

**FEE AGREEMENT
DATED AS OF [_____, 2017]**

Reference is hereby made to (i) the Letter of Credit Reimbursement Agreement dated as of [_____, 2017 (as amended, supplemented, restated or otherwise modified from time to time the “*Agreement*”), between the Los Angeles County Metropolitan Transportation Authority (the “*Authority*”) and Citibank, N.A. (the “*Bank*”), relating to the Los Angeles County Metropolitan Transportation Authority Second Subordinate Sales Tax Revenue Commercial Paper Notes, Series A-T-Citi and the Los Angeles County Metropolitan Transportation Authority Second Subordinate Sales Tax Revenue Commercial Paper Notes, Series A-TE-Citi (collectively, the “*Notes*”) and (ii) the Irrevocable Letter of Credit No. [_____] dated [_____, 2017, issued by the Bank pursuant to the Agreement and supporting the Notes. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Agreement is to confirm the agreement between the Bank and the Authority with respect to certain fees payable by the Authority to the Bank pursuant to the Agreement. This Fee Agreement is the Fee Agreement referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement. This Fee Agreement and the Agreement are to be construed as one agreement between the Authority and the Bank, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Agreement.

ARTICLE I. FEES.

Section 1.1. Letter of Credit Fee. The Authority hereby agrees to pay or cause to be paid to the Bank in arrears on October 2, 2017 (for the period from and including the Closing Date to and including September 30, 2017) and on the first Business Day of each January, April, July and October thereafter (each such date referred to herein as a “*Quarterly Payment Date*”) occurring prior to the Termination Date and on the Termination Date, a non-refundable fee (the “*Letter of Credit Fee*”) in an amount, for each day during the related fee period, equal to the product of the Gross Available Amount for each such day in the related fee period and the applicable rate per annum (the “*Letter of Credit Fee Rate*”) specified below for each day during each related fee period. The Letter of Credit Fee shall be payable in immediately available funds and computed on the basis of a year of 360 days and the actual number of days elapsed.

LEVEL	FITCH RATING*	S&P RATING	MOODY’S RATING	LETTER OF CREDIT FEE RATE
Level 1	AA+ or above	AA+ or above	Aa1 or above	0.18%
Level 2	AA	AA	Aa2	0.30%
Level 3	AA-	AA-	Aa3	0.40%

* To the extent Fitch provides a Rating at the request of the Authority

LEVEL	FITCH RATING*	S&P RATING	MOODY'S RATING	LETTER OF CREDIT FEE RATE
Level 4	A+	A+	A1	0.55%
Level 5	A	A	A2	0.70%
Level 6	A- or lower	A- or lower	A3 or lower	0.85%

The term “*Rating*” as used above shall mean the long-term unenhanced debt ratings assigned by each of Fitch (to the extent Fitch provides a Rating at the request of the Authority), S&P and Moody’s to any Senior Lien Bonds (without giving effect to any bond insurance policy or other credit enhancement securing such Senior Lien Bonds). In the event of a split Rating (*i.e.*, one of the foregoing Rating Agency’s Rating is at a different level than the Rating of either of the other Rating Agencies), the Letter of Credit Fees shall be based upon the level in which the lowest rating appears. Any change in the Letter of Credit Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and, in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration or realignment of the long-term unenhanced debt rating of any unenhanced Senior Lien Bonds in connection with the adoption of a “global” rating scale, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Authority acknowledges, and the Bank agrees, that as of the Effective Date, the Letter of Credit Fee Rate is that specified above for Level 1. Upon the occurrence and during the continuance of an Event of Default or in the event that any Rating is suspended, withdrawn, is otherwise unavailable (but excluding any suspension of any such Ratings if the Rating Agency in question stipulates in writing to the Authority and the Bank that the rating action is being taken by such Rating Agency for non-credit related reasons) or is reduced below “A3” (or its equivalent) by Moody’s, “A-” (or its equivalent) by Fitch or “A-” (or its equivalent) by S&P, the Letter of Credit Fee Rate shall automatically increase by 3.00% per annum above the Letter of Credit Fee Rate otherwise in effect. The Letter of Credit Fees shall be payable quarterly in arrears, together with interest on the Letter of Credit Fees from the date payment is due until payment in full at the Default Rate. The Letter of Credit Fee shall be payable in immediately available funds and computed on the basis of a year of 360 days and the actual number of days elapsed.

Section 1.2. Drawing Fee. The Authority agrees to pay to the Bank, quarterly in arrears on each Quarterly Payment Date occurring prior to the Termination Date and on the Termination Date, a drawing fee of \$350 for each Drawing under the Letter of Credit during the quarter ending on each Quarterly Payment Date; *provided, however*, that no such drawing fee shall be due and payable by the Authority to the Bank until the Bank has invoiced the Authority for such drawing fee; *provided, further, however*, that the failure by the Bank to invoice the Authority for such drawing fee shall not relieve the Authority of its obligation to make payment of such

drawing fee and such drawing fee shall be due and payable on the next Quarterly Payment Date after the Bank invoices the Authority for any such drawing fee.

Section 1.3. Transfer Fee. Upon each transfer of the Letter of Credit in accordance with its terms, the Authority agrees to pay to the Bank a transfer fee in an amount equal to \$3,500, plus, in each case, the reasonable fees and expenses of counsel to the Bank, payable on the date of such transfer.

Section 1.4. Amendment Fee. The Authority shall pay to the Bank an amendment fee in a minimum amount equal to \$3,500 or such other amount reasonably determined by the Bank and agreed to by the Authority for any amendment, supplement or modification to the Letter of Credit, the Agreement or any Related Document not requested by the Bank and with respect to any waiver or consent to be provided by the Bank in connection with amendment, supplement or modification to the Letter of Credit, the Agreement or the Related Document, plus the Bank's reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which the Bank may incur by reason of or in connection with such amendment, supplement, modification, waiver or consent, payable not later than the effective date of each such amendment.

Section 1.5. Termination Fee. Notwithstanding anything set forth herein or in the Agreement to the contrary, the Authority agrees not to terminate or replace the Letter of Credit prior to the first (1st) anniversary of the Effective Date (the "*Initial Period*"), without the payment by the Authority to the Bank of a termination fee in an amount equal to (i) the product of (A) the Letter of Credit Fee Rate in effect on the date of termination or replacement, (B) the Gross Available Amount as of the date of termination, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the first (1st) anniversary of the Closing Date, and the denominator of which is 360; *provided further, however*, that no termination fee shall become payable under this Section 1.5 if the Authority terminates or replaces the Letter of Credit pursuant to the terms hereof and the terms of the Agreement as the result of (i) the Bank's senior unsecured short-term ratings having been reduced by any two Rating Agencies below "*A-1*" (or its equivalent) by S&P, "*F1*" (or its equivalent) by Fitch or "*VMIG-1*" (or its equivalent) by Moody's or (ii) the Notes being refinanced with a long-term financing of the Authority.

Section 1.6. Reduction Fees. Notwithstanding the foregoing and anything set forth herein or in the Agreement to the contrary, the Authority agrees not to permanently reduce the Stated Amount of the Letter of Credit during the Initial Period, without the payment by the Authority to the Bank of a reduction fee in connection with each and every permanent reduction of the Stated Amount in an amount equal to the product of (A) the Letter of Credit Fee Rate in effect on the date of such permanent reduction, (B) the difference between the Stated Amount prior to such permanent reduction and the Stated Amount after such permanent reduction, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such permanent reduction to and including the first (1st) anniversary of the Effective Date, and the denominator of which is 360; *provided, however*, that no reduction fee shall become payable under this Section 1.6 if the Authority permanently reduces the Stated Amount of the Letter of Credit pursuant to the terms hereof and of the Agreement as the result of (i) the Bank's senior

unsecured short-term ratings having been reduced by any two Rating Agencies below “A-1” (or its equivalent) by S&P, “F1” (or its equivalent) by Fitch or “VMIG-1” (or its equivalent) by Moody’s or (ii) a portion of the Notes being refinanced with the proceeds of a long-term financing of the Authority.

ARTICLE II. MISCELLANEOUS.

Section 2.1. Out-of-Pocket Expenses; Administration. (a) The Authority shall pay to the Bank promptly upon receipt of a properly detailed invoice any and all reasonable fees and expenses of the Bank (including the out-of-pocket expenses of the Bank, and the reasonable fees of counsel to the Bank, plus disbursements of counsel to the Bank), all payable in accordance with this Fee Agreement. The reasonable fees of counsel to the Bank shall be paid directly to Chapman and Cutler LLP in accordance with the instructions provided by Chapman and Cutler LLP.

(b) The Authority further agrees to pay promptly upon receipt of a properly detailed invoice all of the Bank’s out-of-pocket expenses (including, without limitation, reasonable fees and disbursements of counsel for the Bank) arising in connection with the administration and enforcement of, preservation of rights in connection with a workout, restructuring or default under, or amendment or waiver with respect to the Agreement, the Letter of Credit and the other Related Documents.

Section 2.2. Amendments. No amendment to this Fee Agreement shall become effective without the prior written consent of the Authority and the Bank.

Section 2.3. Governing Law. THIS FEE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA.

Section 2.4. Counterparts. This Fee Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. This Fee Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

Section 2.5. Severability. Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers as of date first set forth above.

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By: _____
Name: _____
Title: _____

CITIBANK, N.A.

By: _____
Name: _____
Title: _____