EXISTING ISSUE REMARKETED (FULL BOOK-ENTRY)

RATINGS: See "RATINGS" herein.

CUSIP No[s]. [59266T EK3, 59266T EH0][59266T CX7]

On [June 2, 2011, the date that Metropolitan issued the 2011 A-1 Bonds and the 2011 A-3 Bonds, which were issued together with the 2011 A-2 Bonds and the 2011 A-4 Bonds (collectively, the "2011A Bonds")][May 20, 2009, the date that Metropolitan issued the 2009A-2 Bonds, which were issued together with the 2009 A-1 Bonds (together, the "2009A Bonds")], Co-Bond Counsel to Metropolitan opined that, under then existing law and assuming compliance with tax covenants made by Metropolitan, and the accuracy of representations and certifications made by Metropolitan, interest on the [2011A][2009A] Bonds was excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and was not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals or corporations. Co-Bond Counsel were of the opinion that interest on the [2011A][2009A] Bonds was, however, included in the adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed on such corporations. Co-Bond Counsel were further of the opinion that interest on the [2011A][2009A] Bonds was exempt from personal income taxes of the State of California. Such opinions spoke only as of their date and have not been updated in connection with this remarketing.

[MWD logo] **$_____**

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Water Revenue Refunding Bonds

(SIFMA Index Mode)

[2011 Series A-1, 2011 Series A-3][2009 Series A-2]

Scheduled Mandatory Tender Date: _____, 20__

Dated Date: _____, 20__ **Price: 100%** **Due: _____, 20__**

The Metropolitan Water District of Southern California ("Metropolitan") is remarketing all of its Water Revenue Refunding Bonds, [2011 Series A-1 (the "2011 A-1 Bonds") and 2011 Series A-3 (the "2011 A-3 Bonds" and, together with the 2011 A-1 Bonds, the "2011 A-1/A-3 Bonds" and each a "Series")][2009 Series A-2 (the "2009 A-2 Bonds")] on _____, 20__. A new Tender Period with respect to [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will commence on _____, 20__, during which [each Series][the 2009 A-2 Bonds] will bear interest in an Index Mode at an Index Tender Rate. The Index Tender Rate [for each Series] will be equal to the sum of (a) the SIFMA Average Index Rate and (b) an Index Spread that the applicable Remarketing Agent will determine [for that Series] on or about _____, 20__ for the new Tender Period. Promptly after the applicable Remarketing Agent determines the Index Spread, Metropolitan will publish it by supplementing this Remarketing Statement and posting the supplement on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system. **See APPENDIX C for definitions of capitalized terms not otherwise defined herein.**

The [2011 A-1/A-3][2009 A-2] Bonds are limited obligations of Metropolitan payable as to principal and interest solely from and secured solely by a pledge of and a lien and charge upon the Net Operating Revenues. Metropolitan's obligation to pay the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bonds tendered for purchase is an unsecured obligation payable solely from the sources specified in this Remarketing Statement. As of November 1, 2013, Metropolitan had outstanding $4.33 billion aggregate principal amount of its Bonds payable from Net Operating Revenues (including the [2011 A-1/A-3][2009 A-2] Bonds). The [2011 A-1/A-3][2009 A-2] Bonds do not constitute general obligation indebtedness of Metropolitan. Neither the general credit nor the taxing power of Metropolitan is pledged for the payment of the [2011 A-1/A-3][2009 A-2] Bonds or the interest thereon or the Purchase Price thereof. The obligation to pay the principal of, interest and redemption premium, if any, on, or the Purchase Price upon a tender for purchase of, the [2011 A-1/A-3][2009 A-2] Bonds does not constitute a pledge, charge, lien or encumbrance upon any of Metropolitan's property or its income, receipts or revenues except as described in this Remarketing Statement.

Metropolitan anticipates that the remarketed [2011 A-1/A-3][2009 A-2] *Bonds will be available for delivery through the facilities of DTC on _____, 20__.*

[Morgan Stanley
as Remarketing Agent for the 2011 A-1 Bonds

Barclays
as Remarketing Agent for the 2011 A-3 Bonds]

[Stifel
as Remarketing Agent]

_____, 20__

MAJOR WATER CONVEYANCE FACILITIES TO SOUTHERN CALIFORNIA

[map to come]

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
Officers of the Board of Directors

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Upper San Gabriel Valley Municipal Water District
MICHAEL TOUHEY

West Basin Municipal Water District
GLORIA D. GRAY
DONALD L. DEAR

Western Municipal Water District of Riverside County
THOMAS P. EVANS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Management

JEFFREY KIGHTLINGER *General Manager*	**MARCIA SCULLY** *General Counsel*	**GERALD C. RISS** *General Auditor*	**DEENA GHALY** *Ethics Officer*
DEBRA C. MAN *Assistant General Manager/Chief Operating Officer*	**GILBERT F. IVEY** *Assistant General Manager/Chief Administrative Officer*	**GARY BREAUX** *Assistant General Manager/Chief Financial Officer*	**ROGER K. PATTERSON** *Assistant General Manager/Strategic Water Initiatives*

DEE ZINKE
Interim Deputy General Manager/External Affairs

DAWN M. CHIN
Board Executive Secretary

Co-Bond Counsel

Nixon Peabody LLP
Los Angeles, California

Curls Bartling P.C.
Oakland, California

Financial Advisor

Public Resources Advisory Group
Los Angeles, California

Paying Agent

Wells Fargo Bank, National Association
Los Angeles, California

Fiscal Agent

Roger N. Marumoto
Metropolitan Treasurer

This Remarketing Statement does not constitute an offer to sell the [2011 A-1/A-3][2009 A-2] Bonds in any state to any person to whom it is unlawful to make such an offer in such state. This Remarketing Statement is not to be construed as a contract with the purchasers of the [2011 A-1/A-3][2009 A-2] Bonds. Metropolitan has not authorized any dealer, broker, salesperson or any other person to give any information or to make any representations other than those contained herein in connection with the remarketing of the [2011 A-1/A-3][2009 A-2] Bonds, and if given or made, investors must not rely on such information or representations.

The information set forth herein has been obtained from Metropolitan and other sources that are believed to be reliable. Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Remarketing Statement nor any sale made hereunder shall, under any circumstances, imply that there has been no change in the affairs of Metropolitan since the date hereof.

The Remarketing Agent[s have] [has] provided the following three sentences for inclusion in this Remarketing Statement. The Remarketing Agent[s have] [has] reviewed the information in this Remarketing Statement in accordance with, and as part of, [their respective][its] responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agent[s do] [does] not guarantee the accuracy or completeness of such information. **In connection with the remarketing of the [2011 A-1/A-3][2009 A-2] Bonds, the Remarketing Agent[s] may overallot or effect transactions which stabilize or maintain the market prices of the [2011 A-1/A-3][2009 A-2] Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.**

CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association, and is set forth herein for convenience of reference only. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. None of Metropolitan, the Remarketing Agent[s] nor the Financial Advisor assume any responsibility for the accuracy of such data.

Statements included or incorporated by reference in the following information constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "project," "expect," "estimate," "budget" or other similar words. The achievement of results or other expectations contained in forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual results may differ from Metropolitan's forecasts. Metropolitan is not obligated to issue any updates or revisions to the forward-looking statements in any event.

Metropolitan maintains a website. However, the information presented on that website is not part of this Remarketing Statement and should not be relied upon in making investment decisions with respect to the [2011 A-1/A-3][2009 A-2] Bonds.

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SUMMARY STATEMENT

Investors must read the entire Remarketing Statement to obtain information essential to making an informed investment decision. This Summary Statement is subject in all respects to the more complete information contained in this Remarketing Statement and should not be considered to be a complete statement of the facts material to making an informed investment decision. Capitalized terms used in this Summary Statement, if not defined herein, have the meanings given such terms in APPENDIX C, the Resolutions or the applicable Paying Agent Agreement.

Metropolitan

The Metropolitan Water District of Southern California ("Metropolitan") is a metropolitan water district created in 1928 by a vote of the electorates of several southern California cities. Metropolitan's primary purpose was and is to provide a supplemental supply of water for domestic and municipal uses and purposes at wholesale rates to its member public agencies. There are 26 member public agencies of Metropolitan, consisting of 14 cities, 11 municipal water districts, and one county water authority. Metropolitan is governed by a 37-member Board of Directors (the "Board"), with each member agency having at least one representative on the Board. Representation and voting rights are based upon the assessed valuation of real property within the jurisdictional boundary of each member agency. Metropolitan imports water from two principal sources, the State Water Project in Northern California, via the California Aqueduct, and the Colorado River, via the Colorado River Aqueduct.

The mission of Metropolitan, as promulgated by the Board, is to provide its service area with adequate and reliable supplies of high quality water to meet present and future needs in an environmentally and economically responsible way. The member agencies of Metropolitan are not currently obligated by contract to purchase water from Metropolitan. For a description of voluntary purchase orders entered into by member agencies, see APPENDIX A – "METROPOLITAN REVENUES – Member Agency Purchase Orders."

For general information regarding Metropolitan, including information regarding Metropolitan's operations and finances, see APPENDIX A – "THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA" and APPENDIX B – "THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS AS OF FISCAL YEARS ENDED JUNE 30, 2013 AND JUNE 30, 2012." For selected demographic and economic information on Metropolitan's service area, see APPENDIX E – "SELECTED DEMOGRAPHIC AND ECONOMIC INFORMATION FOR METROPOLITAN'S SERVICE AREA."

Economy of Metropolitan's Service Area

Metropolitan's service area comprises approximately 5,200 square miles and includes all or portions of the six counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura. For selected demographic and economic information on Metropolitan's service area, see APPENDIX E – "SELECTED DEMOGRAPHIC AND ECONOMIC INFORMATION FOR METROPOLITAN'S SERVICE AREA."

[Authorization for the 2011 A-1/A-3 Bonds

Metropolitan issued its Water Revenue Refunding Bonds, 2011 Series A-1 (the "2011 A-1 Bonds") and 2011 Series A-3 (the "2011 A-3 Bonds" and, together with the 2011 A-1 Bonds, the "2011 A-1/A-3 Bonds" and each a "Series") pursuant to the Metropolitan Water District Act, California

Statutes 1969, Chapter 209, as amended and supplemented (the "Act"), Resolution 8329 adopted on July 9, 1991, as amended and supplemented (the "Master Resolution"), including as amended and supplemented by Resolution 8387 adopted on January 12, 1993 (the "Fourth Supplemental Resolution" and, together with the Master Resolution, the "Resolutions"). The voters in Metropolitan's service area approved Metropolitan's issuance of revenue bonds at a special election held on June 4, 1974, as required by the Act. Bonds issued by Metropolitan pursuant to the Resolutions are referred to herein as the "Bonds." The 2011 A-1/A-3 Bonds are further described in the Paying Agent Agreements, each dated as of June 1, 2011 (each a "Paying Agent Agreement" and together, the "Paying Agent Agreements"), each by and between Metropolitan and Wells Fargo Bank, National Association, as paying agent (the "Paying Agent").]

[Authorization for the 2009 A-2 Bonds

Metropolitan issued the 2009 A-2 Bonds pursuant to the Metropolitan Water District Act, California Statutes 1969, Chapter 209, as amended and supplemented (the "Act"), Resolution 8329 adopted on July 9, 1991, as amended and supplemented (the "Master Resolution"), including as amended and supplemented by Resolution 8387 adopted on January 12, 1993 (the "Fourth Supplemental Resolution" and, together with the Master Resolution, the "Resolutions") and a Paying Agent Agreement, dated as of May 1, 2009 (the "Paying Agent Agreement"), by and between Metropolitan and Wells Fargo Bank, National Association, as paying agent (the "Paying Agent"). The voters in Metropolitan's service area approved Metropolitan's issuance of revenue bonds at a special election held on June 4, 1974, as required by the Act. Bonds issued by Metropolitan pursuant to the Resolutions are referred to herein as the "Bonds."]

Remarketing of the [2011 A-1/A-3][2009 A-2] Bonds and Selected Terms of the [2011 A-1/A-3][2009 A-2] Bonds

Remarketing of the **[2011 A-1/A-3][2009 A-2]** ***Bonds.*** Metropolitan is remarketing all of the [2011 Series A-1 Bonds and all of the 2011 Series A-3 Bonds][2009 A-2 Bonds] in connection with an Index Mode Unscheduled Mandatory Tender pursuant to which Metropolitan will require all of the existing Owners of the [2011 Series A-1 Bonds and the 2011 Series A-3 Bonds][2009 A-2 Bonds] to tender their respective [2011 A-1/A-3][2009 A-2] Bonds for purchase on _____, 20__. Metropolitan intends to pay the Purchase Price of [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds in connection with such Index Mode Unscheduled Mandatory Tender from the proceeds of the remarketing of [such Series of 2011 A-1/A-3][the 2009 A-2] Bonds. The remarketing of [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds upon the Index Mode Unscheduled Mandatory Tender on _____, 20__ is referred to in this Remarketing Statement as the "Remarketing." The Depository Trust Company, New York, New York ("DTC"), is the registered owner of the [2011 A-1/A-3][2009 A-2] Bonds and, as such, it will tender the [2011 A-1/A-3][2009 A-2] Bonds on behalf of the Beneficial Owners upon the Index Mode Unscheduled Mandatory Tender. See APPENDIX D—"BOOK-ENTRY ONLY SYSTEM."

The Remarketing [with respect to each Series] will only occur if Metropolitan purchases all of [such Series of 2011 A-1/A-3][the 2009 A-2] Bonds on _____, 20__ pursuant to the Index Mode Unscheduled Mandatory Tender. Under the terms of [the][each] Paying Agent Agreement, Metropolitan may rescind an Index Mode Unscheduled Mandatory Tender. In addition, Index Mode Unscheduled Mandatory Tenders are conditioned on amounts sufficient to pay the Purchase Price of [a Series of 2011 A-1/A-3][the 2009 A-2] Bonds tendered for purchase being on deposit with the Paying Agent on the Mandatory Purchase Date.

For a more detailed description of Index Mode Unscheduled Mandatory Tenders and the process of the remarketing of [2011 A-1/A-3][2009 A-2] Bonds during the Index Mode, see "DESCRIPTION OF

THE [2011 A-1/A-3][2009 A-2] BONDS–Tender and Purchase of the [2011 A-1/A-3][2009 A-2] Bonds–*Index Mode Unscheduled Mandatory Tender*" and "–Provisions of Paying Agent Agreements Relating to Remarketing and Purchase During Index Mode–*Remarketing and Purchase of [2011 A-1/A-3][2009 A-2] Bonds in Connection with an Index Mode Unscheduled Mandatory Tender*."

This Remarketing Statement describes the [2011 A-1/A-3][2009 A-2] Bonds only while bearing interest in the Index Mode. There are significant differences in the terms of the [2011 A-1/A-3][2009 A-2] Bonds while they bear interest in an Interest Mode other than the Index Mode. This Remarketing Statement is not intended to provide information with respect to a Series of [2011 A-1/A-3][2009 A-2] Bonds bearing interest in an Interest Mode other than the Index Mode. Owners and prospective purchasers of the [2011 A-1/A-3][2009 A-2] Bonds should not rely on this Remarketing Statement for information in connection with any change of the [2011 A-1/A-3][2009 A-2] Bonds to a different Interest Mode.

[2011 A-1/A-3][2009 A-2] Bonds in the Index Mode. Following the Remarketing, the [2011 A-1/A-3][2009 A-2] Bonds will bear interest in the Index Mode. Accordingly, [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will be subject to all of the terms and provisions of the applicable Paying Agent Agreement governing [such Series][the 2009 A-2 Bonds] in the Index Mode. This includes provisions of [the][each] Paying Agent Agreement that (a) require the Owners of the [2011 A-1/A-3][2009 A-2] Bonds to tender their [2011 A-1/A-3][2009 A-2] Bonds for Purchase on any Scheduled Mandatory Tender Date for the New Tender Period, on any Unscheduled Mandatory Tender Date from and after the Call Protection Date for the New Tender Period and on other dates described in this Remarketing Statement and (b) permit Metropolitan to redeem or change the Interest Mode with respect to the [2011 A-1/A-3][2009 A-2] Bonds from and after the Call Protection Date for the New Tender Period.

Establishment of a New Tender Period. Upon the Remarketing, the existing Tender Period for [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will terminate and a new Tender Period [for each Series] will commence (such new Tender Period is referred to herein as the "New Tender Period"). For a more detailed description of Tender Periods, see "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Interest Rate Provisions–*Tender Periods.*"

Determination and Notification of Index Spread. [The][Each] Remarketing Agent will determine the Index Spread for the [applicable Series of 2011 A-1/A-3][2009 A-2] Bonds for the New Tender Period on or about _____, 20__. [The][Each] Remarketing Agent must determine an Index Spread [for such Series] that will be equal to the minimum fixed per annum interest rate spread to SIFMA (based on an examination of tax exempt obligations comparable, in the reasonable judgment of the Remarketing Agent, to [the 2009A-2 Bonds][such Series] and known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) which, if borne by [the 2009A-2 Bonds][such Series], would enable [the][such] Remarketing Agent to sell all of [the 2009 A-2 Bonds][such Series] on _____, 20__ at a Purchase Price equal to the principal amount thereof. Promptly after the Remarketing Agent[s] determine[s] the applicable Index Spread for the New Tender Period, Metropolitan will publish it by supplementing this Remarketing Statement and posting the supplement on the EMMA System.

Interest Rate During the New Tender Period. During the New Tender Period, [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will bear interest at the Index Tender Rate; provided, however, that, during a Purchase Default Period, all of the [2011 A-1/A-3][2009 A-2] Bonds [of the affected Series] will bear interest at the Purchase Default Rate until the termination of the Purchase Default Period. The Index Tender Rate for the New Tender Period [for a Series] will be the rate of interest, determined for any Index Rate Accrual Period, equal to the sum of (a) the SIFMA Average Index Rate calculated for such Index

Rate Accrual Period and (b) the Index Spread that the Remarketing Agent [for such Series] determines on or about _____, 20__.

During the New Tender Period, Metropolitan will pay interest on [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds on (a) the first Business Day of each calendar month, commencing _____, 20__, (b) each Mandatory Purchase Date in connection with an Index Mode Unscheduled Mandatory Tender [for such Series] and (c) each Scheduled Mandatory Tender Date [for such Series].

For a description of the terms relating to interest on the [2011 A-1/A-3][2009 A-2] Bonds, see "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Interest Rate Provisions." For a description of the process by which the Remarketing Agent[s] will determine the Index Spread for the New Tender Period, see "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Provisions of Paying Agent Agreements Relating to Remarketing and Purchase During Index Mode–*Remarketing and Purchase of* [2011 A-1/A-3][2009 A-2] *Bonds in Connection with an Index Mode Unscheduled Mandatory Tender*–Determination of Index Spread."

Scheduled Mandatory Tender Date. The Scheduled Mandatory Tender Date for the New Tender Period for [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will be _____, 20__, and for each subsequent Tender Period, will be the date that Metropolitan determines pursuant to the provisions of the applicable Paying Agent Agreement. See "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Provisions of Paying Agent Agreements Relating to Remarketing and Purchase During Index Mode."

Call Protection Date. The Call Protection Date for the New Tender Period for [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will be _____, 20__. For any subsequent Tender Period, the Call Protection Date with respect to [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will be the applicable Standard Call Protection Date unless Metropolitan determines a different date. See "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Provisions of Paying Agent Agreements Relating to Remarketing and Purchase During Index Mode."

Notification Following Remarketing. Within two (2) Business Days after the Remarketing, the Paying Agent will deliver a notice by first-class United States mail, postage prepaid, to the Owners of [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds at their respective addresses appearing on the registration books and one or more Information Services (currently, the EMMA System), which will state: (a) that the immediately preceding Tender Period [for such Series] has terminated; (b) that the New Tender Period [for such Series] has commenced; (c) the day on which the Scheduled Mandatory Tender Date [for such Series] will occur with respect to the New Tender Period; (d) the day on which the Call Protection Date [for such Series] will occur with respect to the New Tender Period; and (e) the Index Spread that the Remarketing Agent [for such Series] determined. Absent manifest error, upon delivery of such notice, the Tender Period [for each Series] in effect immediately preceding the Remarketing will be deemed to have terminated and the New Tender Period will be deemed to have commenced.

Book-Entry Only

The [2011 A-1/A-3][2009 A-2] Bonds will be sold to the purchasers in the Remarketing as fully registered bonds and will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the remarketed [2011 A-1/A-3][2009 A-2] Bonds. Purchasers will not receive certificates representing [2011 A-1/A-3][2009 A-2] Bonds purchased by them. Metropolitan will pay principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds directly to DTC as the registered owner of the [2011 A-1/A-3][2009 A-2] Bonds. Payments of the Purchase Price for any [2011 A-1/A-3][2009 A-2] Bonds will be paid directly to DTC as the registered owner of the [2011 A-1/A-3][2009 A-2] Bonds.

Upon receipt of payments of principal, interest or Purchase Price, DTC is obligated to remit such payments of principal, interest and Purchase Price to the DTC Participants for subsequent disbursement to the Beneficial Owners of the [2011 A-1/A-3][2009 A-2] Bonds. See APPENDIX D – "BOOK-ENTRY ONLY SYSTEM."

Redemption of the [2011 A-1/A-3][2009 A-2] Bonds

Optional Redemption. While the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] bear interest in the Index Mode, [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will be subject to optional redemption by Metropolitan in whole or in part, in Authorized Denominations, during the applicable Tender Period [for such Series], on any Business Day on or after the applicable Call Protection Date for such Tender Period at a redemption price equal to 100% of the principal being redeemed plus accrued interest, if any, to such Redemption Date, without premium; *provided, however,* that, during a Purchase Default Period, the affected [Series of 2011 A-1/A-3][2009 A-2] Bonds will not be subject to optional redemption. See "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Redemption of the [2011 A-1/A-3][2009 A-2] Bonds–*Optional Redemption of [2011 A-1/A-3][2009 A-2] Bonds in the Index Mode*."

Mandatory Sinking Fund Redemption. [Each Series of 2011 A-1/A-3][The 2009 A-2] Bonds will be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal being redeemed plus accrued interest, if any, to the Redemption Date from Mandatory Sinking Account Payments which will have been deposited in the Bond Service Fund. See "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Redemption of the [2011 A-1/A-3][2009 A-2] Bonds–*Mandatory Sinking Fund Redemption of [2011 A-1/A-3][2009 A-2] Bonds*."

Special Mandatory Redemption. During any Purchase Default Period with respect to any Series, the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will be subject to special mandatory redemption prior to maturity at a redemption price equal to 100% of the principal being redeemed plus accrued interest, if any, to the Redemption Date from Special Mandatory Redemption Payments which will have been deposited in the Bond Service Fund; *provided, however,* that, upon the termination of such Purchase Default Period, the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will no longer be subject to special mandatory redemption. See "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Redemption of the [2011 A-1/A-3][2009 A-2] Bonds–*Special Mandatory Redemption of [2011 A-1/A-3][2009 A-2] Bonds*."

Selection of [2011 A-1/A-3][2009 A-2] Bonds for Redemption. Other than a redemption of the [2011 A-1/A-3][2009 A-2] Bonds pursuant to a special mandatory redemption, in the case of redemption in part, the Paying Agent will select the [2011 A-1/A-3][2009 A-2] Bonds to be redeemed by lot. In the case of any redemption of [2011 A-1/A-3][2009 A-2] Bonds pursuant to a special mandatory redemption, the Paying Agent will select the [2011 A-1/A-3][2009 A-2] Bonds to be redeemed on a pro rata basis from all Owners, calculated based on the Outstanding principal amount of the [2011 A-1/A-3][2009 A-2] Bonds held by each Owner compared to the total amount of [2011 A-1/A-3][2009 A-2] Bonds Outstanding on the Record Date in respect of the applicable Redemption Date.

Tender and Purchase of the [2011 A-1/A-3][2009 A-2] Bonds

While the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] bear interest in the Index Mode, the Owners of all of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] must tender for purchase, and Metropolitan must purchase, all of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] on the Scheduled Mandatory Tender Date of each Tender Period [for such Series]. While the [2011 A-1/A-3][2009 A-2] Bonds bear interest in the Index Mode, during each Tender Period applicable

for [a Series of 2011 A-1/A-3][the 2009 A-2] Bonds, [such Series][the 2009 A-2 Bonds] will be subject to mandatory tender for purchase (in whole but not in part), pursuant to an Index Mode Unscheduled Mandatory Tender, on the Mandatory Purchase Date at a Purchase Price equal to the principal amount thereof, on any Business Day from and after the Call Protection Date [for such Series]. See "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Tender and Purchase of the [2011 A-1/A-3][2009 A-2] Bonds."

Event of Default and Purchase Default Period

If Metropolitan does not pay the Purchase Price of all of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] pursuant to an Index Mode Scheduled Mandatory Tender, then such failure will be an "Event of Default" under the applicable Paying Agent Agreement and a Purchase Default Period [for such Series] will commence.

During a Purchase Default Period with respect to [a Series of 2011 A-1/A-3][the 2009 A-2] Bonds, the following will apply:

(a) All of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will bear interest at the Purchase Default Rate, which will be a per annum rate equal to the lower of (i) twelve percent (12%) and (ii) the higher of (A) eight percent (8%) and (B) the Prime Rate plus three percent (3%);

(b) The [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will not be subject to optional redemption (but as provided in (f) below, Metropolitan will remain obligated to purchase the [2011 A-1/A-3][2009 A-2] Bonds [of such Series]);

(c) The [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will remain subject to Mandatory Sinking Fund Redemption;

(d) The [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will be subject to special mandatory redemption on the dates and in the principal amounts as set forth below under the caption "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Redemption of the [2011 A-1/A-3][2009 A-2] Bonds–*Special Mandatory Redemption of [2011 A-1/A-3][2009 A-2] Bonds*";

(e) Metropolitan will not require the Owners to tender their [2011 A-1/A-3][2009 A-2] Bonds [of such Series] for purchase as set forth below under the caption "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Tender and Purchase of the [2011 A-1/A-3][2009 A-2] Bonds";

(f) Metropolitan will continue to be obligated to purchase all of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] at the Purchase Price, notwithstanding, and in addition to, its obligation to redeem Outstanding [2011 A-1/A-3][2009 A-2] Bonds [of such Series] from Special Mandatory Redemption Payments; and

(g) If Metropolitan pays the Purchase Price, on any date, of all or any portion of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], the Owners thereof will be obligated to sell and deliver their [2011 A-1/A-3][2009 A-2] Bonds to Metropolitan.

Notwithstanding the foregoing, the failure of Metropolitan to pay the Purchase Price of all of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will not constitute an Event of Default under the Master Resolution or under any other provision of the Resolutions.

Security for the [2011 A-1/A-3][2009 A-2] Bonds

The [2011 A-1/A-3][2009 A-2] Bonds are limited obligations of Metropolitan payable as to principal and interest thereon solely from and secured solely by a pledge of and a lien and charge upon the Net Operating Revenues. Net Operating Revenues are revenues received by Metropolitan from charges for the sale or availability of water after payment of Operation and Maintenance Expenditures as described herein. Metropolitan will pay the principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds on parity with its other Bonds (the "Parity Bonds"). As of November 1, 2013, Metropolitan had $4.33 billion aggregate principal amount of Bonds (including the [2011 A-1/A-3][2009 A-2] Bonds) outstanding. Metropolitan also will pay the principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds on parity with the existing Parity Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS."

Metropolitan's obligation to pay the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bonds tendered for purchase is an unsecured obligation of Metropolitan payable solely from the sources specified in this Remarketing Statement. The [2011 A-1/A-3][2009 A-2] Bonds do not constitute general obligation indebtedness of Metropolitan. Neither the general credit nor the taxing power of Metropolitan is pledged for the payment of the [2011 A-1/A-3][2009 A-2] Bonds or the interest thereon or the Purchase Price thereof. The obligation to pay the principal of, interest and redemption premium, if any, on, or the Purchase Price upon a tender for purchase of, the [2011 A-1/A-3][2009 A-2] Bonds does not constitute a pledge, charge, lien or encumbrance upon any of Metropolitan's property or its income, receipts or revenues except as described in this Remarketing Statement.

Metropolitan has established reserve funds for some of the series of outstanding Bonds, but Metropolitan did not fund a reserve fund for the [2011 A-1/A-3][2009 A-2] Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS–No Reserve Fund Moneys."

Rate Covenant

Metropolitan covenants under the Master Resolution that it will prescribe, revise and collect rates and charges for the services, facilities, availability and water of the Water System which, after making allowances for contingencies and error in estimates, will provide Operating Revenues, together with any Additional Revenues, at least sufficient to pay, in the following order of priority: (1) Operation and Maintenance Expenditures; (2) the interest on and Bond Obligation (including Mandatory Sinking Account Payments and Special Mandatory Redemption Payments) of the Outstanding Bonds and Parity Obligations as they become due and payable; (3) all other payments required for compliance with the Master Resolution or any Supplemental Resolution; and (4) all other payments required to meet any other obligations of Metropolitan which are charges, liens or encumbrances upon or payable from the Net Operating Revenues. Metropolitan is required to take into account in setting its rates and charges the amount of any scheduled payments of principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds, including any Mandatory Sinking Fund Payments and, during any Purchase Default Period, Special Mandatory Redemption Payments. Metropolitan is not required to take into account the amount of any Purchase Price of any tendered [2011 A-1/A-3][2009 A-2] Bonds in setting its rates and charges. See "SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS–Rate Covenant."

Additional Indebtedness

Metropolitan covenants in the Master Resolution that no additional bonds, notes or other evidences of indebtedness payable out of Operating Revenues will be issued having any priority in payment of principal, redemption premium, if any, or interest over the [2011 A-1/A-3][2009 A-2] Bonds, the Parity Bonds or the Parity Obligations.

As provided in the Resolutions, Metropolitan may issue additional Parity Bonds and Parity Obligations payable and secured on parity with the [2011 A-1/A-3][2009 A-2] Bonds, the Parity Bonds and the existing Parity Obligations to finance the costs of improvements to the Water System or to refund any bond or other indebtedness of Metropolitan, subject to the limitations, terms and conditions of the Master Resolution. Metropolitan may also incur obligations junior and subordinate to the [2011 A-1/A-3][2009 A-2] Bonds or any Parity Bonds or Parity Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS–Additional Indebtedness."

Metropolitan has obligations under interest rate swap agreements, which obligations (other than with respect to termination payments under some of such swap agreements) are payable on parity with Metropolitan's obligation to pay principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds and the Parity Bonds. See APPENDIX A under the caption "METROPOLITAN EXPENDITURES–Variable Rate and Swap Obligations."

Continuing Disclosure

Metropolitan agreed to provide with respect to the [2011 A-1/A-3][2009 A-2] Bonds, or to cause to be provided, to the EMMA System, for purposes of Rule 15c2–12(b)(5) (the "Rule") adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, annual financial information and operating data relating to Metropolitan and, in a timely manner, notice of certain events. These covenants were made in order to assist [Stifel, Nicolaus & Company, Incorporated, as the underwriter for the 2009 A-2 Bonds][Morgan Stanley & Co. LLC, as underwriter for the 2011 A-1 Bonds, and Barclays Capital Inc., as underwriter for the 2011 A-3 Bonds] in complying with the Rule. See "CONTINUING DISCLOSURE" and APPENDIX G – "COPY OF CONTINUING DISCLOSURE UNDERTAKING."

Metropolitan has not failed in the previous five years to comply in any material respect with any previous undertaking to provide annual reports or notices of certain events in accordance with the Rule except perhaps insofar as Metropolitan supplemented its annual report for 2008 on February 4, 2009 with respect to its Water Revenue Bonds to provide additional information not included in its annual report timely filed on December 12, 2008 and supplemented its annual reports for 2008 and 2011 with respect to its General Obligation Bonds to provide additional regional assessed valuation information omitted from those timely filed annual reports. As of the date hereof, Metropolitan is in compliance in all material respects with its undertakings with regard to the provision of annual reports and notices of certain events as required by the Rule. Metropolitan has implemented additional procedures to file complete annual reports in the future.

Miscellaneous

The summaries of and references to the Act and all resolutions, documents, statutes, reports and other information referred to herein do not purport to be complete, comprehensive or definitive and each such summary or reference is qualified in its entirety by reference to the Act and such resolutions, documents, statutes, reports and other information. Copies of such information may be obtained from the

Assistant General Manager/Chief Financial Officer of The Metropolitan Water District of Southern California at 700 North Alameda Street, Los Angeles, California 90012; telephone (213) 217-7121.

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REMARKETING STATEMENT

$_____
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
Water Revenue Refunding Bonds
(SIFMA Index Mode)
[2011 Series A-1, 2011 Series A-3][2009 Series A-2]

INTRODUCTION

Metropolitan is remarketing all of its Water Revenue Refunding Bonds, [2011 Series A-1 (the "2011 A-1 Bonds") and 2011 Series A-3 (the "2011 A-3 Bonds" and, together with the 2011 A-1 Bonds, the "2011 A-1/A-3 Bonds" and each a "Series")][2009 Series A-2 (the "2009 A-2 Bonds")] in connection with an Index Mode Unscheduled Mandatory Tender pursuant to which Metropolitan will require all of the existing Owners of the [2011 Series A-1 Bonds and the 2011 Series A-3 Bonds][2009 Series A-2 Bonds] to tender their respective [2011 A-1/A-3][2009 A-2] Bonds for purchase on _____, 20__. Metropolitan intends to pay the Purchase Price of [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds in connection with such Index Mode Unscheduled Mandatory Tender from the proceeds of the remarketing of [such Series of 2011 A-1/A-3][the 2009 A-2] Bonds. The remarketing of [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds upon the Index Mode Unscheduled Mandatory Tender on _____, 20__ is referred to in this Remarketing Statement as the "Remarketing." Upon the Remarketing, a new Tender Period with respect to [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will commence during which [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will bear interest in an Index Mode.

This Remarketing Statement describes the [2011 A-1/A-3][2009 A-2] Bonds only while bearing interest in the Index Mode. There are significant differences in the terms of the [2011 A-1/A-3][2009 A-2] Bonds while they bear interest in an Interest Mode other than the Index Mode. This Remarketing Statement is not intended to provide information with respect to [a Series of 2011 A-1/A-3][the 2009 A-2] Bonds bearing interest in an Interest Mode other than the Index Mode. Owners and prospective purchasers of the [2011 A-1/A-3][2009 A-2] Bonds should not rely on this Remarketing Statement for information in connection with any change of the [2011 A-1/A-3][2009 A-2] Bonds to a different Interest Mode.

[Metropolitan issued the 2011 A-1/A-3 Bonds on June 2, 2011, pursuant to the Metropolitan Water District Act, California Statutes 1969, Chapter 209, as amended and supplemented, and Chapter 3 of Part 1, Division 2, Title 5 of the California Government Code, as amended (the "Act"), Resolution 8329 adopted on July 9, 1991, as amended and supplemented (the "Master Resolution"), including as amended and supplemented by Resolution 8387 adopted on January 12, 1993 (the "Fourth Supplemental Resolution" and, together with the Master Resolution, the "Resolutions"). The voters in Metropolitan's service area approved Metropolitan's issuance of revenue bonds at a special election held on June 4, 1974, as required by the Act. Bonds issued by Metropolitan pursuant to the Resolutions are referred to herein as the "Bonds." The 2011 A-1/A-3 Bonds are further described in the Paying Agent Agreements, each dated as of June 1, 2011 (each a "Paying Agent Agreement" and together, the "Paying Agent Agreements"), each by and between Metropolitan and Wells Fargo Bank, National Association, as paying agent (the "Paying Agent").]

[Metropolitan issued the 2009 A-2 Bonds on May 20, 2009, pursuant to the Metropolitan Water District Act, California Statutes 1969, Chapter 209, as amended and supplemented, and Chapter 3 of Part 1, Division 2, Title 5 of the California Government Code, as amended (the "Act"), Resolution 8329 adopted on July 9, 1991, as amended and supplemented (the "Master Resolution"), including as amended

and supplemented by Resolution 8387 adopted on January 12, 1993 (the "Fourth Supplemental Resolution" and, together with the Master Resolution, the "Resolutions"), and a Paying Agent Agreement, dated as of May 1, 2009 (the "Paying Agent Agreement"), by and between Metropolitan and Wells Fargo Bank, National Association, as paying agent (the "Paying Agent"). The voters in Metropolitan's service area approved Metropolitan's issuance of revenue bonds at a special election held on June 4, 1974, as required by the Act. Bonds issued by Metropolitan pursuant to the Resolutions are referred to herein as the "Bonds."]

Metropolitan will pay the principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds on parity with its other Bonds (the "Parity Bonds"). As of November 1, 2013, Metropolitan had $4.33 billion aggregate principal amount of Bonds (including the [2011 A-1/A-3][2009 A-2] Bonds) outstanding. Metropolitan may issue additional Parity Bonds and other obligations (the "Parity Obligations") from time to time payable and secured on parity with the [2011 A-1/A-3][2009 A-2] Bonds upon action of Metropolitan's Board of Directors (the "Board") under the Master Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS–Parity Bonds and Parity Obligations" and "OPERATING REVENUES AND DEBT SERVICE–Anticipated Financings."

Metropolitan has obligations under interest rate swap agreements, which obligations (other than with respect to termination payments under some of such swap agreements) are payable on parity with the [2011 A-1/A-3][2009 A-2] Bonds, the Parity Bonds and the Parity Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS–Parity Bonds and Parity Obligations–*Interest Rate Swap Agreements*" and APPENDIX A under the caption "METROPOLITAN EXPENDITURES – Variable Rate and Swap Obligations."

Metropolitan covenants in the Master Resolution that no additional bonds, notes or other evidences of indebtedness payable out of Operating Revenues will be issued having any priority in payment of principal, redemption premium, if any, or interest over the [2011 A-1/A-3][2009 A-2] Bonds, the Parity Bonds or the Parity Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS–Additional Indebtedness."

Metropolitan did not fund a reserve fund for the [2011 A-1/A-3][2009 A-2] Bonds.

This Introduction is not a summary of this Remarketing Statement. This Introduction is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Remarketing Statement and the documents described herein. All statements contained in this Introduction are qualified in their entirety by reference to the entire Remarketing Statement. References to, and summaries of, provisions of the Constitution of, and laws of, the State of California (the "State"), including the Act, the [2011 A-1/A-3][2009 A-2] Bonds, the Resolutions, the Paying Agent Agreement[s], and documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions. The source of information herein is Metropolitan unless otherwise stated. Capitalized terms used in this Remarketing Statement and not otherwise defined shall have the meanings ascribed thereto in APPENDIX C, the Resolutions or the [applicable] Paying Agent Agreement. A summary of the Resolutions and the Paying Agent Agreement[s] and a list of selected defined terms are set forth in APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS."

REMARKETING OF THE [2011 A-1/A-3][2009 A-2] BONDS

General

Metropolitan is remarketing all of the [2011 Series A-1 Bonds and all of the 2011 Series A-3][2009 A-2] Bonds in connection with an Index Mode Unscheduled Mandatory Tender pursuant to which Metropolitan will require all of the existing Owners of the [2011 Series A-1 Bonds and the 2011 Series A-3][2009 A-2] Bonds to tender their [respective 2011 A-1/A-3][2009 A-2] Bonds for purchase on _____, 20__. Metropolitan intends to pay the Purchase Price of [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds in connection with such Index Mode Unscheduled Mandatory Tender from the proceeds of the remarketing of [such Series of 2011 A-1/A-3][the 2009 A-2] Bonds. The remarketing of [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds upon the Index Mode Unscheduled Mandatory Tender on _____, 20___ is referred to in this Remarketing Statement as the "Remarketing."

The Remarketing [with respect to each Series] will only occur if Metropolitan purchases all of [such Series of 2011 A-1/A-3][the 2009 A-2] Bonds on _____, 20__ pursuant to the Index Mode Unscheduled Mandatory Tender. Under the terms of [the][each] Paying Agent Agreement, Metropolitan may rescind an Index Mode Unscheduled Mandatory Tender. In addition, Index Mode Unscheduled Mandatory Tenders are conditioned on amounts sufficient to pay the Purchase Price of [a Series of 2011 A-1/A-3][the 2009 A-2] Bonds tendered for purchase being on deposit with the Paying Agent on the Mandatory Purchase Date.

For a more detailed description of Index Mode Unscheduled Mandatory Tenders and the process of the remarketing of [2011 A-1/A-3][2009 A-2] Bonds during the Index Mode, see "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Tender and Purchase of the [2011 A-1/A-3][2009 A-2] Bonds–*Index Mode Unscheduled Mandatory Tender*" and "–Provisions of Paying Agent Agreements Relating to Remarketing and Purchase During Index Mode–*Remarketing and Purchase of [2011 A-1/A-3][2009 A-2] Bonds in Connection with an Index Mode Unscheduled Mandatory Tender*.

This Remarketing Statement describes the [2011 A-1/A-3][2009 A-2] Bonds only while bearing interest in the Index Mode. There are significant differences in the terms of the [2011 A-1/A-3][2009 A-2] Bonds while they bear interest in an Interest Mode other than the Index Mode.

[2011 A-1/A-3][2009 A-2] Bonds in the Index Mode

Following the Remarketing, the [2011 A-1/A-3][2009 A-2] Bonds will bear interest in the Index Mode. Accordingly, [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will be subject to all of the terms and provisions of the [applicable] Paying Agent Agreement [governing such Series] in the Index Mode. This includes provisions of [the][each] Paying Agent Agreement that (a) require the Owners of the [2011 A-1/A-3][2009 A-2] Bonds to tender their [2011 A-1/A-3][2009 A-2] Bonds for Purchase on any Scheduled Mandatory Tender Date for the New Tender Period (described below), on any Unscheduled Mandatory Tender Date from and after the Call Protection Date for the New Tender Period and on other dates described in this Remarketing Statement and (b) permit Metropolitan to redeem or change the Interest Mode with respect to the [2011 A-1/A-3][2009 A-2] Bonds from and after the Call Protection Date for the New Tender Period.

Establishment of a New Tender Period

Upon the Remarketing, the existing Tender Period for [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will terminate and a new Tender Period [for each Series] will commence (such new Tender Period is referred to herein as the "New Tender Period"). For a more detailed description of Tender

Periods, see "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Interest Rate Provisions–*Tender Periods*."

Determination and Notification of Index Spread

[The][Each] Remarketing Agent will determine the Index Spread for the [applicable Series of 2011 A-1/A-3][2009 A-2] Bonds for the New Tender Period on or about _____, 20__. [The][Each] Remarketing Agent must determine an Index Spread [for such Series] that will be equal to the minimum fixed per annum interest rate spread to SIFMA (based on an examination of tax exempt obligations comparable, in the reasonable judgment of the Remarketing Agent, to [the 2009 A-2 Bonds][such Series] and known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) which, if borne by [the 2009 A-2 Bonds][such Series], would enable [the][such] Remarketing Agent to sell all of [the 2009 A-2 Bonds][such Series] on _____, 20__ at a Purchase Price equal to the principal amount thereof. Promptly after the Remarketing Agent[s] determine[s] the applicable Index Spread for the New Tender Period, Metropolitan will publish it by supplementing this Remarketing Statement and posting the supplement on the EMMA System.

Interest Rate During the New Tender Period

During the New Tender Period, [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will bear interest at the Index Tender Rate; provided, however, that, during a Purchase Default Period, all of the [2011 A-1/A-3][2009 A-2] Bonds [of the affected Series] will bear interest at the Purchase Default Rate until the termination of the Purchase Default Period. The Index Tender Rate for the New Tender Period [for a Series] will be the rate of interest, determined for any Index Rate Accrual Period, equal to the sum of (a) the SIFMA Average Index Rate calculated for such Index Rate Accrual Period and (b) the Index Spread that the Remarketing Agent [for such Series] determines on or about _____, 20__.

During the New Tender Period, Metropolitan will pay interest on [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds on (a) the first Business Day of each calendar month, commencing _____, 20__, (b) each Mandatory Purchase Date in connection with an Index Mode Unscheduled Mandatory Tender [for such Series] and (c) each Scheduled Mandatory Tender Date [for such Series].

For a description of the terms relating to interest on the [2011 A-1/A-3][2009 A-2] Bonds, see "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Interest Rate Provisions." For a description of the process by which the Remarketing Agent[s] will determine the Index Spread for the New Tender Period, see "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Provisions of Paying Agent Agreements Relating to Remarketing and Purchase During Index Mode–*Remarketing and Purchase of [2011 A-1/A-3][2009 A-2] Bonds in Connection with an Index Mode Unscheduled Mandatory Tender*–Determination of Index Spread."

Scheduled Mandatory Tender Date

The Scheduled Mandatory Tender Date for the New Tender Period for [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will be _____, 20__, and for each subsequent Tender Period, will be the date that Metropolitan determines pursuant to the provisions of the [applicable] Paying Agent Agreement. See "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Provisions of Paying Agent Agreements Relating to Remarketing and Purchase During Index Mode."

Call Protection Date

The Call Protection Date for the New Tender Period for [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will be _____, 20__. For any subsequent Tender Period, the Call Protection Date with respect to [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will be the [Tender Period Halfway][applicable Standard Call Protection] Date unless Metropolitan determines a different date. See "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Provisions of Paying Agent Agreements Relating to Remarketing and Purchase During Index Mode."

Notification Following Remarketing

Within two (2) Business Days after the Remarketing, the Paying Agent will deliver a notice by first-class United States mail, postage prepaid, to the Owners of [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds at their respective addresses appearing on the registration books and one or more Information Services (currently, the EMMA System), which will state: (a) that the immediately preceding Tender Period [for such Series] has terminated; (b) that the New Tender Period [for such Series] has commenced; (c) the day on which the Scheduled Mandatory Tender Date [for such Series] will occur with respect to the New Tender Period; (d) the day on which the Call Protection Date [for such Series] will occur with respect to the New Tender Period; and (e) the Index Spread that the Remarketing Agent [for such Series] determined. Absent manifest error, upon delivery of such notice, the Tender Period [for each Series] in effect immediately preceding the Remarketing will be deemed to have terminated and the New Tender Period will be deemed to have commenced.

DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS

General

The [2011 A-1/A-3][2009 A-2] Bonds are dated [June 2, 2011][May 20, 2009], the date Metropolitan issued the [2011 A-1/A-3][2009 A-2] Bonds. The [2011 A-1/A-3][2009 A-2] Bonds bear interest in the Index Mode and will continue to bear interest in the Index Mode following the Remarketing. Under the terms of the Paying Agent Agreement[s], Metropolitan may designate a new Interest Mode.

Metropolitan will pay principal of, and premium, if any, on any [2011 A-1/A-3][2009 A-2] Bond in lawful money of the United States of America upon presentment and surrender of such [2011 A-1/A-3][2009 A-2] Bond at the Corporate Trust Office of the Paying Agent.

If under the [applicable] Paying Agent Agreement the Paying Agent is required to deliver any notice to the Owners of [2011 A-1/A-3][2009 A-2] Bonds, then, within two (2) Business Days after the delivery of such notice, the Paying Agent will deliver such notice by first-class United States mail, postage prepaid, to any Beneficial Owner that delivers its postal address to the Paying Agent no less than thirty (30) days before the date that the Paying Agent delivers such notice to the Owners of the [2011 A-1/A-3][2009 A-2] Bonds.

Book-Entry Only System

Metropolitan issued the [2011 A-1/A-3][2009 A-2] Bonds as fully registered bonds. The [2011 A-1/A-3][2009 A-2] Bonds will be registered in the name of Cede & Co., as nominee of DTC, and will be available to Beneficial Owners (as defined in APPENDIX D – "BOOK-ENTRY ONLY SYSTEM) only under the book-entry system maintained by DTC. Beneficial Owners of [2011 A-1/A-3][2009 A-2] Bonds will not receive physical certificates representing their interests in the [2011 A-1/A-3][2009 A-2] Bonds.

So long as the [2011 A-1/A-3][2009 A-2] Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners shall mean Cede & Co., and shall not mean the ultimate purchasers of the [2011 A-1/A-3][2009 A-2] Bonds. Metropolitan will pay principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds directly to DTC or Cede & Co., so long as DTC or Cede & Co. is the registered owner of the [2011 A-1/A-3][2009 A-2] Bonds. Payments of Purchase Price for any [2011 A-1/A-3][2009 A-2] Bonds will be paid directly to DTC as the registered owner of the [2011 A-1/A-3][2009 A-2] Bonds. Upon receipt of payments of principal, interest or Purchase Price, DTC is obligated to remit such payments of principal, interest and Purchase Price, to DTC's Direct Participants is the responsibility of DTC and disbursement of such payments to Beneficial Owners is the responsibility of DTC's Direct Participants and Indirect Participants ("Participants"). See APPENDIX D – "BOOK-ENTRY ONLY SYSTEM."

Metropolitan and the Paying Agent will have no responsibility or obligation with respect to: (i) the accuracy of the records of DTC, its nominee or any Participant with respect to any beneficial ownership interest in the [2011 A-1/A-3][2009 A-2] Bonds; (ii) the delivery to any Participant, Beneficial Owner or other Person, other than DTC, of any notice with respect to the [2011 A-1/A-3][2009 A-2] Bonds; (iii) the payment to any Participant, Beneficial Owner or other Person, other than DTC, of any amount with respect to the principal of, premium, if any, or interest on, the [2011 A-1/A-3][2009 A-2] Bonds; (iv) any consent given by DTC or its nominee as Owner; or (v) the selection by DTC or any Participant of any Beneficial Owners to receive payment if the [2011 A-1/A-3][2009 A-2] Bonds are redeemed in part. See APPENDIX D – "BOOK-ENTRY ONLY SYSTEM."

Interest Rate Provisions

Index Tender Rate. While the [2011 A-1/A-3][2009 A-2] Bonds bear interest at an Index Tender Rate, during any Index Rate Accrual Period, the Series of [2011 A-1/A-3][2009 A-2] Bonds will bear a rate of interest equal to the sum of (a) the SIFMA Average Index Rate calculated for such Index Rate Accrual Period and (b) the Index Spread [for that Series] for the related Tender Period; *provided, however*, that, during a Purchase Default Period, all of the [2011 A-1/A-3][2009 A-2] Bonds [of the affected Series] will bear interest at the Purchase Default Rate until the termination of the Purchase Default Period. Each Remarketing Agent will determine the Index Spread [for the applicable Series] for the New Tender Period on or about _____, 20__.

Interest Payment Date. During the New Tender Period, interest on [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will be payable (including during any Purchase Default Period) (a) monthly on the first Business Day of each calendar month, commencing _____, 20__, (b) on each Mandatory Purchase Date in connection with an Index Mode Unscheduled Mandatory Tender [for such Series], and (c) on each Scheduled Mandatory Tender Date [for such Series] (each, an "Interest Payment Date").

Determination of SIFMA Average Index Rate and Index Tender Rate. During any Tender Period (but not during any Purchase Default Period), no later than 11:00 a.m. (New York City time) on the Business Day immediately preceding each Interest Payment Date [applicable to a Series of 2011 A-1/A-3 Bonds], the Fiscal Agent will deliver written notice to Metropolitan, the Paying Agent and the applicable Remarketing Agent specifying the SIFMA Average Index Rate and the Index Tender Rate for, and the aggregate amount of interest accrued during, the Index Rate Accrual Period ending on such Business Day together with a detailed calculation of the foregoing. Determination by the Fiscal Agent of the SIFMA Average Index Rate and the Index Tender Rate will be, absent manifest error, conclusive and binding on the Owners of [such Series of 2011 A-1/A-3][the 2009 A-2] Bonds and Metropolitan, the Fiscal Agent, the applicable Remarketing Agent and the Paying Agent.

The following terms used in this Remarketing Statement relating to the Index Mode are defined in the Paying Agent Agreement[s] as follows:

"SIFMA" means, as of any date, the per annum rate published or reported by Municipal Market Data on its SIFMA Municipal Swap Index most recently available, or if the SIFMA Municipal Swap Index is no longer published or reported, the rate per annum published or reported on the S&P Weekly High Grade Index (formerly the J.J. Kenny Index), or if neither the SIFMA Municipal Swap Index nor the S&P Weekly High Grade Index is published, a per annum rate equal to 65% of the London InterBank Offered Rate for one-month deposits in U.S. Dollars.

"SIFMA Average Index Rate" means, during each Index Rate Accrual Period, the per annum rate equal to the average of SIFMA in effect for each day in such Index Rate Accrual Period.

"Index Rate Accrual Period" means, for [2011 A-1/A-3][2009 A-2] Bonds in an Index Mode, the period from each Interest Accrual Date to and including (a) the day next preceding the next Interest Payment Date for such [2011 A-1/A-3][2009 A-2] Bonds and (b) the day next preceding any Redemption Date, as applicable; *provided, however*, that the first Index Rate Accrual Period will begin on the date of delivery of the [2011 A-1/A-3][2009 A-2] Bonds.

"Interest Accrual Date" means with respect to any period during which the [2011 A-1/A-3][2009 A-2] Bonds bear interest at an Index Tender Rate, the first day of each Tender Period and, thereafter, each Interest Payment Date during that Tender Period.

Tender Periods. The duration of each Tender Period is determined as described below. At the beginning of each Tender Period, the applicable Remarketing Agent will determine the Index Spread with respect to all of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series]. No Tender Period will last beyond the Scheduled Mandatory Tender Date on which the Owners of all of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] must tender for purchase, and Metropolitan must purchase, all of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series].

Commencement of Tender Periods. The New Tender Period for [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds will commence on _____, 20__. Thereafter, each Tender Period will commence on the first to occur of (a) the [applicable] Scheduled Mandatory Tender Date of the Tender Period immediately preceding such Tender Period, unless a Purchase Default Period commences on such Scheduled Mandatory Tender Date, or (b) a Mandatory Purchase Date in connection with any Index Mode Unscheduled Mandatory Tender if all [2011 A-1/A-3][2009 A-2] Bonds [of a Series] are actually purchased.

Termination of Tender Periods. Each Tender Period will terminate on the first to occur of (a) the [applicable] Scheduled Mandatory Tender Date, (b) a Mandatory Purchase Date in connection with any Index Mode Unscheduled Mandatory Tender if all [2011 A-1/A-3][2009 A-2] Bonds [of the applicable Series] are actually purchased, (c) the first date on which the [2011 A-1/A-3][2009 A-2] Bonds [of the applicable Series] bear interest in an Interest Mode other than the Index Mode, (d) a Fixed Rate Date, or (e) the date on which all [2011 A-1/A-3][2009 A-2] Bonds [of the applicable Series] are redeemed in accordance with the terms of the [applicable] Paying Agent Agreement and the Master Resolution or all principal and accrued interest on all [2011 A-1/A-3][2009 A-2] Bonds [of such Series] are otherwise paid in full. During any Purchase Default Period of [a Series of 2011 A-1/A-3][the 2009 A-2] Bonds, there will be no Tender Period in effect with respect to such [Series of 2011 A-1/A-3][2009 A-2] Bonds.

Tender and Purchase of the [2011 A-1/A-3][2009 A-2] Bonds

Index Mode Scheduled Mandatory Tender. While the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] bear interest in an Index Mode, the Owners of all of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] must tender for purchase, and Metropolitan must purchase, all of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] on the Scheduled Mandatory Tender Date of each Tender Period [for such Series]. The Scheduled Mandatory Tender Date for [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds for the New Tender Period will be _____, 20__.

Metropolitan is irrevocably committed to pay the Purchase Price of all of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] subject to an Index Mode Scheduled Mandatory Tender as set forth in the [applicable] Paying Agent Agreement.

Index Mode Unscheduled Mandatory Tender.

Metropolitan's Right to Require Index Mode Unscheduled Mandatory Tender. While the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] bear interest in an Index Mode, at its option, Metropolitan may require, during each Tender Period [for such Series], the Owners of all (but not less than all) of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] to tender their [2011 A-1/A-3][2009 A-2] Bonds [of such Series] to Metropolitan for purchase, on any Business Day from and after the Call Protection Date of the applicable Tender Period, which for the New Tender Period will be _____, 20__, which will be the [Tender Period Halfway][Standard Call Protection] Date for the New Tender Period. A mandatory tender as described in the immediately preceding sentence is referred to herein as an "Index Mode Unscheduled Mandatory Tender." Metropolitan will exercise its option by delivering written notice of Index Mode Unscheduled Mandatory Tender to the Paying Agent at its Corporate Trust Office and the [applicable] Remarketing Agent no later than seven (7) days before the Mandatory Purchase Date. The Paying Agent will pay to the Owners of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] in connection with an Index Mode Unscheduled Mandatory Tender the Purchase Price, which is equal to the principal amount of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], on the related Mandatory Purchase Date from the sources of funds described herein, unless Metropolitan elects to rescind such Index Mode Unscheduled Mandatory Tender or any of the conditions of such Index Mode Unscheduled Mandatory Tender is not satisfied.

Rescission. Metropolitan will have the right to deliver to the Paying Agent at its Corporate Trust Office and the [applicable] Remarketing Agent, on or prior to 5:00 p.m. (New York City time) on the Business Day immediately preceding the Mandatory Purchase Date, a notice to the effect that Metropolitan elects to rescind any Index Mode Unscheduled Mandatory Tender. If Metropolitan rescinds any Index Mode Unscheduled Mandatory Tender, then no purchase will occur, the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will continue to bear interest at the Index Tender Rate in effect during such Tender Period, without change or modification, and the Tender Period then in effect will continue until terminated.

Failure to Meet Conditions. Any Index Mode Unscheduled Mandatory Tender [for a Series] will be conditioned upon amounts sufficient to pay the Purchase Price of such mandatory tender being on deposit with the Paying Agent on the Mandatory Purchase Date. Funds for the payment of the Purchase Price of such mandatory tender will be derived from the sources described below under the caption "– Provisions of Paying Agent Agreements Relating to Remarketing and Purchase During Index Mode– *Remarketing and Purchase of [2011 A-1/A-3][2009 A-2] Bonds in Connection with an Index Mode Unscheduled Mandatory Tender*." If amounts sufficient to pay the Purchase Price of [any Series of 2011 A-1/A-3][the 2009 A-2] Bonds subject to mandatory tender are not on deposit with the Paying Agent on the Mandatory Purchase Date, or if Metropolitan fails to deliver a Favorable Opinion of Bond Counsel in

connection with any change in the Call Protection Date, then no purchase will occur and the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will continue to bear interest at the Index Tender Rate in effect during the Tender Period then in effect, without change or modification, and the Tender Period then in effect will continue until terminated.

Failure by Metropolitan to pay or cause to be paid the Purchase Price of all of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] pursuant to an Index Mode Unscheduled Mandatory Tender, for any reason, will not constitute an Event of Default by Metropolitan under the applicable Paying Agent Agreement or the Resolutions. No such failure will affect Metropolitan's right to require the Owners of [2011 A-1/A-3][2009 A-2] Bonds to tender their [2011 A-1/A-3][2009 A-2] Bonds during any Tender Period and during any subsequent Tender Period.

Mandatory Tender for Purchase upon Change of Interest Mode. The [2011 A-1/A-3][2009 A-2] Bonds [of a Series] will be subject to mandatory tender for purchase on the effective date of a change in the Interest Mode [of that Series], at the Purchase Price, payable in immediately available funds; *provided however,* that during any Purchase Default Period, the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will not be subject to mandatory tender for purchase. Notwithstanding the foregoing, any mandatory tender for purchase in connection with any change from an Index Mode to a different Interest Mode will be conditioned upon amounts sufficient to pay the Purchase Price of such mandatory tender being on deposit with the Paying Agent on the Mandatory Purchase Date. If, on a Mandatory Purchase Date, the condition described in the immediately preceding sentence is not satisfied, then no purchase will occur, the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will continue to bear interest at the Index Tender Rate in effect during the Tender Period then in effect, without change or modification, and the Tender Period then in effect will continue until terminated.

Mandatory Tender for Purchase Upon Conversion to Fixed Interest Rate. The [2011 A-1/A-3][2009 A-2] Bonds [of a Series] will be subject to mandatory tender for purchase on the Fixed Rate Date at a Purchase Price, payable in immediately available funds; *provided, however,* that, during any Purchase Default Period, the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will not be subject to mandatory tender for purchase. Notwithstanding the foregoing, any mandatory tender for purchase in connection with any conversion to a Fixed Interest Rate will be conditioned upon amounts sufficient to pay the Purchase Price of such mandatory tender being on deposit with the Paying Agent on the Mandatory Purchase Date. If, on a Mandatory Purchase Date, the condition described in the immediately preceding sentence is not satisfied, then no purchase will occur, the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will continue to bear interest at the Index Tender Rate in effect during the Tender Period then in effect, without change or modification, and the Tender Period then in effect will continue until terminated.

Notice of Index Mode Scheduled Mandatory Tender. The Paying Agent will give notice by first-class United States mail, postage prepaid, of each Index Mode Scheduled Mandatory Tender to the Owners of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] not less than thirty (30) days prior to the Scheduled Mandatory Tender Date. Such notice will state: (A) the date of such notice; (B) the distinguishing designation of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series]; (C) the date of issue of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series]; (D) the Scheduled Mandatory Tender Date; and (E) the CUSIP number of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series]. Each such notice will also state that the Owners of all of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] are required to tender, and Metropolitan is required to purchase, all of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] on the Scheduled Mandatory Tender Date of that Tender Period. All [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will be subject to tender by the Owners thereof and to purchase by Metropolitan notwithstanding any failure of the Paying Agent to deliver such notice or the inadequacy or incompleteness of any notice the Paying Agent delivers.

Notice of Index Mode Unscheduled Mandatory Tender. The Paying Agent will give notice of any Index Mode Unscheduled Mandatory Tender [for a Series] by first-class United States mail, postage prepaid, to the Owners of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] not less than seven (7) days prior to the date on which such [Series of 2011 A-1/A-3][2009 A-2] Bonds will be purchased. Such notice will state: (A) the Mandatory Purchase Date; (B) that the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bond [of such Series] will be payable only upon surrender of such [2011 A-1/A-3][2009 A-2] Bond to the Paying Agent at its Corporate Trust Office for delivery of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], accompanied by an instrument of transfer thereof, in form satisfactory to the Paying Agent, executed in blank by the Owner thereof or its duly authorized attorney-in-fact, with such signature guaranteed by an eligible guarantor institution; (C) that, provided that moneys sufficient to effect such purchase have been provided through the remarketing of such [Series of 2011 A-1/A-3][2009 A-2] Bonds by the applicable Remarketing Agent or from Metropolitan, all [2011 A-1/A-3][2009 A-2] Bonds [of such Series] so subject to Index Mode Unscheduled Mandatory Tender will be purchased on the Mandatory Purchase Date, and that if any Owner of a [2011 A-1/A-3][2009 A-2] Bond [of such Series] subject to Index Mode Unscheduled Mandatory Tender does not surrender such [2011 A-1/A-3][2009 A-2] Bond to the Paying Agent for purchase on such Mandatory Purchase Date, and moneys sufficient to pay the Purchase Price thereof are on deposit with the Paying Agent, then such [2011 A-1/A-3][2009 A-2] Bond will be deemed to be an "Undelivered Bond," and that no interest will accrue thereon on and after such Mandatory Purchase Date and that the Owner thereof will have no rights under the Resolutions, including the Fourth Supplemental Resolution, other than to receive payment of the Purchase Price thereof; (D) in the event that moneys sufficient to pay the Purchase Price of such [2011 A-1/A-3][2009 A-2] Bonds [of a Series] have not been provided to the Paying Agent either through the remarketing of such [2011 A-1/A-3][2009 A-2] Bonds or from Metropolitan, that such [2011 A-1/A-3][2009 A-2] Bonds will not be purchased or deemed purchased and will continue to bear interest as if no such Index Mode Unscheduled Mandatory Tender notice had been given; and (E) that the Index Mode Unscheduled Mandatory Tender is subject to rescission by Metropolitan, is subject to the condition that amounts sufficient to pay the Purchase Price of such Index Mode Unscheduled Mandatory Tender are on deposit with the Paying Agent on the Mandatory Purchase Date and, if applicable, is subject to the condition that Metropolitan delivers a Favorable Opinion of Bond Counsel in connection with a change of the Call Protection Date. All [2011 A-1/A-3][2009 A-2] Bonds [of such Series] subject to Index Mode Unscheduled Mandatory Tender will be subject to tender by the Owners thereof and to purchase by Metropolitan notwithstanding any failure of the Paying Agent to deliver such notice or the inadequacy or incompleteness of any notice the Paying Agent delivers.

If Metropolitan delivers a notice of an Index Mode Unscheduled Mandatory Tender and such Index Mode Unscheduled Mandatory Tender does not occur, then the Paying Agent will give notice by first-class United States mail, postage prepaid, to the Owners of the [affected Series of 2011 A-1/A-3][2009 A-2] Bonds, as soon as practicable, which states that such Index Mode Unscheduled Mandatory Tender for purchase has not occurred.

Notice of Mandatory Tender for Purchase upon Change in Interest Mode. In connection with any mandatory tender for purchase of [a Series of 2011 A-1/A-3][the 2009 A-2] Bonds upon a change in the Interest Mode for such [Series of 2011 A-1/A-3][2009 A-2] Bonds, the Paying Agent will give notice of a mandatory tender for purchase by first-class United States mail, postage prepaid, not less than seven (7) days prior to the date on which the [2011 A-1/A-3][2009 A-2] Bonds will be subject to such mandatory tender. Such notice will state: (A) the type of Interest Rate Period to commence on such Mandatory Purchase Date; (B) that the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bond so subject to mandatory tender for purchase will be payable only upon surrender of such [2011 A-1/A-3][2009 A-2] Bond to the Paying Agent at its Corporate Trust Office for delivery of [2011 A-1/A-3][2009 A-2] Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to the Paying Agent, executed in blank by the Owner thereof or its duly authorized attorney-in-fact, with such signature guaranteed by an

eligible guarantor institution; (C) that, provided that moneys sufficient to effect such purchase have been provided through the remarketing of such [Series of 2011 A-1/A-3][2009 A-2] Bonds by the [applicable] Remarketing Agent, all [2011 A-1/A-3][2009 A-2] Bonds [of such Series] so subject to mandatory tender for purchase will be purchased on the Mandatory Purchase Date, and that if any Owner of a [2011 A-1/A-3][2009 A-2] Bond so subject to mandatory tender for purchase does not surrender such [2011 A-1/A-3][2009 A-2] Bond to the Paying Agent for purchase on such Mandatory Purchase Date, and moneys sufficient to pay the Purchase Price thereof are on deposit with the Paying Agent, then such [2011 A-1/A-3][2009 A-2] Bond will be deemed to be an "Undelivered Bond," and that no interest will accrue thereon on and after such Mandatory Purchase Date and that the Owner thereof will have no rights under the Resolutions, including the Fourth Supplemental Resolution, other than to receive payment of the Purchase Price thereof; (D) in the event that moneys sufficient to pay the Purchase Price of such [2011 A-1/A-3][2009 A-2] Bonds [of such Series] have not been provided to the Paying Agent either through the remarketing of such [2011 A-1/A-3][2009 A-2] Bonds or from other moneys received from Metropolitan, that such [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will not be purchased or deemed purchased and will continue to bear interest as if such failed purchase had not occurred; and (E) if applicable, that the mandatory tender for purchase is subject to the condition that amounts sufficient to pay the Purchase Price of such mandatory tender for purchase are on deposit with the Paying Agent on the Mandatory Purchase Date.

Notice of Mandatory Tender for Purchase upon Conversion to Fixed Interest Rate. In connection with any mandatory tender for purchase of [a Series of 2011 A-1/A-3][the 2009 A-2] Bonds upon a conversion to a Fixed Interest Rate, the Paying Agent will give notice of such conversion to the Rating Agencies, any Liquidity Provider, the [applicable] Remarketing Agent and the Owners. Such notice will state: (A) that the interest rate with respect to the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] so subject to mandatory tender for purchase will be converted to the Fixed Interest Rate; (B) the Fixed Rate Date; (C) the date the Fixed Interest Rate is to be established; (D) that interest represented by the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will be payable on each January 1 and July 1 after the Fixed Rate Date; (E) that subsequent to the Fixed Rate Date, the Owners will no longer have the right to deliver the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] to the Paying Agent for purchase; (F) that all Outstanding [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will be purchased on the Fixed Rate Date; and (G) that on and after the Fixed Rate Date, the Owners of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] immediately preceding the Fixed Rate Date will be deemed to have tendered their [2011 A-1/A-3][2009 A-2] Bonds as of the Fixed Rate Date to the Paying Agent. From and after the Fixed Rate Date, said Owners will not be entitled to any payment (including any interest to accrue from and after the Fixed Rate Date) other than the Purchase Price for such [Series of 2011 A-1/A-3][2009 A-2] Bonds which will be an amount equal to the principal amount thereof plus accrued interest, if any, with respect thereto, calculated as of the Fixed Rate Date. From and after the Fixed Rate Date, such [Series of 2011 A-1/A-3][2009 A-2] Bonds will no longer otherwise be entitled to the benefits of the applicable Paying Agent Agreement.

Undelivered Bonds. The Paying Agent may refuse to accept delivery of any [2011 A-1/A-3][2009 A-2] Bond for which a proper instrument of transfer has not been provided; such refusal, however, will not affect the validity of the purchase of such [2011 A-1/A-3][2009 A-2] Bond as described in this Remarketing Statement. If any Owner of [2011 A-1/A-3][2009 A-2] Bonds subject to mandatory tender for purchase fails to deliver such [2011 A-1/A-3][2009 A-2] Bond to the Paying Agent at the place and on the applicable date and at the time specified, or fails to deliver such [2011 A-1/A-3][2009 A-2] Bond properly endorsed, and moneys sufficient to pay the Purchase Price thereof are on deposit with the Paying Agent for such purpose, such [2011 A-1/A-3][2009 A-2] Bond will constitute an Undelivered Bond. If funds in the amount of the Purchase Price of the Undelivered Bonds (including any Undelivered Bonds in connection with an Index Mode Unscheduled Mandatory Tender) are available for payment to the Owner thereof on the date and at the time specified, from and after the date and time of that required

delivery: (1) each Undelivered Bond will be deemed to be purchased and will no longer be deemed to be Outstanding under the [applicable] Paying Agent Agreement; (2) interest will no longer accrue thereon; and (3) funds in the amount of the Purchase Price of each such Undelivered Bond will be held by the Paying Agent for the benefit of the Owner thereof (provided that the Owner will have no right to any investment proceeds derived from such funds), to be paid on delivery (and proper endorsement) of such Undelivered Bond to the Paying Agent at its Corporate Trust Office for delivery of the [2011 A-1/A-3][2009 A-2] Bonds.

Delivery of [2011 A-1/A-3][2009 A-2] Bonds and Payment of the Purchase Price of [2011 A-1/A-3][2009 A-2] Bonds Subject to Mandatory Tender for Purchase.

Payment of Purchase Price Upon Delivery of [2011 A-1/A-3][2009 A-2] Bonds. For payment of the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bond [of a Series] subject to an Index Mode Scheduled Mandatory Tender or an Index Mode Unscheduled Mandatory Tender, or of any [2011 A-1/A-3][2009 A-2] Bond [of a Series] subject to mandatory tender for purchase upon a change in the Interest Mode or upon conversion to a Fixed Interest Rate, on the specified Mandatory Purchase Date, such [2011 A-1/A-3][2009 A-2] Bond [of a Series] must be delivered, at or prior to 12:00 noon (New York City time), on the Mandatory Purchase Date, to the Paying Agent at its Corporate Trust Office for delivery of such [2011 A-1/A-3][2009 A-2] Bonds [of a Series] accompanied by an instrument of transfer thereof, in form satisfactory to the Paying Agent, executed in blank by the Owner thereof or his duly authorized attorney-in-fact, with such signature guaranteed by an eligible guarantor institution. In the event any such [2011 A-1/A-3][2009 A-2] Bond [of a Series] is delivered after 12:00 noon (New York City time) on the Mandatory Purchase Date, payment of the Purchase Price of such [2011 A-1/A-3][2009 A-2] Bond [of a Series] need not be made until the Business Day following the date of delivery of such [2011 A-1/A-3][2009 A-2] Bond [of a Series] but such [2011 A-1/A-3][2009 A-2] Bond [of a Series] will nonetheless be deemed to have been purchased on the date specified in such notice and no interest will accrue thereon from and after such date.

Delivery of [2011 A-1/A-3][2009 A-2] Bonds. If moneys sufficient to effect a purchase pursuant to an Index Mode Scheduled Mandatory Tender or an Index Mode Unscheduled Mandatory Tender, or upon a change in the Interest Mode or upon a conversion to a Fixed Interest Rate, have been provided through the remarketing of such [Series of 2011 A-1/A-3][2009 A-2] Bonds by the [applicable] Remarketing Agent or otherwise, all [2011 A-1/A-3][2009 A-2] Bonds [of such Series] shall be purchased on the Mandatory Purchase Date. If any Owner of a [2011 A-1/A-3][2009 A-2] Bond [of such Series] does not deliver such [2011 A-1/A-3][2009 A-2] Bond to the Paying Agent for purchase on such Mandatory Purchase Date, and moneys sufficient to pay the Purchase Price thereof are on deposit with the Paying Agent, then such [2011 A-1/A-3][2009 A-2] Bond will be deemed to be an "Undelivered Bond," and no interest will accrue thereon from and after such Mandatory Purchase Date and the Owner thereof will have no rights under the Resolutions, including the Fourth Supplemental Resolution, other than to receive payment of the Purchase Price thereof calculated as of such Mandatory Purchase Date.

Provisions of Paying Agent Agreement[s] Relating to Remarketing and Purchase During Index Mode

Remarketing and Purchase of [2011 A-1/A-3][2009 A-2] Bonds in Connection with an Index Mode Scheduled Mandatory Tender.

Remarketing of [2011 A-1/A-3][2009 A-2] Bonds. While the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] bear interest in the Index Mode, commencing thirty (30) days before the Scheduled Mandatory Tender Date of each Tender Period, the applicable Remarketing Agent will offer for sale and use its best efforts to sell all of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], in accordance with

the applicable Remarketing Agreement, on the Scheduled Mandatory Tender Date at a Purchase Price equal to the principal amount of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], such that the Index Spread for the next Tender Period will be adjusted (as described below) to be the minimum fixed per annum interest rate spread to SIFMA available in the marketplace. See "*–Determination of Index Spread*" below.

Determination of the Following Scheduled Mandatory Tender Date. Metropolitan, by written direction to the Fiscal Agent, the [applicable] Remarketing Agent and the Paying Agent by telephone, telecopy, or telex confirmed by written notice not later than thirty (30) days before a Scheduled Mandatory Tender Date of a Tender Period, will determine the Scheduled Mandatory Tender Date for the Tender Period immediately following the purchase of [2011 A-1/A-3][2009 A-2] Bonds [of a Series] in connection with an Index Mode Scheduled Mandatory Tender. Metropolitan may determine the Scheduled Mandatory Tender Date to be any Business Day during the next Tender Period except that the Scheduled Mandatory Tender Date [(a)] will not be a date that is earlier than three (3) months after the commencement of the Tender Period [and (b) will not be a date that is later than one (1) year after the commencement of the Tender Period (unless such date is not a Business Day, in which case not later than the first Business Day following such date)]. If Metropolitan does not deliver such written direction, then the Scheduled Mandatory Tender Date for the Tender Period immediately following the purchase of [2011 A-1/A-3][2009 A-2] Bonds [of such Series] pursuant to an Index Mode Scheduled Mandatory Tender will be the date that is one (1) year after the commencement of the Tender Period (unless such date is not a Business Day, in which case the Scheduled Mandatory Tender Date will be the first Business Day following such date).

Establishment of Call Protection Date. With respect to any Tender Period commencing on a Scheduled Mandatory Tender Date in connection with an Index Mode Scheduled Mandatory Tender, the Call Protection Date will be the [Tender Period Halfway][Standard Call Protection] Date. [The Standard Call Protection Date will be (a) the Tender Period Halfway Date, if the duration from the beginning of the applicable Tender Period until the Scheduled Mandatory Tender Date is one year or less or (b) the date that is 180 days before the Scheduled Mandatory Tender Date, if the duration from the beginning of the applicable Tender Period until the Scheduled Mandatory Tender Date is more than one year.] The Tender Period Halfway Date will be, with respect to any Tender Period, the date occurring halfway between the commencement of such Tender Period and the Scheduled Mandatory Tender Date, which will be calculated by (a) dividing (i) the number of days from and including the date on which such Tender Period commences to and not including the Scheduled Mandatory Tender Date by (ii) two (2) and, if necessary, rounding the result down to the nearest whole number and (b) adding the resulting number of days to the commencement date of such Tender Period.

Determination of Index Spread. No later than the date that is twenty-five (25) days (or, if such date is not a Business Day, the Business Day immediately succeeding such date) before each Scheduled Mandatory Tender Date, the [applicable] Remarketing Agent will determine the Index Spread with respect to the Tender Period immediately following such Scheduled Mandatory Tender Date. The applicable Remarketing Agent will determine the Index Spread which will be equal to the minimum fixed per annum interest rate spread to SIFMA (based on an examination of tax exempt obligations comparable, in the reasonable judgment of the applicable Remarketing Agent, to the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] and known by the applicable Remarketing Agent to have been priced or traded under then-prevailing market conditions) which, if borne by the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], would enable the Remarketing Agent to sell all [2011 A-1/A-3][2009 A-2] Bonds [of such Series] on the Scheduled Mandatory Tender Date at a Purchase Price equal to the principal amount thereof. This determination by the Remarketing Agent of the Index Spread will be conclusive and binding on the Owners of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], Metropolitan, the Fiscal Agent, the [applicable] Remarketing Agent and the Paying Agent.

Purchase of [2011 A-1/A-3][2009 A-2] Bonds. The [2011 A-1/A-3][2009 A-2] Bonds [of a Series] to be purchased in connection with an Index Mode Scheduled Mandatory Tender will be purchased from the Owners thereof, on the Scheduled Mandatory Tender Date at the Purchase Price from the following sources in the order of priority indicated:

(i) proceeds of the sale of [2011 A-1/A-3][2009 A-2] Bonds [of the same Series] remarketed to any person and furnished to the Paying Agent by the [applicable] Remarketing Agent for deposit into the related Remarketing Proceeds Account of the Purchase Fund; and

(ii) moneys furnished by or on behalf of Metropolitan to the Paying Agent for deposit into the related Purchase Account of the Purchase Fund.

Metropolitan is irrevocably committed to pay the Purchase Price of all [2011 A-1/A-3][2009 A-2] Bonds [of a Series] on the Scheduled Mandatory Tender Date as set forth in the [applicable] Paying Agent Agreement.

The [applicable] Remarketing Agent will offer for sale and use its best efforts to sell all [2011 A-1/A-3][2009 A-2] Bonds [of a Series] purchased by or on behalf of Metropolitan pursuant to an Index Mode Scheduled Mandatory Tender. The applicable Remarketing Agent will offer for sale all of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] to be purchased in connection with an Index Mode Tender and all [of such Series of 2011 A-1/A-3][2009 A-2] Bonds purchased by or on behalf of Metropolitan (other than [2011 A-1/A-3][2009 A-2] Bonds [of a Series] purchased by the [applicable] Remarketing Agent for its own account) at a price equal to principal plus any accrued and unpaid interest on such [Series of 2011 A-1/A-3][2009 A-2] Bonds; *provided, however,* that if Metropolitan delivers a Favorable Opinion of Bond Counsel, Metropolitan will have the right to direct the [applicable] Remarketing Agent to sell all [2011 A-1/A-3][2009 A-2] Bonds [of a Series] subject to an Index Mode Scheduled Mandatory Tender or all such [Series of 2011 A-1/A-3][2009 A-2] Bonds purchased by or on behalf of Metropolitan at a discount or at a premium.

Limited Security for the Payment of the Purchase Price. Metropolitan's obligation to pay the Purchase Price of the [2011 A-1/A-3][2009 A-2] Bonds [of an affected Series] in connection with an Index Mode Scheduled Mandatory Tender is an unsecured obligation of Metropolitan that it would pay from Net Operating Revenues only after it has made payments and deposits with respect to its Operating Revenues, the Parity Bonds and the Parity Obligations and other obligations secured by Net Operating Revenues. Metropolitan may (or may not) have other funds available from time to time to pay the Purchase Price of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] on any Scheduled Mandatory Tender Date; however, if available, Metropolitan does not have any obligation to use such funds to pay the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bonds.

Consequences of an Index Mode Scheduled Mandatory Tender Failure. Upon the occurrence of an Index Mode Scheduled Mandatory Tender Failure [with respect to any Series] on any Scheduled Mandatory Tender Date, the following will occur:

(i) The Paying Agent will return all [2011 A-1/A-3][2009 A-2] Bonds [of such Series] to the Owners thereof together with notice of such insufficiency and the Paying Agent and the applicable Remarketing Agent will return all remarketing proceeds to the persons providing such moneys without interest;

(ii) The Tender Period then in effect will terminate on such Scheduled Mandatory Tender Date;

(iii) A Purchase Default Period will commence on such Scheduled Mandatory Tender Date; and

(iv) An Event of Default under the [applicable] Paying Agent Agreement will occur.

Notwithstanding the foregoing, the failure of Metropolitan to pay the Purchase Price of all of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] will not constitute an Event of Default under the Resolutions. See "–Event of Default and Purchase Default Period" below.

Notification of Index Mode Scheduled Mandatory Tender Failure. Within two (2) Business Days after any Index Mode Scheduled Mandatory Tender Failure [with respect to any Series], the Paying Agent will deliver a notice by first-class United States mail, postage prepaid, to (i) Metropolitan, (ii) the respective Owners of the affected [Series of 2011 A-1/A-3][2009 A-2] Bonds at their addresses appearing on the registration books, (iii) the applicable Remarketing Agent, (iv) the Fiscal Agent, and (v) one or more Information Services (currently, the EMMA System), which will state that (A) an Index Mode Scheduled Mandatory Tender Failure occurred, (B) the Paying Agent will return all [2011 A-1/A-3][2009 A-2] Bonds [of such Series] tendered on the Scheduled Mandatory Tender Date to the Owners thereof, and (C) a Purchase Default Period has commenced on the Scheduled Mandatory Tender Date under the [applicable] Paying Agent Agreement.

Effect of a Successful Remarketing. In the event moneys on deposit with the Paying Agent are sufficient to pay the Purchase Price of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] to be purchased on a Scheduled Mandatory Tender Date and all other conditions are satisfied, the following will occur:

(i) The Tender Period in effect immediately before such purchase will terminate on the Scheduled Mandatory Tender Date and a new Tender Period will commence; and

(ii) The Index Spread with respect to the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] for the new Tender Period will be the Index Spread determined by the [applicable] Remarketing Agent as described above under the caption "*–Determination of Index Spread*."

Notification of New Tender Period. In the event moneys on deposit with the Paying Agent are sufficient to pay the Purchase Price of all of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] on a Scheduled Mandatory Tender Date and all other conditions are satisfied, then, within two (2) Business Days after such Scheduled Mandatory Tender Date, the Paying Agent will deliver, by first-class United States mail, postage prepaid, a notice to (i) Metropolitan, (ii) the respective Owners of all [2011 A-1/A-3][2009 A-2] Bonds [of such Series] at their addresses appearing on the registration books, (iii) the [applicable] Remarketing Agent, (iv) the Fiscal Agent and (v) one or more Information Services (currently, the EMMA System) which will state (A) that the immediately preceding Tender Period has terminated, (B) that a new Tender Period has commenced, (C) the day on which the Scheduled Mandatory Tender Date will occur with respect to the new Tender Period, (D) the day on which the Call Protection Date will occur with respect to such Tender Period, and (E) the Index Spread determined by the [applicable] Remarketing Agent as described above under the caption "*–Determination of Index Spread*." Absent manifest error, upon delivery of such notice, the Tender Period in effect immediately preceding such Scheduled Mandatory Tender Date with respect to such [Series of 2011 A-1/A-3][2009 A-2] Bonds will be deemed to have terminated on such Scheduled Mandatory Tender Date of that Tender Period and a new Tender Period will be deemed to have commenced on such Scheduled Mandatory Tender Date.

Remarketing and Purchase of [2011 A-1/A-3][2009 A-2] Bonds in Connection with an Index Mode Unscheduled Mandatory Tender.

Remarketing of [2011 A-1/A-3][2009 A-2] Bonds. Upon receipt of notice by Metropolitan of an Index Mode Unscheduled Mandatory Tender [for any Series], the applicable Remarketing Agent will offer for sale and use its best efforts to sell, in accordance with the applicable Remarketing Agreement, the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] at a Purchase Price equal to the principal amount of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], such that the Index Spread for the next Tender Period will be determined (as described below) to be the minimum fixed per annum interest rate spread to SIFMA available in the marketplace. See "*–Determination of Index Spread*" below.

Determination of the Scheduled Mandatory Tender Date. Metropolitan, by direction to the Fiscal Agent, the applicable Remarketing Agent and the Paying Agent by telephone, telecopy or telex confirmed by written notice not later than seven (7) days before a Mandatory Purchase Date with respect to any Index Mode Unscheduled Mandatory Tender [for a Series], will determine the Scheduled Mandatory Tender Date for the Tender Period immediately following the purchase of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] in connection with such Index Mode Unscheduled Mandatory Tender. Metropolitan may determine the Scheduled Mandatory Tender Date to be any Business Day during the next Tender Period except that the Scheduled Mandatory Tender Date [(a)] will not be a date that is earlier than three (3) months after the commencement of the Tender Period [and (b) will not be a date that is later than one (1) year after the commencement of the Tender Period (unless such date is not a Business Day, in which case not later than the first Business Day following such date)]. If Metropolitan does not deliver such written direction, then the Scheduled Mandatory Tender Date for the Tender Period immediately following the purchase of [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will be the date that is one (1) year after the commencement of the Tender Period (unless such date is not a Business Day, in which case the Scheduled Mandatory Tender Date will be the first Business Day following such date).

Establishment of Call Protection Date. With respect to any Tender Period commencing on a date on which [any Series of 2011 A-1/A-3][2009 A-2] Bonds of are purchased in connection with an Index Mode Unscheduled Mandatory Tender, the Call Protection Date will be the [Tender Period Halfway][Standard Call Protection] Date. However, Metropolitan may, by direction to the Fiscal Agent, the applicable Remarketing Agent, and the Paying Agent by telephone, telecopy or telex confirmed by written notice not later than seven (7) days before a Mandatory Purchase Date with respect to any Index Mode Unscheduled Mandatory Tender, determine the Call Protection Date for such Tender Period to be a date that is different than the [Tender Period Halfway][Standard Call Protection] Date. If Metropolitan delivers a written direction determining the Call Protection Date to be a date other than the [Tender Period Halfway][Standard Call Protection] Date, then, on the Mandatory Purchase Date on which such Tender Period will commence, the related Index Mode Unscheduled Mandatory Tender will be conditioned upon the delivery by Metropolitan on and as of such Mandatory Purchase Date of a Favorable Opinion of Bond Counsel with respect to the change in the Call Protection Date. If Metropolitan determines the Call Protection Date to be a date that is different than the [Tender Period Halfway][Standard Call Protection] Date with respect to any Tender Period, then that determination will not apply to any subsequent Tender Period unless Metropolitan delivers written direction with respect to such subsequent Tender Period.

Determination of Index Spread. No later than 5:00 p.m. (New York City time) [two (2)][one (1)] Business Day[s] before the Mandatory Purchase Date with respect to any Index Mode Unscheduled Mandatory Tender [for a Series], the applicable Remarketing Agent will determine the Index Spread with respect to the Tender Period immediately following such Mandatory Purchase Date. The applicable Remarketing Agent will determine the Index Spread which will be equal to the minimum fixed per annum interest rate spread to SIFMA (based on an examination of tax exempt obligations comparable, in the reasonable judgment of the Remarketing Agent, to the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] and known by such Remarketing Agent to have been priced or traded under then-prevailing market conditions) which, if borne by the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], would enable the

Remarketing Agent to sell all [2011 A-1/A-3][2009 A-2] Bonds [of such Series] on the Mandatory Purchase Date at a Purchase Price equal to the principal amount thereof. This determination by such Remarketing Agent of the Index Spread with respect to [2011 A-1/A-3][2009 A-2] Bonds [of such Series] in the Index Mode will be conclusive and binding on the Owners of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] and Metropolitan, the Fiscal Agent, the Remarketing Agent and the Paying Agent.

Purchase of [2011 A-1/A-3][2009 A-2] Bonds. Metropolitan will cause the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] required to be purchased in connection with an Index Mode Unscheduled Mandatory Tender to be purchased from the Owners thereof, on the applicable Mandatory Purchase Date at the Purchase Price from the following sources in the order of priority indicated:

(i) proceeds of the sale of such [2011 A-1/A-3][2009 A-2] Bonds [of the same Series] remarketed to any person and furnished to the Paying Agent by the applicable Remarketing Agent for deposit into the related Remarketing Proceeds Account of the Purchase Fund; and

(ii) moneys furnished by or on behalf of Metropolitan to the Paying Agent for deposit into the related Purchase Account of the Purchase Fund;

provided, however, that if Metropolitan rescinds any Index Mode Unscheduled Mandatory Tender, or if any of the conditions of any Index Mode Unscheduled Mandatory Tender is not satisfied, then Metropolitan will not have any obligation to purchase any [2011 A-1/A-3][2009 A-2] Bonds, no purchase will occur, the [2011 A-1/A-3][2009 A-2] Bonds will continue to bear interest at the Index Tender Rate in effect during such Tender Period without change or modification and the Tender Period then in effect will continue until terminated.

The [applicable] Remarketing Agent will offer for sale and use its best efforts to sell any [2011 A-1/A-3][2009 A-2] Bonds [of a Series] purchased by or on behalf of Metropolitan pursuant to an Index Mode Unscheduled Mandatory Tender. The [applicable] Remarketing Agent will offer for sale any [2011 A-1/A-3][2009 A-2] Bonds [of a Series] to be purchased in connection with an Index Mode Unscheduled Mandatory Tender and any [2011 A-1/A-3][2009 A-2] Bonds [of such Series] purchased by or on behalf of Metropolitan (other than [2011 A-1/A-3][2009 A-2] Bonds [of such Series] purchased by the [applicable] Remarketing Agent for its own account) at a price equal to principal plus any accrued and unpaid interest on such [Series of 2011 A-1/A-3][2009 A-2] Bonds; *provided, however,* that if Metropolitan delivers a Favorable Opinion of Bond Counsel, Metropolitan will have the right to direct the applicable Remarketing Agent to sell all [2011 A-1/A-3][2009 A-2] Bonds [of a Series] subject to an Index Mode Unscheduled Mandatory Tender or all such [Series of 2011 A-1/A-3][2009 A-2] Bonds purchased by or on behalf of Metropolitan at a discount or at a premium.

Effect of a Successful Remarketing. In the event moneys on deposit with the Paying Agent are sufficient to pay the Purchase Price of [2011 A-1/A-3][2009 A-2] Bonds [of any Series] to be purchased in connection with an Index Mode Unscheduled Mandatory Tender and all other conditions are satisfied, the following will occur:

(i) The Tender Period [for such Series] in effect immediately before such tender will terminate on such Mandatory Purchase Date and a new Tender Period will commence on such date; and

(ii) The Index Spread with respect to [such Series][the 2009 A-2 Bonds] for the new Tender Period will be the Index Spread determined by the applicable Remarketing Agent as described above under the caption "– *Determination of Index Spread*."

Notification of New Tender Period. In the event moneys on deposit with the Paying Agent are sufficient to pay the Purchase Price of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] to be purchased in connection with an Index Mode Unscheduled Mandatory Tender on the Mandatory Purchase Date and all other conditions are satisfied, then within two (2) Business Days after such Mandatory Purchase Date, the Paying Agent will deliver a notice by first-class United States mail, postage prepaid, to (i) Metropolitan, (ii) the respective Owners of any [2011 A-1/A-3][2009 A-2] Bonds [of such Series] at their addresses appearing on the registration books, (iii) the applicable Remarketing Agent, (iv) the Fiscal Agent, and (v) one or more Information Services (currently, the EMMA System), which will state (A) that the immediately preceding Tender Period has terminated, (B) that a new Tender Period has commenced, (C) the day on which the Scheduled Mandatory Tender Date will occur with respect to the new Tender Period, (D) the day on which the Call Protection Date will occur with respect to any new Tender Period, and (E) the Index Spread determined by the applicable Remarketing Agent as described above under the caption "– *Determination of Index Spread*." Absent manifest error, upon delivery of such notice, the Tender Period in effect immediately preceding such Mandatory Purchase Date will be deemed to have terminated and a new Tender Period will be deemed to have commenced.

Remarketing Agent[s]

[Morgan Stanley & Co. LLC ("Morgan Stanley") has been appointed remarketing agent for the 2011 A-1 Bonds under the terms of a remarketing agreement between Metropolitan and Morgan Stanley. The principal office of Morgan Stanley, in its capacity as remarketing agent for the 2011 A-1 Bonds, is 1585 Broadway, 11th Floor, New York, New York 10036, Attn: Municipal Short Term Products. Barclays Capital Inc. ("Barclays") has been appointed remarketing agent for the 2011 A-3 Bonds under the terms of a remarketing agreement between Metropolitan and Barclays. The principal office of Barclays, in its capacity as remarketing agent for the 2011 A-3 Bonds, is 745 Seventh Avenue, 2nd Floor, New York, New York 10019. Morgan Stanley and Barclays, in their respective capacities as remarketing agents, are referred to herein each as a "Remarketing Agent" and together as "Remarketing Agents."]

[Stifel, Nicolaus & Company, Incorporated is serving as Remarketing Agent for the 2009 A-2 Bonds pursuant to the terms of a Remarketing Agreement dated May 1, 2009 (the "Remarketing Agreement") by and between Metropolitan and Stone & Youngberg LLC. On October 3, 2011, Stone & Youngberg LLC was acquired by Stifel Financial Corp. and remarketing agent services of Stone & Youngberg LLC under the Remarketing Agreement and the Paying Agent Agreement were transferred to Stifel, Nicolaus & Company, Incorporated. The principal office of the Remarketing Agent is: One Montgomery Street, 35th Floor, San Francisco, CA. 94104.]

[Either][The] Remarketing Agent may resign or be removed as remarketing agent by Metropolitan upon thirty (30) days notice in accordance with the terms of the applicable Remarketing Agreement (provided, that [neither][the] Remarketing Agent may [not] resign or be discharged of the duties and obligations created under the applicable Paying Agent Agreement on any date that is less than sixty (60) days before a Scheduled Mandatory Tender Date of the affected Series).

Redemption of the [2011 A-1/A-3][2009 A-2] Bonds

Optional Redemption of [2011 A-1/A-3][2009 A-2] Bonds in the Index Mode. The [2011 A-1/A-3][2009 A-2] Bonds [of a Series] in the Index Mode will be subject to optional redemption by Metropolitan in whole or in part, in Authorized Denominations, during the applicable Tender Period [for such Series], on any Business Day on or after the applicable Call Protection Date for such Tender Period at a redemption price equal to 100% of the principal being redeemed plus accrued interest, if any, to such Redemption Date, without premium; *provided, however,* that, during a Purchase Default Period, the [affected Series of 2011 A-1/A-3][2009 A-2] Bonds will not be subject to optional redemption. For a

description of the Call Protection Date, see "REMARKETING OF THE [2011 A-1/A-3][2009 A-2] BONDS–Call Protection Date."

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Mandatory Sinking Fund Redemption of [2011 A-1/A-3][2009 A-2] Bonds. The [2011 A-1/A-3][2009 A-2] Bonds will be subject to mandatory sinking fund redemption prior to maturity, commencing on July 1, 20__ and on each July 1 thereafter through and including July 1, 20__, at a redemption price equal to 100% of the principal being redeemed plus accrued interest, if any, to the Redemption Date, from Mandatory Sinking Account Payments (as defined in the Master Resolution) which have been deposited in the Bond Service Fund, [for such Series and] in the principal amounts set forth below.

Redemption Date	**Principal Amount**	
	[2011 A-1]	
(July 1)	**[2009 A-2]**	**[2011 A-3]**

† Final Maturity

Mandatory Sinking Account Payments for the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] will be reduced to the extent Metropolitan has purchased [2011 A-1/A-3][2009 A-2] Bonds [of such Series] and surrendered such [2011 A-1/A-3][2009 A-2] Bonds to the Fiscal Agent for cancellation. If [2011 A-1/A-3][2009 A-2] Bonds [of a Series] have been redeemed as described under the caption "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Redemption of the [2011 A-1/A-3][2009 A-2] Bonds," then the amount of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] so redeemed will be credited to such future Mandatory Sinking Account Payments [of such Series] as may be specified by Metropolitan. A reduction of Mandatory Sinking Account Payments in any twelve-month period ending July 1 will reduce the principal amount of [2011 A-1/A-3][2009 A-2] Bonds [of a Series] subject to mandatory sinking fund redemption on that July 1. While the [2011 A-1/A-3][2009 A-2] Bonds are in an Index Mode, the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] will remain subject to mandatory sinking fund redemption during any Purchase Default Period [of such Series].

Special Mandatory Redemption of [2011 A-1/A-3][2009 A-2] Bonds. During any Purchase Default Period [with respect to any Series], the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will be subject to special mandatory redemption prior to maturity, at a redemption price equal to 100% of the

principal being redeemed plus accrued interest, if any, to the Redemption Date, from Special Mandatory Redemption Payments which have been deposited in the Bond Service Fund, in the following principal amounts:

(i) on the first Business Day on or after the date that is 18 months following the commencement of such Purchase Default Period, a principal amount of such [Series of 2011 A-1/A-3][2009 A-2] Bonds equal to 33 1/3% of the Special Mandatory Redemption Amount (rounded up to an Authorized Denomination);

(ii) on the first Business Day on or after the date that is 36 months following the commencement of such Purchase Default Period, a principal amount of such [Series of 2011 A-1/A-3][2009 A-2] Bonds equal to 33 1/3% of the Special Mandatory Redemption Amount (rounded up to an Authorized Denomination); and

(iii) on the first Business Day on or after the date that is 54 months following the commencement of such Purchase Default Period, all of the principal amount of such [Series of 2011 A-1/A-3][2009 A-2] Bonds Outstanding as of such Redemption Date.

If, during any Purchase Default Period [for a Series], Metropolitan purchases a portion of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] or redeems the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] from Mandatory Sinking Account Payments, then the amount of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] so purchased or redeemed will be credited as may be specified by Metropolitan to such Special Mandatory Redemption Payments of that Purchase Default Period occurring after such purchase or redemption.

Upon the termination of such Purchase Default Period, the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will no longer be subject to special mandatory redemption.

The term "Special Mandatory Redemption Amount" means, with respect to special mandatory redemption during any Purchase Default Period, the aggregate principal amount of [2011 A-1/A-3][2009 A-2] Bonds [of the affected Series] outstanding on the Scheduled Mandatory Tender Date on which such Purchase Default Period commenced.

Notice of Redemption. Notice of redemption will be given by the Paying Agent by first-class United States mail, postage prepaid, not less than [seven (7)][twenty (20)] nor more than forty five (45) days prior to the Redemption Date to (a) the respective Owners of any [2011A-1/A-3][2009 A-2] Bonds [of a Series] designated for redemption at their addresses appearing on the register maintained by the Paying Agent, (b) the [applicable] Remarketing Agent, (c) the Fiscal Agent, and (d) one or more Information Services (currently, the EMMA System). Notice of redemption will also be given by telecopy, certified, registered or overnight mail to DTC upon mailing of notice of redemption to the Owners and the Information Services (currently, the EMMA System). Each notice of redemption will state the date of such notice, the distinguishing designation of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], the date of issue of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], the Redemption Date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Paying Agent), the CUSIP number, if any, of the maturity or maturities and, if less than all of such maturity, the distinctive certificate numbers of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] of such maturity to be redeemed and, in the case of [2011 A-1/A-3][2009 A-2] Bonds [of a Series] to be redeemed in part only, the respective portion of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable with respect to each of said [2011 A-1/A-3][2009 A-2] Bonds [of such Series] the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a [2011 A-1/A-3][2009 A-2] Bond

to be redeemed in part only, and that from and after such Redemption Date, the related interest due with respect thereto will cease to accrue, and will require that such [2011 A-1/A-3][2009 A-2] Bonds be then surrendered at the address or addresses of the Paying Agent specified in the redemption notice. Notice of any redemption will either (i) state that the proposed redemption is conditioned on there being on deposit in the applicable fund or account on the Redemption Date sufficient money to pay the full Redemption Price of the [2011 A-1/A-3][2009 A-2] Bonds to be redeemed, or (ii) be sent only if sufficient money to pay the full Redemption Price of the [2011 A-1/A-3][2009 A-2] Bonds to be redeemed is on deposit in the applicable fund or account. All such amounts will be held uninvested or will be invested in Federal Securities (as defined in the Resolutions) which mature on or prior to such Redemption Date.

Failure by the Paying Agent to give notice as described above to the applicable Remarketing Agent, the Owners of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] designated for redemption or any one or more of the Information Services (currently, the EMMA System) or DTC or any defect in such notice will not affect the sufficiency of the proceedings for redemption.

Selection of [2011 A-1/A-3][2009 A-2] Bonds for Redemption. Other than a redemption of [2011 A-1/A-3][2009 A-2] Bonds pursuant to a special mandatory redemption, in the case of redemption in part, the Paying Agent will select the [2011 A-1/A-3][2009 A-2] Bonds to be redeemed by lot. In the case of any redemption of [2011 A-1/A-3][2009 A-2] Bonds pursuant to a special mandatory redemption, the Paying Agent will select the [2011 A-1/A-3][2009 A-2] Bonds to be redeemed on a *pro rata* basis from all Owners, calculated based on the Outstanding principal amount of the [2011 A-1/A-3][2009 A-2] Bonds held by each Owner compared to the total amount of [2011 A-1/A-3][2009 A-2] Bonds Outstanding on the Record Date in respect of the applicable Redemption Date.

Effect of Redemption. If notice of redemption has been duly given as aforesaid and funds for the payment of the Redemption Price [of a Series] of [2011 A-1/A-3][2009 A-2] Bonds to be redeemed are held by the Paying Agent on the designated Redemption Date, then on the Redemption Date designated in such notice, the Redemption Price [of such Series] of [2011 A-1/A-3][2009 A-2] Bonds so called for redemption will become due and payable as specified in such notice; and from and after the date so designated, interest due with respect to such [Series of 2011 A-1/A-3][2009 A-2] Bonds or portions thereof so called for redemption will cease to accrue, such [Series of 2011 A-1/A-3][2009 A-2] Bonds will cease to be entitled to any benefit, protection or security under the [applicable] Paying Agent Agreement and the Owners [of such Series] of [2011 A-1/A-3][2009 A-2] Bonds will have no rights in respect thereof except to receive payment of the Redemption Price. The Paying Agent will, upon surrender for payment of any such [Series of 2011 A-1/A-3][2009 A-2] Bonds to be redeemed on their respective Redemption Dates, pay such [Series of 2011 A-1/A-3][2009 A-2] Bonds at the Redemption Price. If said moneys are not available on the Redemption Date, such Series of [2011 A-1/A-3][2009 A-2] Bonds will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption.

Event of Default and Purchase Default Period

Event of Default. If Metropolitan does not pay the Purchase Price of all of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] pursuant to an Index Mode Scheduled Mandatory Tender, then such failure will be an "Event of Default" under the [applicable] Paying Agent Agreement and a Purchase Default Period for such Series will commence.

Purchase Default Period. During a Purchase Default Period with respect to [a Series of 2011 A-1/A-3][the 2009 A-2] Bonds, the following will apply:

(a) All of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will bear interest at the Purchase Default Rate, which will be a per annum rate equal to the lower of (i) twelve percent (12%) and (ii) the higher of (A) eight percent (8%) and (B) the Prime Rate plus three percent (3%);

(b) The [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will not be subject to optional redemption (but as provided in (f) below, Metropolitan will remain obligated to purchase the [2011 A-1/A-3][2009 A-2] Bonds [of such Series]);

(c) The [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will remain subject to Mandatory Sinking Fund Redemption;

(d) The [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will be subject to special mandatory redemption on the dates and in the principal amounts as set forth below under the caption "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Redemption of the [2011 A-1/A-3][2009 A-2] Bonds–S*pecial Mandatory Redemption of [2011 A-1/A-3][2009 A-2] Bonds*";

(e) Metropolitan will not require the Owners to tender their [2011 A-1/A-3][2009 A-2] Bonds [of such Series] for purchase as set forth above under the caption "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Tender and Purchase of the [2011 A-1/A-3][2009 A-2] Bonds";

(f) Metropolitan will continue to be obligated to purchase all of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] at the Purchase Price, notwithstanding, and in addition to, its obligation to redeem Outstanding [2011 A-1/A-3][2009 A-2] Bonds [of such Series] from Special Mandatory Redemption Payments; and

(g) If Metropolitan pays the Purchase Price, on any date, of all or any portion of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], the Owners thereof will be obligated to sell and deliver their [2011 A-1/A-3][2009 A-2] Bonds to Metropolitan.

Notwithstanding the foregoing, the failure of Metropolitan to pay the Purchase Price of all of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will not constitute an Event of Default under the Master Resolution or under any other provision of the Resolutions.

Determination of Prime Rate and Purchase Default Rate. During each Purchase Default Period [for any Series] (but not during any Tender Period), no later than 11:00 a.m. (New York City time) on the Business Day immediately preceding each Interest Payment Date while the [2011 A-1/A-3][2009 A-2] Bonds bear interest in the Index Mode, the Fiscal Agent will deliver written notice to Metropolitan, the Paying Agent and the applicable Remarketing Agent specifying the Prime Rate and the Purchase Default Rate for, and the aggregate amount of interest on, the [2011 A-1/A-3][2009 A-2] Bonds that is due and payable on such Interest Payment Date together with a detailed calculation of the foregoing. All percentages resulting from the calculation of the Prime Rate will be rounded, if necessary, to the nearest ten-thousandth of a percentage point with five hundred thousandths of a percentage point rounded upward, and all dollar amounts used in or resulting from the calculation of the Purchase Default Rate will be rounded to the nearest cent (with one-half cent being rounded upward). This determination by the Fiscal Agent of the Prime Rate and the Purchase Default Rate will be conclusive and binding on the Owners of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series], Metropolitan, the Fiscal Agent, the [applicable] Remarketing Agent and the Paying Agent.

Purchase and Sale of [2011 A-1/A-3][2009 A-2] Bonds During Purchase Default Period. During a Purchase Default Period [for a Series], Metropolitan will pay the Purchase Price of [such Series of 2011 A-1/A-3][the 2009 A-2] Bonds by delivering the Purchase Price for [such Series of 2011 A-1/A-3][the 2009 A-2] Bonds to be purchased to the Paying Agent at its Corporate Trust Office on any Business Day.

If on any Business Day Metropolitan pays the Purchase Price with respect to only a portion of the [affected Series of 2011 A-1/A-3][2009 A-2] Bonds, then Metropolitan will purchase [such Series of 2011 A-1/A-3][the 2009 A-2] Bonds from each of the Owners on a *pro rata* basis, calculated based on the outstanding principal amount of the [2011 A-1/A-3][2009 A-2] Bonds held by each Owner compared to the total amount of [2011 A-1/A-3][2009 A-2] Bonds [of such Series] Outstanding on such Business Day.

From and after the Business Day on which Metropolitan delivers the Purchase Price of all or any portion of the [affected Series of 2011 A-1/A-3][2009 A-2] Bonds to the Paying Agent, such [Series of 2011 A-1/A-3][2009 A-2] Bonds will be deemed purchased by Metropolitan, no interest will accrue on such [Series of 2011 A-1/A-3][2009 A-2] Bonds and the Owners thereof will have no rights under the Resolutions other than to receive payment of the Purchase Price thereof.

Termination of a Purchase Default Period. During any Purchase Default Period [for any Series], upon the purchase by Metropolitan of all of the [affected Series of 2011 A-1/A-3][2009 A-2] Bonds, the Event of Default under the applicable Paying Agent Agreement will be cured and the Purchase Default Period attributable to such Event of Default will terminate on the date next preceding the date on which such purchase occurs.

Bondholders' Committee. In addition to any rights that the Owners of the [2011 A-1/A-3][2009 A-2] Bonds may have under the Resolutions, if an Event of Default has occurred and is continuing under a Paying Agent Agreement [for a Series], the Owners of twenty five percent (25%) in aggregate principal amount of the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] then Outstanding may call a meeting of the Owners of the [affected Series of 2011 A-1/A-3][2009 A-2] Bonds for the purpose of electing a Bondholders' committee (a "Bondholders' Committee"). At such meeting the Owners of not less than a majority in aggregate principal amount of [2011 A-1/A-3][2009 A-2] Bonds [of the related Series] must be present in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn from time to time without any other notice than the announcement thereof at the meeting. A quorum being present at such meeting, the Owners present in person or by proxy may, by a majority of the votes cast, elect one or more persons, who may or may not be Owners, to the Bondholders' Committee. The Owners present in person or by proxy at such meeting, or at any adjourned meeting thereof (a) will prescribe the manner in which the successors of the persons elected to the Bondholders' Committee will be elected or appointed, (b) may prescribe rules and regulations governing the exercise by the Bondholders' Committee of the power conferred upon it, and (c) may provide for the termination of the existence of the Bondholders' Committee. The Bondholders' Committee will be deemed trustee for the Owners of all of the then outstanding [2011 A-1/A-3][2009 A-2] Bonds [of the affected Series], and will be empowered to exercise in the name of the Owners all the rights and powers conferred in the [applicable] Paying Agent Agreement on any Owner, provided, however, that whenever the consent, approval or concurrence of the Owners of a specified percentage of principal of the then outstanding [2011 A-1/A-3][2009 A-2] Bonds [of such Series] is required, in order to exercise the right or power conferred in the applicable Paying Agent Agreement on the Owners to which such percentage pertains, the Bondholders' Committee either must have been elected by or their election must have been approved by or concurred by, and such committee must then represent, the Owners of such specified percentage of the principal amount of the then outstanding [2011 A-1/A-3][2009 A-2] Bonds [of the related Series]. A certificate of the election of the Bondholders' Committee, including the

names and addresses of its chairman and other members, must be filed with the Authorized Representative.

Any Bondholders' Committee elected under the applicable Paying Agent Agreement is distinct from any similar committee elected under the Resolutions, with its own limited rights as specified in the applicable Paying Agent Agreement.

Other Remedies, Rights of Owners of the [2011 A-1/A-3][2009 A-2] Bonds. Upon the occurrence and continuation of an Event of Default under a Paying Agent Agreement, the Owners of the [2011 A-1/A-3][2009 A-2] Bonds [of the affected Series] may proceed to protect and enforce their rights by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of the applicable Paying Agent Agreement.

The rights of the Owners of the [2011 A-1/A-3][2009 A-2] Bonds under the [applicable] Paying Agent Agreement are in addition to any rights that the Owners of the [2011 A-1/A-3][2009 A-2] Bonds may have under the Master Resolution and the Fourth Supplemental Resolution.

No Owner of [2011 A-1/A-3][2009 A-2] Bonds has the right to declare the principal and accrued interest on the [2011 A-1/A-3][2009 A-2] Bonds to be immediately due and payable except as provided in the Resolutions.

Change to a Different Interest Mode

Change of Interest Mode. At Metropolitan's discretion, [each Series of 2011 A-1/A-3][the 2009 A-2] Bonds may bear interest from time to time at (a) the Index Tender Rate, (b) the Daily Rate, (c) the Weekly Rate, (d) the Bond Interest Term Rate, (e) the Long Rate or (f) a Fixed Interest Rate, as such terms are defined and as more fully described in the [applicable] Paying Agent Agreement. However, all of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] will bear interest in the same Interest Mode or at a Fixed Interest Rate.

Notice of Different Interest Mode. The Paying Agent will give notice, together with the notice of mandatory tender for purchase, by first-class United States mail, postage prepaid, of a change to a different Interest Mode to the Owners of the [2011 A-1/A-3][2009 A-2] Bonds not less than seven (7) days prior to the effective date of such different Interest Mode. Such notice will state, among other matters, (i) that the interest rate on the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] will be changed to a different Interest Mode, (ii) the effective date of the new Interest Mode, and (iii) if applicable, that the [2011 A-1/A-3][2009 A-2] Bonds [of such Series] are subject to mandatory tender for purchase on such effective date and the applicable Purchase Price.

Change of Interest Mode from an Index Mode. During any Tender Period while [2011 A-1/A-3][2009 A-2] Bonds [of a Series] bear interest in the Index Mode, Metropolitan may change the Interest Mode and may convert to a Fixed Interest Rate (as defined in the applicable Paying Agent Agreement) only from and after the applicable Call Protection Date of such Tender Period.

SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS

Metropolitan's obligation to pay principal of and interest on [2011 A-1/A-3][2009 A-2] Bonds is a limited obligation of Metropolitan payable solely from and secured solely by a pledge of and a lien and charge upon the Net Operating Revenues and the other funds, assets and security described under the Resolutions. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS." As defined in the Master Resolution, "Net Operating Revenues" are Operating

Revenues less Operation and Maintenance Expenditures paid from Operating Revenues. "Operating Revenues" are all revenues received by Metropolitan from charges for the sale and availability of water. "Operation and Maintenance Expenditures" are the necessary expenditures for operating and maintaining the properties, works and facilities of Metropolitan, including expenditures for such charges as may be payable by Metropolitan under the State Water Contract and the Devil Canyon-Castaic Contract, which charges constitute operation, maintenance, power and replacement charges; any necessary contributions to medical, health, retirement or other similar benefits of Metropolitan employees and annuitants; and such other expenditures of Metropolitan generally classified as operating and maintenance expenditures, excluding any charges for depreciation or amortization. The State Water Contract and the Devil Canyon-Castaic Contract are discussed in APPENDIX A under the caption "METROPOLITAN'S EXPENDITURES–State Water Contract Obligations." Payment of capital costs and some other payments under the State Water Contract and the Devil Canyon-Castaic Contract are subordinate to the obligation of Metropolitan for payment of Operation and Maintenance Expenditures and debt service on the [2011 A-1/A-3][2009 A-2] Bonds, the Parity Bonds and the Parity Obligations. Accordingly, the debt service coverage on the [2011 A-1/A-3][2009 A-2] Bonds, the Parity Bonds and the Parity Obligations does not take into account such expenses. See APPENDIX A under the caption "HISTORICAL AND PROJECTED REVENUES AND EXPENDITURES."

The [2011 A-1/A-3][2009 A-2] Bonds are limited obligations of Metropolitan payable as to principal and interest solely from and secured solely by a pledge of and a lien and charge upon the Net Operating Revenues. Metropolitan's obligation to pay the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bonds tendered for purchase is an unsecured obligation payable solely from the sources specified in this Remarketing Statement. The [2011 A-1/A-3][2009 A-2] Bonds do not constitute general obligation indebtedness of Metropolitan. Neither the general credit nor the taxing power of Metropolitan is pledged for the payment of the [2011 A-1/A-3][2009 A-2] Bonds or the interest thereon or the Purchase Price thereof. The obligation to pay the principal of, interest and redemption premium, if any, on or the Purchase Price upon a tender for purchase of, the [2011 A-1/A-3][2009 A-2] Bonds does not constitute a pledge, charge, lien or encumbrance upon any of Metropolitan's property or its income, receipts or revenues except as described in this Remarketing Statement.

Rate Covenant

Metropolitan covenants in the Master Resolution that it will prescribe, revise and collect such rates and charges for the services, facilities, availability and water of the Water System (defined in the Resolutions as the properties, works and facilities of Metropolitan necessary for the supply, availability, development, storage, transportation, treatment or sale of water) which, after making allowances for contingencies and error in estimates, will provide Operating Revenues, together with any Additional Revenues (*i.e.*, interest, profits and other income received from the investment of any moneys of Metropolitan and other revenues of Metropolitan (other than Operating Revenues) to the extent available to pay debt service on the [2011 A-1/A-3][2009 A-2] Bonds, the Parity Bonds and the Parity Obligations), at least sufficient to pay the following amounts in the following order:

1. Operation and Maintenance Expenditures;

2. Interest on and Bond Obligation (including Mandatory Sinking Account Payments and Special Mandatory Redemption Payments) of the Outstanding Bonds and Parity Obligations as the same become due and payable;

3. All other payments required for compliance with the Master Resolution or any Supplemental Resolution; and

4. All other payments required to meet any other obligations of Metropolitan that are charges, liens or encumbrances upon or payable from Net Operating Revenues.

Metropolitan previously issued and designated three series of Bonds in the aggregate principal amount of $578,385,000 as "Build America Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009 (the "Build America Bonds"). Except as they may be reduced by sequestration as described in the following paragraph, Metropolitan currently expects to receive cash subsidies from the United States Treasury equal to 35% of the interest payable on all such outstanding Build America Bonds (the "Interest Subsidy Payments"). See "OPERATING REVENUES AND DEBT SERVICE – Operating Revenues." The Interest Subsidy Payments in connection with the Build America Bonds do not constitute Operating Revenues under the Master Resolution. Such Interest Subsidy Payments will constitute Additional Revenues, which Metropolitan may take into consideration when establishing its rates and charges and will be available to Metropolitan to pay principal and interest on the [2011 A-1/A-3][2009 A-2] Bonds.

The Budget Control Act of 2011 (the "Budget Control Act") provided for increases in the federal debt limit and established procedures designed to reduce the federal budget deficit. The Budget Control Act provided that a failure to reduce the deficit would result in sequestration: automatic, generally across-the-board spending reductions. These reductions began on March 1, 2013 pursuant to an executive order that reduced budgetary authority for expenditures subject to sequestration, including subsidies for Build America Bonds. Pursuant to this executive order, the approximately $6.64 million interest subsidy payment that Metropolitan received on or about July 1, 2013 in connection with its Build America Bonds was reduced by 8.7%, or $578,000, to $6.06 million. Refund payments processed on or after October 1, 2013 and on or before September 30, 2014 are anticipated to be reduced by the fiscal year 2014 sequestration rate of 7.2%, or approximately $950,000 of the $13.2 million originally projected to be received over this period. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change. Metropolitan can offer no assurances as to future subsidy payments and expects that once it receives less than any full 35% subsidy payment, the United States Treasury will not thereafter reimburse Metropolitan for payments not made.

Metropolitan is required to take into account in setting its rates and charges the amount of any scheduled payments of principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds, including any Mandatory Sinking Fund Payments and, during any Purchase Default Period, Special Mandatory Redemption Payments. Metropolitan is not required to take into account the amount of any Purchase Price of any tendered [2011 A-1/A-3][2009 A-2] Bonds in setting its rates and charges.

Water rates are established by a majority of the voting power of the Board. Metropolitan's water rates are not subject to regulation by the Public Utilities Commission of California or by any other state, local or federal agency. Proposition 218, a State constitutional ballot initiative approved by the voters on November 5, 1996, imposes additional limitations on the manner in which local agencies may impose taxes, fees, charges and assessments. Some of Metropolitan's Operating Revenues are derived from standby and water availability charges. These revenues may be affected by the application of Proposition 218. Proposition 26, a State ballot initiative aimed at restricting regulatory fees and charges, was approved by the California voters on November 2, 2010. Proposition 26 broadens the definition of "tax" in Article XIIIC of the California Constitution to include levies, charges and exactions imposed by local governments. Metropolitan believes its water rates and charges are not taxes under Proposition 26. Nevertheless, Metropolitan is assessing whether Proposition 26 may affect future water rates and charges. These revenues may be affected by the application of Proposition 26. See APPENDIX A under the caption "METROPOLITAN REVENUES–California Ballot Initiatives."

Parity Bonds and Parity Obligations

As of November 1, 2013, Metropolitan had $4.33 billion aggregate principal amount of Bonds (including the [2011 A-1/A-3][2009 A-2] Bonds) outstanding. Metropolitan's outstanding Bonds include, among other things, Index Tender Bonds, Term Mode Bonds and Self-Liquidity Bonds, as more fully described in APPENDIX A under "METROPOLITAN EXPENDITURES – Variable Rate and Swap Obligations" and "– Other Revenue Obligations." Metropolitan has, and may in the future, enter into one or more revolving credit agreements for purposes of paying the purchase price of any Self-Liquidity Bonds. Metropolitan has secured, and may in the future secure, its obligation to pay principal and interest under any revolving credit agreement as a Parity Obligation under the Master Resolution. See APPENDIX A – "METROPOLITAN EXPENDITURES – Variable Rate and Swap Obligations" and "– Revolving Credit Agreement" for information regarding the revolving credit agreement to which Metropolitan is a party. Metropolitan also has obligations under interest rate swap agreements, which obligations (other than with respect to termination payments under some of such swap agreements) are payable on a parity with Metropolitan's obligation to pay principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds, Parity Bonds and other Parity Obligations. The payments by Metropolitan are secured as described in, and the interest rate swap agreements entail risks to Metropolitan as described in APPENDIX A under "METROPOLITAN EXPENDITURES – Variable Rate and Swap Obligations."

Metropolitan's obligation to pay the Purchase Price of all of the [2011 A-1/A-3][2009 A-2] Bonds in connection with an Index Mode Scheduled Mandatory Tender is an unsecured obligation of Metropolitan that it would pay from Net Operating Revenues after it has made payments and deposits with respect to its Operating Revenues, the Parity Bonds and Parity Obligations and other obligations secured by Net Operating Revenues. Metropolitan may (or may not) have other funds available from time to time to pay the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bonds tendered pursuant to an Index Mode Scheduled Mandatory Tender; however, if available, Metropolitan does not have any obligation to use such funds to pay the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bonds.

As provided in the Resolutions, Metropolitan may issue additional Parity Bonds and Parity Obligations payable and secured on a parity with the [2011 A-1/A-3][2009 A-2] Bonds, the Parity Bonds and existing Parity Obligations, subject to the limitations, terms and conditions of the Master Resolution. See "– Additional Indebtedness" below and APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS – THE MASTER RESOLUTION – Covenants – Limits on Additional Debt."

See APPENDIX A – "METROPOLITAN EXPENDITURES – Anticipated Financings" for a discussion of certain additional financings contemplated by Metropolitan as of the date of this Official Statement.

Additional Indebtedness

Metropolitan covenants in the Master Resolution that no additional indebtedness evidenced by bonds, notes or any other evidences of indebtedness payable out of its Operating Revenues will be issued having any priority in payment of principal, redemption premium, if any, or interest over the [2011 A-1/A-3][2009 A-2] Bonds, the Parity Bonds or the Parity Obligations.

In addition, Metropolitan covenants in the Master Resolution that, except for Refunding Bonds or Parity Obligations to the extent incurred to pay or discharge Outstanding Bonds or Parity Obligations and which do not result in an increase in the average annual debt service on all Bonds or Parity Obligations to be Outstanding after the issuance of such Refunding Bonds or Parity Obligations, no additional Bonds or Parity Obligations will be created or incurred unless:

FIRST: Metropolitan is not in default under the terms of the Resolutions, including as supplemented, modified or amended by any Supplemental Resolution.

SECOND: Either (1) the Net Operating Revenues as shown by the books and records of Metropolitan for the latest Fiscal Year or for any 12 consecutive month period within the last completed 24-month period ended not more than one month before the issuance of or incurrence of such additional Bonds or Parity Obligations as set forth in a certificate of Metropolitan, or (2) the estimated Net Operating Revenues for the first complete Fiscal Year when improvements to the Water System financed with the proceeds of the additional Bonds or Parity Obligations will be in operation as estimated by and set forth in a certificate of Metropolitan plus, at the option of Metropolitan, any or all of certain other items permitted by the Resolutions, will have amounted to not less than 1.20 times the Maximum Annual Debt Service in any Fiscal Year thereafter on all Bonds and Parity Obligations to be Outstanding immediately subsequent to the incurring of such additional Bonds or Parity Obligations. In making this calculation, Metropolitan may take into consideration any increases in water rates or charges which have become effective prior to the creation of such additional Bonds or Parity Obligations, any increase in Net Operating Revenues which may arise from additions or improvements to the Water System to be made or acquired with the proceeds of such additional Bonds or Parity Obligations or using the proceeds of Bonds previously issued, or from additions recently placed in service, Additional Revenues and other funds specified in the Resolutions.

THIRD: On the date of delivery of and payment for such additional Bonds or Parity Obligations, the amount in any reserve fund or account for any Bonds or Parity Obligations previously established will not be less than an amount required to be maintained in such fund pursuant to the Supplemental Resolution or other document creating such fund.

The Interest Subsidy Payments that Metropolitan expects to receive, subject to sequestration as described above, from the United States Treasury in connection with its previously issued and designated Build America Bonds do not constitute Operating Revenues under the Master Resolution and are not pledged for the payment of debt service on the Build America Bonds or any Parity Bonds and Parity Obligations. Such subsidy will, however, constitute Additional Revenues, which Metropolitan will use when determining whether it has satisfied the requirements set forth in the Master Resolution for the creation or incurrence of additional Bonds or Parity Obligations. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS– THE MASTER RESOLUTION–Covenants–*Limits on Additional Debt*."

Metropolitan's obligation to pay the Purchase Price of all of the [2011 A-1/A-3][2009 A-2] Bonds in connection with an Index Mode Scheduled Mandatory Tender is an unsecured obligation of Metropolitan that it would pay from Net Operating Revenues after it has made payments and deposits with respect to its Operating Revenues, the Parity Bonds, the Parity Obligations and other obligations secured by Net Operating Revenues. Metropolitan may (or may not) have other funds available from time to time to pay the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bonds tendered pursuant to an Index Mode Scheduled Mandatory Tender; however, if available, Metropolitan does not have any obligation to use such funds to pay the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bonds. See APPENDIX A under the caption "METROPOLITAN EXPENDITURES–Variable Rate and Swap Obligations."

Under the Act, the amount of outstanding Bonds and other evidences of indebtedness may not exceed 15 percent of the assessed value of all taxable property within Metropolitan, as shown by county assessment records. As of November 1, 2013, Metropolitan's outstanding Bonds and other indebtedness, in the aggregate amount of $4.51 billion, constituted approximately 0.21 percent of the fiscal year 2013-14 taxable assessed valuation of approximately $___ billion within the geographical boundaries of Metropolitan. The Act also specifies that no revenue bonds may be issued, except for the purpose of

refunding, unless the amount of net assets of Metropolitan as shown on its balance sheet as of the end of the last fiscal year prior to the issuance of such bonds, equals at least 100 percent of the aggregate amount of revenue bonds outstanding following the issuance of such bonds. The latter statutory limitation does not apply to forms of financing available to Metropolitan other than revenue bonds. The net assets of Metropolitan at June 30, 2013 were $6.80 billion. The aggregate amount of Bonds outstanding (including the [2011 A-1/A-3][2009 A-2] Bonds) as of November 1, 2013 was $4.33 billion.

Subordinate Obligations

Under the Resolutions, Metropolitan may issue obligations junior and subordinate to the Bonds, including the [2011 A-1/A-3][2009 A-2] Bonds, and the Parity Obligations, subject to the provisions of the Act. Metropolitan currently is authorized to issue up to $400,000,000 of Commercial Paper Notes payable from Net Operating Revenues on a basis subordinate to the Bonds and the Parity Obligations. Although no Commercial Paper Notes are currently outstanding, the authorization remains in full force and effect and Metropolitan may issue Commercial Paper Notes from time to time.

In addition, Metropolitan obtained a $20 million California Safe Drinking Water Revolving Fund Loan (the "California Safe Drinking Water Revolving Fund Loan") in 2003 at an interest rate of 2.39 percent per annum to reimburse construction costs for oxidation retrofit facilities at the Mills Filtration Plant in Riverside County. The loan will be repaid over twenty years. Payments commenced January 1, 2005. The loan payment obligation is subordinate to the Bonds, including the [2011 A-1/A-3][2009 A-2] Bonds, and the Parity Obligations. The outstanding principal balance on the California Safe Drinking Water Revolving Fund Loan as of November 1, 2013 was $12.1 million.

Under some circumstances, some interest rate swap agreements are subject to early termination, in which event Metropolitan may be obligated to make a substantial payment to the applicable counterparty. Some of such termination payments are secured on a basis subordinate in payment priority to the Bonds, including the [2011 A-1/A-3][2009 A-2] Bonds, and the Parity Obligations. See APPENDIX A under the captions "METROPOLITAN EXPENDITURES–Variable Rate and Swap Obligations," "–Other Revenue Obligations" and "–Subordinate Revenue Obligations."

No Reserve Fund Moneys

The Fourth Supplemental Resolution provides for the establishment and maintenance of a Reserve Fund for Bonds issued thereunder and the maintenance in such Reserve Fund of an amount equal to the Bond Reserve Requirement for such Bonds, as set forth in the applicable bond purchase contract. The Bond Reserve Requirement for the [2011 A-1/A-3][2009 A-2] Bonds was established at $0 pursuant to the bond purchase contracts related to the [2011 A-1/A-3][2009 A-2] Bonds, and no Reserve Fund for any of the [2011 A-1/A-3][2009 A-2] Bonds, or for any other outstanding Index Tender Bonds, was established or will be maintained. **Amounts held or to be held in a reserve fund or account established for any other series of Bonds or any Reserve Fund Credit Policy for any other series of Bonds shall not be used or drawn upon to pay principal of, redemption premium, if any, or interest on, or Purchase Price of, the [2011 A-1/A-3][2009 A-2] Bonds.**

Flow of Funds

Metropolitan will allocate all Operating Revenues to the Water Revenue Fund and will effect transfers from the Water Revenue Fund to the following funds or accounts as soon as practicable in each calendar month in the following order of priority, and such amounts will be withdrawn from said funds or accounts only for the following:

First, to the Operation and Maintenance Fund, an amount sufficient, together with any other revenues lawfully available therefor, to provide for the estimated Operation and Maintenance Expenditures during the current calendar month and the next succeeding calendar month.

Second, to the Bond Service Fund, an amount equal to (A) (i) with respect to the Outstanding Current Interest Bonds of each Series (except for Bonds constituting Variable Rate Indebtedness or Paired Obligations), such amount as will be sufficient on a monthly pro rata basis to pay the aggregate amount of the interest becoming due and payable on the next interest payment date for all such Current Interest Bonds of such Series (excluding any interest for which there are moneys deposited in the Bond Service Fund from the proceeds of such Series of Bonds or other source and reserved as capitalized interest to pay such interest until the next interest payment date), until the requisite amount of interest becoming due on the next interest payment date on all such Current Interest Bonds of such Series (except for Bonds constituting Variable Rate Indebtedness or Paired Obligations) is on deposit in such account, (ii) 110% of the aggregate amount of interest, estimated by the Treasurer of Metropolitan in his or her reasonable judgment, to accrue during that month on the Outstanding Variable Rate Indebtedness (provided that such amount may be reduced and will be increased under certain circumstances, as set forth in the Resolutions), and (iii) with respect to Outstanding Paired Obligations, such amount as shall be sufficient on a monthly pro rata basis to pay the aggregate of the collective fixed interest obligation of Metropolitan for such Paired Obligations coming due and payable on the next interest payment date for such Paired Obligations, and (B) (i) one-sixth of the aggregate semi-annual amount of any Bond Obligation becoming due and payable on the Outstanding Bonds of all Series having semi-annual maturity dates or semi-annual Mandatory Sinking Account Payments due within the next six months, plus (ii) one-twelfth of the aggregate yearly amount of any Bond Obligation becoming due and payable on the Outstanding Bonds of all Series having annual maturity dates or annual Mandatory Sinking Account Payments due within the next twelve months; provided that if the Board irrevocably determines by resolution that any principal payments on the Bonds of any Series will be refunded on or prior to their respective due dates or paid from amounts on deposit in a reserve account established and maintained for Bonds of that Series, no amounts need be set aside toward such principal to be so refunded or paid. Such amount is subject to adjustment as set forth in the Resolutions, in the event Term Bonds are purchased from the Bond Service Fund, redeemed by Metropolitan or deposited by Metropolitan with the Fiscal Agent. No deposit need be made into the Bond Service Fund if (i) the amount contained therein is at least equal to the interest to become due and payable on the estimated interest payment dates falling within the next six months upon all of the Bonds issued under the Master Resolution and then Outstanding but excluding any moneys on deposit in the Interest Account from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay interest on any future interest payment dates following such interest payment dates, and (ii) there shall be in such fund moneys sufficient to pay the Bond Obligations of all Bonds issued under the Master Resolution and then Outstanding and maturing by their terms or subject to mandatory redemption within the next twelve months. If Metropolitan issues or incurs any Parity Obligations, the payments required to be placed in any debt service fund or sinking fund to pay the principal or Accreted Value of, or mandatory sinking fund payments or interest with respect to, such Parity Obligations will rank and be made on a parity with the payments required to be placed in the Bond Service Fund.

Third, to the extent of any deficiency in any reserve fund or account for Bonds or Parity Obligations, to such reserve fund or account for such other Bonds or Parity Obligations (i) one-sixth of the aggregate amount of each unreplenished prior withdrawal from such reserve fund or account and (ii) the full amount of any deficiency due to any required valuations of the investments in such reserve fund or account until the balance in such reserve fund or account is at least equal to the amount required to restore such reserve fund or account to the amount required to be maintained therein. If there is a deficiency of Operating Revenues to make the deposits required by this Third paragraph, such Operating

Revenues will be deposited into each reserve fund or account on a pro rata basis based on the amount of each such deficiency.

Fourth, to any such excess earnings or rebate fund or account for Bonds or Parity Obligations, the amount (if any) required in accordance with a Supplemental Resolution or Metropolitan's tax and nonarbitrage certificate delivered in connection with the issuance of the Bonds or Parity Obligations.

Fifth, for any required transfer or deposit for the payment of any obligation of Metropolitan with a lien on, or payable from, Net Operating Revenues junior to the lien thereon of the Bonds and any Parity Obligations.

Sixth, except as otherwise provided in a Supplemental Resolution, to the Revenue Remainder Fund, any amounts remaining in the Water Revenue Fund after the above transfers. Provided Metropolitan is in compliance with all covenants contained in the Resolutions, the Revenue Remainder Fund may be used for any lawful purpose of Metropolitan.

See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS– THE MASTER RESOLUTION-Water Revenue Fund."

RISK FACTORS

The ability of Metropolitan to pay principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds depends primarily upon Metropolitan's receipt of Net Operating Revenues. The ability of Metropolitan to pay the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bonds depends primarily upon Metropolitan's receipt of the proceeds of remarketing of the [2011 A-1/A-3][2009 A-2] Bonds and other available sources. Some of the events which could prevent Metropolitan from receiving a sufficient amount of Net Operating Revenues to enable it to pay the principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds or from receiving a sufficient amount of remarketing proceeds and other available funds to enable it to pay the Purchase Price of the [2011 A-1/A-3][2009 A-2] Bonds are summarized below. The following description of risks is not an exhaustive list of the risks associated with the purchase of the [2011 A-1/A-3][2009 A-2] Bonds and the order of the risks does not necessarily reflect the relative importance of the various risks. Investors must read the entire Remarketing Statement, including the appendices, and APPENDIX A, APPENDIX B and APPENDIX E to obtain information essential to making an informed investment decision.

Risks Relating to the Index Mode

Metropolitan's Ability to Pay the Purchase Price on the Scheduled Mandatory Tender Date May Be Limited. As described in this Remarketing Statement, the Owners of all of the [2011 A-1/A-3][2009 A-2] Bonds must tender for purchase, and Metropolitan must purchase, all of the [2011 A-1/A-3][2009 A-2] Bonds on the Scheduled Mandatory Tender Date. Metropolitan has not secured any liquidity facility or letter of credit to support the payment of the Purchase Price on the Scheduled Mandatory Tender Date. The ability of Metropolitan to pay the Purchase Price will depend on its ability to successfully remarket the [2011 A-1/A-3][2009 A-2] Bonds and otherwise to provide funds to pay the Purchase Price. Metropolitan's primary source of funds to pay the Purchase Price, other than remarketing proceeds, will be Net Operating Revenues. Metropolitan may not have sufficient funds to pay the Purchase Price of all of the [2011 A-1/A-3][2009 A-2] Bonds on any Scheduled Mandatory Tender Date.

Metropolitan's obligation to pay the Purchase Price of the [2011 A-1/A-3][2009 A-2] Bonds [of a Series] in connection with an Index Mode Scheduled Mandatory Tender related thereto is an unsecured obligation of Metropolitan that it would pay from Net Operating Revenues only after it has made

payments and deposits with respect to its Operating Revenues, the Parity Bonds and the Parity Obligations and other obligations secured by Net Operating Revenues. Metropolitan may (or may not) have other funds available from time to time to pay the Purchase Price of the [2011 A-1/A-3][2009 A-2] Bonds on any Scheduled Mandatory Tender Date. However, if available, Metropolitan does not have any obligation to use such funds to pay the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bonds.

During each Tender Period, Metropolitan will review its financing alternatives before each Scheduled Mandatory Tender Date. After the Call Protection Date of any Tender Period, Metropolitan may (a) remarket the [2011 A-1/A-3][2009 A-2] Bonds in an Index Mode through an Index Mode Unscheduled Mandatory Tender, (b) change the Interest Mode of [2011 A-1/A-3][2009 A-2] Bonds or convert the [2011 A-1/A-3][2009 A-2] Bonds to a Fixed Interest Rate or (c) issue Water Revenue Refunding Bonds to refund all or any portion of the [2011 A-1/A-3][2009 A-2] Bonds. In order to manage the [2011 A-1/A-3][2009 A-2] Bonds in an Index Mode so as to avoid a failed remarketing on a Scheduled Mandatory Tender Date, Metropolitan currently plans to use one of these three financing alternatives before a Scheduled Mandatory Tender Date.

Limited Remedies and Consequences Upon Failure to Pay Purchase Price. If Metropolitan does not pay the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bonds [of a Series] on a Scheduled Mandatory Tender Date, then an Event of Default will occur under the applicable Paying Agent Agreement and a Purchase Default Period will commence. During the occurrence and continuance of a Purchase Default Period, among other consequences: (a) all of the [2011 A-1/A-3][2009 A-2] Bonds will bear interest at the Purchase Default Rate; (b) the [2011 A-1/A-3][2009 A-2] Bonds will be subject to special mandatory redemption on the dates and in the principal amounts as set forth above under the caption "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Redemption of the [2011 A-1/A-3][2009 A-2] Bonds–*Special Mandatory Redemption of [2011 A-1/A-3][2009 A-2] Bonds*"; and (c) Metropolitan will be obligated to purchase all of the [2011 A-1/A-3][2009 A-2] Bonds at the Purchase Price and, upon payment of the Purchase Price, the Owners of any purchased [2011 A-1/A-3][2009 A-2] Bonds will be obligated to sell and deliver such [2011 A-1/A-3][2009 A-2] Bonds to Metropolitan. The Paying Agent Agreement[s] also provide[s] for other consequences of an Event of Default thereunder. See "DESCRIPTION OF THE [2011 A-1/A-3][2009 A-2] BONDS–Event of Default and Purchase Default Period."

Under the Master Resolution, an Event of Default occurs if Metropolitan fails to pay principal of or interest on any Bonds, including the [2011 A-1/A-3][2009 A-2] Bonds, or if certain other events occur. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS–THE MASTER RESOLUTION–Defaults and Remedies under the Master Resolution." However, Metropolitan's failure to pay the Purchase Price is not an event that gives rise to an Event of Default under the Master Resolution. Furthermore, except in limited circumstances, the Owners of the Bonds (including the [2011 A-1/A-3][2009 A-2] Bonds) do not, even upon the occurrence of an Event of Default under the Master Resolution, have the right to accelerate the payment of principal of any Bonds.

Secondary Market May Not Develop. There is not an established secondary market for bonds issued in an Index Mode and one may not develop. Therefore, an Owner may be unable to sell its [2011 A-1/A-3][2009 A-2] Bond in the secondary market.

Risks Relating to Water Sales

Metropolitan's primary purpose is to provide a supplemental supply of imported water to its member public agencies. Metropolitan describes its water supply in more detail in APPENDIX A under the caption "METROPOLITAN'S WATER SUPPLY." The demand for supplemental supplies is dependent on water use at the retail consumer level and the amount of locally supplied water. Consumer

demand and locally supplied water vary from year to year, resulting in variability in water sales. See "REGIONAL WATER RESOURCES—Local Water Supplies" in Appendix A. In recent years supplies and demands have been affected by drought, water use restrictions, economic conditions, weather conditions and environmental laws, regulations and judicial decisions, as described below. Future water sales will be subject to variability due to these and other factors.

Water Supply Shortages. Metropolitan's principal sources of water are the State Water Project and the Colorado River, both of which are subject to drought conditions that in recent years have contributed to lower overall water deliveries to Metropolitan. While Metropolitan plans and manages its supplies to account for normal occurrences of drought conditions, the recent drought conditions and court-ordered restrictions in connection with the State Water Project, including but not limited to restrictions under the Federal and California Endangered Species Acts (the "ESAs"), have placed additional limitations on Metropolitan's ability to obtain and deliver water supplies to its member agencies. See APPENDIX A under the caption "METROPOLITAN'S WATER SUPPLY–State Water Project–*Endangered Species Act Considerations*." Metropolitan may address water supply shortages by, among other things, suspending groundwater replenishment deliveries, reducing agricultural deliveries, drawing on its stored water supplies and pursuing additional water transfers. Metropolitan may allocate available supplies among its member agencies pursuant to its Water Supply Allocation Plan. See APPENDIX A under the caption "METROPOLITAN'S WATER SUPPLY–Water Supply Allocation Plan."

Economic Conditions. Retail level water use is affected by economic conditions. Economic recession and its associated impacts such as job losses, income losses, and housing foreclosures or vacancies affect aggregate levels of water use and Metropolitan's water sales. If economic conditions return to pre-recession levels, Metropolitan anticipates that demands for water will increase accordingly. See APPENDIX E "–SELECTED DEMOGRAPHIC AND ECONOMIC INFORMATION FOR METROPOLITAN'S SERVICE AREA."

Weather Conditions. Metropolitan provides a supplemental supply of water to its member agencies, most of whom have other sources of water. Regional water supplies are described in Referenced APPENDIX A under the caption "REGIONAL WATER RESOURCES." Climatic conditions in Metropolitan's service area and availability of local supplies affect demands for imported water purchased from Metropolitan. Metropolitan uses its financial reserves and budgetary tools to manage reductions in revenues due to reduced sales. Metropolitan's reserve policy currently provides for a minimum unrestricted reserve balance at June 30 of each year that is based on probability studies of the wet periods that affect Metropolitan's water sales. See APPENDIX A under the caption "METROPOLITAN REVENUES–Financial Reserve Policy."

Environmental Considerations. Current and proposed environmental laws, regulations and judicial decisions, including court-ordered restrictions and Federal and State administrative determinations relating to species on the "endangered" or "threatened" lists under the Federal or California ESAs, have materially affected the operations of the State Water Project and the water deliveries therefrom. Metropolitan cannot predict when and how additional laws, regulations, judicial decisions and other determinations (including listings of additional species under the Federal or California ESAs) will affect State Water Project and Colorado River operations, the water deliveries therefrom and Metropolitan's operations in the future by requiring, among other things, additional export reductions, releases of additional water from storage or other operational changes impacting water supply operations. Any of these laws, regulations and judicial decisions and other official determinations relating to Metropolitan's water supply could have a materially adverse impact on the operation of the State Water Project and Colorado River operations and Metropolitan's water reserves. See APPENDIX A under the

captions "METROPOLITAN'S WATER SUPPLY – State Water Project" and "– Colorado River Aqueduct."

Actions to Manage Risks Relating to Water Sales. Drought, weather conditions, regional economy and environmental considerations referred to above in recent years have contributed to lower water deliveries at a higher cost to Metropolitan. A reduction in water deliveries to Metropolitan's member agencies might adversely affect its Net Operating Revenues and Metropolitan may be required to further increase its rates and charges. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES [2011 A-1/A-3][2009 A-2] BONDS–Rate Covenant." To address supply shortages due to prolonged drought conditions and environmental restrictions, Metropolitan may pursue additional water transfers and investments in capital projects. However, these actions and expenditures may not result in reliable alternate supplies of water at costs that, together with other available supplies and storage, will generate sufficient Net Operating Revenues and may require Metropolitan to increase its rates and charges. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES [2011 A-1/A-3][2009 A-2] BONDS–Rate Covenant." See also APPENDIX A under the captions "METROPOLITAN'S WATER SUPPLY" and "CAPITAL INVESTMENT PLAN."

Earthquakes, Wildfires and Other Natural Disasters

Southern California is characterized by geotechnical and extreme weather conditions which represent potential safety hazards, including expansive soils, wildfires and areas of potential liquefaction and landslide. Earthquakes, wildfires or other natural disasters could interrupt operation of the Water System and thereby interrupt the ability of Metropolitan to generate sufficient Net Operating Revenues and may require Metropolitan to increase its rates and charges. See APPENDIX A under the caption "METROPOLITAN'S WATER DELIVERY SYSTEM–Seismic Considerations."

Limitations on Remedies

Upon the occurrence and continuance of an Event of Default under the Resolutions, the Owners of the [2011 A-1/A-3][2009 A-2] Bonds have limited remedies and, except for limited circumstances, the Owners of the [2011 A-1/A-3][2009 A-2] Bonds do not have the right to accelerate the payment of principal of or interest on the [2011 A-1/A-3][2009 A-2] Bonds. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS–THE MASTER RESOLUTION–Defaults and Remedies under the Master Resolution."

In addition, the rights of the Owners of the [2011 A-1/A-3][2009 A-2] Bonds are subject to the limitations on legal remedies against public entities in the State, including a limitation on enforcement obligations against funds needed to serve the public welfare and interest.

Limited Obligations

The [2011 A-1/A-3][2009 A-2] Bonds are limited obligations of Metropolitan payable as to principal and interest solely from and secured solely by a pledge of and a lien and charge upon the Net Operating Revenues. Metropolitan's obligation to pay the Purchase Price of any [2011 A-1/A-3][2009 A-2] Bonds tendered for purchase is an unsecured obligation of Metropolitan payable solely from the sources specified in this Remarketing Statement. The [2011 A-1/A-3][2009 A-2] Bonds do not constitute general obligation indebtedness of Metropolitan. Neither the general credit nor the taxing power of Metropolitan is pledged for the payment of the [2011 A-1/A-3][2009 A-2] Bonds or the interest thereon or the Purchase Price thereof. The obligation to pay the principal of and interest on, or the Purchase Price upon a tender for purchase for the [2011 A-1/A-3][2009 A-2] Bonds, is not a debt of Metropolitan, nor a

legal or equitable pledge, charge, lien or encumbrance upon any of Metropolitan's property or its income, receipts or revenues except as described in this Remarketing Statement.

Net Operating Revenues might not be realized by Metropolitan in amounts sufficient to pay principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds and all other Outstanding Bonds. Among other matters, water supply and demand, general and southern California economic conditions and changes in law and government regulations could adversely affect the amount of Net Operating Revenues that Metropolitan receives. See APPENDIX A and APPENDIX E. Further, the amount of future Net Operating Revenues that Metropolitan receives is subject to, among other things, its ability to provide water to its member agencies and establish, maintain and collect rates and charges sufficient to pay for Operation and Maintenance Expenditures and debt service.

Tax Law Proposals

See "TAX MATTERS" below.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Metropolitan is a metropolitan water district created in 1928 by a vote of the electorates of eleven southern California cities under authority of the Act to provide a supplemental supply of water for domestic and municipal uses at wholesale rates to its member agencies. The members of Metropolitan are not required to purchase water from Metropolitan. Metropolitan's service area comprises approximately 5,200 square miles and includes portions of the six counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura. For a listing of the members and information on Metropolitan's service area, see APPENDIX A under the caption "INTRODUCTION." For a discussion of selected demographic and economic information on Metropolitan's service area, see APPENDIX E – "SELECTED DEMOGRAPHIC AND ECONOMIC INFORMATION FOR METROPOLITAN'S SERVICE AREA." For information on the finances and operations of Metropolitan, see APPENDIX A and APPENDIX B.

OPERATING REVENUES AND DEBT SERVICE

Operating Revenues

Water sales comprise Metropolitan's principal source of revenues. Water sales revenues include all revenues received by Metropolitan from charges for the sale and availability of water, including, without limitation, Metropolitan's water rates, readiness-to-serve charge, standby charge and capacity charge. Metropolitan describes its water sales revenues in more detail in APPENDIX A under the captions "METROPOLITAN REVENUES–Water Sales Revenues," "–Rate Structure" and "–Additional Revenue Components." In meeting the requirements of the Resolutions related to rates and additional obligations, Metropolitan may include in its calculations, to the extent available, revenues which include, among other things, investment income and income from the sale of energy from Metropolitan's hydroelectric power recovery plants and interest subsidy payments that may be received by Metropolitan in connection with any existing and future "Build America Bonds." No assurances are provided that Metropolitan will receive all or a portion of the interest subsidy payments, which are subject to legislative changes by the United States Congress and conditioned upon Metropolitan's compliance with certain covenants with respect to the Build America Bonds, including the use and investment of proceeds thereof and the use of property financed thereby. *Ad valorem* taxes do not constitute a part of Operating Revenues and are not available to make payments with respect to the revenue bonds issued by Metropolitan, including the [2011 A-1/A-3][2009 A-2] Bonds. For a description of "Operating Revenues" and the effect of Operation and Maintenance Expenditures on the amount of revenues available for payment of the

[2011 A-1/A-3][2009 A-2] Bonds, see "SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS." See also APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS." For information on Metropolitan's revenues and expenses, including historical and projected revenues and expenditures, see APPENDIX A under the captions "METROPOLITAN REVENUES," "METROPOLITAN EXPENDITURES," and "HISTORICAL AND PROJECTED REVENUES AND EXPENDITURES." See also Metropolitan's financial statements contained in APPENDIX B.

Existing Parity Bonds and Parity Obligations Payable From Net Operating Revenues

Metropolitan covenants in the Master Resolution that no additional bonds, notes or other evidences of indebtedness payable out of Operating Revenues will be issued having any priority in payment of principal, redemption premium, if any, or interest over the [2011 A-1/A-3][2009 A-2] Bonds, the Parity Bonds or the Parity Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS–Additional Indebtedness."

Metropolitan has issued Parity Bonds (which include the [2011 A-1/A-3][2009 A-2] Bonds) pursuant to the applicable Resolutions, which are outstanding in the amounts listed in APPENDIX A under the caption "METROPOLITAN EXPENDITURES." Principal of and interest on the [2011 A-1/A-3][2009 A-2] Bonds will be payable from Net Operating Revenues on parity with the Parity Bonds and the Parity Obligations.

Anticipated Financings

Metropolitan anticipates that it will issue bonds, notes or other evidences of indebtedness under the Master Resolution in addition to the [2011 A-1/A-3][2009 A-2] Bonds, the Parity Bonds and the Parity Obligations to finance improvements to its Water System and to refund outstanding revenue bonds or general obligation bonds from time to time depending on market conditions and other factors. The current Capital Investment Plan is described in APPENDIX A under the caption "CAPITAL INVESTMENT PLAN."

The Master Resolution permits subsequent authorizations of additional Bonds as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS–Additional Indebtedness." The Resolutions establish limitations on the issuance of additional obligations payable from Net Operating Revenues on parity with the Outstanding Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS–Additional Indebtedness." Metropolitan may also issue obligations junior and subordinate to the [2011 A-1/A-3][2009 A-2] Bonds, subject to the limitations in the Act.

From time to time Metropolitan may enter into synthetic interest rate swaps, pursuant to which, for example, fixed rate obligations are converted to variable rate obligations or vice versa. See APPENDIX A under the caption "METROPOLITAN EXPENDITURES – Variable Rate and Swap Obligations."

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Debt Service Requirements

The following table shows the estimated annual debt service requirements for Metropolitan's outstanding Parity Bonds and the [2011 A-1/A-3][2009 A-2] Bonds. Such debt service is not net of the Interest Subsidy Payments Metropolitan expects to receive from the United States Treasury in connection with its outstanding Build America Bonds, subject to sequestration as described above under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE [2011 A-1/A-3][2009 A-2] BONDS – Rate Covenant."

The Metropolitan Water District of Southern California
Debt Service Requirements for Water Revenue Bonds

Fiscal Year Ending June 30	Outstanding Bonds Debt Service[1][2][3]	[2011 A-1/A-3][2009 A-2] Bonds Principal	[2011 A-1/A-3][2009 A-2] Bonds Interest[4]	Total[5]
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
Total[5]	$	$	$	$

Source: Metropolitan.

(1) [For the $805.1 million of variable rate bonds associated with particular interest rate swap agreements, interest is calculated at the assumed fixed payor rates of interest to be paid under their respective interest rate swap agreements. For the remaining $378 million of variable rate debt, interest is calculated at an assumed interest rate of 1.80% per annum. Actual rates may differ from those set forth in this footnote.]

(2) [Indicated amounts reflect the stated interest rate on Metropolitan's Water Revenue Bonds 2008 Authorization, Series C (Taxable Build America Bonds), Metropolitan's Water Revenue Bonds 2008 Authorization, Series D (Taxable Build America Bonds) and the 2010 Authorization, Series A (Taxable Build America Bonds), and have not been reduced to reflect the Interest Subsidy Payments Metropolitan expects to receive from the United States Treasury in connection with such Bonds.]

(3) [Assumes each Series of Term Mode Bonds are remarketed to a variable rate after the initial call protection date for such Series. Interest after the initial call protection date is calculated at an assumed interest rate of 1.80% per annum.]

(4) [Interest is calculated at an assumed interest rate of 1.80% per annum.]

(5) Totals are rounded.

Summary of Net Operating Revenues

For a description of actual and projected Net Operating Revenues available for debt service on the outstanding Parity Bonds and Parity Obligations of Metropolitan, including the [2011 A-1/A-3][2009 A-2] Bonds and additional Bonds that Metropolitan projects it will issue, see the table included under the caption "HISTORICAL AND PROJECTED REVENUES AND EXPENDITURES" in APPENDIX A. See also APPENDIX A under the caption "MANAGEMENT'S DISCUSSION OF HISTORICAL AND PROJECTED REVENUES AND EXPENDITURES – Water Sales Receipts."

Debt Service Coverage

For a summary of actual and projected debt service coverage on the outstanding Bonds and Parity Obligations, see the table included under the caption "HISTORICAL AND PROJECTED REVENUES AND EXPENDITURES" in APPENDIX A.

Metropolitan's Investment Portfolio

Metropolitan's investment portfolio consists of the total cash and investments from all of its funds, which are derived from various sources, including Net Operating Revenues, property tax collections, hydroelectric power sales, investment earnings and invested construction funds. See APPENDIX A under the caption "METROPOLITAN REVENUES–Summary of Receipts by Source." Metropolitan's investment portfolio also includes amounts held as collateral, from time to time, by Metropolitan's swap counterparties. See APPENDIX A under the caption "METROPOLITAN EXPENDITURES-Variable Rate and Swap Obligations."

See also APPENDIX A – "METROPOLITAN REVENUES – Investment of Moneys in Funds and Accounts" and "– Financial Reserve Policy" and APPENDIX B – "THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS AS OF FISCAL YEARS ENDED JUNE 30, 2013 AND JUNE 30, 2012."

ACCOUNTING AND BUDGET MATTERS

Accounting Policies

Metropolitan operates as a utility enterprise. A summary of Metropolitan's significant accounting policies is contained in Note 1 to Metropolitan's accrual basis financial statements for the fiscal years ended June 30, 2013 and June 30, 2012. See APPENDIX B – "THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS AS OF FISCAL YEARS ENDED JUNE 30, 2013 AND JUNE 30, 2012.

Change in Budgetary Accounting Method

Metropolitan's budgeting and financial reporting changed from a cash basis to a modified accrual basis beginning with fiscal year 2012-13, to provide a better match of revenues and expenses. The change to modified accrual accounting for budgeting and reporting purposes did not affect Metropolitan's audited financial statements or continuing compliance with its rate covenant, limitations on additional bonds and other financial covenants with bondholders, which continue to be calculated in accordance with their terms. See APPENDIX A under the caption "HISTORICAL AND PROJECTED REVENUES AND EXPENDITURES."

The modified accrual basis of accounting that Metropolitan uses varies from the accrual basis of accounting in the following respects: depreciation and amortization are not recorded and payments of debt service are recorded when due and payable. Under this modified accrual basis of accounting, revenues are recognized in the fiscal year in which they are earned and expenses are recognized when incurred. Thus, water sales revenues are recognized in the month the water is sold and expenses are recognized when goods have been received and services have been rendered. Under the cash basis of accounting, water sales revenues are recorded when received (two months later) and expenses when paid (approximately one month later). See APPENDIX A under the caption "HISTORICAL AND PROJECTED REVENUES AND EXPENDITURES" and "MANAGEMENT'S DISCUSSION OF HISTORICAL AND PROJECTED REVENUES AND EXPENDITURES."

Financial Statements

Metropolitan's financial statements for the fiscal years ended June 30, 2013 and June 30, 2012, included in APPENDIX B, have been audited by KPMG LLP, independent auditors (the "Independent Auditor"). The Independent Auditor was not requested to consent to the inclusion of its report in APPENDIX B and it has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Remarketing Statement, and no opinion is expressed by the Independent Auditor with respect to any event subsequent to the date of its report.

The financial and statistical information contained in this Remarketing Statement is included herein for informational purposes only and a complete review of the financial statements and the footnotes thereto set forth in APPENDIX B is integral to an understanding of such information. No independent auditor has audited the financial tables or other data included in this Remarketing Statement, other than the audited financial statements for the fiscal years ended June 30, 2013 and June 30, 2012 included in APPENDIX B.

Budget System

Metropolitan's budget system incorporates features of program budgeting, management by objectives, and performance reporting which provides for funding, analysis, review, and control. Operating budgets are prepared by each department and division annually. Each program and its required resources are reviewed by management and, upon acceptance, are incorporated into the overall budget for approval by the Board. Costs are maintained by project and activity, and expenditures are controlled by Board-approved appropriations. Each month, variances between budget estimates and actual receipts and expenditures are identified and evaluated. This review is performed as one of several control measures to assure progress in meeting Metropolitan's goals and program objectives.

LITIGATION

No litigation is pending, or, to the best knowledge of Metropolitan, threatened, questioning (i) the existence of Metropolitan, or the title of the officers of Metropolitan to their respective offices, or (ii) the validity of the [2011 A-1/A-3][2009 A-2] Bonds or the power and authority of Metropolitan to remarket the [2011 A-1/A-3][2009 A-2] Bonds, or (iii) the authority of Metropolitan to fix, charge and collect rates for the sale of water by Metropolitan as provided in the Resolutions.

For a discussion of litigation challenging the allocation of costs to certain rates adopted on April 13, 2010 and April 10, 2012, which could require changes in such rates, see APPENDIX A, including information under the caption "METROPOLITAN REVENUES-Litigation Challenging Rate Structure." The San Diego County Water Authority, one of Metropolitan's member agencies and currently

Metropolitan's largest customer, is the plaintiff in such litigation. For a discussion of litigation affecting the water supply of Metropolitan that could adversely affect Operating Revenues, APPENDIX A, including information under the captions "METROPOLITAN EXPENDITURES–State Water Contract Obligations," "METROPOLITAN'S WATER SUPPLY–State Water Project–*Endangered Species Act Considerations*" and "–Colorado River Aqueduct–*QSA Related Litigation*."

Metropolitan is a party to various other legal proceedings affecting the Water System and is regularly involved in litigation regarding the condemnation of property in accordance with its authorization under the Act to exercise the powers of eminent domain. Metropolitan does not believe that an adverse ruling in any of these other proceedings could have a material adverse effect upon Operating Revenues of Metropolitan.

TAX MATTERS

Metropolitan issued the [2011 A-1 Bonds and the 2011 A-3 Bonds together with the 2011 A-2 Bonds and the 2011 A-4 Bonds (collectively, the "2011A Bonds")][2009 A-2 Bonds together with the 2009 A-1 Bonds (together, the "2009A Bonds"]. On [June 2, 2011][May 20, 2009], the date that Metropolitan issued the [2011A][2009A] Bonds, Nixon Peabody LLP and Curls Bartling P.C., Co-Bond Counsel, each delivered an opinion to the effect that, as of that date, under then existing law, and assuming compliance with certain tax covenants made by Metropolitan, and the accuracy of representations and certifications made by Metropolitan, interest on the [2011A][2009A] Bonds was excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and was not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals or corporations (the "Co-Bond Counsel Opinions"). Co-Bond Counsel were of the opinion as of that date that interest on the [2011A][2009A] Bonds was, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. Co-Bond Counsel were further of the opinion that, under then existing law, interest on the [2011A][2009A] Bonds is exempt from personal income taxes of the State of California. Complete copies of the Co-Bond Counsel Opinions are included as APPENDIX F hereto. Such opinions spoke only as of their date and have not been updated in connection with this remarketing.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the [2011A][2009A] Bonds. Metropolitan has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the [2011A][2009A] Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the [2011A][2009A] Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the [2011A][2009A] Bonds. The Co-Bond Counsel Opinions assumed compliance with these covenants. Co-Bond Counsel have not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Co-Bond Counsel's attention after the date of issuance of the [2011A][2009A] Bonds may adversely affect the value of, or the tax status of interest on, the [2011A][2009A] Bonds. In the Co-Bond Counsel Opinions, Co-Bond Counsel expressed no opinion as to federal, state or local tax law consequences with respect to the [2011A][2009A] Bonds or the interest thereon if any action is taken with respect to the [2011A][2009A] Bonds or the proceeds thereof upon the advice or approval of other counsel.

Although Co-Bond Counsel opined that interest on the [2011A][2009A] Bonds was excluded from gross income for federal income tax purposes and was exempt from personal income taxes imposed by the State of California, the ownership or disposition of, or the accrual or receipt of interest on, the

[2011A][2009A] Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or Beneficial Owner's other items of income or deduction. Co-Bond Counsel expressed no opinion regarding any such other tax consequences.

We note that the President released legislative proposals in 2011 and again in 2012 that would, among other things, subject interest on tax-exempt bonds (including the [2011A][2009A] Bonds) to a federal income tax for taxpayers with incomes above certain thresholds. We further note that there has been significant recent discussion of these proposals in Congress in connection with the broader discussion of addressing the federal deficit. It is not possible to predict whether these proposals will be enacted into law. If enacted into law, such proposals could affect the value or marketability of tax-exempt bonds (including the [2011A][2009A] Bonds). More generally, legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on [2011A][2009A] Bonds for federal or state income tax purposes, and thus on the value or marketability of the [2011A][2009A] Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the [2011A][2009A] Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the [2011A][2009A] Bonds may occur, including the legislative proposals described above. Prospective purchasers of the [2011 A-1/A-3][2009 A-2] Bonds should consult their own tax advisors regarding the impact of any change in law on the [2011 A-1/A-3][2009 A-2] Bonds.

The Co-Bond Counsel Opinions with respect to federal tax law were based on then-current legal authority, covered matters not directly addressed by such authorities, and represented Co-Bond Counsel's judgment as to the proper treatment of the [2011A][2009A] Bonds for federal income tax purposes. Such opinions are not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Co-Bond Counsel cannot give and have not given any opinion or assurance about the future activities of Metropolitan, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. Metropolitan has covenanted, however, to comply with the requirements of the Code.

Co-Bond Counsel are not obligated to defend the Beneficial Owners regarding the tax-exempt status of the [2011A][2009A] Bonds (including the [2011 A-1/A-3][2009 A-2] Bonds) in the event of an audit examination by the IRS. Further, under current procedures, parties other than Metropolitan and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which Metropolitan legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the [2011 A-1/A-3][2009 A-2] Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the [2011 A-1/A-3][2009 A-2] Bonds, and may cause Metropolitan or the Beneficial Owners to incur significant expense.

FINANCIAL ADVISOR

Metropolitan retained Public Resources Advisory Group as financial advisor to Metropolitan (the "Financial Advisor") in connection with the issuance of the [2011 A-1/A-3][2009 A-2] Bonds. The Financial Advisor has not been engaged, nor has it undertaken, to audit, authenticate or otherwise verify the information set forth in this Remarketing Statement, or any other related information available to

Metropolitan, with respect to the accuracy and completeness of the disclosure of such information. The Financial Advisor has reviewed this Remarketing Statement but makes no guaranty, warranty or other representation respecting accuracy and completeness of the information contained in this Remarketing Statement.

LEGAL MATTERS

Nixon Peabody LLP, Los Angeles, California, and Curls Bartling P.C., Oakland, California, Co-Bond Counsel to Metropolitan, rendered their opinions with respect to the [2011 A-1/A-3][2009 A-2] Bonds on the date the [2011 A-1/A-3][2009 A-2] Bonds were issued. Copies of the Co-Bond Counsel Opinions are set forth in APPENDIX F – "COPY OF OPINIONS OF CO-BOND COUNSEL." Such opinions speak only as of their date and have not been updated in connection with this remarketing. Co-Bond Counsel undertake no responsibility for the accuracy, completeness or fairness of this Remarketing Statement. Certain legal matters will be passed upon for Metropolitan by its General Counsel and for the Remarketing Agents by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California.

RATINGS

Moody's Investors Service, Inc. ("Moody's"), [Standard & Poor's Ratings Services, a division of Standard & Poor's Financial Services LLC ("S&P"),] and Fitch Ratings ("Fitch") have assigned short-term ratings to the [2011 A-1/A-3][2009 A-2] Bonds of "[VMIG 1]"[, "A-1+"] and "[F1+]", respectively. Moody's and Fitch have assigned long-term ratings to the [2011 A-1/A-3][2009 A-2] Bonds of "[Aa1]"and "[AA+]," respectively. As of the date of this Remarketing Statement, these credit ratings have not been changed, withdrawn or suspended. Such credit ratings reflect only the views of such organizations and any desired explanation of the significance of such credit ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; Standard & Poor's, 55 Water Street, New York, New York 10041; and Fitch Ratings, One State Street Plaza, New York, New York 10004. 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. Such credit ratings may not continue for any given period and may be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any downward revision or withdrawal of such credit ratings could have an adverse effect on the market price of the [2011 A-1/A-3][2009 A-2] Bonds.

CONTINUING DISCLOSURE

Metropolitan has executed a continuing disclosure undertaking (the "Continuing Disclosure Undertaking"), which provides for disclosure obligations on the part of Metropolitan for so long as the [2011 A-1/A-3][2009 A-2] Bonds remain Outstanding. Under the Continuing Disclosure Undertaking, Metropolitan will covenant for the benefit of Owners and Beneficial Owners of the [2011 A-1/A-3][2009 A-2] Bonds to provide certain financial information and operating data relating to Metropolitan by not later than 180 days after the end of the prior fiscal year (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notice Events") in a timely manner not in excess of ten (10) business days after the occurrence of such Notice Event. The Annual Reports and the notices of Notice Events will be filed with the EMMA System. These covenants were made to assist [Morgan Stanley, as underwriter for the 2011 A-1 Bonds, and Barclays, as underwriter for the 2011 A-3 Bonds][Stifel, Nicolaus & Company, Incorporated, as underwriter of the 2009 A-2 Bonds], in complying with the Rule. See APPENDIX G – "COPY OF CONTINUING DISCLOSURE UNDERTAKING."

Metropolitan has not failed in the previous five years to comply in any material respect with any previous undertaking to provide annual reports or notices of certain events in accordance with the Rule except perhaps insofar as Metropolitan supplemented its annual report for 2008 on February 4, 2009 with respect to its Water Revenue Bonds to provide additional information not included in its annual report timely filed on December 12, 2008 and supplemented its annual reports for 2008 and 2011 with respect to its General Obligation Bonds to provide additional regional assessed valuation information omitted from those timely filed annual reports. As of the date hereof, Metropolitan is in compliance in all material respects with its undertakings with regard to the provision of annual reports and notices of certain events as required by the Rule. Metropolitan has implemented additional procedures to file complete annual reports in the future.

For so long as the [2011 A-1/A-3][2009 A-2] Bonds bear interest at the Index Mode, Metropolitan will post on its website in an electronic format within sixty (60) days after the end of each quarter of each fiscal year, the unaudited financial statements of Metropolitan as of the end of such fiscal quarter. The information presented on that website is not incorporated by into this Remarketing Statement.

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MISCELLANEOUS

The terms of the [2011 A-1/A-3][2009 A-2] Bonds are set forth in the Resolutions, the Paying Agent Agreement[s] and the Remarketing Agreement[s]. Copies of such documents may be obtained from the office of the Assistant General Manager / Chief Financial Officer of Metropolitan, 700 North Alameda Street, Los Angeles, California 90012. Metropolitan reserves the right to charge the requesting party for the cost of copying such documents. Questions pertaining to this Remarketing Statement may be directed to the Assistant General Manager / Chief Financial Officer.

The attached appendices are integral parts of this Remarketing Statement and should be read in their entirety. Potential purchasers must read the entire Remarketing Statement to obtain information essential to making an informed investment decision.

The Board of Directors of Metropolitan has duly authorized the delivery of this Remarketing Statement.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: /s/ Jeffrey Kightlinger
General Manager