COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 432
LOS ANGELES, CA 90012
TELEPHONE: (213) 974-2101 FAX: (213) 626-1812

MARK J. SALADINO
TREASURER AND TAX COLLECTOR

April 27, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

LETTER OF CREDIT AMENDMENTS TO THE
LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION
LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER PROGRAM
(ALL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the attached Resolution authorizing County of Los Angeles officers and their designated representatives to execute and deliver the Fourth Amendment to Letter of Credit and Reimbursement Agreement and the First Amendment to Second Amended and Restated Irrevocable Letter of Credit for the Los Angeles County Capital Asset Leasing Corporation Lease Revenue Tax-Exempt Commercial Paper Program, and to execute any necessary and related documents.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Adoption of the recommendation will authorize an extension of the Letter of Credit and Reimbursement Agreement (the "LOC") for the Los Angeles County Capital Asset Leasing Corporation (the "Corporation") Lease Revenue Tax-Exempt Commercial Paper Program (the "Commercial Paper Program") from April 1, 2007 to December 15, 2015, and will significantly reduce the LOC costs. The Commercial Paper Program is currently being used to finance the construction of the new LAC+USC Medical Center Replacement Facility Project (the "Medical Center Project"). Your Board has previously authorized a maximum issuance of $335 million of commercial paper notes (the "Notes") to finance Board-approved projects, including the Medical Center Project. At present, there is $187.4 million in Notes outstanding. It is anticipated that the County of Los Angeles (the "County") will eventually need to access the full amount of available credit as the Medical Center Project approaches its scheduled completion date in the Fall of 2007.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal of Fiscal Responsibility by effectively managing investment decisions and providing the lowest cost of capital for the County's long-term capital improvement plans. It supports the County's Strategic Plan Goal of Service Excellence by securing the development of health services infrastructure and providing for the future health care needs of the County.

FISCAL IMPACT/FINANCING

The fee structure established in the two proposed amendments would decrease utilized and unutilized rates by 0.17% and 0.035%, respectively. Given the current amount of commercial paper outstanding, this change would serve to reduce the cost of the Commercial Paper Program by approximately $411,775 on an annual basis.

At this time, only projects of the Department of Health Services (DHS) have been approved by your Board for financing through the Commercial Paper Program. All savings generated by the proposed amendments will be credited to DHS.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 3, 2002, your Board authorized an increase in the Commercial Paper Program to $335 million to finance construction costs at the LAC+USC Medical Center Replacement Facility. Subsequent to that authorization, the Letter of Credit was amended on March 31, 2003 and a termination date of April 1, 2007 was established. The extension of the current termination date and the reduction to the fee structure represent substantive changes to the Letter of Credit and require your Board's approval to execute.

Two of the three banks issuing the LOC are German Landesbanks, whose governmental support guarantee will expire on July 18, 2005. Amending the Corporation's Letter of Credit prior to July 18, 2005 will allow for the "grandfathering" of the governmental support guarantee and provide the Commercial Paper Program with enhanced credit ratings. The proposed amendments will also establish a fee structure that significantly reduces the cost of maintaining the LOC, using a two-tiered payment structure that charges separate rates for the utilized and unutilized portions of the LOC. In general, the utilized portion represents the current amount of commercial paper outstanding, and the unutilized portion represents the remaining and unused capacity of the LOC.

LOC fees for the utilized portion are currently set at a quarterly rate of 0.45%, whereas the fees for the unutilized portion are 0.175%. The proposed amendments will reduce these fees to 0.28% and 0.14% for the utilized and unutilized portions, respectively. The revised rates will remain in effect until at least May 1, 2010, at which time the LOC banks may request an increase. Any increase in the LOC fees will require the consent of both the County and the Corporation.

Our office has surveyed financial advisors and broker-dealers regarding the County's Commercial Paper Program, and the terms of the proposed amendments are equivalent to, or better than, the terms of similar financing programs. In addition to seeking your Board's authorization for this Resolution, the same amendments will be included on the agenda for the May 5, 2005 meeting of the Board of Directors of the Corporation.

IMPACT ON CURRENT SERVICES (PROJECTS)

Not applicable.

CONCLUSION

Upon adoption, please return two (2) original executed copies of this letter and the Resolution to the Treasurer and Tax Collector's Office.

Respectfully submitted,

Anthony Sarnowich (for)

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:DB
Z:Board Letter/2005 TECP Amendments
Attachments
c: Chief Administrative Officer
County Counsel
Auditor-Controller

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AUTHORIZING THE EXECUTION AND DELIVERY OF FOURTH AMENDMENT TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT RELATED TO THE LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION'S LEASE REVENUE TAX-EXEMPT COMMERCIAL PAPER NOTES AND APPROVING ADDITIONAL ACTIONS WITH RESPECT THERETO

WHEREAS, the Los Angeles County Capital Asset Leasing Corporation (the "Corporation") has issued its Los Angeles County Capital Asset Leasing Corporation Lease Revenue Tax-Exempt Commercial Paper Notes (the "Commercial Paper Notes"); and

WHEREAS, the County of Los Angeles (the "County") and the Corporation have entered into a Letter of Credit and Reimbursement Agreement dated as of July 1, 1997, as amended by a First Amendment to Letter of Credit and Reimbursement Agreement dated as of March 1, 2000, a Second Amendment to Letter of Credit and Reimbursement Agreement dated as of April 1, 2002 and a Third Amendment to Letter of Credit and Reimbursement Agreement dated as of March 31, 2003 (collectively, the "Reimbursement Agreement") with the Banks named therein, pursuant to which such Banks have provided the Second Amended and Restated Irrevocable Letter of Credit dated as of March 31, 2003 (the "Letter of Credit") supporting payment of the Commercial Paper Notes; and

WHEREAS, the Letter of Credit presently provides that it will terminate on April 1, 2007; and

WHEREAS, the Corporation now wishes to take certain actions to amend the Reimbursement Agreement and Letter of Credit that will result in more favorable terms and security if such actions are taken prior to July 18, 2005; and

WHEREAS, the Banks have committed to extend the Stated Termination Date of the Letter of Credit to December 15, 2015 on the terms provided in the Fourth Amendment to Letter of Credit and Reimbursement Agreement ("Fourth Amendment to Reimbursement Agreement") and to issue a First Amendment to Second Amended and Restated letter of credit (the "Amended and Restated Letter of Credit") to reflect such terms; and

WHEREAS, one of the terms of the Fourth Amendment to Reimbursement Agreement is that the Corporation and the County may be presented with a Scheduled Termination Date that precedes the Stated Termination Date and is made effective at the option of the Banks on either May 1, 2010 or May 1, 2015; and

WHEREAS, the Corporation has covenanted to maintain the Letter of Credit or a similar credit facility, such as the Amended and Restated Letter of Credit, in effect at all times while the Commercial Paper Notes are outstanding; and

WHEREAS, the County is authorized to undertake all of the above pursuant to the governing code and applicable law of the State of California;

NOW, THEREFORE, this Board does hereby find, resolve, determine and order as follows:

Section 1. The officers of the County, and each of them acting alone, is authorized, for and in the name of and on behalf of the County, to execute by manual or facsimile signature and to deliver the Fourth Amendment to Reimbursement Agreement, substantially in the form on file with this Board, with such changes therein as may be necessary or as said officers may approve, in their discretion as being in the best interests of the County, with such approval to be evidenced conclusively by the execution and delivery thereof.

Section 2. The officers of the County and their authorized representatives are, and each of them acting alone is, hereby authorized to do any and all things, take any and all actions and execute and deliver any and all documents that they deem necessary or in the best interests of the County in order to further extend the Stated Termination Date of the Amended and Restated Letter of Credit, on substantially such terms as are contained in the Reimbursement Agreement as amended by the Fourth Amendment to Reimbursement Agreement, with such changes as may be necessary or as said officers may approve, in their discretion, as being in the best interests of the County, such approval to be evidenced conclusively by the execution and delivery thereof.

Section 3. The officers of the County and their authorized representatives are, and each of them acting alone is, hereby authorized to do any and all things, take any and all actions and execute and deliver any and all documents that they deem necessary or advisable in connection with the Fourth Amendment to Reimbursement Agreement and the issuance of the Amended and Restated Letter of Credit and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, and all actions heretofore taken by any of them with respect to the subject matter of this Resolution, including but not limited to the employment or retention of attorneys and consultants, are hereby ratified and confirmed.

Section 4. This Resolution shall take effect immediately upon its passage.

The foregoing Resolution was, on the ___ day of May, 2005, adopted by the Board of Supervisors of the County of Los Angeles.

VIOLET VARONA-LUKENS
Executive Officer-Clerk of the
Board of Supervisors of the County
of Los Angeles

By:_____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By:_____
Principal Deputy County Counsel

FOURTH AMENDMENT TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

This FOURTH AMENDMENT TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT is dated May __, 2005 (this *"Amendment"*), among the LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION (the *"Corporation"*), the COUNTY OF LOS ANGELES, CALIFORNIA (the *"County"*), WESTLB AG (formerly known as Westdeutsche Landesbank Girozentrale), acting through its New York Branch (*"WestLB"*), individually and as Administrative Agent (WestLB referred to in such capacity as the *"Administrative Agent"*), BAYERISCHE LANDESBANK (formerly known as Bayerische Landesbank Girozentrale), acting through its New York Branch (*"BayernLB"*), individually and as Co-Agent, and JPMORGAN CHASE BANK, N.A. (as successor to Morgan Guaranty Trust Company of New York) (*"JPMorgan"* and together with WestLB and BayernLB, shall be referred to individually herein as a *"Bank"* and collectively herein as the *"Banks"*):

WITNESSETH

WHEREAS, the Corporation, the County and the Banks have previously entered into that certain Letter of Credit and Reimbursement Agreement dated as of July 1, 1997, as amended by that certain First Amendment to Letter of Credit and Reimbursement Agreement dated as of March 1, 2000, that certain Second Amendment to Letter of Credit and Reimbursement Agreement dated as of April 1, 2002, and that certain Third Amendment to Letter of Credit and Reimbursement Agreement dated as of March 31, 2003, each among the Corporation, the County and the Banks (such Letter of Credit and Reimbursement Agreement as so amended, being referred to as the *"Agreement"*), pursuant to which the Banks have issued that certain Second Amended and Restated Irrevocable Letter of Credit No. 22703100512WLB; SBLC0029/97; P-010057 dated March 31, 2003 (the *"Letter of Credit"*), to support the payment when due of the principal of and interest on the Corporation's Lease Revenue Tax-Exempt Commercial Paper Notes issued pursuant to that certain Trust Agreement dated as of July 1, 1997;

WHEREAS, the parties now wish to make certain amendments to the Agreement and the Letter of Credit;

WHEREAS, all acts and things necessary to constitute this Fourth Amendment as a valid amendment to the Agreement according to its terms have been done and performed, and the Corporation, the County and the Banks have duly authorized the execution and delivery hereof;

NOW THEREFORE, in consideration of the premises, the parties hereto agree as follows:

1. AMENDMENTS.

Upon satisfaction of the conditions precedent set forth in Section 2 hereof, the Agreement shall be amended as follows:

1.01. Section 1.01 of the Agreement is hereby amended by the addition of the following definitions to be inserted in the appropriate alphabetical order:

"Anniversary Date" means each of May 1, 2010 and May 1, 2015.

"Commitment" means, as to any Bank, the obligation of such Bank to increase the Stated Amount of the Letter of Credit, in an aggregate amount not to exceed such Bank's Several Portion of the Maximum Stated Amount.

"Commitment Early Termination Notice" has the meaning set forth in Section 2.10(d)(i) hereof.

"Commitment Expiration Date" has the meaning set forth in Section 2.10(c) hereof.

"Commitment Fee Rate" means the rate per annum set forth in Section 2.03(a)(B) hereof.

"Commitment Renewal Notice" has the meaning set forth in Section 2.10(d)(ii) hereof.

"Commitment Termination Date" has the meaning set forth in Section 2.10(c) hereof.

"Early Commitment Termination Date" has the meaning set forth in Section 2.10(d)(i) hereof.

"Early Termination Date" has the meaning set forth in Section 2.10(b)(i) hereof.

"Letter of Credit Early Termination Notice" has the meaning set forth in Section 2.10(b)(i) hereof.

"Letter of Credit Fee Rate" means the rate per annum set forth in Section 2.03(a)(A) hereof.

"Letter of Credit Non-Renewal Date" means the date on which the Letter of Credit terminates due to the failure of JPMorgan to deliver a Letter of Credit Renewal Notice in accordance with Section 2.10(b)(ii) hereof.

"Letter of Credit Renewal Notice" has the meaning set forth in Section 2.10(b)(ii) hereof.

"Scheduled Termination Date" has the meaning set forth in Section 2.10(a) hereof.

"Stated Expiration Date" has the meaning set forth in Section 2.10(a) hereof.

1.03. Section 2.03(a) of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

(a) an annual commitment fee payable quarterly in arrears on each Quarterly Date (commencing on July 1, 2005, for the period from and including April 1, 2005, to and including June 30, 2005), and on the Credit Termination Date. Fees payable pursuant to this Section 2.03(a) shall be calculated on the basis of a 360-day year and actual days elapsed. Such fee shall accrue from May 1, 2005 through the Credit Termination Date and shall be calculated at the respective rates of (A) an amount equal to 0.28% per annum on the Stated Amount (without regard to any temporary reductions of the Stated Amount of the Letter of Credit) from time to time in effect (the *"Letter of Credit Fee Rate"*), plus prior to the Commitment Expiration Date (B) an amount equal to 0.14% per annum on the Unutilized Amount from time to time in effect (the *"Commitment Fee Rate"*); *provided, however,* that (w) the per annum rate set forth in clause (A) above shall increase by an additional 0.10% from and after the date of each Downgrade; (x) the per annum rate set forth in clause (B) above shall increase by an additional 0.05% from and after the date of each Downgrade; (y) in addition to any increase pursuant to clauses (w) or (x) above, the per annum rate set forth in clauses (A) or (B) above shall increase by an additional 1.00% per annum from and after the date the long-term rating assigned to the County's unenhanced general obligation bonds is withdrawn or suspended by S&P or Moody's; and (z) in addition to any increase pursuant to clauses (w), (x) or (y) above, the per annum rate set forth in clauses (A) or (B) above shall increase by an additional 1.00% per annum from and after the date of an occurrence of an Event of Default;

1.04. Section 2.10 of the Agreement is hereby by amended in its entirety and as so amended shall be restated to read as follows:

Section 2.10. <u>Term of the Letter of Credit; Term of the Commitment</u>.

(a) <u>Term of the Letter of Credit</u>. The Letter of Credit shall expire on the earliest to occur of (i) the close of business on December 15, 2015 (such date being referred to herein as the *"Stated Termination Date"*), (ii) an Early Termination Date, and (iii) a Letter of Credit Non-Renewal Date (the earliest of such dates to occur referred to herein as the "*Scheduled Termination Date*").

(b) Early Termination by BayernLB or WestLB; JPMorgan Letter of Credit Non-Renewal; Adjustment to Letter of Credit Fee Rate and/or Commitment Fee Rate. (i) Early Termination by BayernLB or WestLB. Not more than one hundred twenty (120) days, nor less than ninety (90) days, prior to each Anniversary Date, BayernLB or WestLB may, in its sole and absolute discretion, terminate the Letter of Credit by delivering written notice (a *"Letter of Credit Early Termination Notice"*) in the form of Annex F to the Letter of Credit to the Corporation, the County and the Issuing and Paying Agent. In the event BayernLB or WestLB delivers a Letter of Credit Early Termination Notice, the Letter of Credit shall terminate as of the close of business on the Anniversary Date to which such Letter of Credit Early Termination Notice relates (such date referred to herein as the *"Early Termination Date"*).

(ii) Letter of Credit Non-Renewal. Notwithstanding anything contained herein or in the Letter of Credit to the contrary, the Letter of Credit shall terminate on any Anniversary Date unless not more than one hundred eighty (180) days and not less than one hundred twenty (120) days prior to such Anniversary Date, the Corporation and the County deliver a written request to the Administrative Agent and JPMorgan requesting that JPMorgan deliver to the Corporation and the County a Letter of Credit Renewal Notice. In response to such request and not more than one hundred twenty (120) days, nor less than ninety (90) days prior to such Anniversary Date, JPMorgan may deliver written notice (each, a *"Letter of Credit Renewal Notice"*) in the form of Annex G to the Letter of Credit to the Corporation, the County and the Issuing and Paying Agent of its election to extend the term of the Letter of Credit for an additional five (5) year period (or for a period of time agreed to by the parties hereto). In the event that JPMorgan fails to deliver a Letter of Credit Renewal Notice, in JPMorgan's sole and absolute discretion, with respect to any Anniversary Date within the period specified in the immediately preceding sentence (or within such other period of time mutually agreed to by the parties hereto), the Letter of Credit shall terminate effective as of the close of business on such Anniversary Date (the *"Letter of Credit Non-Renewal Date"*).

(iii) Adjustment to Letter of Credit Fee Rate and/or Commitment Fee Rate. Not more than one hundred twenty (120) days, nor less than ninety (90) days, prior to any Anniversary Date, the Administrative Agent, at the direction of all of the Banks, may adjust the Letter of Credit Fee Rate and/or Commitment Fee Rate to a rate determined by all of the Banks, in their sole and absolute

discretion, as the then prevailing market rate or rates by delivering written notice in the form of Exhibit B hereto to the Corporation, the County and the Issuing and Paying Agent, which notice shall set forth the revised Letter of Credit Fee Rate and/or Commitment Fee Rate.

In the event that the Banks adjust the Letter of Credit Fee Rate and/or Commitment Fee Rate as provided in the immediately preceding paragraph, such adjustment to the Letter of Credit Fee Rate and/or Commitment Fee Rate shall become effective on the first calendar day next succeeding the applicable Anniversary Date, and thereafter shall remain in effect unless further adjusted as provided herein.

(c) Term of the Commitment. The Commitment shall expire on the earliest to occur of (i) the close of business on December 15, 2015 (such date being referred to herein as the *"Commitment Expiration Date"*), (ii) an Early Commitment Termination Date, (iii) a Commitment Non-Renewal Date and (iv) the Scheduled Termination Date (the earliest of such dates to occur referred to herein as the "*Commitment Termination Date*").

(d) Early Termination by BayernLB or WestLB; Commitment Non-Renewal. (i) Early Termination by BayernLB or WestLB. Not more than one hundred twenty (120) days, nor less than ninety (90) days, prior to each Anniversary Date, BayernLB or WestLB may in its sole and absolute discretion, terminate the Commitment by delivering written notice (a *"Commitment Early Termination Notice"*) thereof in the form of Exhibit C hereto to the Corporation, the County and the Issuing and Paying Agent. In the event BayernLB or WestLB delivers a Commitment Early Termination Notice, the Commitment shall terminate as of the close of business on the Anniversary Date to which such Commitment Early Termination Notice relates (such date referred to herein as the "*Early Commitment Termination Date*").

(ii) Commitment Non-Renewal. Notwithstanding anything contained herein to the contrary, the Commitment shall terminate on any Anniversary Date unless not more than one hundred eighty (180) days and not less than one hundred twenty (120) days prior to such Anniversary Date, the Corporation and the County deliver a written request to the Administrative Agent and JPMorgan requesting that JPMorgan deliver to the Corporation and the County a Commitment Renewal Notice. In response to such request and not more than one hundred twenty (120) days, nor less than ninety (90) days prior to such Anniversary Date, JPMorgan

may deliver written notice (each, a *"Commitment Renewal Notice"*) in the form of Exhibit D hereto to the Corporation, the County and the Issuing and Paying Agent of its election to extend the term of the Commitment for an additional five (5) year period (or for a period agreed to by the parties hereto). In the event that JPMorgan fails to deliver a Commitment Renewal Notice with respect to any Anniversary Date within the period specified in the immediately preceding sentence (or within such other period of time mutually agreed to by the parties hereto), the Commitment shall terminate effective as of the close of business on such Anniversary Date.

1.05. The Agreement shall be amended by the addition of Exhibit B to the Agreement in the form of Exhibit B hereto.

1.06. The Agreement shall be amended by the addition of Exhibit C to the Agreement in the form of Exhibit C hereto.

1.07. The Agreement shall be amended by the addition of Exhibit D to the Agreement in the form of Exhibit D hereto.

2. CONDITIONS PRECEDENT.

This Amendment shall become effective on May __, 2005, subject to the satisfaction of or waiver by the Banks in their sole discretion of all of the following conditions precedent (such satisfaction to be evidenced by each Bank's execution and delivery of this Amendment):

2.01. Delivery by the Corporation and the County of an executed counterpart of this Amendment and the First Amendment to the Letter of Credit.

2.02. The following statements shall be true and correct as of the date hereof:

(a) the representations and warranties of the Corporation and the County contained in the Agreement and each of the Related Documents are true and correct on and as of the date hereof as though made on and as of such date; and

(b) no Potential Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment.

2.03. The Administrative Agent, on behalf of the Banks, shall have received copies of resolutions of the Corporation and the County certified as of the date hereof by an authorized officer of each of the Corporation and the County authorizing the execution, delivery and performance by Corporation and the County of this Amendment.

2.04. The Administrative Agent, on behalf of the Banks, shall have received a certificate of an authorized officer of each of the Corporation and the County certifying as to the

authority, incumbencies and specimen signatures of the officers of the Corporation and the County authorized to sign this Amendment to be delivered by the Corporation and the County.

2.05. The Administrative Agent, on behalf of the Banks, shall have received certified copies of all approvals, authorizations and consents of any trustee or holder of any indebtedness or obligation of the Corporation and the County or any governmental agency or public authority, necessary for the Corporation or the County to enter into this Amendment and the transactions contemplated herein.

2.06. The Bank shall have received an opinion addressed to the Bank and dated as of the date hereof of Nixon Peabody, LLP, bond counsel, as to the validity and enforceability with respect to the Corporation and the County of this Amendment, and such other matters as the Administrative Agent, on behalf of the Banks, may reasonably request, in form and substance satisfactory to the Administrative Agent and its counsel.

2.07. All other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to the Administrative Agent and its counsel.

3. REPRESENTATIONS AND WARRANTIES.

In addition to the representations given in Section 2.02, the Corporation and the County hereby represent and warrant as follows:

3.01. The execution, delivery and performance by the Corporation and the County of this Amendment and the Agreement, as amended hereby, are within its powers, have been duly authorized by all necessary corporate action and do not contravene any law or any contractual restriction binding on or affecting the Corporation or the County.

3.02. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Corporation and the County of this Amendment or the Agreement, as amended hereby.

3.03. This Amendment and the Agreement, as amended hereby, constitute legal, valid and binding obligations of the Corporation and the County enforceable against the Corporation and the County, respectively, in accordance with their respective terms.

4. MISCELLANEOUS.

Except as specifically amended herein, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this specific amendment need not be made in any note, document, agreement, letter, certificate, the Agreement or any communication issued or made subsequent to or with respect to the Agreement, it being hereby agreed that any reference to the Agreement shall be sufficient to refer to the Agreement, as hereby amended. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall

not in any way be affected or impaired hereby. The Corporation and the County agree to pay on demand all reasonable fees and expenses of or incurred by counsel to the Banks in connection with the negotiation, preparation, execution and delivery of this Amendment. All capitalized terms used herein without definition shall have the same meanings as they have in the Agreement. This instrument shall be construed and governed by and in accordance with the internal laws of the State of New York; *provided, however,* that the obligations of the Corporation and the County shall be governed by the laws of the State of California.

This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated as of the date first above written.

BAYERISCHE LANDESBANK (formerly known as Bayerische Landesbank Girozentrale), acting through its New York Branch

By
Name: _____
Title: _____

By
Name: _____
Title: _____

WESTLB AG (formerly known as Westdeutsche Landesbank Girozentrale), acting through its New York Branch

By
Name: _____
Title: _____

By
Name: _____
Title: _____

JPMORGAN CHASE BANK, N.A. (as successor to Morgan Guaranty Trust Company of New York)

By
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET LEASING CORPORATION

By
Name: _____
Title: _____

COUNTY OF LOS ANGELES, CALIFORNIA

By
Name: _____
Title: _____

Accepted and Agreed to as of
the date first written above.

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as successor to Bankers Trust Company,
as Issuing and Paying Agent

By _____
Name: _____
Title: _____

EXHIBIT B

NOTICE OF ADJUSTMENT OF LETTER OF CREDIT FEE RATE AND/OR COMMITMENT FEE RATE

[Date]

Deutsche Bank Trust Company Americas,
as Issuing and Paying Agent
4 Albany Street
New York, New York 10006

Attention: Corporate Trust & Agency Group

Los Angeles County Capital
Asset Leasing Corporation
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Attention: Treasurer and Tax Collector

County of Los Angeles, California
500 West Temple Street, Room 437
Los Angeles, California 90012

Attention: Treasurer and Tax Collector

Re: Notice of Adjustment of Letter of Credit Fee Rate and/or Commitment Fee Rate

Pursuant to Section 2.10(b)(iii) of the Letter of Credit and Reimbursement Agreement dated as of July 1, 1997 (as amended prior to the date hereof, the *"Reimbursement Agreement"*), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles, California, WestLB AG (formerly known as Westdeutsche Landesbank Girozentrale), acting through its New York Branch (*"WestLB"*), individually and as Administrative Agent, Bayerische Landesbank (formerly known as Bayerische Landesbank Girozentrale), acting through its New York Branch (*"BayernLB"*), individually and as Co-Agent, and JPMorgan Chase Bank, N.A. (as successor to Morgan Guaranty Trust Company of New York) (*"JPMorgan"* and together with WestLB and BayernLB, shall be referred to collectively herein as the *"Banks"*), the Banks have determined to adjust the **[Letter of Credit Fee Rate and/or the Commitment Fee Rate]**. The new rate **[or rates]** is ____%, and such new rate **[or rates]** will become effective on _____.

Very truly yours,

WESTLB AG, acting through its New York Branch, as Administrative Agent

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT C

COMMITMENT EARLY TERMINATION NOTICE

[Date]

Deutsche Bank Trust Company Americas,
as Issuing and Paying Agent
4 Albany Street
New York, New York 10006
Attention: Corporate Trust & Agency Services

Los Angeles County Capital
Asset Leasing Corporation
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Attention: Treasurer and Tax Collector

County of Los Angeles, California
500 West Temple Street, Room 437
Los Angeles, California 90012
Attention: Treasurer and Tax Collector

Ladies and Gentlemen:

Pursuant to Section 2.10(d)(i) of the Letter of Credit and Reimbursement Agreement dated as of July 1, 1997 (as amended prior to the date hereof, the *"Reimbursement Agreement"*), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles, California, WestLB AG (formerly known as Westdeutsche Landesbank Girozentrale), acting through its New York Branch (*"WestLB"*), individually and as Administrative Agent, Bayerische Landesbank (formerly known as Bayerische Landesbank Girozentrale), acting through its New York Branch (*"BayernLB"*), individually and as Co-Agent, and JPMorgan Chase Bank, N.A. (as successor to Morgan Guaranty Trust Company of New York), **[WestLB][BayernLB]**, in its sole and absolute discretion, elects to terminate the Commitment on May 1, 20__.

Very truly yours,

[WESTLB AG, acting through its New York Branch][BAYERISCHE LANDESBANK], acting through its New York Branch]

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT D

COMMITMENT RENEWAL NOTICE

[Date]

Deutsche Bank Trust Company Americas,
as Issuing and Paying Agent
4 Albany Street
New York, New York 10006
Attention: Corporate Trust & Agency Services

Los Angeles County Capital
Asset Leasing Corporation
383 Kenneth Hahn Hall of Administration,
500 West Temple Street
Los Angeles, California 90012
Attention: Treasurer and Tax Collector

County of Los Angeles, California
500 West Temple Street, Room 437
Los Angeles, California 90012
Attention: Treasurer and Tax Collector

Ladies and Gentlemen:

Pursuant to Section 2.10(d)(ii) of the Letter of Credit and Reimbursement Agreement dated as of July 1, 1997 (as amended prior to the date hereof, the *"Reimbursement Agreement"*), among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles, California, WestLB AG (formerly known as Westdeutsche Landesbank Girozentrale), acting through its New York Branch (*"WestLB"*), individually and as Administrative Agent, Bayerische Landesbank (formerly known as Bayerische Landesbank Girozentrale), acting through its New York Branch (*"BayernLB"*), individually and as Co-Agent, and JPMorgan Chase Bank, N.A. (as successor to Morgan Guaranty Trust Company of New York) JPMorgan, in its sole and absolute discretion, elects to extend the term of the Commitment for an additional __ year period.

Very truly yours,

JPMORGAN CHASE BANK, N.A. (AS SUCCESSOR TO MORGAN GUARANTY TRUST COMPANY OF NEW YORK)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED IRREVOCABLE LETTER OF CREDIT

May ___, 2005

Deutsche Bank Trust Company Americas, as
Issuing and Paying Agent
4 Albany Street
New York, New York 10006

Attention: Corporate Trust & Agency Group

Ladies and Gentlemen:

Reference is hereby made to our Second Amended and Restated Irrevocable Letter of Credit No. 22703100512WLB;SBLC0029/97;P-010057 dated March 31, 2003 (the *"Letter of Credit"*), that was issued to you for the account of the Los Angeles County Capital Asset Leasing Corporation.

The Letter of Credit shall be amended as follows:

1.01 The date "*April 1, 2007*" set forth in the second paragraph contained in the Letter of Credit shall be deleted and replaced with "*December 15, 2015*."

1.02. The ninth paragraph contained in the Letter of Credit shall be amended in its entirety and as so amended shall be restated to read as follows:

> This Letter of Credit shall terminate upon the earliest of (i) the later of the date on which the Banks receive written notice from you that a Substitute Letter of Credit has been substituted for this Letter of Credit in accordance with the Trust Agreement or the effective date of any such Substitute Letter of Credit, (ii) the date on which we receive written notice from you that there are no longer any Notes Outstanding within the meaning of the Trust Agreement and that you elect to terminate the Letter of Credit, (iii) 5:00 P.M. on the Stated Termination Date, (iv) an Early Termination Date set forth in the related Letter of Credit Early Termination Notice substantially in the form of the certificate attached hereto as Annex F delivered to you by either BayernLB or WestLB pursuant to the terms of Section 2.10(b)(i) of the Letter of Credit and Reimbursement Agreement dated as of July 1, 1997, among the Corporation, the County, WestLB AG (formerly known as Westdeutsche Landesbank Girozentrale), acting through its New York Branch (*"WestLB"*), individually and as Administrative Agent, Bayerische Landesbank (formerly known as Bayerische

Landesbank Girozentrale), acting through its New York Branch (*"BayernLB"*), individually and as Co-Agent, and JPMorgan Chase Bank, N.A. (formerly known as Morgan Guaranty Trust Company of New York) ("*JPMorgan*"), as amended and (v) failure by JPMorgan to deliver a Letter of Credit Renewal Notice in the form of Annex G to the Letter of Credit pursuant to the terms of Section 2.10(b)(ii) of the Reimbursement Agreement resulting in a Letter of Credit Non-Renewal Date (the earliest possible Letter of Credit Non-Renewal Date to occur being May 1, 2010).

1.03. The Letter of Credit shall be amended by adding a new Annex F to read as Exhibit F attached hereto.

1.04. The Letter of Credit shall be amended by adding a new Annex G to read as Exhibit G attached hereto.

Except as specifically amended hereby, all of the terms and conditions of the Letter of Credit shall remain unchanged and in full force and effect. No reference to this Amendment need be made in any document, and all references to the Letter of Credit in any document shall be deemed to reference the Letter of Credit as amended hereby. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed shall be an original but all of which shall constitute one and the same instrument.

WESTLB AG, acting through its New York Branch

By:_____
Name: _____
Title: _____

By:_____
Name: _____
Title: _____

BAYERISCHE LANDESBANK, acting through its New York Branch

By:_____
Name: _____
Title: _____

By:_____
Name: _____
Title: _____

JPMORGAN CHASE BANK, N.A.

By:_____
Name: _____
Title: _____

Accepted and agreed as of the date
first above written:

DEUTSCHE BANK TRUST COMPANY AMERICAS

By: _____
Name: _____
Title: _____

LOS ANGELES COUNTY CAPITAL ASSET
LEASING CORPORATION

By: _____
Name: _____
Title: _____

COUNTY OF LOS ANGELES, CALIFORNIA

By: _____
Name: _____
Title: _____

ANNEX F TO
LETTER OF CREDIT NO. 22703100512WLB;SBLC0029/97;P-010057

[DATE]

Deutsche Bank Trust Company Americas,
as Issuing and Paying Agent
4 Albany Street
New York, New York 10006

Attention: Corporate Trust & Agency Group

Los Angeles County Capital
Asset Leasing Corporation
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Attention: Treasurer and Tax Collector

County of Los Angeles, California
500 West Temple Street, Room 437
Los Angeles, California 90012

Attention: Treasurer and Tax Collector

Re: Letter of Credit Early Termination Notice

Ladies and Gentlemen:

Pursuant to Section 2.10(b)(i) of the Letter of Credit and Reimbursement Agreement dated as of July 1, 1997, as amended, among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles, California, WestLB AG (formerly known as Westdeutsche Landesbank Girozentrale), acting through its New York Branch (*"WestLB"*), individually and as Administrative Agent, Bayerische Landesbank (formerly known as Bayerische Landesbank Girozentrale), acting through its New York Branch (*"BayernLB"*), individually and as Co-Agent, and JPMorgan Chase Bank, N.A. (as successor to Morgan Guaranty Trust Company of New York), **[BayernLB][WestLB],** in our sole and absolute discretion, elects to terminate Second Amended and Restated Letter of Credit No. 22703100512WLB;SBLC0029/97;P-010057, dated March 31, 2003, on _____, _____.

Very truly yours,

[WESTLB AG][BAYERISCHE LANDESBANK],
acting through its New York Branch

By:_____
Name: _____
Title: _____

By:_____
Name: _____
Title: _____

ANNEX G TO
LETTER OF CREDIT NO. 22703100512WLB;SBLC0029/97;P-010057

[DATE]

Deutsche Bank Trust Company Americas,
as Issuing and Paying Agent
4 Albany Street
New York, New York 10006

Attention: Corporate Trust & Agency Group

Los Angeles County Capital
Asset Leasing Corporation
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Attention: Treasurer and Tax Collector

County of Los Angeles, California
500 West Temple Street, Room 437
Los Angeles, California 90012

Attention: Treasurer and Tax Collector

Re: Letter of Credit Renewal Notice

Ladies and Gentlemen:

Pursuant to Section 2.10(b)(ii) of the Letter of Credit and Reimbursement Agreement dated as of July 1, 1997, as amended, among the Los Angeles County Capital Asset Leasing Corporation, the County of Los Angeles, California, WestLB AG (formerly known as Westdeutsche Landesbank Girozentrale), acting through its New York Branch, individually and as Administrative Agent, Bayerische Landesbank (formerly known as Bayerische Landesbank Girozentrale), acting through its New York Branch, individually and as Co-Agent, and JPMorgan Chase Bank, N.A. (as successor to Morgan Guaranty Trust Company of New York) ("*JPMorgan*"), JPMorgan, in our sole and absolute discretion, elects to extend the Stated Termination Date of the Second Amended and Restated Letter of Credit No. 22703100512WLB;SBLC0029/97;P-010057, dated March 31, 2003, to _____, _____.

Very truly yours,

JPMORGAN CHASE BANK, N.A.

By: _____
Name: _____
Title: _____