This Official Statement is not to be construed as a contract or agreement between LACMTA or the purchasers or Bondholders of any of the Series 2016-A Bonds. LACMTA maintains a website and social media accounts, the information on which is not part of this Official Statement, has not and is not incorporated by reference herein, and should not be relied upon in deciding whether to invest in the Series 2016-A Bonds.

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

PLAN OF FINANCE

General

The Series 2016-A Bonds are being issued to (a) pay a portion of the costs of the Project, (b) refund, repay and redeem certain Subordinate Obligations (consisting of Subordinate Revolving Obligations and Subordinate Series C Bonds), and (c) pay the costs associated with issuing the Series 2016-A Bonds.

The Project

A portion of the proceeds of the Series 2016-A Bonds will be deposited in the Series 2016-A Project Fund to be applied to finance a portion of the transportation projects authorized by the Measure R Ordinance, including in particular the Crenshaw/LAX Transit Corridor Project. "Project" means capital outlay expenditures for transportation purposes, including, without limitation, the carrying out of transportation projects described in the Measure R Expenditure Plan, the construction, maintenance, improvement and operation of local streets, roads, and highways, state highways and freeways, and public transit systems including rail, and related purposes permitted by the Measure R Ordinance, including planning, environmental reviews, engineering and design costs and related right-of-way acquisition and also including, without limitation, administrative, engineering, inspection, legal, fiscal agent, financial consultant and other fees, bond and other reserve funds, working capital, bond or note interest estimated to accrue during the construction period and for a period of not to exceed three years thereafter. See "APPENDIX D—MEASURE R ORDINANCE."

Repayment and Redemption of Subordinate Obligations

LACMTA is authorized to issue and have outstanding, from time to time, up to $150,000,000 in aggregate principal amount of its Subordinate Measure R Sales Tax Revenue Revolving Obligations (the "Subordinate Revolving Obligations"). The Subordinate Revolving Obligations issued by LACMTA are purchased by (a) State Street Public Lending Corporation, in a principal amount not to exceed $100 million, in accordance with the terms of a revolving credit agreement, and (b) Bank of the West, in a principal amount not to exceed $50 million, in accordance with the terms of a revolving credit agreement. In addition to the Subordinate Revolving Obligations, LACMTA entered into a bond purchase agreement dated November 23, 2015 with RBC Capital Markets LLC (the "Subordinate Series C Underwriter") to sell, from time to time, up to $150 million aggregate principal amount of LACMTA's Subordinate Measure R Sales Tax Revenue Drawdown Bonds, Subseries C-1 (Tax-Exempt) and Subseries C-2 (Taxable) (the "Subordinate Series C Bonds") to the Subordinate Series C Underwriter. The Subordinate Series C Underwriter in turn sells the Subordinate Series C Bonds to RBC Municipal Products, LLC. As of the date of this Official Statement, there was $150 million aggregate principal amount of Subordinate Revolving Obligations outstanding and $150 million aggregate principal amount of Subordinate Series C Bonds outstanding. The Subordinate Revolving Obligations and the Subordinate Series C Bonds were issued to fund a portion of the costs of the Project. On or about the date of delivery of the Series 2016-A Bonds, LACMTA will use a portion of the proceeds of the Series 2016-A Bonds to refund, repay and redeem all of the outstanding Subordinate Revolving Obligations and Subordinate Series C Bonds.

Estimated Sources and Uses of Funds

The following table presents the estimated sources and uses of funds in connection with the issuance of the Series 2016-A Bonds.

Sources	
Principal Amount	$
Original Issue Premium/(Discount)	
Total Sources	$
Uses	
Deposit to Series 2016-A Project Fund	$
Repayment of Subordinate Revolving Obligations	
Redemption of Subordinate Series C Bonds	
Costs of Issuance[1]	
Total Uses	$

[1] Includes underwriter's discount, legal fees, rating agency fees, financial advisor fees, financial printer costs and other costs of issuance.

RISK FACTORS

Economic Factors May Cause Declines in Measure R Sales Tax Revenues

The Series 2016-A Bonds are limited obligations of LACMTA payable solely from and secured by a first lien on and pledge of Pledged Revenues, consisting primarily of certain revenues of the Measure R Sales Tax and other amounts that are held by the Trustee under the Trust Agreement. The level of Measure R Sales Tax revenues collected depends on the level of taxable sales transactions within the County, which, in turn, depends on the level of general economic activity in the County. In Fiscal

Years 2009 and 2010, the national economic recession and regional general economic conditions resulted in reductions in economic activity and taxable sales within the County and correspondingly sale tax revenue received by LACMTA declined. Sales tax revenues increased in Fiscal Years 2011 through 2016. It is possible that Measure R Sales Tax revenues could decline in the future, reducing amounts available to pay the principal of and interest on the Series 2016-A Bonds.

To project future Measure R Sales Tax revenues for budgetary purposes, LACMTA incorporates actual long-term experience combined with forecasts from local economists and other publicly available sources of data. LACMTA does not itself develop forecasts of current or future economic conditions. Furthermore, the State Board of Equalization does not provide LACMTA with any forecasts of Measure R Sales Tax revenues for future periods. Therefore, LACMTA is unable to forecast or predict with certainty future levels of Measure R Sales Tax revenues. In addition, the County is located in a seismically active region. A major earthquake or other natural disaster could adversely affect the economy of the County and the amount of Measure R Sales Tax revenues. Future significant declines in the amount of Measure R Sales Tax revenues could ultimately impair the ability of LACMTA to pay principal of and interest on the Series 2016-A Bonds. See "MEASURE R SALES TAX AND COLLECTIONS—Historical Measure R Sales Tax Collections."

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

With limited exceptions, the Measure R Sales Tax is imposed on the same transactions and items subject to the general sales tax levied throughout the State. In the past, the California State Legislature and the California State electorate have made changes to the transactions and items subject to the State's general sales tax and, therefore, the Measure R Sales Tax. In 1991, the California State Legislature enacted legislation which expanded the transactions and items subject to the general statewide sales tax to include fuel for aviation and shipping, bottled water, rental equipment and newspapers and magazines. In 1992, the California State electorate approved an initiative which eliminated candy, gum, bottled water and confectionery items as items subject to the California State's general sales tax. In the future, the California State Legislature or the California State electorate could further change the transactions and items upon which the statewide general sales tax and the Measure R Sales Tax are imposed. Such a change could either increase or decrease Measure R Sales Tax revenues depending on the nature of the change. See "MEASURE R SALES TAX AND COLLECTIONS."

Increases in Sales Tax Rate May Cause Declines in Measure R Sales Tax Revenues

Increases in sales tax rates, whether by the electorate of a municipality within the County, the County or the State or by the California State Legislature, may affect consumer spending decisions and as a result adversely impact sales transactions in the County and, thereby, reduce Measure R Sales Tax revenues. Several increases in sales tax rates have occurred in recent years. In June 2012, the Board approved a proposal to extend the Measure R Sales Tax for 30 years beyond its current expiration date (June 30, 2039). The proposed extension failed to receive the required 2/3 approval of the voters of the County at the November 2012 election. In November 2012, the voters of the State approved an additional ¼ of 1% State general sales tax, which became effective on January 1, 2013 and will expire on December 31, 2016. Previously, in 2009, as part of its approval of the State's revised budget, the California State Legislature temporarily increased the State's general sales tax rate by 1.0% between April 1, 2009 and July 1, 2011. New legislation was enacted, effective January 1, 2016, allowing LACMTA, subject to the adoption of an expenditure plan and voter approval, to impose an additional transportation transactions and use tax (known as the "Measure M Sales Tax"), at a maximum rate of 0.5% for as long as the Measure R Sales Tax is in effect, and at a maximum rate of 1% thereafter, for a period of time that would be determined by LACMTA. In June 2016, the Board approved placing the Measure M Sales Tax on the November 2016 ballot. [LACMTA is unable to predict the likelihood of whether the Measure M Sales

Tax will be approved by the voters.] Additional increases in sales tax rates, while not currently pending, can be expected to be proposed and imposed, from time to time, in the County.

Increased Internet Use May Reduce Measure R Sales Tax Revenues

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

Project Costs; Capital Needs

LACMTA is currently undertaking three major transit projects and has identified a number of future transit projects that require significant capital investment. See "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—TRANSPORTATION SERVICES" and "—FUTURE TRANSPORTATION IMPROVEMENTS." Each of these projects is large and complex and involves budgets of hundreds of millions to billions of dollars. There can be no assurances that these projects will be completed on the budgets or on the schedules described in this Official Statement. Whether or not the projects can be completed on budget or on schedule depends on a large number of factors, many of which are beyond the control of LACMTA, including a delay in receipt of federal and State grants or loans. See "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—FUTURE TRANSPORTATION IMPROVEMENTS—State Transportation Improvement Program" and "—LITIGATION AND OTHER REGULATORY ACTIONS—California Public Employees' Pension Reform Act of 2013." The costs for these projects may require additional use of Measure R Sales Tax revenues or issuance of additional Senior Bonds, Parity Obligations, Subordinate Obligations and/or Junior Subordinate Obligations secured by Measure R Sales Tax revenues beyond that currently contemplated by LACMTA.

Series 2016-A Bonds Not Secured by Debt Service Reserve Fund

The Series 2016-A Bonds will not be secured by a debt service reserve fund.

Transit System Operations Dependent on Non-Farebox Revenues

As described in "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY," LACMTA is a multi-faceted transportation agency that owns and operates a transit system within the greater Los Angeles region that includes bus, light rail and heavy rail. As is generally true with large transit systems, LACMTA does not generate sufficient fare box or other revenues from the operation of its bus and rail systems and other programs to pay for the operation of such systems. Thus, the operational costs of LACMTA's transit system are subsidized from other sources, primarily from the Measure R, Proposition A and Proposition C sales tax revenues. LACMTA anticipates that transit operations will require increasing amounts of substantial subsidies for the foreseeable future. See "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—TRANSPORTATION SERVICES—Transit System Enterprise Fund" for a discussion of short-range forecasts that have identified increasing operational deficits in future years, due primarily to the operating costs that will be required as new improvements to the transit system are completed.

Impact of Bankruptcy of LACMTA

As a municipal entity, LACMTA may be authorized to file a petition for relief under Chapter 9 of the United States Bankruptcy Code ("Chapter 9") under certain circumstances. Should LACMTA file for bankruptcy relief, there could be adverse effects on the holders of the Series 2016-A Bonds.

If the Pledged Tax Revenues constitutes "special revenues" under the United States Bankruptcy Code (the "Bankruptcy Code"), then Pledged Tax Revenues collected after the date of the bankruptcy filing should be subject to the lien of the Trust Agreement. "Special revenues" are defined to include taxes specifically levied to finance one or more projects or systems, and also to include receipts from the ownership, operation, or disposition of projects or systems that are primarily used or intended to be used primarily to provide transportation, utility or other services, as well as other revenues or receipts derived from particular functions of the debtor, but the Bankruptcy Code excludes receipts from general property, sales, or income taxes levied to finance the general purposes of the governmental entity.

The results of Chapter 9 bankruptcy proceedings are difficult to predict. If a court determined that the Measure R Sales Tax was levied to finance the general purposes of LACMTA rather than specific projects, then the Pledged Tax Revenues would not be special revenues. No assurance can be given that a court would hold that the Pledged Tax Revenues constitutes special revenues or that the Series 2016-A Bonds are of a type protected by the "special revenues" provisions of the Bankruptcy Code. If a bankruptcy court were to determine that the Pledged Tax Revenues were not "special revenues," then Pledged Tax Revenues collected after the commencement of the bankruptcy case would likely not be subject to the lien of the Trust Agreement. If a bankruptcy court were to so hold, the owners of the Senior Bonds (including the Series 2016-A Bonds) would no longer be entitled to any special priority to the Pledged Tax Revenues and could be treated as general unsecured creditors of LACMTA without a lien as to the Pledged Tax Revenues.

If the revenues pledged under the Trust Agreement are determined to be special revenues, the Bankruptcy Code provides (in order to maintain the revenue-generating capacity of the municipal entity) that a special revenues lien is subject to the necessary operating expenses of the project or system from which the special revenues are derived, which expenses are to be paid before other obligations (including to bondholders). This rule applies regardless of the provisions of the transaction documents. The law is not clear, however, (i) as to whether, or to what extent, the Pledged Tax Revenues would be considered to be "derived" from a project or system, or (ii) precisely which expenses would constitute necessary operating expenses. To the extent that the Pledged Tax Revenues is determined to be derived from a project or system, LACMTA may be able to use Pledged Tax Revenues to pay necessary operating expenses, before the remaining Pledged Tax Revenues is turned over to the Trustee to pay amounts owed to the holders of the Series 2016-A Bonds.

If LACMTA files for relief under Chapter 9, the parties (including the Trustee and the holders of the Series 2016-A Bonds) may be prohibited from taking any action to collect any amount from LACMTA or to enforce any obligation of LACMTA, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Series 2016-A Bonds from funds in the Trustee's possession. In addition, the procedure pursuant to which the Pledged Tax Revenues is paid directly to the Trustee by the State Board of Equalization may no longer be enforceable, and LACMTA may be able to require that the Pledged Tax Revenues be paid directly to it by the State Board of Equalization.

If LACMTA has possession of Pledged Tax Revenues (whether collected before or after commencement of the bankruptcy case) and if LACMTA does not voluntarily pay such moneys to the Trustee, it is not entirely clear what procedures the Trustee or the holders of the Series 2016-A Bonds would have to follow to attempt to obtain possession of such Pledged Tax Revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

The obligations of LACMTA under the Trust Agreement, including its obligations to pay principal of and interest on the Series 2016-A Bonds, are limited obligations and are payable solely from the Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement. Accordingly, if LACMTA filed for relief under Chapter 9, the owners of the Series 2016-A Bonds may not have any recourse to any assets or revenues of LACMTA other than the Pledged Revenues and other amounts.

In the event of an LACMTA bankruptcy filing, LACMTA may be able to borrow additional money that is secured by a lien on any of its property (including the Pledged Revenues), which lien could have priority over the lien of the Trust Agreement, as long as the bankruptcy court determines that the rights of the owners of the Series 2016-A Bonds will be adequately protected. LACMTA may also be able to cause some of the Pledged Revenues to be released to it, free and clear of lien of the Trust Agreement, as long as the bankruptcy court determines that the rights of the Trustee and the owners of the Series 2016-A Bonds will be adequately protected.

Through a Chapter 9 proceeding LACMTA may also be able, without the consent and over the objection of the Trustee and the owners of the Series 2016-A Bonds, to alter the priority, principal amount, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Trust Agreement and the Series 2016-A Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

As noted (see "Note III—DETAILED NOTES ON ALL FUNDS—J. Employees' Retirement Plans" in the Notes to the Financial Statements and Required Supplementary Schedules "Schedule of Funding Progress—Pension Plans" and "Schedule of Funding Progress—OPEB" in "APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015"), LACMTA has been informed that it has unfunded pension plan actuarial accrued liabilities. In a bankruptcy of LACMTA, the amounts of current and, if any, accrued (unpaid) contributions owed to the California Public Employees' Retirement System ("CalPERS"), LACMTA-administered plans, or to any other pension system (collectively the "Pension Systems"), as well as future material increases in required contributions, could create additional uncertainty as to LACMTA's ability to pay debt service on the Series 2016-A Bonds. Given that municipal pension systems in California are usually administered pursuant to state constitutional provisions and, as applicable, other state and/or municipal law, the Pension Systems may take the position, among other possible arguments, that their claims enjoy a higher priority than all other claims, that Pension Systems are instrumentalities of the State and have the right to enforce payment by injunction or other proceedings outside of an LACMTA bankruptcy case, and that Pension System claims cannot be the subject of adjustment or other impairment under the Bankruptcy Code because that would purportedly constitute a violation of state statutory, constitutional and/or municipal law. It is uncertain how a bankruptcy judge in a bankruptcy of LACMTA would rule on these matters. In addition, this area of law is presently very unsettled. This is because, though the issues of pension underfunding claim priority, pension contribution enforcement, and related bankruptcy plan treatment of such claims (among other pension-related matters) have been the subject of litigation in the Chapter 9 cases of several California municipalities, including Stockton and San Bernardino, the relevant disputes have not been litigated to decision in the Federal circuit appellate courts, and thus there are no rulings from which definitive guidance can be taken on pension matters in Chapter 9.

There may be delays in payments on the Series 2016-A Bonds while the court considers any of these issues, and any of these issues could result in delays or reductions in payments on the Series 2016-A Bonds. There may be other possible effects of a bankruptcy of LACMTA that could result in delays or reductions in payments on the Series 2016-A Bonds, or result in losses to the holders of the Series 2016-A Bonds. Regardless of any specific adverse determinations in an LACMTA bankruptcy proceeding, the fact of an LACMTA bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Series 2016-A Bonds.

Voter Initiatives and California State Legislative Action May Impair Measure R Sales Tax

Voters have the right to place measures before the electorate in the County or the State and the California State Legislature may take actions to limit the collection and use of the Measure R Sales Tax. Such initiatives or actions may impact various aspects of the security, source of payment and other credit aspects of the Series 2016-A Bonds. See "MEASURE R SALES TAX AND COLLECTIONS—Proposition 218."

DESCRIPTION OF THE SERIES 2016-A BONDS

General

The Series 2016-A Bonds are limited obligations of LACMTA to be issued pursuant to and secured under the Trust Agreement. In connection with the issuance of the Series 2016-A Bonds, LACMTA will enter into the 2016-A Supplemental Trust Agreement to provide for the issuance of the Series 2016-A Bonds and related matters.

The Series 2016-A Bonds will bear interest at the rates and mature in the amounts and on the dates shown on the inside cover of this Official Statement. LACMTA will pay interest on each June 1 and December 1, beginning June 1, 2017. Interest on the Series 2016-A Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2016-A Bonds will be issued in fully registered form in denominations of $5,000 or any integral multiple thereof. Upon initial issuance, the Series 2016-A Bonds will be registered in the name of Cede & Co. as registered owner and nominee of DTC. As long as the Series 2016-A Bonds are registered in such name or in the name of a successor nominee, the ownership of the Series 2016-A Bonds will be evidenced by book entry as described in "APPENDIX H—BOOK-ENTRY-ONLY SYSTEM." Purchasers will not receive certificated Series 2016-A Bonds. So long as Cede & Co. is the registered owner of the Series 2016-A Bonds, reference herein to the Holders or registered owners will mean Cede & Co. as aforesaid and will not mean the Beneficial Owners (as defined herein) of the Series 2016-A Bonds.

So long as Cede & Co. is the registered owner of the Series 2016-A Bonds, principal and redemption price of and interest on the Series 2016-A Bonds are payable by wire transfer of funds by the Trustee to Cede & Co., as nominee of DTC. DTC is obligated, in turn, to remit such amounts to its participants as described herein for subsequent disbursement to the Beneficial Owners. If the Series 2016-A Bonds cease to be held by DTC or by a successor securities depository, the principal and redemption price of the Series 2016-A Bonds will be payable at maturity or earlier redemption upon presentation and surrender of the Series 2016-A Bonds at the corporate trust office or agency of the Trustee, and interest on the Series 2016-A Bonds will be payable by check mailed by first class mail on each Interest Payment Date to the Holders of the Series 2016-A Bonds as of the Record Date; provided, that Holders of $1,000,000 or more in aggregate principal amount of Series 2016-A Bonds may arrange for payment by wire transfer of immediately available funds upon written request given to the Trustee at least 15 days prior to an Interest Payment Date.

Redemption of Series 2016-A Bonds

Optional Redemption. The Series 2016-A Bonds maturing on or before June 1, 20___ are not subject to redemption prior to their stated maturities. The Series 2016-A Bonds maturing on or after June 1, 20___ are subject to redemption at the option of LACMTA on or after June 1, 20___, in whole or in part in Authorized Denominations at any time, from any moneys that may be provided for such purpose and at a redemption price of 100% of the principal amount of such Series 2016-A Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2016-A Bonds maturing on June 1, 20___ (the "Series 2016-A Term Bonds") are also subject to mandatory sinking fund redemption prior to their stated maturity date, in part, from Mandatory Sinking Account Payments on each June 1 that a Mandatory Sinking Account Payment is due, in the principal amount equal to the Mandatory Sinking Account Payment due on such date and at a redemption price equal to 100% of the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium.

The Mandatory Sinking Account Payments for the Series 2016-A Term Bonds will be due in the amounts and on the dates as follows:

Sinking Fund Installment Dates (June 1)	Sinking Fund Installments

* Final Maturity.

In the event of an optional redemption of the Series 2016-A Term Bonds pursuant to the Trust Agreement, LACMTA will designate the Mandatory Sinking Account Payments, in an aggregate amount equal to the principal amount of Series 2016-A Term Bonds so optionally redeemed, that are to be reduced as allocated to such redemption, and such Mandatory Sinking Account Payments will be reduced accordingly.

Selection of Series 2016-A Bonds for Redemption. The Series 2016-A Bonds are subject to optional redemption in such order of maturity date and interest rate as LACMTA may direct and by lot, selected in such manner as the Trustee deems appropriate within a maturity and interest rate, provided that for so long as the book-entry system is being used, the interests of the Participants in the particular Series 2016-A Bonds or portions thereof to be redeemed within a maturity and interest rate will be selected by lot by DTC in such manner as DTC and the Participants may determine.

Notice of Redemption. Each notice of redemption will be mailed by the Trustee, not less than 20 nor more than 90 days prior to the redemption date, to each Holder and the Repository. Notice of redemption to the Holders, the Repository and the applicable Notice Parties will be given by first-class mail. Each notice of redemption will state the date of such notice, the date of issue of the Series 2016-A Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the Series 2016-A Bonds of such maturity, if any, to be redeemed and, in the case of Series 2016-A Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Series 2016-A Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Series 2016-A Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Series 2016-A Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither LACMTA nor the Trustee will have any responsibility for any defect in the CUSIP number that appears on any Series 2016-A Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither LACMTA nor the Trustee will be liable for any inaccuracy in such CUSIP numbers.

With respect to any notice of optional redemption, unless, upon the giving of such notice, such Series 2016-A Bonds are deemed to have been paid within the meaning of the Trust Agreement, such notice will state that such redemption is conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of and interest on such Series 2016-A Bonds to be redeemed, and that if such amounts are not so received, said notice will be of no force and effect and LACMTA will not be required to redeem such Series 2016-A Bonds. In the event that such notice of redemption contains such a condition and such amounts are not so received, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice to the Holders of the applicable Series 2016-A Bonds to the effect that such amounts were not so received and such redemption was not made.

Failure by the Trustee to give notice to any Notice Party or the Repository or failure of any Holder, any Notice Party or the Repository to receive notice or any defect in any such notice will not affect the sufficiency or validity of the proceedings for redemption.

Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the redemption date on, the Series 2016-A Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Series 2016-A Bonds (or portions thereof) so called for redemption will become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the redemption date, interest on the Series 2016-A Bonds so called for redemption will cease to accrue, said Series 2016-A Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Trust Agreement and the Holders of said Series 2016-A Bonds will have no rights in respect thereof except to receive payment of said redemption price and accrued interest to the date fixed for redemption from funds held by the Trustee for such payment.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016-A BONDS

Security for the Series 2016-A Bonds

The Series 2016-A Bonds are limited obligations of LACMTA payable from and secured by a first lien on and a pledge of the "Pledged Revenues," which essentially consist of all Pledged Tax Revenues. "Pledged Tax Revenues" means the amounts collected on account of the Measure R Sales Tax, less any refunds and the administrative fee paid to the State Board of Equalization in connection with the collection and disbursement of the Measure R Sales Tax, and less 15% thereof which constitutes the Local Return allocated to local jurisdictions within the County pursuant to the Measure R Ordinance. In addition, the Series 2016-A Bonds are secured by all other amounts held by the Trustee under the Trust Agreement (except for amounts held in the Rebate Fund and any Letter of Credit Account and any Purchase Fund created under a supplement to the Trust Agreement). Additionally, the Trust Agreement provides that Pledged Revenues also include any additional sources of revenue that are hereafter pledged to pay the Senior Bonds under a subsequent supplemental trust agreement. Pledged Revenues do not include any Measure R Sales Tax revenues that are released by the Trustee to LACMTA after making all required monthly deposits to the Interest Fund, the Principal Fund, any Reserve Fund, the Subordinate Obligations Fund, the Fees and Expenses Fund and the Junior Subordinate Obligations Fund.

Neither the faith and credit nor the taxing power of the County, the State or any political subdivision or agency thereof, other than LACMTA to the extent of Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement, is pledged to the payment of the principal of or interest on the Series 2016-A Bonds. LACMTA has no power to levy property taxes to pay the principal of or interest on the Series 2016-A Bonds.

The Series 2016-A Bonds are limited obligations of LACMTA and are payable, both as to principal and interest, solely from a first lien on and pledge of the Pledged Revenues and certain other amounts held by the Trustee under the Trust Agreement. Other than Pledged Revenues and such other amounts held by the Trustee under the Trust Agreement, the general fund of LACMTA is not liable, and neither the credit nor the taxing power of LACMTA is pledged, to the payment of the principal of or interest on the Series 2016-A Bonds.

Measure R Sales Tax Obligations

LACMTA has outstanding a variety of obligations that are payable from the Measure R Sales Tax, including sales tax revenue bonds, short-term revolving obligations, short-term draw down bonds and loans provided by the U.S. Department of Transportation. Under the Trust Agreement, LACMTA may issue and/or incur three tiers of obligations secured by Pledged Revenues. LACMTA may issue Senior Bonds and incur Parity Obligations, which are secured by a senior lien on Pledged Revenues. The Series 2016-A Bonds are Senior Bonds. LACMTA also may issue and incur Subordinate Obligations, which are secured by a subordinate lien on Pledged Revenues and are junior and subordinate to the Senior Bonds (including the Series 2016-A Bonds) and the Parity Obligations as to the lien on and source and security for payment from Pledged Revenues. Additionally, LACMTA may issue Junior Subordinate Obligations which are secured by a junior subordinate lien on Pledged Revenues and are junior and subordinate to the Senior Bonds (including the Series 2016-A Bonds), the Parity Obligations and the Subordinate Obligations as to the lien on and source and security for payment from Pledged Revenues. See “MEASURE R SALES TAX OBLIGATIONS.”

Pursuant to the Trust Agreement, LACMTA has covenanted not to issue or incur any obligations with a pledge of or lien on Pledged Revenues prior or superior to that of the Senior Bonds (including the Series 2016-A Bonds) and Parity Obligations.

Flow of Funds

As long as any Senior Bonds are Outstanding and Parity Obligations, Subordinate Obligations, Junior Subordinate Obligations and all other amounts payable under the Trust Agreement remain unpaid pursuant to the Trust Agreement, LACMTA has pledged the Pledged Tax Revenues to the Trustee and will cause the State Board of Equalization to transmit the same directly to the Trustee. The Pledged Tax Revenues will be received and held in trust by the Trustee for the benefit of the Holders of the Senior

Bonds, the Parity Obligations, the Subordinate Obligations and Junior Subordinate Obligations. The Trustee will forthwith deposit all Pledged Tax Revenues in the Revenue Fund established by the Trust Agreement (the "Revenue Fund"), maintained and held in trust by the Trustee, when and as such Pledged Tax Revenues are received by the Trustee. See "APPENDIX E—SUMMARY OF LEGAL DOCUMENTS—Trust Agreement." Investment income on amounts held by the Trustee (other than amounts held in the Rebate Fund or any Purchase Fund or in other funds for which particular instructions are provided) will also be deposited in the Revenue Fund.

So long as any Senior Bonds remain Outstanding and Parity Obligations, Subordinate Obligations, Junior Subordinate Obligations and all other amounts payable under the Trust Agreement remain unpaid, following receipt and deposit of the Pledged Tax Revenues in the Revenue Fund in each month, the Trustee is required to set aside such Pledged Tax Revenues in the following respective funds, amounts and order of priority (provided that deficiencies in any previously required deposit may be made up prior to the deposit to a fund subsequent in priority and further provided that set asides or transfers required with respect to outstanding Parity Obligations will be made on a parity basis each month, as provided in the Trust Agreement):

First - Interest Fund (Senior Obligations). The Trustee will make monthly deposits in the Interest Fund in an amount equal to (a) one-sixth of the aggregate half-yearly amount of interest becoming due and payable on Outstanding Senior Bonds constituting Current Interest Bonds (except the Senior Bonds constituting Variable Rate Indebtedness which is governed by (b) below) during the next ensuing six months (excluding any interest for which there are moneys deposited in the Interest Fund from the proceeds of any Series of Senior Bonds or other source and reserved as capitalized interest to pay such interest during said next ensuing six months), plus (b) the aggregate amount of interest to accrue during that month on Outstanding Senior Bonds constituting Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified by LACMTA, or if LACMTA has not specified an interest rate, at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to the date of deposit plus 100 basis points; subject to such adjustments as are provided pursuant to the provisions of the Trust Agreement.

Second - Principal Fund; Sinking Accounts (Senior Obligations). The Trustee will make monthly deposits in the Principal Fund in an amount equal to at least (a) one-sixth of the aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having semiannual maturity dates within the next six months, plus (b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having annual maturity dates within the next 12 months, plus (c) one-sixth of the aggregate of the Senior Bond Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts have been created and for which semiannual mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the aggregate of the Senior Bond Mandatory Sinking Account Payments to be paid during the next 12-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts will have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided that if LACMTA certifies to the Trustee that any principal payments due on or prior to January 1, 2036 are expected to be refunded on or prior to their respective due dates, no amounts need be set aside towards such principal to be so refunded, except for amounts in any month to pay principal payments becoming due and payable in such month.

No deposit need be made into the Principal Fund so long as there will be in such fund (a) moneys sufficient to pay the Bond Obligation of all Serial Bonds then Outstanding and maturing by their terms within the next 12 months, plus (b) the aggregate of all Senior Bond Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the Principal

Fund during such 12-month period and theretofore paid from the Principal Fund to redeem or purchase Term Bonds during such 12-month period; provided that if LACMTA certifies to the Trustee that any principal payments in the following 12-month period are expected to be paid from amounts on deposit in a Reserve Fund that would be in excess of the Reserve Requirement applicable to such Reserve Fund upon such payment, no deposit need be made into the Principal Fund with respect to such principal payments.

Third - Reserve Funds (Senior Obligations). If LACMTA provides by Supplemental Trust Agreement, the Trustee will make deposits to any of the Reserve Funds. As of the date of this Official Statement, LACMTA has not established any reserve fund and no reserve fund will be established with respect to the Series 2016-A Bonds.

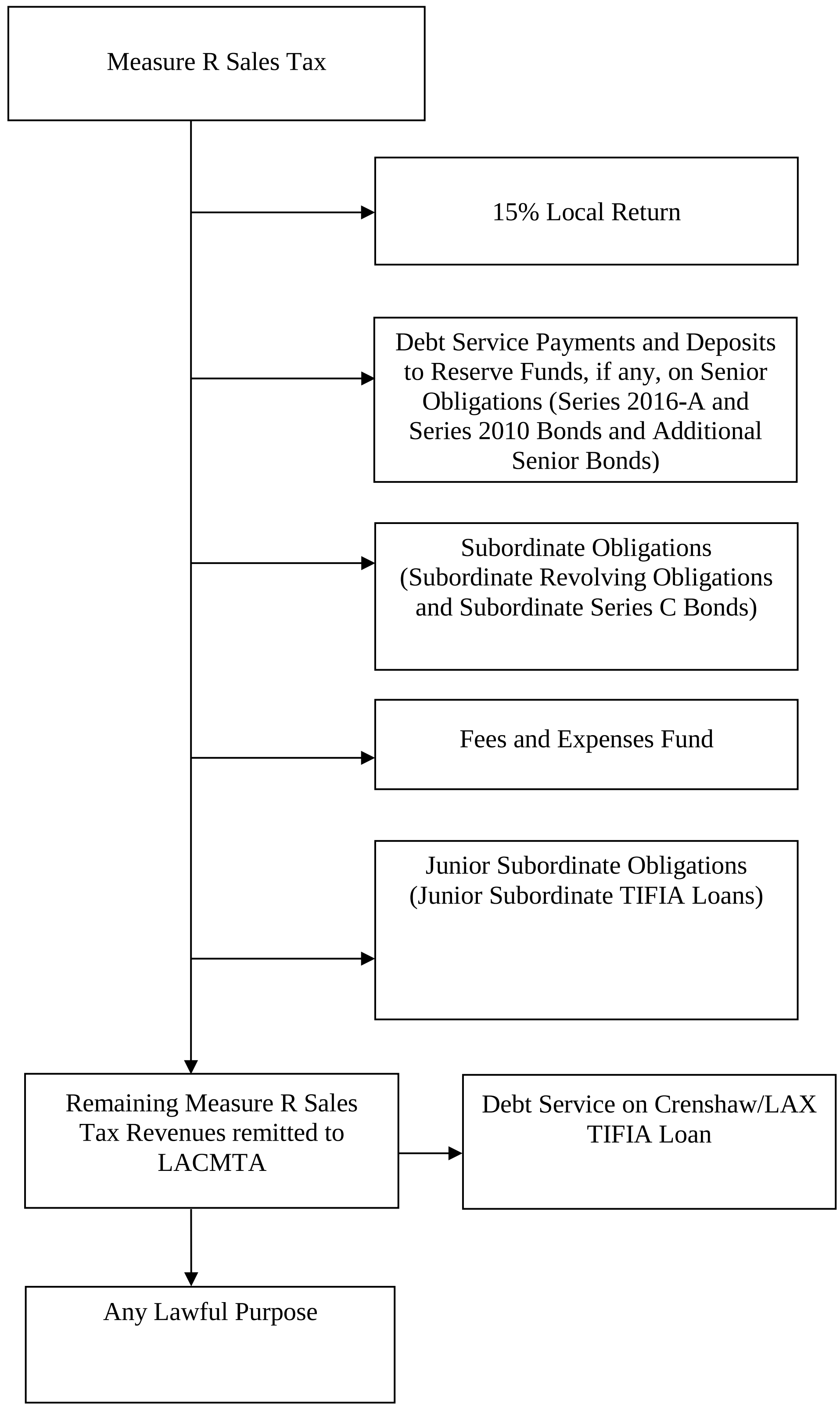
Fourth - Subordinate Obligations Fund. As long as any Subordinate Obligations remain unpaid, any Pledged Revenues remaining in the Revenue Fund after the deposits described in First, Second and Third above have been made will be transferred on the same Business Day to the Subordinate Obligations Fund. After the Trustee has made any deposit or payment of Pledged Revenues as in the current month required by the instrument or instruments creating the Subordinate Obligations, the Trustee will transfer any remaining Pledged Revenues back to the Revenue Fund.

Fifth - Fees and Expenses Fund. At the direction of LACMTA, after the deposits described in First, Second, Third and Fourth above have been made, the Trustee will deposit as soon as practicable in each month in the Fees and Expenses Fund (a) amounts necessary for payment of fees, expenses and similar charges (including fees, expenses and similar charges relating to any Liquidity Facility or Credit Enhancement for the Senior Obligations; provided, however, that Swap Termination Payments will not constitute Senior Obligations or Subordinate Obligations and (so long as any TIFIA Bonds are Outstanding, unless consented to by the TIFIA Lender will be payable on a basis subordinate to Junior Subordinate Obligations) owing in such month or the following month by LACMTA in connection with the Senior Obligations and (b) amounts necessary for payment of fees, expenses and similar charges owing in such month or the following month by LACMTA in connection with Subordinate Obligations (including fees, expenses and similar charges relating to any Liquidity Facility or Credit Enhancement for Subordinate Obligations).

Sixth – Junior Subordinate Obligations Fund (TIFIA Loans). As long as any Junior Subordinate Obligations remain Outstanding, any Pledged Revenues remaining in the Revenue Fund after the deposits described in First, Second, Third, Fourth and Fifth above have been made will be transferred on the same Business Day to the Junior Subordinate Obligations Fund. After the Trustee has made any deposit or payment of Pledged Revenues as in the current month required by the instrument or instruments creating Junior Subordinate Obligations, the Trustee will transfer any remaining Pledged Revenues back to the Revenue Fund.

Any Pledged Revenues remaining in the Revenue Fund after the foregoing deposits described in First, Second, Third, Fourth, Fifth and Sixth above, will be transferred to LACMTA on the same Business Day or as soon as practicable thereafter, except as otherwise provided in a Supplemental Trust Agreement or as LACMTA may otherwise direct in writing, to be used by LACMTA, or as directed by LACMTA in writing, for any lawful purpose and after such transfer to LACMTA will be released from the lien of the Trust Agreement and will no longer constitute "Pledged Revenues" under the Trust Agreement.

The following table provides a graphic presentation of the flow of funds for Measure R Sales Tax cash receipts.



No Debt Service Reserve Fund for Series 2016-A Bonds

No debt service reserve fund will be established under the Trust Agreement for the Series 2016-A Bonds.

Additional Senior Obligations

Under the Trust Agreement, LACMTA is authorized to issue Senior Bonds and incur Parity Obligations, which would be payable from and secured by Pledged Revenues on a parity basis with the Series 2016-A Bonds. No Senior Bonds or Parity Obligations can mature after the Tax Expiration Date, which is currently June 30, 2039.

Issuance of Additional Senior Bonds. Upon compliance with the terms of the Trust Agreement, LACMTA is permitted to issue additional Senior Bonds secured by Pledged Revenues on a parity basis with the Outstanding Senior Bonds. Pursuant to the Trust Agreement, prior to the issuance of any Senior Bonds, including the Series 2016-A Bonds, each of the following conditions must be met:

(a) No Event of Default will have occurred and then be continuing.

(b) Subject to the provisions of the Trust Agreement, in the event a Supplemental Trust Agreement providing for the issuance of such Series will require either (i) the establishment of a Reserve Fund to provide additional security for such Series of Senior Bonds; or (ii) that the balance on deposit in an existing Reserve Fund be increased, forthwith upon the receipt of the proceeds of the sale of such Series, to an amount at least equal to the Reserve Requirement with respect to such Series of Senior Bonds and all other Senior Bonds secured by such Reserve Fund to be considered Outstanding upon the issuance of such additional Series of Senior Bonds, the Supplemental Trust Agreement providing for the issuance of such additional Series of Senior Bonds will require deposit of the amount necessary. Such deposit will be made as provided in the Supplemental Trust Agreement providing for the issuance of such additional Series of Senior Bonds and may be made from the proceeds of the sale of such Series of Senior Bonds or from other funds of LACMTA or from both such sources or may be made in the form of a Reserve Facility.

(c) The aggregate principal amount of Senior Bonds issued under the Trust Agreement will not exceed any limitation imposed by the Measure R Ordinance or any other law or by any Supplemental Trust Agreement. LACMTA will file with the Trustee a Certificate of LACMTA certifying that the issuance of such additional Series of Senior Bonds and the expected use of proceeds thereof is in compliance with the provisions of the Trust Agreement.

(d) LACMTA will file with the Trustee and the TIFIA Lender a certificate prepared by a Consultant showing that the amount of Pledged Revenues (excluding Swap Revenues) collected during any 12 consecutive calendar months specified by LACMTA within the most recent 18 calendar months immediately preceding the date on which such additional Series of Senior Bonds will become Outstanding will have been at least equal to 2.5 times Maximum Annual Debt Service on all Series of Senior Bonds and Parity Obligations then Outstanding and the additional Series of Senior Bonds then proposed to be issued, which certificate will also set forth the computations upon which such certificate is based.

(e) Principal payments of each additional Series of Senior Bonds will be due on June 1 or December 1 in each year in which principal is to be paid if and to the extent deemed practical in the reasonable judgment of LACMTA with regard to the type of Senior Bond to be issued, and, if the interest on such Series of Senior Bonds is to be paid semiannually, such interest payments will be due on June 1 and December 1 in each year to the extent deemed practical in the reasonable judgment of LACMTA with regard to the type of Senior Bond to be issued.

(f) While any TIFIA Bonds are Outstanding, LACMTA will provide the Trustee and the TIFIA Lender, prior to the issuance of such additional Senior Bonds, (i) with a certificate of a Consultant, showing that, upon the issuance of such additional Senior Bonds, Projected TIFIA Pledged Revenues are projected to be at least 1.25 times the annual Debt Service on all Outstanding Junior Subordinate Obligations in each Fiscal Year any TIFIA Bond is or will be Outstanding and (ii) a Certificate showing that in each Fiscal Year that any Senior Bond is Outstanding, the portion of projected Measure R Sales Tax revenues attributable to any expenditure allocation category described in the Measure R Ordinance, as determined by the Authority, divided by the Debt Service (treating indebtedness secured directly or indirectly by Measure R Sales Tax revenues on a basis junior to obligations issued under Trust Agreement as Obligations in the definition of "Debt Service" for purposes of this Certificate) attributable to all indebtedness secured directly or indirectly by Measure R Sales Tax revenues for such expenditure allocation category, will not be less than 110% (each certificate provided pursuant to this paragraph (f) will also set forth the computations upon which such certificate is based).

(g) While any TIFIA Bonds are Outstanding, the Authority will certify to the Trustee and the TIFIA Lender that the issuance of any additional Senior Bonds (other than Refunding Senior Bonds issued or incurred for purposes of refunding in compliance with the requirements set forth in the Trust Agreement) will not, in and of itself, result in a downgrade or withdrawal of the then-existing credit rating of any TIFIA Bonds, as confirmed by the Nationally Recognized Rating Agency that provided the most recent private rating of such TIFIA Bonds.

Nothing contained in the Trust Agreement will prevent or be construed to prevent the Supplemental Trust Agreement providing for the issuance of an additional Series of Senior Bonds from pledging or otherwise providing, in addition to the security given or intended to be given by the Trust Agreement, additional security for the benefit of such additional Series of Senior Bonds or any portion thereof.

In the event additional assets or revenues are included within the definition of "Pledged Revenues" by a Supplemental Trust Agreement, such additional assets or revenues will be included in the calculations to be provided in subsection (d) above as if LACMTA had received such additional assets or revenues as "Pledged Revenues" during all relevant periods of calculation.

Issuance of Refunding Senior Bonds. Refunding Senior Bonds may be authorized and issued by LACMTA without compliance with the provisions of the Trust Agreement summarized under paragraph (d), (f) and (g) above under the caption "Issuance of Additional Senior Bonds;" provided that LACMTA will provide the Trustee with a certificate of a Consultant to the effect that Maximum Annual Debt Service on all Senior Bonds and Parity Obligations outstanding following the issuance of such Refunding Senior Bonds is less than or equal to Maximum Annual Debt Service on all Senior Bonds Outstanding and Parity Obligations outstanding prior to the issuance of such Refunding Senior Bonds. See "APPENDIX E—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—TRUST AGREEMENT."

Parity Obligations. As defined in the Trust Agreement, "Parity Obligations" means any indebtedness, installment sale obligation, lease obligation or other obligation of LACMTA for borrowed money or any Interest Rate Swap Agreement (excluding fees and expenses thereon and Swap Termination Payments, which fees and expenses and Swap Termination Payments will be secured by a lien and charge on Pledged Revenues subordinate to the liens and charges upon Pledged Revenues that secure the Senior

Obligations and payment of principal and interest on Subordinate Obligations and which Swap Termination Payment (so long as any Junior Subordinate Obligations are Outstanding) will be secured by a lien and charge on the Pledged Revenues subordinate to the lien and charge upon Pledge Revenues that secures the Junior Subordinate Obligations) entered into in connection with a Series of Senior Bonds, in each case incurred in accordance with the provisions of the Trust Agreement described herein, and in each case having an equal lien and charge upon Pledged Revenues and therefore payable on a parity with the Senior Bonds (whether or not any Senior Bonds are Outstanding). LACMTA may issue or incur Parity Obligations which will have, when issued, an equal lien and charge upon Pledged Revenues; provided that the conditions to the issuance of such Parity Obligations set forth in the Trust Agreement are satisfied, including satisfaction of the coverage test described in paragraphs (d), (f) and (g) (c) above under the caption "Issuance of Additional Senior Bonds," unless such Parity Obligations are being issued for refunding purposes, in which case the coverage test will not apply. See "APPENDIX E—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—TRUST AGREEMENT."

MEASURE R SALES TAX AND COLLECTIONS

The Measure R Sales Tax

Under the California Public Utilities Code, LACMTA is authorized to adopt retail transactions and use tax ordinances applicable in the incorporated and unincorporated territory of the County in accordance with California's Transaction and Use Tax Law (California Revenue and Taxation Code Section 7251 et seq.), upon authorization by two-thirds of the electors voting on the issue. In accordance with the LACMTA Act, on July 24, 2008, LACMTA adopted the Measure R Ordinance which authorizes a retail transactions and use tax for public transit purposes. The Measure R Ordinance was submitted to the electors of the County in the form of Measure R ("Measure R") and approved at an election held on November 4, 2008 by more than two-thirds of the voters. The Measure R Ordinance imposes a tax, effective July 1, 2009, of 1/2 of 1% of the gross receipts of retailers from the sale of tangible personal property sold at retail in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions. The retail transactions and use tax imposed by the Measure R Ordinance and approved by the voters with the passage of Measure R is referred to in this Official Statement as the "Measure R Sales Tax." As approved by the voters, the Measure R Sales Tax is limited to 30 years in duration and terminates on June 30, 2039. For the full text of the Measure R Ordinance, see "APPENDIX D—MEASURE R ORDINANCE."

Collection of the Measure R Sales Tax is administered by the State Board of Equalization, which imposes a charge for administration. Such charge is based on the actual costs incurred by the State Board of Equalization in connection with the administration of the collection of the Measure R Sales Tax. In accordance with the Measure R Ordinance, LACMTA is required to allocate the proceeds of the Measure R Sales Tax as follows:

TABLE 2
Allocation of Measure R Sales Tax

Uses	Percentage
New Rail and/or Bus Rapid Transit Capital Projects	35%
Metrolink Capital Improvement Projects within the County (operations, maintenance and expansion)	3
Metro Rail Capital—System Improvements, Rail Yards and Rail Cars	2
Carpool Lanes, Highways, Goods Movement, Grade Separations and Soundwalls	20
Rail Operations (new transit project operations and maintenance)	5
Bus Operations (County-wide bus service operations, maintenance and expansion)	20
Local Return (allocated to incorporated cities within the County and to the County for the incorporated areas thereof on a per capita basis); Major Street Resurfacing, Rehabilitation and Reconstruction; Pothole Repair; Left Turn Signals; Bikeways; Pedestrian Improvements; Streetscapes; Signal Synchronization; and Transit	15
Total	100%

Source: LACMTA

The State Board of Equalization, after deducting the costs of administering the Measure R Sales Tax and disbursing the Local Return to LACMTA, has agreed to remit directly on a monthly basis the remaining Measure R Sales Tax revenues to the Trustee. Any Pledged Tax Revenues remaining after the Trustee makes the required monthly deposits to the Interest Fund, the Principal Fund, any Reserve Fund, the Subordinate Obligations Fund, the Fees and Expenses Fund and the Junior Subordinate Obligations Fund under the Trust Agreement are released to LACMTA to be used by LACMTA for any lawful purposes (subject to the allocation requirements set forth in the Measure R Ordinance). The Series 2016-A Bonds do not have a lien on and are not secured by any Pledged Tax Revenues that are released by the Trustee to LACMTA after making such monthly deposits under the Trust Agreement.

The amount retained by the State Board of Equalization from collections of Measure R Sales Tax is based on the total local entity cost reflected in the annual budget of the State, and includes direct, shared and central agency costs incurred by the State Board of Equalization. The amount retained by the State Board of Equalization is adjusted to account for the difference between the State Board of Equalization's recovered costs and its actual costs during the prior two Fiscal Years. For Fiscal Years 2011 through 2016, the State Board of Equalization's fee for administering the Measure R Sales Tax was as follows:

TABLE 3
Fee For Administering the Measure R Sales Tax

Fiscal Year Ended (June 30)	**Fee ($'s in millions)**	**Percentage of Measure R Sales Tax Revenues**
2011	$6.9	1.2%
2012	7.6	1.2
2013	6.4	0.9
2014	8.3	1.2
2015	8.6	1.1
2016	9.1	1.2

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

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

The ½ of 1% Measure R Sales Tax imposed by LACMTA in the County is in addition to the general sales tax levied statewide by the State (currently 7.50%), the ½ of 1% sales tax imposed by LACMTA pursuant to Ordinance No. 16 of the Commission known as "Proposition A" (such sales tax is referred to herein as the "Proposition A Sales Tax"), the ½ of 1% sales tax imposed by LACMTA pursuant to Ordinance No. 49 of the Commission known as "Proposition C" (such sales tax is referred to herein as the "Proposition C Sales Tax"), and the taxes that apply only within certain cities in the County. [The cities of Avalon, Commerce, Culver City, El Monte, Inglewood, San Fernando, Santa Monica and South El Monte in the County have each enacted a sales tax of ½ of 1% applicable to transactions within their respective city limits, and the cities of La Mirada, Pico Rivera and South Gate in the County have each enacted a sales tax of 1% applicable to transactions within their respective city limits. The combined various sales taxes described above results in (a) transactions within the County, and outside the cities of Avalon, Commerce, Culver City, El Monte, Inglewood, San Fernando, Santa Monica, South El Monte, La Mirada, Pico Rivera and South Gate, currently being taxed at an effective rate of 9.0%, (b) transactions within the cities of Avalon, Commerce, Culver City, El Monte, Inglewood, San Fernando, Santa Monica and South El Monte currently being taxed at an effective rate of 9.5%, and (c) transactions within the cities of La Mirada, Pico Rivera and South Gate currently being taxed at an effective rate of 10.0%.[Some tax rates may change, or additional sales taxes may be imposed. These tax rates and the items subject to the Measure R Sales Tax are subject to change. See "RISK FACTORS—California State Legislature or Electorate May Change Items Subject to Measure R Sales Tax" and "—Increases in Sales Tax Rate May Cause Declines in Measure R Sales Tax Revenues." See also "APPENDIX A—THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—OUTSTANDING DEBT."

Proposition 218

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

Historical Measure R Sales Tax Collections

The following table presents, among other things, collections of net Measure R Sales Tax and corresponding Pledged Tax Revenues for the Fiscal Years ended June 30, 2010 through June 30, 2016.

TABLE 4
Historic Net Measure R Sales Tax Receipts
(dollars in millions)

Fiscal Year Ended June 30	Net Measure R Sales Tax Revenues[1]	Annual Percentage Change	Pledged Tax Revenues[2]
2010	$551.5	–	$468.8
2011	598.6	8.54%	508.8
2012	645.0	7.75	548.3
2013	684.9	6.19	582.1
2014	714.2	4.28	607.1
2015	745.9	4.44	634.0
2016 [3]	762.2	2.19	647.9

[1] Reflects Measure R Sales Tax revenues, reported according to accrual basis accounting, as presented in LACMTA's audited financial statements, less the administrative fee paid to the State Board of Equalization, but before the Local Return. Rounded to the closest $100,000.
[2] Reflects Measure R Sales Tax revenues, reported according to accrual basis accounting, as presented in LACMTA's audited financial statements, less the administrative fee paid to the State Board of Equalization and the Local Return. Rounded to the closest $100,000.
[3] Unaudited.
Source: LACMTA

The following table sets forth the amount of Measure R Sales Tax revenues for the most recent nine quarters and the changes in such amounts from the corresponding period in the prior year.

TABLE 5
Selected Actual Measure R Sales Tax Revenue Information
(values are cash basis)

Quarter Ended	Quarterly Receipts ($ millions)	Change from Same Period of Prior Year	Rolling 12 Months Receipts ($ millions)	Change from Same Period of Prior Year
September 30, 2016	$192.44	0.67%	$763.91	1.99%
June 30, 2016	185.83	3.34	763.75	2.96
March 31, 2016	192.61	1.90	757.74	3.17
December 31, 2015	194.15	2.72	754.14	3.56
September 30, 2015	191.15	3.94	749.00	4.84
June 30, 2015	179.82	4.24	741.75	4.72
March 31, 2015	189.02	3.40	734.44	4.07
December 31, 2014	189.01	7.90	728.22	5.11
September 30, 2014	183.91	3.42	714.39	3.71

[1] Reported according to cash basis accounting.
Source: LACMTA

The Measure R Sales Tax revenues on a cash basis for a quarterly period are determined by sales tax revenues generated by sales activity generally occurring in the last two months of the previous quarter and the first month of the current quarter. For example, for the fiscal quarter ended September 30, 2016, reported according to cash basis accounting, Measure R Sales Tax revenues were approximately $192.44 million, which receipts generally represented sales activity occurring in May, June and July 2016.

Total Measure R Sales Tax revenues on a cash basis for Fiscal Year 2016 were approximately $763.75 million (net of State Board of Equalization administrative fee and before distribution of the Local Return) compared to $741.75 million for Fiscal Year 2015. LACMTA's Fiscal Year 2017 budget assumes total Measure R Sales Tax revenues of $795.70 million (net of State Board of Equalization administrative fee and before distribution of the Local Return).

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

MEASURE R SALES TAX OBLIGATIONS

General

As of the date of this Official Statement, LACMTA has three priority levels of obligations for Measure R Sales Tax revenues: (1) its Senior Bonds (which includes the Series 2016-A Bonds) and Parity Obligations, (2) its Subordinate Obligations (which includes the Subordinate Revolving Obligations, the

Subordinate Series C Bonds and related obligations), and (3) its Junior Subordinate Obligations (which include the TIFIA Loans and related obligations).

LACMTA may issue and/or incur additional Senior Bonds and Parity Obligations upon the satisfaction of certain conditions contained in the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016-A BONDS—Additional Senior Bonds." LACMTA also may issue additional Subordinate Obligations and Junior Subordinate Obligations in the future upon the satisfaction of certain conditions contained in the Trust Agreement. See "APPENDIX E—SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS—TRUST AGREEMENT."

[Debt Service Coverage Table?]

Outstanding Measure R Sales Tax Obligations

Senior Obligations. As of October 1, 2016, the only Senior Bonds Outstanding were the Series 2010 Bonds, which were Outstanding in the aggregate principal amount of $652,055,000. As of the date of this Official Statement, LACMTA had no Parity Obligations Outstanding.

Subordinate Obligations. LACMTA is authorized to issue and have outstanding, from time to time, up to $150,000,000 in aggregate principal amount of the Subordinate Revolving Obligations, which are payable from Measure R Sales Tax revenues on a subordinate basis to the Senior Obligations (including the Series 2016-A Bonds), on a parity basis with the Subordinate Series C Bonds, and on a senior basis to the Junior Subordinate Obligations. As of the date of this Official Statement, LACMTA had $150,000,000 aggregate principal amount of Subordinate Revolving Obligations outstanding. A portion of the proceeds of the Series 2016-A Bonds will be used to repay all of the outstanding Subordinate Revolving Obligations. The Subordinate Revolving Obligations issued by LACMTA are purchased by (a) State Street Public Lending Corporation, in a principal amount not to exceed $100 million, in accordance with the terms of a revolving credit agreement (the "State Street Subordinate Revolving Credit Agreement"), and (b) Bank of the West, in a principal amount not to exceed $50 million, in accordance with the terms of a revolving credit agreement (the "Bank of the West Subordinate Revolving Credit Agreement," and together with the State Street Subordinate Revolving Credit Agreement, the "Subordinate Revolving Credit Agreements"). The Subordinate Revolving Obligations bear interest at variable rates determined pursuant to the terms of the Subordinate Revolving Credit Agreements. Except as otherwise provided in the Subordinate Revolving Credit Agreements, the principal of all Subordinate Revolving Obligations outstanding are due and payable on November 20, 2020. However, subject to the terms of the Subordinate Revolving Credit Agreements, on November 20, 2020, LACMTA can convert any outstanding Subordinate Revolving Obligations to a term loan that will be payable in twelve equal quarterly installments following November 20, 2020.

The following table sets forth certain terms of the Subordinate Revolving Obligations.

Subordinate Revolving Obligations

Revolving Obligations Bank	Principal Amount	Expiration Date
State Street Public Lending Corporation	$100,000,000[1]	November 20, 2020[3]
Bank of the West	50,000,000[2]	November 20, 2020[3]

[1] As of the date of this Official Statement, $100,000,000 aggregate principal amount of State Street Revolving Obligations were outstanding. A portion of the proceeds of the Series 2016-A Bonds will be used to repay all of the outstanding State Street Revolving Obligations.
[2] As of the date of this Official Statement, $50,000,000 aggregate principal amount of Bank of the West Revolving Obligations were outstanding. A portion of the proceeds of the Series 2016-A Bonds will be used to repay all of the outstanding Bank of the West Revolving Obligations.
[3] Can be converted to term loan payable in twelve equal quarterly installments
Source: LACMTA

In addition to the Subordinate Revolving Obligations, LACMTA entered into a bond purchase agreement dated November 23, 2015 with the Subordinate Series C Underwriter, RBC Capital Markets LLC, to sell, from time to time, up to $150 million aggregate principal amount of the Subordinate Series C Bonds to the Subordinate Series C Underwriter. The Subordinate Series C Underwriter in turn sells the Subordinate Series C Bonds to RBC Municipal Products, LLC. The Subordinate Series C Bonds are payable from Measure R Sales Tax revenues on a subordinate basis to the Senior Obligations (including the Series 2016-A Bonds), on a parity basis with the Subordinate Revolving Obligations, and on a senior basis to the Junior Subordinate Obligations. As of the date of this Official Statement, LACMTA had $150,000,000 aggregate principal amount of Subordinate Series C Bonds outstanding. A portion of the proceeds of the Series 2016-A Bonds will be used to redeem all of the outstanding Subordinate Series C Bonds. The Subordinate Series C Bonds bear interest at variable rates. Except as otherwise provided in the Third Supplemental Subordinate Trust Agreement, dated as of November 1, 2015, by and between LACMTA and U.S. Bank National Association, as trustee, and the Bondholder's Agreement, dated as of November 1, 2015, by and between LACMTA and RBC Municipal Products, LLC, the principal of all Subordinate Series C Bonds outstanding are due and payable on November 20, 2020.

Junior Subordinate Obligations (TIFIA Loans). LACMTA has entered into two separate loan agreements with the United States Department of Transportation, acting by and through the Federal Highway Administrator ("U.S. DOT"), pursuant to which the U.S. DOT has agreed to provide LACMTA with two Transportation Infrastructure Finance and Innovation Act ("TIFIA") loans (the "Junior Subordinate TIFIA Loans") in the aggregate principal amount of $1.016 billion. The Junior Subordinate TIFIA Loans are Junior Subordinate Obligations under the Trust Agreement and are payable from Pledged Revenues after all Senior Obligations and Subordinate Obligations have been satisfied. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016-A—Flow of Fund." Proceeds of the Junior Subordinate TIFIA Loans will finance a portion of the costs of the Regional Connector and Section 1 of the Westside Purple Line Extension. See "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—FUTURE TRANSPORTATION IMPROVEMENTS—Transit Projects. As of October 1, 2016, LACMTA had drawn $61.9 million under the $160 million Junior Subordinate TIFIA Loan for the Regional Connector, and had not drawn any proceeds under the $856 million Junior Subordinate TIFIA Loan for Section 1 of the Westside Purple Line Extension.

LACMTA also expects to enter into an additional loan agreement with the U.S. DOT, in late November 2016, that will provide LACMTA a TIFIA loan in the aggregate principal amount of $307 million (the "Westside TIFIA Loan"). Proceeds of the Westside TIFIA Loan will be used to finance a portion of the costs of Section 2 of the Westside Purple Line Extension. See "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—FUTURE TRANSPORTATION IMPROVEMENTS—Transit Projects. The Westside TIFIA Loan will be a Junior Subordinate Obligations under the Trust Agreement and will be payable from Pledged Revenues after all Senior Obligations and Subordinate Obligations have been satisfied and on a parity basis with the Junior Subordinate TIFIA Loans. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016-A—Flow of Fund."

Other Obligations. In addition to the Junior Subordinate TIFIA Loans described above, LACMTA has entered into a third loan agreement with the U.S. DOT, pursuant to which the U.S. DOT has agreed to provide LACMTA with a $545.9 million TIFIA Loan for the Crenshaw/LAX Transit Corridor Project (the "Crenshaw/LAX TIFIA Loan"). The Crenshaw/LAX TIFIA Loan is payable from any available Measure R Sales Tax revenues after the payment of the Junior Subordinate TIFIA Loans. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016-A—Flow of Fund." As of October 1, 2016, LACMTA had drawn all of the $545.9 million under the Crenshaw/LAX TIFIA Loan.

Policy Limits on Additional Obligations Secured by Measure R Sales Tax

The Board adopted a debt policy that set limits on the amount of debt LACMTA can issue secured by the Measure R Sales Tax. These limits are intended to ensure that LACMTA will be able to continue providing essential operational services while planning for replacement, rehabilitation and expansion of capital investments. Under the current debt policy, payment of debt service with Measure R Sales Taxes is subject to the following limitations: only 87% of the Measure R 35% (new rail and/or bus rapid transit capital projects) category may be used to pay debt service; only 60% of the Measure R 20% (carpool lanes, highways, goods movement, grade separations and soundwall projects) category may be used to pay debt service; only 87% of the Measure R 2% (Metro rail capital) category may be used to pay debt service; and only 87% of the Measure R 3% (Metrolink capital improvement projects) category may be used to pay debt service. The Board may modify the debt policy to allow the issuance of a greater amount of debt secured by the Measure R Sales Tax in the future.

COMBINED DEBT SERVICE SCHEDULE

The following table shows the combined debt service requirements on the Series 2010 Bonds and the Series 2016-A Bonds.

TABLE [__]
Combined Debt Service Schedule
Senior Bonds[1]

		Series 2016-A Bonds Debt Service			
Fiscal Year Ending June 30	**Series 2010 Bonds Debt Service[2]**	**Principal**	**Interest**	**Total Debt Service**	**Total Debt Service on Senior Bonds**
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					

[1] Totals may not add due to rounding
[2] [Assumption regarding subsidy to come.]
Source: LACMTA and Fieldman, Rolapp & Associates.

LITIGATION

There is no litigation pending or, to the knowledge of LACMTA, threatened, in any way questioning or affecting the validity of the Series 2016-A Bonds, the imposition and collection of the Measure R Sales Tax or the pledge of the Pledged Revenues. Various claims of other types have been asserted against LACMTA. See "APPENDIX A—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY—LITIGATION AND OTHER REGULATORY ACTIONS."

LEGAL MATTERS

The validity of the Series 2016-A Bonds and certain other legal matters are subject to the approving opinion of Kutak Rock LLP, Bond Counsel to LACMTA. A complete copy of the proposed form of Bond Counsel's opinion is contained in Appendix F hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain matters will be passed upon for LACMTA by the Los Angeles County Counsel, General Counsel to LACMTA. Certain legal matters will be passed upon for LACMTA by Kutak Rock LLP, as Disclosure Counsel to LACMTA. Certain legal matters will be passed upon for the Underwriters by their counsel Stradling Yocca Carlson & Rauth, a Professional Corporation.

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel to LACMTA, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2016-A Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinions described in the preceding sentence assume the accuracy of certain representations and compliance by LACMTA with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Series 2016-A Bonds. Failure to comply with such requirements could cause interest on the Series 2016-A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2016-A Bonds. LACMTA will covenant to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2016-A Bonds.

Notwithstanding Bond Counsel's opinion that interest on the Series 2016-A Bonds is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of federal alternative minimum taxable income 75% of the excess of such corporations' adjusted current earnings over their federal alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

Bond Counsel is further of the opinion that interest on the Series 2016-A Bonds is exempt from present State personal income taxes.

Special Considerations With Respect to the Series 2016-A Bonds

The accrual or receipt of interest on the Series 2016-A Bonds may otherwise affect the federal income tax liability of the owners of the Series 2016-A Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2016-A Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2016-A Bonds.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2016-A Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2016-A Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the various state legislatures that, if enacted, could alter or amend federal and state tax matters referred to above or adversely affect the market value of the Series 2016-A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2016-A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2016-A Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2016-A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2016-A Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Tax Treatment of Original Issue Premium

The Series 2016-A Bonds maturing on June 1, 20__ through, and including, June 1, 20__ (collectively, the "Premium Bonds") are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Tax Treatment of Original Issue Discount

The Series 2016-A Bonds maturing on June 1, 20__ through, and including, June 1, 20__ (collectively, the "Discount Bonds") are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described under "—General" above.

The amount of original issue discount which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days which are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

FINANCIAL ADVISOR

LACMTA has retained Fieldman, Rolapp & Associates, Inc., as Financial Advisor (the "Financial Advisor") for the sale of the Series 2016-A Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

FINANCIAL STATEMENTS

The financial statements of LACMTA for the Fiscal Year ended June 30, 2015 and the Management's Discussion and Analysis and certain supplementary information, and the Independent Auditors' Report of Crowe Horwath LLP, independent accountants, dated December 22, 2015 (collectively, the "2015 Financial Statements") are included as "APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015." LACMTA's financial statements as of June 30, 2015 and for the year then ended, included in this Official Statement, have been audited by Crowe Horwath LLP, independent accountants, as stated in their Report appearing in Appendix B. LACMTA has not requested, nor has Crowe Horwath LLP given, Crowe Horwath LLP's consent to the inclusion in Appendix B of its Report on such financial statements. In addition, Crowe Horwath LLP has not performed any post-audit review of the financial condition of LACMTA and has not reviewed this Official Statement.

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION

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

CONTINUING DISCLOSURE

At the time of issuance of the Series 2016-A Bonds, LACMTA will execute a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), which will provide for disclosure obligations on the part of LACMTA. Under the Continuing Disclosure Certificate, LACMTA will covenant for the benefit of Bondholders and Beneficial Owners of the Series 2016-A Bonds to provide certain financial information and operating data relating to LACMTA by not later than 195 days after the end of the prior Fiscal Year (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Listed Events"). The Annual Reports and the notices of Listed Events will be filed with the MSRB through its EMMA System. See "APPENDIX G—FORM OF CONTINUING DISCLOSURE CERTIFICATE." LACMTA has become aware that some information that was made available in a timely manner on the EMMA System pursuant to LACMTA's continuing disclosure obligations was not linked to the CUSIP numbers for all affected series of bonds. LACMTA has corrected this issue. In addition, LACMTA has become aware that in a few instances, notices of changes in ratings on some of LACMTA's bonds were not filed in a timely manner. LACMTA has made corrective filings regarding these ratings changes.

UNDERWRITING

The Series 2016-A Bonds will be purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Loop Capital Markets LLC, Citigroup Global Markets Inc., RBC Capital Markets LLC, and Drexel Hamilton LLC (collectively, the "Underwriters"), from LACMTA at a price of $____________ (which represents the par amount of the Series 2016-A Bonds, plus an original issue premium of $____________, less an original issue discount of $____________, less an underwriters' discount of $____________), subject to the terms of a purchase contract (the "Purchase Contract"), between Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the Underwriters, and LACMTA.

The Purchase Contract provides that the Underwriters will purchase all of the Series 2016-A Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by counsel, and certain other conditions. The initial public offering prices of the Series 2016-A Bonds set forth on the inside front cover hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Series 2016-A Bonds into unit investment trusts or money market funds at prices lower than the public offering prices stated on the inside front cover hereof.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for LACMTA, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of LACMTA.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") have assigned the Series 2016-A Bonds ratings of "[__]" ([_____] outlook) and "[____]" ([_____] outlook), respectively. [Fitch] Such credit ratings reflect only the views of such organizations and any desired explanation of the meaning and significance of such credit ratings, including the methodology used and any outlook thereon, should be obtained from the rating agency furnishing the same, at the following addresses, which are current as of the date of this Official Statement: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; and S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its credit rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the ratings will remain in effect for any given period of time or that any such rating will not be revised, either downward or upward, or withdrawn entirely, or a positive, negative or stable outlook announced, by the applicable rating agency, if, in its judgment, circumstances so warrant. LACMTA undertakes no responsibility to bring to the attention of the Owners of the Series 2016-A Bonds any announcement regarding the outlook of any rating agency with respect to the Series 2016-A Bonds. Any downward revision or withdrawal or announcement of negative outlook could have an adverse effect on the market price of the Series 2016-A Bonds. Maintenance of ratings will require periodic review of current financial data and other updating information by assigning agencies.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Treasurer of the Los Angeles County Metropolitan Transportation Authority, One Gateway Plaza, Los Angeles, California 90012, Attention: Treasury Department, Email: TreasuryDept@metro.net, Telephone: (213) 922-2554, or from LACMTA's Financial Advisor, Fieldman, Rolapp & Associates, Inc. Telephone: (949) 660-7300. LACMTA maintains a website at http://www.metro.net. Information on such website is not part of this Official Statement and such information has not been incorporated by reference in this Official Statement and should not be relied upon in deciding whether to invest in the Series 2016-A Bonds.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By ____
Treasurer

APPENDIX A

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

GENERAL

Establishment; Jurisdiction

The Los Angeles County Metropolitan Transportation Authority ("LACMTA") is the largest public transit operator west of Chicago. As the principal transit provider in the southern California region, LACMTA serves about 75% of all transit trips within its 1,433 square mile service area, carrying an estimated 1.0 million passengers per day on buses and nearly 345,000 passengers on rail. LACMTA operates four light rail lines, serving 80 stations along 80 miles of track and two heavy rail lines that serve 16 stations along 17.4 miles of track. In addition to the transit services provided by LACMTA, it also provides funding to 40 other municipal operators that offer fixed route service and more than 100 other local return and non-profit agencies that provide community-based transportation. LACMTA also provides highway construction funding and traffic flow management.

LACMTA was established in 1993 pursuant to the provisions of Section 130050.2 et seq. of the California Public Utilities Code (the "LACMTA Act"). LACMTA is the consolidated successor entity to both the Southern California Rapid Transit District (the "District") and the Los Angeles County Transportation Commission (the "Commission"). As the consolidated successor entity, LACMTA succeeded to all powers, duties, rights, obligations, liabilities, indebtedness, bonded or otherwise, immunities and exemptions of the Commission and the District, including the Commission's responsibility for planning, engineering and constructing a county-wide rail transit system. The Commission was authorized, subject to approval by the electorate of the County of Los Angeles (the "County"), to adopt a retail transactions and use tax ordinance, with the revenues of such tax to be used for public transit purposes. On November 4, 2008, the voters of the County approved the Measure R Sales Tax pursuant to the Measure R Ordinance. The Measure R Sales Tax is in addition to a ½ of 1 percent sales tax imposed by LACMTA beginning in 1980 known as "Proposition A Sales Tax" and a ½ of 1 percent sales tax imposed by LACMTA beginning in 1990 known as "Proposition C Sales Tax."

Board of Directors

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

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

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

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

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

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

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

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

James T. Butts, Jr. Mr. Butts was elected as Mayor of the City of Inglewood on January 11, 2011 and reelected on November 4, 2014. Mr. Butts has more than 42 years of public safety and municipal government experience. He has held the rank of general manager or assistant general manager of large and complex municipal organizations for the past 28 years. He served 19 years in the Inglewood Police Department rising to the rank of Deputy Chief, 15 years as the Chief of Police for the City of Santa

Monica, and 5 years as an Assistant General Manager for the Los Angeles World Airport system in charge of Public Safety and Counter-Terrorism. Mr. Butts received a Bachelor of Science degree in Business Administration from California State University, Los Angeles and a master's degree in Business Administration from California Polytechnic University in Pomona.

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

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

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

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

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

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

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

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

Management

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

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

Chief Financial Officer. Nalini Ahuja was appointed as Executive Director, Finance and Budget in February 2014 and due to a change in title within LACMTA, she assumed the title of Chief Financial Officer as of July 2016. Prior to her appointment as Executive Director, Finance and Budget, Ms. Ahuja served as LACMTA's Executive Director, Office of Management, Budget & Local Programming from 2010 to 2012, at which point her duties were expanded to include oversight of LACMTA's Transit Access Pass ("TAP") operations. As the Chief Financial Officer, she is responsible for oversight of LACMTA's Office of Management, Budget, Local Programming & TAP operations and the agency's Financial Services including accounting and treasury functions. She has also served LACMTA as Director, Countywide Planning; Transportation Manager V, Local Programming; Acting Budget Director, Office of Management & Budget; and Project Manager, South Bay Area Team. Ms. Ahuja began her career with LACMTA's predecessor, the Los Angeles County Transportation Commission, in 1986, as a technical and administrative analyst which led to her position as Project Manager with the South Bay Area Team in 1990. Ms. Ahuja earned a bachelor's degree in Economics from Miranda House, University of Delhi as well as a master's degree in Economics from Delhi School of Economics and a master's degree in Urban Planning from UCLA.

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

Public Transportation Services Corporation

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

TRANSPORTATION SERVICES

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

Bus System

LACMTA operates the second largest bus system in the United States. LACMTA provides bus service within its service area in the County and to portions of Orange and Ventura Counties, operating a vehicle fleet of over 2,200 buses. LACMTA's bus system covers over 170 routes and serves approximately 16,000 bus stops, including two premium bus rapid transit dedicated busways. Systemwide, LACMTA buses provide approximately 7.1 million revenue service hours annually with an average of approximately 982,000 million weekday boardings on a system-wide basis for the fiscal quarter ended June 30, 2016 and total boardings of 83.5 million for the fiscal quarter ended September 30, 2016, including Orange Line busway ridership. In addition, LACMTA contracts with outside service providers, with approximately 44,000 average weekday boardings for the fiscal quarter ended September 30, 2016. Virtually all of LACMTA's bus fleet is composed of compressed-natural gas ("CNG") powered buses. As of October 1, 2016, the average age of LACMTA's bus fleet was approximately 7.58 years.

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

Metro Orange Line. The Metro Orange Line is a 14-mile Bus Rapid Transit service that operates along an exclusive right-of way and transports thousands of commuters between Warner Center in the west San Fernando Valley to the Metro Red Line subway station in North Hollywood. The Metro Orange Line buses operate in exclusive lanes along a 13-mile stretch of LACMTA-owned right-of-way and one mile in mixed flow traffic on public streets. The Metro Orange Line has 14 stations, each located roughly one mile apart, with park and ride facilities at seven stations providing approximately 4,700 parking spaces. The Metro Orange Line opened in October 2005, at a total cost of $273.1 million. The Metro Orange Line Extension Project (the "MOL Extension"), a four-mile extension of the Metro Orange Line extending from the Canoga park-and-ride lot to the Chatsworth Amtrak/Metrolink Station, opened in June 2012. The MOL Extension includes: the busway, new station platforms at the Canoga park-and-ride lot, and new stations at Sherman Way, Roscoe Boulevard, Nordhoff Street, and the Chatsworth Metrolink Station, and added an additional 800 parking spaces. The original budget was $215.6 million, which was subsequently reduced to an estimated total cost for the MOL Extension of $154.0 million.

Highway System

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

Rail System

General. In 1992, the Commission developed a comprehensive rail rapid transit system development plan (the "Rail System") which has been revised from time to time. The Rail System currently consists of four light rail lines: the Metro Blue Line, the Metro Green Line, the Metro Gold Line (including the Gold Line Eastside Extension) and the Exposition Project; and two heavy rail lines: Metro Red Line and the Metro Purple Line.

Metro Blue Line. The Metro Blue Line was designed as a modern, state-of-the-art light rail transit line, which extends approximately 22 miles from downtown Los Angeles, where it links to the Metro Red Line, to the City of Long Beach. The Metro Blue Line passes through portions of the cities of Los Angeles, Long Beach, Compton, Carson and other cities, and certain unincorporated areas of the County. A portion of the Metro Blue Line utilizes a reserved, but not necessarily grade-separated, right-of-way on which electrically powered vehicles, drawing current from overhead wire, operate singly or in trains. Passenger service began in July 1990 and had estimated ridership of approximately 5.2 million for the fiscal quarter ended September 30, 2016.

The Metro Blue Line consists of a dual-track line with 22 stations, with a fleet of 54 articulated rail cars and a primary maintenance facility and yard located in Long Beach adjacent to the Long Beach Freeway with a storage and maintenance capacity of 89 vehicles. The vehicle maintenance facility supports vehicles from both the Metro Blue Line and the Metro Green Line. Total travel time between the terminal points of the Metro Blue Line is approximately 58 minutes. The Metro Blue Line project budget was $877 million.

Metro Green Line. The Metro Green Line is a 19.5-mile light rail line linking the El Segundo employment area near the Los Angeles International Airport to the City of Norwalk near the San Gabriel River Freeway. The Metro Green Line has 14 stations including a station that intersects the Metro Blue Line and one that provides passenger connections to the Harbor Freeway Transitway, an elevated busway developed by Caltrans. Travel time between the terminal points of the Metro Green Line is approximately 35 minutes. The Metro Green Line began operations in August 1995, and had estimated ridership of approximately 2.2 million for the fiscal quarter ended September 30, 2016. The Metro Green Line Project budget was $712.3 million.

Metro Gold Line and Gold Line Eastside Extension. The Metro Gold Line (formerly known as the Pasadena Gold Line) is a 13.7-mile light rail line which extends from downtown Los Angeles (where it links to the Metro Red Line) to the City of Pasadena. The Metro Gold Line consists of a dual-track line with 13 stations. Travel time of the Metro Gold Line between the Sierra Madre Villa station and downtown Los Angeles is approximately 35 minutes. The Metro Gold Line began operations in July 2003. The Metro Gold Line project was built by the Pasadena Metro Blue Line Construction Authority and had a budget of $725 million, with $451 million contributed through the Pasadena Metro Blue Line Construction Authority and $274 million contributed by LACMTA.

The Gold Line Eastside Extension Project ("Eastside Extension"), which opened in November 2009, is a six-mile, dual track light rail system with eight new stations and one station modification. The system originates at Union Station in downtown Los Angeles, where it connects with the Metro Gold Line, traveling generally east to Pomona and Atlantic Boulevards through one of the most densely populated areas of the County. The total estimated project cost for the Eastside Extension was $898.8 million. Estimated ridership for the Metro Gold Line, including the Eastside Extension, was approximately 3.2 million for the fiscal quarter ended September 30, 2016.

Gold Line Foothill Extension. LACMTA has been working with the Metro Gold Line Foothill Extension Construction Authority to extend the existing Metro Gold Line from its current terminus in Pasadena to Montclair. The extension consists of two phases. Phase One continues from Sierra Madre Villa in Pasadena east over 11 miles with stops in the cities of Arcadia, Duarte, Irwindale, Monrovia and two in Azusa. Phase One is completed and began revenue operations in March 2016. Funding is currently being sought for the second phase, which would continue east from Azusa to Montclair.

Exposition Light Rail Transit Project. The Exposition Light Rail Transit Project (the "Exposition Project") is a light rail project under development by LACMTA that is being designed and constructed by the Exposition Metro Line Construction Authority ("Exposition Authority"), a single purpose entity created under State law. The light rail line in approximately 15 miles and runs from downtown Los Angeles to Santa Monica along the Exposition Boulevard corridor. Construction on the Exposition Project began in September 2006.

Phase One of the project, which fully opened in June 2012, extends approximately 8.6 miles from downtown Los Angeles to Venice/Robertson in Culver City. Estimated ridership for Phase One of the Exposition Project was approximately 2.7 million for the fiscal quarter ended September 30, 2016. The final budget for Phase One was $978.9 million (up from the original budget of $640 million). Pursuant to the full funding plan for Phase One, approximately 79% of the projected total costs were paid from State and federal sources, and the remaining costs were paid from Proposition A Sales Tax revenues, Proposition C sales tax revenues and other local sources.

Phase Two of the Exposition Project, which began revenue operations in May 2016, extends 6.6 miles westward from the Venice/Robertson station, primarily along the old Pacific Electric Exposition right-of-way, to 4th Street and Colorado in downtown Santa Monica. Phase Two adds seven new stations to the Exposition Line. In February 2011, the Board approved a budget of $1.5 billion for Phase Two of the Exposition Project, of which approximately 60% of the costs are expected to be paid from Measure R Sales Tax revenues, 9.5% from Proposition A Sales Tax and Proposition C Sales Tax revenues, and the remainder from federal and State and local sources.

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

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

Segment 2 of the Metro Red Line is 6.8 miles long with eight stations extending west from Alvarado Street to Vermont Avenue where it branches north and west. The west branch continues west under Wilshire Boulevard to Western Avenue. The west branch became operational in July 1996 and was renamed the Purple Line in August 2006. See “FUTURE TRANSPORTATION IMPROVEMENTS—Transit Projects” below for a description of the extension of the Metro Purple Line from its current terminus at Wilshire Boulevard and Western Avenue to the westside of Los Angeles.

The north branch turns up Vermont Avenue and travels through Hollywood to Hollywood Boulevard and Vine Street. The north branch opened for service in June 1999. The total cost of Segment 2 was $1.81 billion and in excess of the approximately $1.74 original Board approved budget. The project was ultimately completed within the revised Board approved budget and schedule.

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

As currently planned, primary passenger access to the Metro Red Line will be provided from the Orange Line, other rail projects and from LACMTA’s extensive bus network. The ridership estimate for the entire Metro Red Line and Metro Purple Line was approximately 9.4 million for the fiscal quarter ended September 30, 2016.

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

Commuter Rail. The Southern California Regional Rail Authority (“SCRRA”) oversees commuter rail services in the region that includes Los Angeles, Riverside, Ventura, Orange, San Bernardino and San Diego Counties. SCRRA operates the Metrolink system, which consists of seven lines totaling 512 miles and 55 stations and is primarily geared toward providing commuter rail service from outlying communities to downtown Los Angeles. Average weekday boardings were approximately 40,000 for the fourth quarter of Fiscal Year 2016. LACMTA is the Los Angeles County participant in SCRRA and contributes funds to SCRRA. Other participants include the Orange County Transportation

Authority, the Riverside County Transportation Commission, the San Bernardino Association of Governments and the Ventura County Transportation Authority.

Transit System Enterprise Fund

LACMTA accounts for the revenues and expenses of its transit system as an enterprise fund, separate from accounting of its governmental funds, such as the Proposition A, Proposition C and Measure R sales tax revenues. See "APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015." As indicated in Appendix B and as is generally true with large transit systems, the operating expenses for LACMTA's transit system greatly exceed operating revenues. As a result, LACMTA relies heavily on a variety of local, State and federal sources to pay for operating expenses and capital improvements. A primary source of this funding is Proposition A, Proposition C and Measure R sales tax revenues. Short range forecasts have identified potential situations where operating deficits in this enterprise fund may substantially increase in coming years due to project costs exceeding budget and/or expenses increasing at a greater rate than revenues, primarily due to operating costs that will be required as new improvements to the transit system are completed and become operational. Management of LACMTA intends during the timeframe of the short range forecast to look for additional revenue sources, re-prioritize existing and new programs, right-size transportation service and realize organizational efficiencies to close anticipated shortfalls. At its January 2016 meeting the Board approved the Risk Allocation Matrix ("RAM") concept, where departments within LACMTA identify initiatives that increase revenues or decrease expenditures, and assign a risk level, dollar impact, and timeframe for implementing each initiative. Dollar amounts realized from the RAM will be deposited to an internal savings account, and these funds can be used to mitigate a projected operating deficit. LACMTA anticipates making the initial deposits to the internal savings account in Fiscal Year 2017. See "TRANSPORTATION SERVICES" and "FUTURE TRANSPORTATION IMPROVEMENTS" in this Appendix A for a description of the five major transit projects LACMTA is currently undertaking and the future transit improvements expected to LACMTA's transit system, all of which require substantial investment and increase operating costs.

FUTURE TRANSPORTATION IMPROVEMENTS

LACMTA, as the State-designated planning and programming agency for the County, identifies future transportation needs and transportation funding and construction priorities in the County. LACMTA prepares a Long Range Transportation Plan that identifies the costs of major transportation projects and the anticipated funding sources. See "RISK FACTORS—Project Costs; Capital Needs" in the front part of this Official Statement.

Long Range Transportation Plan

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

The 2009 LRTP reflects LACMTA's assessment of growth patterns, regional congestion, strategies to improve local air quality, transit-oriented development, the latest technical assumptions and climate change issues, and incorporates Measure R projects. The 2009 LRTP identified a $297.6 billion countywide investment in the County's transportation system through 2040, funded with more than 45 sources of federal, State and local funds. The 2009 LRTP is now the guiding policy behind funding decisions on subsequent transportation projects and programs in the County. Major capital projects and programs that are identified in the 2009 LRTP have priority for future programming of funds. While these projects and programs require further Board approval at various stages of their development, they are priorities for further planning, design, construction and the pursuit of additional funding.

The 2009 LRTP, and subsequent Board approved updated financial forecasts, includes projections of debt financing by LACMTA, composed of a combination of Proposition A, Proposition C and Measure R-secured debt. The actual amount and timing of any debt issuance depends on a number of factors including the actual scope, timing and cost of transportation projects, the ability to obtain funding from other sources and the amount of Proposition A, Proposition C and Measure R sales tax revenues available to fund the projects in the LRTP.

Short Range Transportation Plan

In June 2015, the Board approved a financial update of the 2014 Short Range Transportation Plan ("2014 SRTP"), which identifies the ten-year plan through 2024, based on the long-term goals identified in the 2009 LRTP. The March 2016 financial forecast of the 2014 SRTP updates the assumptions about debt issuance and assumes approximately $3.3 billion (excluding commercial paper notes) in new debt financing from Fiscal Year 2017 through Fiscal Year 2020, not including the TIFIA loans described under "—Transit Projects" below. The March 2016 update of the 2014 SRTP assumes the funding of approximately $668 million, $974 million, and $1.3 billion through the issuance of additional Proposition A First Tier Senior Lien Bonds, Proposition C Senior Bonds, and Measure R Senior Bonds, respectively, through Fiscal Year 2020. Based on historical practice, LACMTA expects that actual bond issuance during this period will be less. The March 2016 financial update also forecasted bond issuance from Fiscal Year 2017 through Fiscal Year 2040 of approximately $7.1 billion, of which approximately $2 billion is projected to be Measure R Senior Bonds.

Transit Projects

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

Crenshaw/LAX Transit Project. The Crenshaw/LAX Transit Project is a north/south corridor that serves the cities of Los Angeles, Inglewood, Hawthorne and El Segundo as well as portions of unincorporated Los Angeles County. The alignment extends 8.5 miles, from the intersection of Crenshaw and Exposition Boulevards to a connection with the Metro Green Line at the Aviation/LAX Station. The total project budget is $2.058 billion of which approximately 32% of the costs are expected to be paid from Measure R Sales Tax revenues, 20% from Proposition A Sales Tax revenues, Proposition C Sales Tax revenues and other local sources, and the remainder from federal and State sources. In addition to the sources above, the project has received a $545.9 million TIFIA loan, which is to be repaid from available Measure R Sales Tax Revenues (see "MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—Other Obligations)" in the front part of this Official Statement) and is expected to pay for approximately 27% of project costs. As of October 1, 2016, LACMTA had drawn all of the $545.9 million of the TIFIA loan proceeds.

Regional Connector. The Regional Connector is a 1.9-mile light rail line with three underground stations in downtown Los Angeles. The project will provide a direct connection from the 7^{th}/Metro Center Station to the existing Metro Gold Line tracks to the north and east of 1^{st} and Alameda. This connection will provide through service between the Metro Blue Line, Metro Gold Line and Metro Exposition Line corridors, enhancing regional connectivity. In December 2015, the Board approved an increase in the project budget, which is now $1.56 billion, excluding any potential cost increases. LACMTA has been awarded a $669.9 million Full Funding Grant Agreement in Federal New Starts funds for the Regional Connector project which is expected to pay for approximately 42% of project costs. Additionally, LACMTA entered into an agreement for a $160 million TIFIA loan for the project, which is expected to pay for approximately 10% of project costs. As of October 1, 2016, LACMTA had drawn down $61.9 million of the TIFIA loan proceeds. The loan is to be repaid from Measure R Sales Tax revenues (see "MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—Junior Subordinate Obligations (TIFIA Loans)" in the front part of this Official Statement). The remaining project costs are expected to be paid from other Federal, State and local sources. The Regional Connector project is currently the subject of active cases under the National Environmental Policy Act ("NEPA") where the federal district court found one instance of non-compliance with NEPA that resulted in a limited cancellation of the related record of decision (the "ROD") issued by the Federal Transit Administration (the "FTA") and a temporary injunction against the cut and cover construction planned for lower Flower Street. The FTA issued a Final Supplemental EIS/Amended ROD on December 16, 2015 and the federal district court subsequently confirmed that its injunction for the cut-and-cover construction on lower Flower Street is no longer in effect.

Westside Purple Line Extension. The Westside Purple Line Extension (also known as the "Purple Line Extension Project") is an extension of the Metro Purple Line from its current terminus at Wilshire and Western to the westside of Los Angeles. The Board has certified the Final Environmental Impact Report and has adopted the project definition for the nine-mile Purple Line Extension Project. The Purple Line Extension Project currently is planned to be constructed in three sections. Section 1 will extend the existing Metro Purple Line by 3.92 miles beginning at the Wilshire/Western Station. From this station, the twin tunnel alignment will travel westerly within the existing Wilshire Boulevard right-of-way. Stations will be located at the intersections of Wilshire/La Brea, Wilshire/Fairfax and Wilshire/La Cienega. All three of the station boxes will be located within the Wilshire Boulevard right-of-way with station portals extending to off-street entrances. The total budget for Section 1 of the Purple Line Extension Project is $2.78 billion, excluding finance charges and any potential cost increases. LACMTA has been awarded a $1.25 billion Full Funding Grant Agreement in Federal New Starts funds and has entered into an agreement for an $856 million TIFIA loan, to be repaid from Measure R Sales Tax revenues (see "MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—Junior Subordinate Obligations (TIFIA Loans)" in the front part of this Official Statement), with respect to Section 1 of the Purple Line Extension Project. As of October 1, 2016, LACMTA had not drawn down any of the TIFIA loan proceeds. Approximately 40% of project costs are expected to be paid from the Federal New Starts funds, 27% from the TIFIA loan, 28% from additional Measure R Sales Tax revenues, and the remainder from other State and local sources.

Section 2 of the Purple Line Extension Project is planned to extend 2.59 miles from the Section 1 terminus at Wilshire/La Cienega to a terminus station at Constellation Boulevard at Avenue of the Stars in Century City. The estimated total project cost is $2.41 billion, excluding finance charges. LACMTA has applied for a $1.187 billion Full Funding Grant Agreement in Federal New Starts funds and has submitted an application to the U.S. DOT for a $307 million TIFIA loan to be repaid from Measure R Sales Tax revenues (see "MEASURE R SALES TAX OBLIGATIONS—Outstanding Measure R Sales Tax Obligations—Junior Subordinate Obligations (TIFIA Loans)" in the front part of this Official Statement). Both the Full Funding Grant Agreement and the TIFIA loan are expected to be executed in late November 2016. Approximately 50% of the project costs are expected to be paid from Federal New Starts funds, 13% from the TIFIA loan, 21% from additional Measure R Sales Tax revenues, and the remainder from other Federal, State and local sources.

Section 2 of the Purple Line Extension Project is currently the subject of lawsuits brought by the City of Beverly Hills and the Beverly Hills Unified School District against the FTA on the adequacy of the Environmental Impact Statement ("EIS") for the project (the "Purple Line Extension EIS"). On February 2, 2016, the federal district court issued a tentative ruling identifying four areas in which the Purple Line Extension EIS failed to comply with statutory requirements. On August 12, 2016, the district court adopted the tentative ruling as its final decision, but declined to vacate the ROD for Section 2. The district court remanded the matter to the FTA with instructions to prepare a supplemental EIS consistent with the holdings in the tentative ruling. In compliance with the district court's final decision, LACMTA and the FTA are preparing a supplemental EIS. LACMTA does not anticipate that any changes to the Purple Line Extension Project will be required, however, it is possible that subsequent actions in response to the supplemental EIS may occur.

State Transportation Improvement Program

The California State Transportation Improvement Program ("STIP") is a five-year State regional and interregional capital improvement program funded from the State Highway Account and other State sources. Every two years, the California Transportation Commission ("CTC") estimates available funding and adopts the STIR. The 2016 STIP covers the period from Fiscal Year 2017 through Fiscal Year 2021. LACMTA is statutorily entitled to program the County regional share of the STIP. In August 2015, the CTC adopted a zero Fund Estimate for the 2016 STIP, which provided no additional funding for new projects and required deferral of existing projects within the 2016 STIP period. In December 2015, the Board adopted a $222 million 2016 Regional Transportation Improvement Program ("2016 RTIP") of STIP projects consistent with the Fund Estimate and submitted it to the CTC. In January 2016, the CTC adopted a Fiscal Year 2016 allocation plan to manage allocation requests throughout the fiscal year. In January 2016, the CTC also adopted a revised 2016 STIP Fund Estimate, in response to continued declines in gasoline prices and the resulting decrease in gasoline-related taxes which constitute a significant funding source for the State Highway Account. This revised 2016 STIP Fund Estimate reduced STIP funding statewide by approximately $754 million over the five-year 2016 STIP period. The CTC has the choice of (a) implementing statewide priorities consistent with the Fiscal Year 2016 allocation plan for reprogramming or deprogramming projects, or (b) imposing a decrease in STIP funds by formula. A formula reduction would result in a $118 million reduction in funding for the County from the regional portion of the STIP. There would also be a $188.4 million reduction statewide from the interregional portion which is programmed by the State and includes $70.5 million for two projects in the County. [LACMTA plans to resubmit the 2016 RTIP with the same projects, dollar amounts, and program years as submitted originally with the expectation that the CTC will implement statewide priorities in May 2016. – Status?] The status of the 2016 RTIP projects should qualify them for high priority in a statewide prioritization process. However, any short-fall of expected STIP funding could result in the use of additional Proposition A, Proposition C and Measure R Sales Tax revenues or issuance of additional bonds or commercial paper secured by Proposition A, Proposition C and Measure R Sales Tax revenues to pay for LACMTA's transit projects.

LABOR RELATIONS

General

As of June 1, 2016, LACMTA had approximately 9,910 employees, of which approximately 86% are covered by labor agreements. Full and part-time LACMTA bus and train operators are represented by the Sheet Metal, Air, Rail, Transportation, Transportation Division (formerly "UTU") ("SMART-TD");

LACMTA mechanics and service attendants are members of the Amalgamated Transit Union ("ATU"); LACMTA clerks are members of the Transportation Communications Union ("TCU"); bus and rail transportation and maintenance supervisors are members of the American Federation of State County and Municipal Employees ("AFSCME"); and LACMTA security guards are members of the Teamsters Union. The following table summarizes the number of employees covered by the labor agreements of LACMTA with each of its employee bargaining units as of [June] 1, 2016 and the current expiration dates of the labor agreements.

Employee Bargaining Unit	Number of Employees	Contract Expiration Date
United Transportation Union (Sheet Metal, Air, Rail and Transportation Division)	[4,499]	06/30/17
Amalgamated Transit Union	[2,381]	06/30/17
Transportation Communications Union	[853]	06/30/17
Am. Fed. of State, County and Municipal Employees	[735]	06/30/17
Teamsters Union	[93]	06/30/17

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

Defined Benefit Pension Plan

LACMTA has a single-employer public employee retirement system that includes five defined benefit plans (the "Plans") that cover substantially all employees (except PTSC employees) and provides retirement, disability, and death benefits. The benefit provisions and all other requirements are established by State statute, ordinance, collective bargaining agreements or Board actions. Four of the Plans are restricted to specific union members, while the fifth provides benefits to non-represented employees and to members of the Teamsters Union. In addition, LACMTA provides pension benefits to most PTSC employees through a defined benefit plan administered by the California Public Employees' Retirement System ("PERS"), a multiple-employer pension system. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. For a description of these defined benefit plans and LACMTA's obligations to make contributions to these plans, see "Note III—DETAILED NOTES ON ALL FUNDS J. Employees' Retirement Plans" in the Notes to the Financial Statements in "APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015."

Other Post-Employment Benefits

LACMTA provides post-employment health care and life insurance benefits for retired employees and their families. Pursuant to Governmental Accounting Standards Board Pronouncement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)," LACMTA is required to account for its expenses and a portion of the present value of future expenses related to these benefits. For a description of these benefits, LACMTA's obligations to account for certain projected future costs of these benefits and other matters regarding these benefits, see "Note III—DETAILED NOTES ON ALL FUNDS—K. Other Postemployment Benefits (OPEB)" in the

Notes to the Financial Statements in "APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015."

OUTSTANDING DEBT

General

In additional to obligations issued by LACMTA that are secured by Measure R Sales Tax, LACMTA has issued debt secured by the Proposition A Sales Tax, the Proposition C Sales Tax, and other revenues of LACMTA, and may issue additional obligations so secured upon satisfaction of certain additional bonds tests in the applicable trust agreements providing for the issuance such debt. The Series 2016-A Bonds are secured by and payable from the Measure R Sales Tax, and are not secured by or payable from the Proposition A Sales Tax, the Proposition C Sales Tax or any other revenues of LACMTA. See "FUTURE TRANSPORTATION IMPROVEMENTS—Long Range Transportation Plan" above. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016-A BONDS" in the front part of this Official Statement for a discussion of obligations secured by the Measure R Sales Tax.

Debt and Interest Rate Swap Policies

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

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

Proposition A Sales Tax Obligations

General. Obligations of LACMTA payable from the Proposition A Sales Tax consist of sales tax revenue bonds, commercial paper notes and other agreements. As of the date of this Official Statement, LACMTA has three priority levels of obligations for Proposition A Sales Tax revenues: its First Tier Senior Lien Bonds, its Second Tier Obligations and its Third Tier Obligations (which include the Proposition A Commercial Paper Notes). LACMTA has incurred other obligations which are secured by certain "remaining" Proposition A Sales Tax cash receipts.

First Tier Senior Lien Bonds. LACMTA had the following Proposition A First Tier Senior Lien Bonds outstanding as of October 1, 2016.

Los Angeles County Metropolitan Transportation Authority
Proposition A First Tier Senior Sales Tax Revenue Bonds
(Outstanding as of October 1, 2016)

Proposition A First Tier Senior Sales Tax Revenue Bonds[1]	Outstanding Principal Amount
Senior Sales Tax Revenue Refunding Bonds, Series 2016-A	$170,760,000
Senior Sales Tax Revenue Refunding Bonds, Series 2015-A	25,495,000
Senior Sales Tax Revenue Refunding Bonds, Series 2014-A	130,060,000
Senior Sales Tax Revenue Refunding Bonds, Series 2013-A	238,615,000
Senior Sales Tax Revenue Refunding Bonds, Series 2012-A	51,380,000
Senior Sales Tax Revenue Refunding Bonds, Series 2011-A	34,035,000
Senior Sales Tax Revenue Refunding Bonds, Series 2011-B	91,110,000
Senior Sales Tax Revenue Refunding Bonds, Series 2009-A	149,035,000
Senior Sales Tax Revenue Refunding Bonds, Series 2008-B	19,680,000
Total	$910,170,000

[1] The Proposition A First Tier Senior Lien Bonds are payable from, and secured by a prior first lien on, Proposition A Sales Tax revenue.
Source: LACMTA

Second Tier Obligations. On October 6, 1993, the Community Redevelopment Financing Authority of the Community Redevelopment Agency of the City of Los Angeles, California issued its Grand Central Square Multifamily Housing Bonds, 1993 Series A (the "Housing Bonds") and its Grand Central Square Qualified Redevelopment Bonds, 1993 Series A (the "Redevelopment Bonds"). The Redevelopment Bonds were refunded on April 30, 2002 with the proceeds of The Community Redevelopment Agency of the City of Los Angeles, California Grand Central Square Qualified Redevelopment Bonds, 2002 Refunding Series A (the "Refunding Redevelopment Bonds"). The Housing Bonds were refunded on June 21, 2007 with the proceeds of The Community Redevelopment Agency of the City of Los Angeles, California Grand Central Square Multifamily Housing Revenue Refunding Bonds, 2007 Series A (the "2007 Series A Refunding Housing Bonds") and Grand Central Square Multifamily Housing Revenue Refunding Bonds, 2007 Series B (the "2007 Series B Refunding Housing Bonds"). LACMTA is obligated (but only from LACMTA's 40% discretionary share of Proposition A Sales Tax revenues) to make debt service payments with respect to the Refunding Redevelopment Bonds and the 2007 Series B Refunding Housing Bonds. To the extent the trustee for the Refunding Redevelopment Bonds and the 2007 Series B Refunding Housing Bonds has sufficient revenues and other funds, the trustee will reimburse LACMTA to the extent of its payment from such funds. As of October 1, 2016, $5,460,000 aggregate principal amount of the 2007 Series B Refunding Housing Bonds and $12,685,000 aggregate principal amount of the Refunding Redevelopment Bonds were outstanding. [LACMTA is in the process of refunding the Refunding Redevelopment Bonds and defeasing the 2007 Series B Refunding Housing Bonds prior to December 1, 2016.]

On June 28, 2011, State law was enacted which dissolved all redevelopment agencies in existence in the State as of February 1, 2012, and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. The obligations of the CRA/LA, a Designated Local

Authority and Successor Agency to The Community Redevelopment Agency of the City of Los Angeles, California, with respect to the Refunding Redevelopment Bonds are unchanged but subject to certain statutory procedures with respect to its operations and providing tax increment revenues in support of enforceable obligations. The CRA/LA is not obligated to pay any amount in respect of the obligation of LACMTA on the Refunding Redevelopment Bonds and the 2007 Series B Refunding Housing Bonds if not paid when and as due.

LACMTA's payment obligations under the Refunding Redevelopment Bonds and the 2007 Series B Refunding Housing Bonds constitute "Proposition A Second Tier Obligations," and are payable from Proposition A Sales Tax revenues on a subordinate basis to the Proposition A First Tier Senior Lien Bonds described above.

Third Tier Obligations. LACMTA is authorized to issue and have outstanding, at any one time, up to $350,000,000 aggregate principal amount of its Proposition A commercial paper notes (the "Proposition A Commercial Paper Notes"). As of October 1, 2016, $141,500,000 aggregate principal amount of Proposition A Commercial Paper Notes were outstanding. The Proposition A Commercial Paper Notes are payable from Proposition A Sales Tax revenues on a subordinate basis to the Proposition A First Tier Senior Lien Bonds and the Proposition A Second Tier Obligations. The Proposition A Commercial Paper Notes can only be issued and outstanding if they are supported by a letter of credit.

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

Proposition A CP Letters of Credit

Letter of Credit Provider	Amount of Letter of Credit	Issuance Date	Expiration Date
Sumitomo Mitsui Banking Corporation, acting through its New York Branch	$124,999,176 [1]	March 8, 2016	March 7, 2019
MUFG Union Bank, N.A.	74,999,724 [2]	March 8, 2016	March 7, 2019

[1] Supports $114,808,000 of principal and $10,191,176 of interest.
[2] Supports $68,885,000 of principal and $6,114,724 of interest.
Source: LACMTA

LACMTA has the ability to (but does not currently plan to) procure additional letter of credit support for the Proposition A Commercial Paper Notes, which would in turn allow it to issue and have outstanding Proposition A Commercial Paper Notes in a combined amount of principal of and interest thereon equal to a total of $350,000,000.

The Proposition A Commercial Paper Notes and the reimbursement obligation with respect to the Proposition A CP Letters of Credit constitute "Proposition A Third Tier Obligations," and are payable from Proposition A Sales Tax revenues on a subordinate basis to the Proposition A First Tier Senior Lien Bonds and the Proposition A Second Tier Obligations described above.

Proposition C Sales Tax Obligations

General. Obligations of LACMTA payable from the Proposition C Sales Tax consist of sales tax revenue bonds, commercial paper notes, revolving obligations and other agreements. As of the date of this Official Statement, LACMTA has two priority levels of obligations secured by the Proposition C Sales Tax: its Proposition C Senior Sales Tax Revenue Bonds and Proposition C Senior Parity Debt, and its Proposition C Subordinate Lien Obligations. LACMTA has incurred other obligations which are secured by certain "remaining" Proposition C Sales Tax cash receipts.

Proposition C Senior Sales Tax Revenue Bonds. LACMTA had the following Proposition C Senior Sales Tax Revenue Bonds outstanding as of October 1, 2016:

Los Angeles County Metropolitan Transportation Authority
Proposition C Senior Sales Tax Revenue Bonds
(Outstanding as of October 1, 2016)[1]

Proposition C Senior Sales Tax Revenue Bonds	Outstanding Principal Amount
Sales Tax Revenue Refunding Bonds, Series 2016-A	$ 86,570,000
Sales Tax Revenue Refunding Bonds, Series 2014-A	61,180,000
Sales Tax Revenue Refunding Bonds, Series 2013-A	103,800,000
Sales Tax Revenue Bonds, Series 2013-B	295,420,000
Sales Tax Revenue Refunding Bonds, Series 2013-C	55,555,000
Sales Tax Revenue Refunding Bonds, Series 2012-A	14,635,000
Sales Tax Revenue Refunding Bonds, Series 2012-B	74,885,000
Sales Tax Revenue Refunding Bonds, Series 2010-A	37,150,000
Sales Tax Revenue Refunding Bonds, Series 2009-B	134,655,000
Sales Tax Revenue Refunding Bonds, Series 2009-D	41,625,000
Sales Tax Revenue Refunding Bonds, Series 2009-E	85,070,000
Sales Tax Revenue Refunding Bonds, Series 2008-A	69,650,000
Total	$1,060,195,000

[1] The Proposition C Senior Sales Tax Revenue Bonds are payable from, and secured by a prior first lien on, Proposition C Sales Tax revenues.

Source: LACMTA

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

Proposition C Subordinate Lien Obligations. On June 9, 1993, LACMTA received authorization to issue and have outstanding, at any one time, up to $150,000,000 (principal of and interest thereon) of commercial paper notes (the "Proposition C Commercial Paper Notes") payable from and secured by Proposition C Sales Tax revenues. The Proposition C Commercial Paper Notes are payable from Proposition C Sales Tax revenue on a basis subordinate to the lien on Proposition C Sales Tax revenues granted to the Proposition C Senior Sales Tax Revenue Bonds and the Proposition C Senior Parity Debt. As of October 1, 2016, the Proposition C Commercial Paper Notes were outstanding with a maturity value of $14,624,000. The Proposition C Commercial Paper Notes are supported by a letter of credit (the "Proposition C CP Letter of Credit") issued by Bank of America, N.A. LACMTA's reimbursement obligations with respect to the Proposition C CP Letter of Credit are payable from Proposition C Sales Tax revenues on a parity with the Proposition C Commercial Paper Notes.

In addition, LACMTA is authorized to issue and have outstanding, from time to time, up to $75,000,000 in aggregate principal amount of its Subordinate Proposition C Sales Tax Revenue Revolving Obligations (the "Proposition C Revolving Obligations"), which are payable from Proposition C Sales Tax revenues on a parity with the Proposition C Commercial Paper Notes and which are considered part of the $150,000,000 authorization for Proposition C Commercial Paper. As of October 1, 2016, LACMTA had $45,000,000 Proposition C Revolving Obligations outstanding. All Proposition C Revolving Obligations issued by LACMTA are purchased by the Wells Fargo Bank, National Association, in accordance with the terms of a revolving credit agreement (the "Proposition C Revolving Credit Agreement"). The Proposition C Revolving Obligations bear interest at variable rates determined pursuant to the terms of the Proposition C Revolving Credit Agreement.

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

<u>Proposition C CP Letter of Credit</u>

Letter of Credit Provider	Bank of America, N.A.
Principal Amount	$68,885,000[1,2]
Expiration Date	April 5, 2019

[1] Plus $6,114,724 of interest. Draws on the Proposition C CP Letter of Credit must be paid within 270 days, though the drawings may be converted to a term loan payable in 10 quarterly installments if conditions are satisfied.

Source: LACMTA

<u>Proposition C Revolving Obligations</u>

Revolving Obligations Bank	Wells Fargo Bank, National Association
Principal Amount	$75,000,000
Expiration/Maturity Date	March 28, 2019[1]

[1] Can be converted to term loan payable in twelve equal quarterly installments following the Expiration/Maturity Date if conditions under the Proposition C Revolving Credit Agreement are satisfied.

Source: LACMTA

Other Obligations

As of October1, 2016, there was $64,770,000 aggregate principal amount of LACMTA's General Revenue Refunding Bonds (Union Station Gateway Project), Series 2015 (the "Series 2015 General Revenue Bonds") outstanding, and $48,960,000 aggregate principal amount of LACMTA's General Revenue Refunding Bonds (Union Station Gateway Project), Series 2010-A (the "Series 2010-A General

Revenue Bonds," and together with the Series 2015 General Revenue Bonds, the "General Revenue Bonds") outstanding. The General Revenue Bonds are secured by a pledge of farebox revenues, fee and advertising revenues (collectively, "General Revenues") and Proposition A Sales Tax and Proposition C Sales Tax revenues that remain after the application of those revenues to the payment of principal and interest on certain Proposition A Sales Tax secured obligations, in the case of the Proposition A Sales Tax, and certain Proposition C Sales Tax secured obligations, in the case of the Proposition C Sales Tax (the "Proposition A Remaining Sales Tax" and the "Proposition C Remaining Sales Tax," respectively).

Lease/Leaseback and Lease-to-Service Obligations

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

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

LACMTA has terminated three of the eight affected leases and has entered into collateral posting agreements for three others. Of the two remaining affected leases, neither lessor has required changes to date. If an early termination of both affected leases were to occur, LACMTA could be required to pay up to $40.42 million, plus legal costs. Any such termination costs would be offset in part from amounts received under the existing surety.

See "Note III—DETAILED NOTES ON ALL FUNDS—M. Long-term Debt—Lease/leaseback and Lease-to-service Obligations" in the Notes to the Financial Statements in "APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015."

INVESTMENT POLICY

General

Certain features of LACMTA's Investment Policy are summarized in "Note III DETAILED NOTES ON ALL FUNDS—A. Cash and Investments" in the Notes to the Financial Statements in "APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015."

Investment Balances

As of June 30, 2016 (based on unaudited financial information), LACMTA had approximately $637.7 million in market value deposited in non-discretionary bond proceeds and debt service trust accounts, primarily invested in U.S. Treasury securities, Federal Agencies, money market funds, forward purchase agreements and the County of Los Angeles Pooled Surplus Investments maintained by the County of Los Angeles Treasurer and Tax Collector. LACMTA had an additional approximately $1.8 billion in non-discretionary trust accounts, primarily for pension and OPEB.

Additionally, as of June 30, 2016, LACMTA had approximately $1.296 billion (book value) deposited in discretionary/operating accounts. Such discretionary/operating accounts were invested in the investments summarized in the following table:

Discretionary/Operating Accounts Investments	Percentage of Total Book Value as of June 30, 2016
Local Agency Investment Fund	7.6%
Bank Deposits	2.6
Managed Investments	
Federal Agencies	30.5
U.S. Treasuries	20.4
Corporate Notes	17.2
Commercial Paper	8.4
Money Market Funds	6.9
Asset Backed Securities	3.8
Municipal securities	2.3
Medium Term Notes	0.2
Certificates of Deposit	0.1
Sub Total Managed Investments	89.8
Total Cash and Investments*	100.0%

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

As of June 30, 2016, the liquid reserve of the discretionary accounts, which totaled approximately $393 million in both book value and market value, was managed internally by LACMTA and had an average maturity of 20 days. LACMTA's Investment Policy prohibits investing in reverse repurchase agreements.

Additional information regarding LACMTA's investments are included in "Note III—DETAILED NOTES ON ALL FUNDS—A. Cash and Investments" in the Notes to the Financial Statements in "APPENDIX B—LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015."

LITIGATION AND OTHER REGULATORY ACTIONS

Sales Tax Litigation

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

Construction Litigation

Tutor-Saliba-Perini ("TSP"), a joint venture construction company, filed suit against LACMTA claiming extra charges under certain Metro Red Line Segment 2 contracts. LACMTA cross-complained for violation of the California False Claims Act and for breaches of contract. The trial on the complaint and cross-complaint concluded in August 2001, with a judgment for LACMTA, which judgment was reversed in January 2005. The case was remanded to the trial court, where LACMTA received a jury verdict in its favor on two of its false claim allegations and entered into a stipulated judgment in favor of TSP on certain of its undisputed claims. Final judgment in the case was entered and appeals were filed. In June 2014, the appellate court issued an opinion which upheld the jury verdict in favor of LACMTA. The opinion remanded the sureties' request for $21,000,000 in attorneys' fees from LACMTA to the trial court. The trial court agreed with LACMTA's argument that the request for attorney's fees was overstated and awarded the sureties $2,143,403. The sureties have appealed. LACMTA does not believe the outcome of the litigation will have a material adverse impact on its ability to pay debt service on any of its obligations.

Kiewit Infrastructure West Co., f/k/a Kiewit Pacific Company, a Delaware corporation, in connection with a design/build contract for the 1-405 Sepulveda Pass Widening Project, claimed damages in the $650 million range. As a result of the recent settlement of a portion of the Kiewit claim, the outstanding claim amount is now approximately $500 million. The parties have entered into a binding arbitration agreement to resolve the disputes. LACMTA does not believe the outcome of the litigation will have a material adverse impact on its ability to pay debt service on any of its obligations.

California Public Employees' Pension Reform Act of 2013

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

On December 30, 2014, the United States District Court ruled that USDOL's determination that PEPRA discontinued collective bargaining rights was arbitrary and capricious, and that USDOL acted in excess of its statutory authority in denying a federal grant application based on PEPRA. With this ruling, the PEPRA exemption for public transit employers under Cal. Gov't Code Section 7522.02(3)(A) expired. USDOL subsequently issued its decision on remand from the Court restating its original opinion that PEPRA and Section 13(c) are in conflict. On August 22, 2016, the District Court issued an order denying the USDOL motion for summary judgment in part, granting the transit agencies' motions for summary judgment in part and granting plaintiffs' leave to amend their supplemental complaint. LACMTA anticipates this litigation between the State, Sacramento RTD and USDOL will ultimately determine whether PEPRA conflicts with Section 13(c).

Although USDOL had refused to certify $99.2 million of LACMTA federal grants, it is now certifying the grants subject to new conditions requiring grantees to restore pre-PEPRA pension benefits or refund the amount of the grants received since January 1, 2015 in the event the PEPRA issue is not resolved. LACMTA agreed to the conditions and is receiving its federal grants.

Local Taxes on Aviation Fuel

Under federal law, local taxes on aviation fuel (except taxes in effect on December 30, 1987) must be used for airport-related purposes, as a condition for receiving federal funding for airports. On November 7, 2014, the Federal Aviation Administration (the "FAA") adopted an amendment to its "Policy and Procedures Concerning the Use of Airport Revenue," which clarifies that local sales taxes derived from aviation fuel are subject to the airport use restriction, and further requires local governments to develop an "action plan" if they are not in compliance with federal law that includes a tracking system for the collection and use of the sales tax revenues. The FAA definition of local sales tax includes the Measure R Sales Tax and the Proposition C Sales Tax, but not the Proposition A Sales Tax, which was approved in November 1980.

LACMTA does not currently segregate Measure R and Proposition C Sales Tax revenues collected on aviation fuel sales or allocate these revenues for airport-related purposes. LACMTA estimates that it receives approximately $18 million per year from Measure R and Proposition C Sales Taxes on aviation fuel. However, LACMTA expends Measure R and Proposition C Sales Tax revenues on a wide-range of highway and transit purposes, some of which support the airports in the County and these expenditures may exceed the amount of Measure R and Proposition C Sales Taxes on aviation fuel that are received by LACMTA. LACMTA filed an action plan with the FAA in December 2015, which includes LACMTA's plan to refine its estimates of Measure R and Proposition C Sales Taxes collected on aviation fuel sales and expenditures on public use airports. At this time, LACMTA cannot predict if the FAA will accept its action plan or if there will be any impact on the types of allowable expenditures made with Measure R and Proposition C Sales Tax revenues collected from aviation fuel sales.

Other Litigation

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

APPENDIX B

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

[This page intentionally left blank.]

APPENDIX C

LOS ANGELES COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

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

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

Los Angeles County

As of January 1, 2016, the County had an estimated population of over 10 million. Los Angeles County is the largest County in the country, and includes over a quarter of the State of California's population. The County covers 4,084 square miles, and includes 88 incorporated cities as well as unincorporated communities with over one million residents.

Population

The table below summarizes the populations of the County and State of California (the "State"), estimated as of January 1 of each year. The population estimates for 2010 and later incorporate 2010 Census counts as the benchmark.

Table C-1

COUNTY AND STATE POPULATION STATISTICS

	County of Los Angeles	Annual Growth Rate[1]	State of California	Annual Growth Rate[1]
2000	9,519,330	–	33,873,086	–
2005	9,816,153	0.62%	35,869,173	1.15%
2010	9,818,605	0.00	37,253,956	0.76
2011	9,847,887	0.06	37,536,835	0.15
2012	9,956,722	0.22	37,881,357	0.18
2013	10,023,753	0.13	38,239,207	0.19
2014	10,093,053	0.14	38,567,459	0.17
2015	10,155,069	0.12	38,907,642	0.18
2016	10,241,335	0.17	39,255,883	0.18

[1] For five-year time series, figures represent average annual growth rate for each of the five years.
Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2001-2010, with 2000 and 2010 Census Counts, Sacramento, California, November 2012. State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2011-2016, with 2010 Census Benchmark. Sacramento, California, May 2016.

Industry and Employment

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

The California Employment Development Department has reported preliminary unemployment figures for March 2016 of 5.6% statewide and 5.0% for Los Angeles County (not seasonally adjusted).

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

	2011	2012	2013	2014	2015
Civilian Labor Force					
County of Los Angeles					
Employed	4,326,100	4,378,800	4,495,700	4,610,800	4,674,800
Unemployed	603,400	535,800	486,600	415,100	336,900
Total	4,929,500	4,914,600	4,982,300	5,025,900	5,011,700
Unemployment Rates					
County	12.2%	10.9%	9.8%	8.3%	6.7%
State	11.7	10.5	8.5	7.5	6.2
United States	8.9	8.1	7.4	6.2	5.3

[1] March 2015 Benchmark report; not seasonally adjusted.
Source: California Employment Development Department, Labor Market Information Division for the State and County; U.S. Bureau of Labor, Department of Labor Statistics for the U.S. Items may not add to totals due to rounding.

[Remainder of page intentionally left blank.]

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

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

	County		State of California	
	2015	% of Total	2015	% of Total
Total Farm	5,000	0.1%	423,300	2.6%
Mining and Logging	3,900	0.1	29,100	0.2
Construction	126,100	2.9	727,400	4.4
Manufacturing	360,800	8.4	1,291,900	7.8
Trade, Transportation and Utilities	817,800	19.1	2,938,300	17.8
Information	202,700	4.7	483,000	2.9
Financial Activities	214,200	5.0	797,400	4.8
Professional and Business Services	600,300	14.0	2,493,800	15.1
Educational and Health Services	742,200	17.3	2,456,200	14.9
Leisure and Hospitality	488,100	11.4	1,830,000	11.1
Other Services	151,700	3.5	545,700	3.3
Government	566,400	13.2	2,458,800	14.9
Total[2]	4,279,200	100.0%	16,474,800	100.0%

[1] The California Economic Development Department has converted employer records from the Standard Industrial Classification coding system to the North American Industry Classification System.
[2] Total may not equal sum of parts due to independent rounding.
Note: Based on surveys distributed to employers; not directly comparable to Civilian Labor Force data reported in Table C-2.
Source: California Employment Development Department, Labor Market Information Division. Based on March 2015 Benchmark report released April 15, 2016.

[Remainder of page intentionally left blank.]

Personal Income

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

The following table sets forth the estimate of personal income for the County, State and United States from 2010 to 2015.

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

Year and Area	Personal Income[1] (thousands of dollars)	Per Capita Personal Income[1] (dollars)
2010		
County[2]	$ 418,046,367	$42,540
State[3]	1,583,446,730	42,411
United States[3]	12,459,613,000	40,277
2011		
County[2]	$ 441,724,254	$44,627
State[3]	1,691,002,503	44,852
United States[3]	13,233,436,000	42,453
2012		
County[2]	$ 475,931,985	$47,713
State[3]	1,812,314,643	47,614
United States[3]	13,904,485,000	44,266
2013		
County[2]	$ 478,371,346	$47,580
State[3]	1,849,505,496	48,125
United States[3]	14,064,468,000	44,438
2014		
County[2]	$ 499,767,889	$49,400
State[3]	1,939,527,656	49,985
United States[3]	14,683,147,000	46,049
2015		
County	n/a	n/a
State[3]	$ 2,061,337,141	$52,651
United States[3]	15,324,108,725	47,669

[1] Per capita personal income was computed using Census Bureau midyear population estimates. Per capita personal income is total personal income divided by total midyear population.

[2] Last updated: November 19, 2015—new estimates for 2014; revised estimates for 2010 - 2013 for the County. Estimates for 2010-2014 reflect county population estimates available as of March 2015. Source: U.S. Bureau of Economic Analysis, “Table CA1 - Personal Income Summary,” (accessed January 5, 2016).

[3] Last updated: March 24, 2016—new estimates for 2015 for the State and United States. Estimates for 2010-2014 reflect Census Bureau midyear state population estimates available as of December 2014. Estimates for 2015 are derived from the quarterly state population estimates produced by BEA based on unpublished Census Bureau data.

Source: U.S. Bureau of Economic Analysis, “Table SA1 - Personal Income Summary,” (accessed April 21, 2016).

Retail Sales

The following table sets forth taxable sales for the County for calendar years 2009 through 2014, with 2014 being the last full year for which data are currently available.

Table C-5
COUNTY OF LOS ANGELES
TAXABLE SALES
(in thousands)

	2010	2011	2012	2013	2014
Motor Vehicle and Parts Dealers	$ 11,285,457	$ 12,686,384	$ 14,479,392	$ 15,543,657	$ 16,564,553
Furniture and Home Furnishings Stores	2,158,334	2,321,830	2,441,922	2,568,630	2,734,737
Electronics and Appliance Stores	3,454,412	3,416,744	3,570,668	3,576,308	4,040,534
Bldg, Materials & Garden Equipment & Supplies	6,129,586	6,306,814	6,510,966	6,558,312	6,971,149
Food and Beverage Stores	5,405,254	5,591,250	5,824,815	6,051,754	6,279,795
Health and Personal Care Stores	2,773,004	2,998,946	3,163,312	3,306,274	3,414,941
Gasoline Stations	11,012,642	13,394,467	14,037,507	13,817,056	13,265,979
Clothing and Clothing Accessories Stores	7,607,711	8,356,612	9,166,549	9,926,558	10,560,952
Sporting Goods, Hobby, Book, and Music Stores	2,448,246	2,478,020	2,454,806	2,487,061	2,460,392
General Merchandise Stores	10,369,383	10,866,531	11,157,997	11,463,750	11,557,051
Miscellaneous Store Retailers	4,449,560	4,649,598	4,798,211	4,953,245	5,204,656
Nonstore Retailers	790,565	897,596	1,200,322	1,906,573	2,170,084
Food Services and Drinking Places	14,291,264	15,286,655	16,512,136	17,481,996	18,964,996
Total Retail and Food Services	82,175,416	89,251,447	95,318,603	99,641,174	104,189,819
All other outlets[1]	34,766,918	37,189,291	39,976,979	40,438,534	43,257,109
TOTAL ALL OUTLETS[2]	$116,942,334	$126,440,737	$135,295,582	$140,079,708	$147,446,927

[1] Primarily manufacturing and wholesale businesses.
[2] Items may not add to totals due to rounding.
Source: California State Board of Equalization, Research and Statistics Division.

[This page intentionally left blank.]

APPENDIX D

MEASURE R ORDINANCE

APPENDIX E

SUMMARY OF LEGAL DOCUMENTS; DEFINITIONS

The following is a brief summary of certain provisions of the Trust Agreement and the 2016-A Supplemental Agreement and is supplemental to the summary of other provisions of such documents elsewhere in this Official Statement. This summary is not intended to be definitive and is qualified in its entirety by reference to the full text of the Trust Agreement and the 2016-A Supplemental Agreement. Copies of said documents are available from LACMTA.

APPENDIX F

PROPOSED FORM OF BOND COUNSEL'S OPINION

[This page intentionally left blank.]

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate") is executed and delivered by the Los Angeles County Metropolitan Transportation Authority (the "Authority") in connection with the issuance of its $____________ Measure R Senior Sales Tax Revenue Bonds, Series 2016-A (the "Series 2016-A Bonds") pursuant to the terms of the Agreement (as defined herein). The Authority covenants and agrees as follows:

Section 1. Definitions.

"*Agreement*" means, collectively, the Amended and Restated Trust Agreement, dated as of February 1, 2014, as amended and supplemented, between the Authority and U.S. Bank National Association, as trustee (the "*Trustee*"), and the ____________ Supplemental Trust Agreement, dated as of December 1, 2016, by and between the Authority and the Trustee.

"*Annual Information*" means the information specified in Section 4 hereof.

"*EMMA System*" means the MSRB's Electronic Municipal Market Access system or any successor nationally recognized municipal securities information repositories recognized by the Securities and Exchange Commission for the purposes referred to in Rule 15c2-12.

"*Holder*" means any registered owner of Series 2016-A Bonds and any beneficial owner of Series 2016-A Bonds within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

"*Listed Events*" means any of the events listed in Section 5 hereof.

"*MSRB*" means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"*Official Statement*" means the Official Statement, dated __________, 2016, prepared and distributed in connection with the issuance of the Series 2016-A Bonds.

"*Rule 15c2-12*" means Rule 15c2-12, as amended through the date of this Certificate, as promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

Section 2. Purpose of the Certificate. This Certificate is being executed and delivered by the Authority pursuant to Rule 15c2-12 for the benefit of the Holders of the Series 2016-A Bonds in order to assist the participating underwriters in complying with Rule 15c2-12.

Section 3. Provision of Annual Information.

(a) The Authority shall, not later than 195 days following the end of each Fiscal Year of the Authority (which Fiscal Year currently ends on June 30), commencing with the report for Fiscal Year 2016, provide to the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, the Annual Information relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 hereof, which Annual Information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 hereof; provided that any audited financial statements may be submitted separately from the balance of the Annual Information and later than the date required above for the filing of the Annual Information if they are not available by that date. If the Fiscal Year for the Authority changes, the Authority shall give notice of such change in the same manner as for a Listed Event under Section 5(e) hereof.

(b) If in any year, the Authority does not provide the Annual Information to the MSRB by the time specified above, the Authority shall instead file a notice to the MSRB through the EMMA System stating that the Annual Information has not been timely completed and, if known, stating the date by which the Authority expects to file the Annual Information.

Section 4. Content of Annual Information. The Annual Information shall contain or incorporate by reference the following:

(a) The audited financial statements of the Authority for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as in effect from time to time and as applied to governmental units. If the Authority's audited financial statements are not available by the time the Annual Information is required to be filed pursuant to Section 3(a) hereof, the Annual Information shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Information when they become available.

(b) Updated historical information of the type set forth in "TABLE 4—Historic Net Measure R Tax Receipts" of the Official Statement; and

(c) Updated information of the type set forth in "TABLE [__]—Combined Debt Service Schedule" of the Official Statement, but only the information in the columns entitled "Principal," "Interest" and "Total Debt Service" under the heading "Series 2016-A Bonds Debt Service" and in the column entitled "Total Debt Service on Senior Bonds" and only to the extent the information in these columns has changed.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, that have been submitted to the MSRB through the EMMA System.

Section 5. Reporting of Listed Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2016-A Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions with respect to the tax status of the Series 2016-A Bonds or the issuance by the Internal Revenue Service of proposed or final determination

of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Series 2016-A Bonds;

6. Tender offers;

7. Defeasances;

8. Rating changes; or

9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2016-A Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2016-A Bonds or other material events affecting the tax status of the Series 2016-A Bonds;

2. Modifications to rights of the Owners of the Series 2016-A Bonds;

3. Optional, unscheduled or contingent bond calls;

4. Release, substitution or sale of property securing repayment of the Series 2016-A Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The Authority shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a) hereof, as provided in Section 3 hereof.

(d) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the Authority shall determine if such event would be material under applicable federal securities laws.

(e) If the Authority learns of an occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the Authority shall within ten business days of occurrence file a notice of such occurrence with the MSRB through the EMMA System in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2016-A Bonds pursuant to the Agreement.

Section 6. Remedies. If the Authority shall fail to comply with any provision of this Certificate, then any Holder may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding in law or in equity, this Certificate against the Authority and any of the officers, agents and employees of the Authority, and may compel the Authority or any such officers, agents or employees to perform and carry out their duties under this Certificate; provided that the sole and exclusive remedy for breach of this Certificate shall be an action to compel specific performance of the obligations of the Authority hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and, provided further, that any challenge to the adequacy of any information provided pursuant to Section 4 or 5 hereof may be brought only by the Holders of 25% in aggregate principal amount of the Series 2016-A Bonds at the time outstanding. A failure by the Authority to comply with the provisions of this Certificate shall not constitute an Event of Default under the Agreement.

Section 7. Parties in Interest. This Certificate is executed and delivered solely for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 8. Amendment. Without the consent of any Holders of Series 2016-A Bonds, the Authority at any time and from time to time may enter into any amendments or changes to this Certificate for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 or any authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Authority and the assumption by any such successor of the covenants of the Authority hereunder;

(d) to add to the covenants of the Authority for the benefit of the Holders, or to surrender any right or power herein conferred upon the Authority; or

(e) to modify the contents, presentation and format of the Annual Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Authority, or type of business conducted; provided that (i) the certificate, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the offering of the Series 2016-A Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances; and (ii) the amendment or change does not materially impair the interests of Holders, as determined either by a party unaffiliated with the Authority (such as bond counsel), or by the vote or consent of Holders of a majority in outstanding principal amount of the Series 2016-A Bonds on or prior to the time of such amendment or change.

Section 9. Termination of Obligation. This Certificate shall remain in full force and effect until such time as all principal of and interest on the Series 2016-A Bonds shall have been paid in full or legally defeased pursuant to the Agreement. Upon any such legal defeasance, the Authority shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Series 2016-A Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 10. Governing Law. THIS CERTIFICATE SHALL BE GOVERNED BY THE LAWS OF CALIFORNIA DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW.

IN WITNESS WHEREOF, the undersigned has executed this Continuing Disclosure Certificate this ____ day of ____________, 2016.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By ____
Treasurer

[This page intentionally left blank.]

APPENDIX H

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the subcaption "—General" below has been provided by DTC. LACMTA makes no representations as to the accuracy or completeness of such information. The beneficial owners of the Series 2016-A Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER LACMTA NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2016-A BONDS UNDER THE TRUST AGREEMENT, (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2016-A BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT OF ANY AMOUNT WITH RESPECT TO THE OWNER OF THE SERIES 2016-A BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF SERIES 2016-A BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

DTC will act as securities depository for the Series 2016-A Bonds. The Series 2016-A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2016-A Bond certificate will be issued for each maturity of the Series 2016-A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2016-A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016-A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2016-A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016-A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2016-A Bonds, except in the event that use of the book-entry system for the Series 2016-A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016-A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016-A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016-A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016-A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2016-A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016-A Bonds, such as redemptions, tenders, defaults and proposed amendments to the Series 2016-A Bond documents. For example, Beneficial Owners of Series 2016-A Bonds may wish to ascertain that the nominee holding the Series 2016-A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

While the Series 2016-A Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Series 2016-A Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2016-A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to LACMTA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2016-A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2016-A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from LACMTA, the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or LACMTA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of LACMTA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2016-A Bonds at any time by giving reasonable notice to LACMTA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Series 2016-A Bonds are required to be printed and delivered.

LACMTA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Series 2016-A Bonds will be printed and delivered to DTC.

The information in this Appendix H concerning DTC and DTC's book-entry system has been obtained from sources that LACMTA believes to be reliable, but neither LACMTA nor the Underwriters take any responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2016-A BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

In the event that the book-entry-only system is discontinued, payments of principal of and interest on the Series 2016-A Bonds and payment of the maturity amount of the Series 2016-A Bonds will be payable as described herein under the caption "DESCRIPTION OF THE SERIES 2016-A BONDS—General."

[This page intentionally left blank.]