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) 914-2101 FAX: (213) 626-1812

MARK J. SALADINO
TREASURER AND TAX COLLECTOR

November 15, 2005

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

The Board of Directors of the Los Angeles
County Public Works Financing Authority
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

ISSUANCE OF LOS ANGELES COUNTY
PUBLIC WORKS FINANCING AUTHORITY LEASE REVENUE BONDS
2005 CALABASAS LANDFILL PROJECT
(ALL DISTRICTS) (3-VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the Resolution authorizing the issuance of up to $40,000,000 in lease revenue bonds to finance and refinance certain public improvement projects at the Calabasas Landfill; and authorizing the execution and delivery of related documents required to issue the bonds and complete the transaction.

ACTING AS THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY, IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the Resolution authorizing the issuance of up to $40,000,000 in lease revenue bonds to finance and refinance certain public improvement projects at the Calabasas Landfill; and authorizing the execution and delivery of related documents required to issue the bonds and complete the transaction.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Adoption of the above recommendations will authorize the issuance of lease revenue bonds by the Los Angeles County Public Works Financing Authority (the Authority) to finance and refinance major capital improvement projects at the County-owned Calabasas Landfill (the Project), which are required to maintain compliance with statutory regulations and to provide for the continued operation of the landfill. The project is necessary to meet State and Federal requirements for the protection of groundwater quality and to prepare the remaining undeveloped areas of the landfill for refuse disposal operations. The Project will ensure that the Calabasas Landfill is able to utilize its remaining permitted disposal capacity and provide continuing service for the remainder of its estimated useful life.

A portion of the bond proceeds in the amount of $10,655,299.33 will be used to reimburse the Los Angeles County Refuse Disposal Trust Fund for previous capital expenditures that were authorized by your Board to fund the initial phases of the Project. The remaining bond proceeds will be used to complete the Project, fund a reserve account, and to pay costs of issuance related to the issuance of the Bonds.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This action supports the County of Los Angeles (the County) Strategic Plan goals of Fiscal Responsibility and Service Excellence by providing cost-effective financing for essential public infrastructure.

FISCAL IMPACT/FINANCING

The Bonds issued to finance the Project will be structured such that the annual debt service will not exceed the projected net revenues of the Calabasas Landfill. A detailed analysis of future landfill operations indicates that net revenues are forecasted to exceed debt service payments by an average of $2.5 million annually, providing a debt coverage ratio of 2.0x. To the extent that such forecasts prove inaccurate and net revenues from the landfill are insufficient to pay debt service, the County will covenant in a sublease with the Authority to pay the required debt service from any source of legally available funds, including the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Authority was established by your Board pursuant to a Joint Exercise of Powers Agreement dated May 18, 1993 (as amended, The JPA Agreement) to provide financial assistance to the County, the Los Angeles County Flood Control District, the Los Angeles

County Regional Park and Open Space District, the Community Facilities District No. 2 of the County, and any entity that becomes a party to the JPA Agreement in accordance with its terms. Your Board serves as the Board of Directors of the Authority and is empowered to authorize the issuance of bonds.

The Bonds will be structured as a lease revenue transaction. The County will lease the Calabasas Landfill facility to the Authority pursuant to a Site Lease, and the Authority will lease the landfill back to the County pursuant to a Sublease and Option to Purchase. Base rental payments funded from the net revenues of the landfill will be used by the County to pay the principal of and interest on the Bonds. In addition to authorizing the issuance of Bonds, your Board is requested to authorize and direct the execution and delivery of the Site Lease, the Sublease, the Indenture, the Bond Purchase Agreement, the Continuing Disclosure Agreement and The Preliminary Official Statement, all of which are required documents necessary to complete the transaction. The form of each document is provided for your review as an attachment to this letter.

Based on the County's policy for the issuance of bonds, and the relative complexity of landfill financings of this type, the Treasurer and Tax Collector is recommending the issuance be conducted through a negotiated sale of the Bonds to the Underwriter. The Treasurer and Tax Collector has selected UBS Financial Services, Inc. as Underwriter, Squire, Sanders & Dempsey, LLP as Bond Counsel, and Montague DeRose and Associates, LLC as the Financial Advisor. The Trustee for the Bonds will be selected through a competitive solicitation process.

The Bonds will be issued at a true interest cost not to exceed six percent (6%) per annum. The final maturity of the Bonds will be structured to match the estimated useful life of the landfill, but in no event will exceed 30 years from the date of issuance. The final structure of the Bonds will be determined at the time of pricing, and will provide the County with a flexible pre-payment option at the lowest possible interest cost. The Resolutions provide the Treasurer and Tax Collector with the authority to issue the Bonds with credit enhancement in the form of a letter of credit or municipal bond insurance policy. The issuance of Bonds with credit enhancement will be determined based on a cost-benefit analysis of the transaction at the time of sale, and the credit provider will be selected through a competitive solicitation process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

None.

CONCLUSION

Upon adoption, the Department will require two executed copies of the Board letter.

Respectfully submitted,

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:DB:JP
Z:Board:Calabasas Landfill BOS Letter_111005

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 LEGAL DOCUMENTS RELATING TO THE ISSUANCE OF NOT TO EXCEED $40,000,000 OF LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY LEASE REVENUE BONDS (CALABASAS LANDFILL PROJECT), SERIES 2005 AND RELATED MATTERS

WHEREAS, the County of Los Angeles (the "County"), the Regional Park and Open Space District, the Community Facilities District No. 2 (Rowland Heights) and the Los Angeles County Flood Control District (the "District") have executed a Joint Exercise of Powers Agreement, dated May 18, 1993 (as amended, the "Agreement"), pursuant to the Joint Exercise of Powers Act constituting Articles 1 through 4, Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Section 6500) (the "Act") creating the Los Angeles County Public Works Financing Authority (the "LACPWFA"), for the purpose, among others, of issuing its bonds to be used to provide financial assistance to the County;

WHEREAS, the LACPWFA proposes to issue its Lease Revenue Bonds (Calabasas Landfill Project) Series 2005 (the "Bonds"), the proceeds of which will be applied to the financing and refinancing of the 2005 Project (as defined in the Indenture (defined below));

WHEREAS, the Bonds are to be issued pursuant to Sections 6584 et seq. (the "Bond Law") of the Act, and pursuant to an Indenture, dated as of December 1, 2005 (the "Indenture"), by and between the LACPWFA and Deutsche Bank National Trust Company, as trustee (the "Trustee");

WHEREAS, the Bonds may be issued by the LACPWFA in one or more series, simultaneously or sequentially, in an aggregate principal amount not to exceed $40,000,000;

WHEREAS, all or any portion of the Bonds may be sold with credit enhancement (such as a letter of credit or policy of municipal bond insurance), which credit enhancement may be as determined by the Treasurer of the LACPWFA in connection with the pricing and sale of the Bonds;

WHEREAS, the LACPWFA and the County propose to enter into the Site Lease, dated as of December 1, 2005 (the "Site Lease") and a Sublease and Option to Purchase, dated as of December 1, 2005 (the "Sublease") pursuant to which the County will lease the Site (as defined in the Site Lease) to the LACPWFA and the LACPWFA will sublease the Leased Premises (as defined in the Sublease) to the County in exchange for Base Rental and Additional Rental to be made by the County;

WHEREAS, the Bonds will be payable from Base Rental under the Sublease and other funds and amounts as provided under the Indenture;

WHEREAS, there have been presented to this Board the form of each of the Site Lease, the Sublease, the Indenture, the Preliminary Official Statement (defined below), the Bond Purchase Agreement (defined below) and the Continuing Disclosure Agreement (defined below), and this Board has examined such documents and desires to approve such documents and authorize and direct the execution and delivery of such documents, as applicable; and

WHEREAS, the County is authorized to undertake all of the above pursuant to the applicable laws of the State of California;

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

Section 1. The lease of the Site to the LACPWFA and the sublease of the Leased Premises from the LACPWFA are hereby authorized and approved. The officers of the County and their authorized representatives are, and each of them acting alone is, hereby authorized and directed for and in the name of, and on behalf of the County, to execute and to deliver the Site Lease and the Sublease, substantially in the forms on file with this Board, with such changes therein as may be necessary or as they 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. The officers of the County and their authorized representatives are hereby further authorized and directed, jointly and severally, to execute and deliver any other documents as may be necessary or as they may approve, in their discretion, as being in the best interests of the County to effect conveyance of the Site and the Leased Premises, such determination to be evidenced conclusively be the execution and delivery thereof.

The Base Rental shall be payable first, as a special limited obligation of the County from Net Revenues as defined in the Sublease, and then from any legally available moneys of the County in accordance with the Sublease.

Section 2. The form of the Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into by and among the LACPWFA, the County and UBS Financial Services, Inc. (the "Underwriter") submitted to this meeting is hereby approved for use in connection with the public offering of the Bonds, with such changes as may be approved by the officers of the County and their authorized representatives, such approval to be evidenced conclusively by the execution and delivery thereof by the County. The officers of the County and their authorized representatives are, and each of them acting alone is, authorized and directed for and in the name of, and on behalf of the County to accept the final terms of the Bonds, provided that the true interest cost of the Bonds shall not exceed 6.0%.

Section 3. The form of the preliminary official statement relating to the Bonds (the "Preliminary Official Statement"), submitted to this meeting is hereby approved for use in connection with the public offering of the Bonds, with such changes as may be approved by the officers of the County and their authorized representatives. The officers of the County and their authorized representatives are, and each of them alone is, hereby authorized by and on behalf of the County to certify to the Underwriter that the Preliminary Official Statement (insofar as it presents information relating to the County) is deemed "final" for the purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Rule") (except for the omission of certain final pricing, rating and related information as permitted by the Rule). The officers of the County and their authorized representatives are, and each of them alone is, hereby authorized and directed to assist in the preparation of a final Official Statement relating to the Bonds (the "Official Statement") in substantially the form of the Preliminary Official Statement; said officers and their authorized representatives are also hereby authorized and directed to cause the printing and delivery of the Preliminary Official Statement and the Official Statement. The distribution of the Preliminary Official Statement and the Official Statement in connection with the public offering of the Bonds is hereby approved.

Section 4. The officers of the County and their authorized representatives are, and each of them acting alone is, hereby authorized and directed for and in the name of, and on behalf of the County, to execute and to deliver the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), substantially in the form on file with this Board, with such changes therein as may be necessary or as they 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 5. All actions heretofore taken by any officers, employees, agents or directors of the County, with respect to the issuance, delivery or sale of the Bonds, or in connection with or related to any of the agreements or documents referenced herein are hereby approved, confirmed and ratified; and the officers of the County and their authorized representatives are, and each of the foregoing acting alone is, hereby authorized and directed, for and in the name and on behalf of the County, to do any and all things and to take any and all actions, and to execute and deliver such documents, agreements and certificates (including, but not limited to, a Tax Certificate and Agreement), which they, or any of them, may deem necessary or advisable to effectuate the purposes of this Resolution and the lawful issuance and delivery of the Bonds.

Section 6. This Resolution shall take effect immediately upon its passage.

The foregoing Resolution was on the ____ day of _____, 2005, adopted by the Board of Supervisors of the County of Los Angeles and *ex-officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS
Executive Officer-Clerk of the
Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.,
County Counsel

By: _____
Principal Deputy County Counsel

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF LEGAL DOCUMENTS RELATING TO THE ISSUANCE OF NOT TO EXCEED $40,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS (CALABASAS LANDFILL PROJECT), SERIES 2005 AND RELATED MATTERS

WHEREAS, the County of Los Angeles (the "County"), the Regional Park and Open Space District, the Community Facilities District No. 2 (Rowland Heights) and the Los Angeles County Flood Control District (the "District") have executed a Joint Exercise of Powers Agreement, dated May 18, 1993 (as amended, the "Agreement"), pursuant to the Joint Exercise of Powers Act constituting Articles 1 through 4, Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Section 6500) (the "Act") creating the Los Angeles County Public Works Financing Authority (the "LACPWFA"), for the purpose, among others, of issuing its bonds to be used to provide financial assistance to the County;

WHEREAS, the LACPWFA proposes to issue its Lease Revenue Bonds (Calabasas Landfill Project) Series 2005 (the "Bonds"), the proceeds of which will be applied to the financing and refinancing of the 2005 Project (as defined in the Indenture (defined below));

WHEREAS, the Bonds are to be issued pursuant to Sections 6584 et seq. (the "Bond Law") of the Act, and pursuant to an Indenture, dated as of December 1, 2005 (the "Indenture"), by and between the LACPWFA and Deutsche Bank National Trust Company, as trustee (the "Trustee");

WHEREAS, the LACPWFA and the County propose to enter into a Site Lease, dated as of December 1, 2005 (the "Site Lease") and a Sublease and Option to Purchase, dated as of December 1, 2005 (the "Sublease") pursuant to which the County will lease the Site (as defined in the Site Lease) to the LACPWFA and the LACPWFA will sublease the Leased Premises (as defined in the Sublease) to the County in exchange for Base Rental and Additional Rental to be made by the County;

WHEREAS, the Bonds will be payable from Base Rental under the Sublease and other funds and amounts as provided under the Indenture;

WHEREAS, the LACPWFA desires to provide for the public offering and sale of the Bonds;

WHEREAS, there have been presented to this Board the form of each of the Indenture, the Site Lease, the Sublease, the Preliminary Official Statement (defined below), the Bond Purchase Agreement (defined below) and the Continuing Disclosure Agreement (defined below), and this Board has examined such documents and desires to approve such documents and authorize and direct the execution and delivery of such documents, as applicable; and

WHEREAS, the LACPWFA is authorized to undertake all of the above pursuant to the Agreement, the Act, the Bond Law and other applicable laws of the State of California;

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

Section 1. The lease of the Site from the County and the Sublease of the Leased Premises to the County are hereby authorized and approved. The officers of the LACPWFA and their authorized representatives are, and each of them acting alone is, hereby authorized and directed for and in the name of, and on behalf of the LACPWFA, to execute and to deliver the Site Lease and the Sublease, substantially in the form on file with this Board, with such changes therein as may be necessary or as they may approve, in their discretion, as being in the best interests of the LACPWFA, such approval to be evidenced conclusively by the execution and delivery thereof. The officers of the LACPWFA and their authorized representatives are hereby further authorized and directed, jointly and severally, to execute and deliver any other documents as may be necessary or as they may approve, in their discretion, as being in the best interests of the LACPWFA to effect conveyance of the Site and the Leased Premises, such determination to be evidenced conclusively be the execution and delivery thereof.

Section 2. The issuance of the Bonds pursuant to the Bond Law in an aggregate principal amount not to exceed $40,000,000 is hereby approved. The Bonds may be issued in one or more series, simultaneously or sequentially as provided in the Indenture. The officers of the LACPWFA and their authorized representatives are, and each of them acting alone is, hereby authorized and directed for and in the name of, and on behalf of the LACPWFA, to execute and to deliver the Indenture, substantially in the form on file with this Board, with such changes therein as may be necessary or as they may approve, in their discretion, as being in the best interests of the LACPWFA, such approval to be evidenced conclusively by the execution and delivery thereof. The Bonds are authorized to be executed for and in the name and on behalf of the LACPWFA by the manual or facsimile signature of the Chair of the LACPWFA and attested to by the manual or facsimile signature of the Treasurer of the LACPWFA (the "Treasurer") or his designee. The Bonds, when so executed and attested, are authorized to be delivered to the Trustee for authentication.

The Bonds shall be special limited obligations of the LACPWFA payable solely from amounts received under the Sublease, and the LACPWFA shall not be obligated to pay the Bonds except from such amounts and certain amounts on hand under the Indenture.

Section 3. The form of the Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into by and among the LACPWFA, the County and UBS Financial Services, Inc. (the "Underwriter") submitted to this meeting is hereby approved for use in connection with the negotiated sale of the Bonds, with such changes as may be approved by the officers of the LACPWFA and their authorized representatives, such approval to be evidenced conclusively by the execution and delivery thereof by the LACPWFA. The officers of the LACPWFA and their authorized representatives are, and each of them acting alone is, authorized and directed for and in the name of, and on behalf of the LACPWFA to accept the final terms of the Bonds, provided that the true interest cost of the Bonds shall not exceed 6.0%.

Section 4. The form of the preliminary official statement relating to the Bonds (the "Preliminary Official Statement") submitted to this meeting is hereby approved for use in connection with the public offering of the Bonds, with such changes as may be approved by the officers of the LACPWFA and their authorized representatives. The officers of the LACPWFA and their authorized representatives are, and each of them acting alone is, hereby authorized by and on behalf of the LACPWFA to certify to the Underwriter that the Preliminary Official Statement is deemed "final" for the purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Rule") (except for the omission of certain final pricing, rating and related

information as permitted by the Rule). The officers of the LACPWFA and their authorized representatives are, and each of them acting alone is, hereby authorized and directed to assist in the preparation of a final Official Statement relating to the Bonds (the "Official Statement") in substantially the form of the Preliminary Official Statement; said officers and their authorized representatives are also hereby authorized and directed to cause the printing and delivery of the Preliminary Official Statement and the Official Statement. The distribution of the Preliminary Official Statement and the Official Statement in connection with the public offering of the Bonds is hereby approved.

Section 5. All or any portion of the Bonds may be sold with credit enhancement (such as a letter of credit or policy of municipal bond insurance), which credit enhancement may be as determined by the Treasurer of the LACPWFA in connection with the pricing and sale of the Bonds. The Treasurer of the LACPWFA is authorized to acquire one or more commitments for the issuance of such credit enhancement.

Section 6. The officers of the LACPWFA and their authorized representatives are, and each of them acting alone is, hereby authorized and directed for and in the name of, and on behalf of the LACPWFA, to execute and to deliver the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), substantially in the form on file with this Board, with such changes therein as may be necessary or as they may approve, in their discretion, as being in the best interests of the LACPWFA, such approval to be evidenced conclusively by the execution and delivery thereof.

Section 7. All actions heretofore taken by any officers, employees, agents or directors of the LACPWFA, with respect to the issuance, delivery or sale of the Bonds, or in connection with or related to any of the agreements or documents referenced herein are hereby approved, confirmed and ratified; and the officers of the LACPWFA and their authorized representatives are, and each of the foregoing acting alone is, hereby authorized and directed, for and in the name and on behalf of the LACPWFA, to do any and all things and to take any and all actions, and to execute and deliver such documents, agreements and certificates (including, but not limited to, a Tax Certificate and Agreement), which they, or any of them, may deem necessary or advisable to effectuate the purposes of this Resolution and the lawful issuance and delivery of the Bonds.

Section 8. This Resolution shall take effect immediately upon its passage.

The foregoing Resolution was on the ____ day of _____, 2005, adopted by the Board of Supervisors of the County of Los Angeles and *ex-officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts, acting herein as the Board of Directors of the Los Angeles County Public Works Financing Authority.

VIOLET VARONA-LUKENS
Executive Officer-Clerk of the
Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.,
County Counsel

By: _____
Principal Deputy County Counsel

PROPOSED FORM

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

SQUIRE, SANDERS & DEMPSEY, LLP
801 South Figueroa Street, Suite 1400
Los Angeles, California 90017-5554

Attention: Harriet M. Welch, Esq.

SITE LEASE

Relating to

Calabasas Landfill

Dated as of December 1, 2005

By and Between

COUNTY OF LOS ANGELES

and

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

NO DOCUMENTARY TRANSFER TAX

This instrument is exempt pursuant to Section 4.60.050 of the Los Angeles County Code adopted pursuant to Part 6.7 (commencing with Section 11901) of Division 2 of the Cal. Revenue and Taxation Code, and Section 11928 of the Cal. Revenue and Taxation Code. This document is recorded for the benefit of the County of Los Angeles and the recording is fee exempt under Section 6103 of the California Government Code.

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SITE LEASE

Relating to
Calabasas Landfill

THIS SITE LEASE, dated as of December 1, 2005 (the "Site Lease"), and entered into by and between the COUNTY OF LOS ANGELES, a political subdivision of the State of California (the "County"), and the LOS ANGELES PUBLIC WORKS FINANCING AUTHORITY ("LACPWFA"), a joint powers authority duly organized and existing under and by virtue of the laws of the State of California;

W I T N E S S E T H

WHEREAS, the County desires to lease to LACPWFA certain real property, as more particularly described in Exhibit A hereto (the "Site");

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained and for other good and valuable consideration, the County and LACPWFA agree as follows:

Section 1. Definitions. All capitalized terms used herein without definition shall have the meanings given to such terms pursuant to the Sublease and Option to Purchase, dated as of the date hereof (the "Sublease"), by and between LACPWFA and the County, or the Indenture, dated as of the date hereof (the "Indenture"), by and among the County, LACPWFA and Deutsche Bank National Trust Company, as trustee (the "Trustee").

Section 2. Lease of Site. The County hereby leases the Site described in Exhibit A hereto to LACPWFA, and LACPWFA hereby leases the Site from the County, in each case subject to the terms hereof and subject to any conditions, reservations, exceptions and rights-of-way which are of record.

Section 3. Ownership. The County covenants that it is title owner of and holds title in fee simple to the Site.

Section 4. Term. The term of this Site Lease shall commence on the date hereof and end on the earlier of (i)[_____ 1, ____], or (ii) the Date of Sublease Termination.

Section 5. Consideration. As full and complete consideration to the County for the lease of the Site to LACPWFA, LACPWFA agrees to pay advance rent of $_____ to the County, by deposit to the Trustee of the proceeds of the Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Calabasas Landfill Project) Series 2005 and to execute and deliver the Sublease to the County.

Section 6. Purpose. LACPWFA shall utilize the Site for the purposes described in the Sublease and for such other purposes as may be incidental thereto.

Section 7. Assignment and Subleases. LACPWFA shall not assign, mortgage, hypothecate or otherwise encumber this Site Lease nor any rights hereunder nor the leasehold created hereby by indenture or deed of trust or otherwise or sublet the Site, except that the

County expressly approves and consents to the assignment by LACPWFA of its rights, title and interest in and to this Site Lease pursuant to the Indenture and the subleasing of the Site as part of the Leased Premises pursuant to the Sublease.

Section 8. Right of Entry. The County reserves the right for any of its duly authorized representatives to enter upon the Site at any reasonable time.

Section 9. Expiration. LACPWFA agrees, upon the expiration of the term of this Site Lease, to quit and surrender the Site, including all buildings, improvements, fixtures and equipment existing thereon at the time of the termination of this Site Lease, in good order and condition, reasonable wear and tear excepted, it being the understanding of the County and LACPWFA, and the County and LACPWFA hereby agree, that upon the termination of this Site Lease, any title to and any interest of LACPWFA in the Site shall vest in the County or its nominee free and clear of any interest of LACPWFA.

Section 10. Quiet Enjoyment. LACPWFA, at all times during the term of this Site Lease, shall peaceably and quietly have, hold and enjoy the Site.

Section 11. Taxes. The County covenants and agrees to pay any and all taxes and assessments levied or assessed upon the Site.

Section 12. Eminent Domain. If the whole or any portion of the Site shall be taken under the power of eminent domain, the interest of LACPWFA shall be recognized and is hereby determined to be that amount which would then be required under the provisions of Section 3.04 of the Indenture to be used to prepay or provide for the prepayment of all those Outstanding Bonds which would have been payable from that portion of Base Rental payments which are abated as a result of such taking. Upon any such taking, the County agrees to deposit with the Trustee the full amount of the condemnation award or other moneys received in compensation for the property as provided in Section 3.04 of the Indenture to be used as provided in Section 2.03(a) of the Indenture.

Section 13. Default. In the event that LACPWFA or any assignee of LACPWFA shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease or any applicable provision of law, the County may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Sublease shall be deemed to occur as a result thereof; and except that the County shall have no power to terminate this Site Lease, or to exercise any other remedy, by reason of any such default on the part of LACPWFA or its assignee if (i) such termination or exercise would adversely affect the County's right to use and possession of the Leased Premises as provided in the Sublease; or (ii) such termination or exercise would prejudice the exercise of the remedies provided in Section 12 of the Sublease. Any successor in interest to or assignee of LACPWFA shall be deemed to be and shall become the tenant of the County hereunder and shall be entitled to all of the rights and privileges granted herein or under any such assignment.

Section 14. Notices. All notices under this Site Lease shall be in writing and shall be sufficiently given and served upon such party if delivered by hand directly to the offices named below or sent by United States first class mail, postage prepaid, and addressed as follows:

(a) if to the County, to

County of Los Angeles
Treasurer and Tax Collector
Hall of Administration,
500 West Temple Street, Room 437
Los Angeles, California 90012
Attention: Public Finance; and

(b) if to LACPWFA, to

Los Angeles Public Works Financing Authority
County of Los Angeles
Hall of Administration
500 West Temple Street, Room 383
Los Angeles, California 90012
Attention: Executive Officer-Clerk of the
Board of Supervisors;

or to such other address or addresses as any such party may designate to the others by notice given in accordance with the provisions of this Section 14.

Section 15. Partial Invalidity. If any one or more of the terms, provisions, promises, covenants or conditions of this Site Lease shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Site Lease shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

If for any reason this Site Lease shall be held by a court of competent jurisdiction void, voidable or unenforceable by LACPWFA or by the County or if for any reason it is held by such a court that any of the covenants and agreements of LACPWFA or the County hereunder is unenforceable for the full term of this Site Lease, then and in such event for and in consideration of the right of LACPWFA to possess, occupy and use the Site which right is hereby granted, this Site Lease shall thereupon become a lease from year-to-year.

Section 16. Indemnification and Hold Harmless Agreement. To the extent permitted by law, the County hereby agrees to indemnify and hold harmless LACPWFA and its officers and directors against any and all liabilities which arise out of or are related to the Site or this Site Lease, and the County further agrees to defend LACPWFA and its officers and directors in any action arising out of or related to the Site or this Site Lease.

Section 17. Counterparts. This Site Lease may be executed in any number of counterparts each of which when so executed shall be deemed to be an original and all of which together shall constitute one and the same Site Lease.

Section 18. Governing Law. This Site Lease is made in the State under the Constitution and laws of the State and is to be so construed.

Section 19. Amendment. This Site Lease may be amended only in accordance with and as permitted by the terms of Section 10.15 of the Indenture.

IN WITNESS WHEREOF, the parties hereto have caused this Site Lease to be executed and attested by their proper officers thereunto duly authorized, as of the day and year first above.

COUNTY OF LOS ANGELES

By _____
Chairman, Board of Supervisors

Attest:

_____
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

LOS ANGELES PUBLIC WORKS FINANCING AUTHORITY

By _____
[Chairman]

Attest:

By _____
Assistant Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

On this _____ day of _____, 2005, before me, _____, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that she/he executed this instrument in her/his authorized capacity, and that by her/his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public of the State of California

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

On this _____ day of _____, 2005, before me, _____, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that she/he executed this instrument in her/his authorized capacity, and that by her/his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public of the State of California

EXHIBIT A

THE LANDFILL SITE

[Insert from Title Report]

PROPOSED FORM

INDENTURE

between the

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

and

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Trustee

Dated as of December 1, 2005

$_____
Los Angeles County Public Works Financing Authority
Lease Revenue Bonds (Calabasas Landfill Project), Series 2005

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THIS INDENTURE dated as of December 1, 2005 (this "Indenture"), by and between DEUTSCHE BANK NATIONAL TRUST COMPANY, a national banking corporation organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee"), and the LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY (the "LACPWFA"), a joint powers authority, duly organized and existing under and by virtue of the laws of the State of California.

WITNESSETH

WHEREAS, the LACPWFA is duly organized and operating pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code;

WHEREAS, Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act") authorizes and empowers joint powers authorities to issue bonds to assist local agencies in financing projects and programs consisting of certain public improvements or working capital or liability and other insurance needs whenever a local agency determines that there are significant public benefits from so doing;

WHEREAS, the LACPWFA intends to assist the County in financing and refinancing certain capital improvements at its Calabasas landfill (the "Facility") located between Calabasas and Agoura, California, in the County of Los Angeles (the "Project") by issuing its Lease Revenue Bonds (Calabasas Landfill Project), Series 2005 (the "Series 2005 Bonds") in an aggregate principal amount not to exceed $_____ under the terms of this Indenture;

WHEREAS, the County of Los Angeles (the "County") has determined that the consummation of the transactions contemplated in the Sublease (as hereinafter defined), including the lease of the Leased Premises (as defined in the Sublease) to the County and the financing and refinancing of the Facility and the Project (as hereinafter defined), and this Indenture will result in significant public benefits;

WHEREAS, the LACPWFA is empowered pursuant to the Act to assist in financing, among other things, public capital improvements, such as the Facility and the Project, and the Series 2005 Bonds shall be issued pursuant to the Act and this Indenture;

WHEREAS, in order to provide for the authentication and delivery of the Series 2005 Bonds, to establish and declare the terms and conditions upon which the Series 2005 Bonds are to be issued and secured, and to secure the payment of the principal thereof and premium, if any, and interest thereon, the LACPWFA has authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the LACPWFA, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the LACPWFA payable in accordance with their terms, and to constitute this Indenture a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued

and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the LACPWFA does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any Supplemental Indenture and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified. Capitalized terms not defined herein shall have the meanings given such terms in the Sublease.

"Act" means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto.

"Additional Bonds" means Bonds issued pursuant to a Supplemental Indenture in accordance with Sections 2.15 and 2.16 hereof.

"Additional Rental" means all amounts payable by the County to the LACPWFA or to the Trustee or any other person as Additional Rental pursuant to Section 3.1(b) of the Sublease.

"Base Rental Payments" means all amounts payable by the County to the LACPWFA as Base Rental Payments pursuant to Section 3.1 of the Sublease.

"Bond Insurance Policy" means the municipal bond insurance policy, Policy No. _____, issued by the Bond Insurer insuring the payment when due of the principal of and interest on the Series 2005 Bonds as provided therein.

The term "Bond Insurer" means _____, a _____ insurance company and any issuer or issuers of a policy or policies of municipal bond insurance obtained by the LACPWFA to insure the payment of principal or accreted value of and interest on a Series of Bonds issued under the Indenture, when due otherwise than by acceleration, and which, in fact, are at any time insuring such Series of Bonds. For the purposes of this definition, all consents, approvals or actions required by the Bond Insurer shall be by action of a majority of all Bond Insurers (based upon the aggregate principal amount of Outstanding Bonds insured by each such Bond Insurer) if there is more than a single Bond Insurer. The Bond Insurer with respect to the Series 2005 Bonds means _____, a _____ insurance company.

"Bonds" means the Series 2005 Bonds and any Additional Bonds issued in accordance with this Indenture.

"Business Day" means any day other than a Saturday or Sunday or a day upon which the banking institutions in the State of New York or the State of California or day upon which the Trustee is authorized by law to remain closed.

"Certificate of Completion" means a Written Certificate of the County certifying that the Project has been completed, stating the date of such completion and stating that all of the Project Costs thereof and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Project is to be maintained in the full amount of such claims until such dispute is resolved).

"Code" means the Internal Revenue Code of 1986 and the regulations issued thereunder or any successor thereto. Reference to any particular Code section shall, in the event of such successor Code, be deemed to be reference to the successor to such Code section.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement by and among LACPWFA, the County and the Trustee, dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the County or the LACPWFA and related to the authorization, execution and delivery of the Sublease, this Indenture and the sale of the Bonds, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants, accountants, verification agents, consulting engineers and professionals, premiums of any Bond Insurer, fees and charges for preparation, execution and safekeeping of the Bonds, title search and title fees, fees of the LACPWFA and any other authorized cost, charge or fee in connection with the issuance of the Bonds.

"Costs of Issuance Fund" means the fund by that name established pursuant to Section 2.12(b).

"County" means the County of Los Angeles, California, a political subdivision of the State of California.

"Dated Date" means the date of delivery of the Bonds.

"Debt Service" means, for any Fiscal Year or other period, the sum of (1) the interest accruing during such Fiscal Year or period on all Outstanding Bonds, assuming that all Outstanding Bonds are redeemed or paid from sinking account payments as scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds), and (2) that portion of the principal amount of all Outstanding Bonds required to be redeemed or paid on the next succeeding redemption date (together with the redemption premiums, if any, thereon) that would have accrued during such Fiscal Year or period if such principal amount (and redemption premiums) were deemed to accrue daily in equal amounts from the next preceding redemption date or during the year preceding the first redemption date, as the case may be.

"Effective Date" means the date of issuance and delivery of the Series 2005 Bonds.

"Event of Default" shall have the meaning ascribed to such term in Section 7.01.

"Facility" _____.

"Financial Newspaper" means The Wall Street Journal or The Bond Buyer, or any other newspaper or journal printed in the English language, publishing financial news and selected by the Trustee, who shall be under no liability by reason of such selection.

"Fitch" means Fitch Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then "Fitch" shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the County.

"Fiscal Year" means the twelve-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the LACPWFA as its Fiscal Year in accordance with applicable law.

"Holder" means any person who shall be the registered owner of any Outstanding Bond.

"Indenture" means this Indenture, dated as of December 1, 2005, between the LACPWFA and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Indentures executed pursuant to the provisions hereof.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or a comparable successor, appointed and paid by the LACPWFA, and who, or each of whom (1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the LACPWFA or the County; (2) does not have a substantial financial interest, direct or indirect, in the operations of the LACPWFA or the County; and (3) is not connected with the LACPWFA or the County as a member, officer or employee of the LACPWFA or the County, but who may be regularly retained to audit the accounting records of and make reports thereon to the LACPWFA or the County.

"Information Services" means Financial Information, Inc. "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey County, New Jersey 07302, Attention: Editor; Kenny Information Services' "Called Bond Service," 65 Broadway, 16th Floor, New York, New York 10004; Moody's Investors Service "Municipal and Government," 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; and Standard and Poor's Ratings Group "Called Bond Record," 25 Broadway, New York, New York 10004; or to such other addresses and/or such other services providing information with respect to called bonds as the LACPWFA may designate in a Certificate of the LACPWFA delivered to the Trustee.

"Interest Account" means the account by that name established pursuant to Section 3.03(a).

"Interest Payment Date" means June 1 and December 1 of each year, commencing on June 1, 2006.

"Joint Powers Agreement" means that certain Joint Exercise of Powers Agreement, dated May 18, 1993 by and between the County and the Los Angeles County Flood Control District, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions hereof and thereof.

"LACPWFA" means the Los Angeles County Public Works Financing Authority created pursuant to the Act, together with its successors and assigns in accordance herewith.

"Mandatory Sinking Account Payments" means the payments set forth in Section 3.03(b).

"Maximum Annual Debt Service" means, as of any date, with respect to Bonds, the maximum amount of Debt Service coming due on such Bonds in the then current or any future Fiscal Year.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's Investors Service" shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

"Opinion of Counsel" means a written opinion of independent counsel of recognized national standing in the field with respect to which the opinion is being provided, appointed and paid by the LACPWFA.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 6.02) all Bonds except

(1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Bonds paid or deemed to have been paid within the meaning of Section 8.01; and

(3) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the LACPWFA pursuant hereto.

"Permitted Investments" means any of the following obligations if and to the extent that, at the time of making such investment, they are permitted by applicable law:

A. Bond Insurer will allow the following obligations to be used as Permitted Investments for all purposes, including defeasance investments in refunding escrow accounts.

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation),

(2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:

- U.S. treasury obligations
- All direct or fully guaranteed obligations
- Farmers Home Administration
- General Services Administration
- Guaranteed Title XI financing
- Government National Mortgage Association (GNMA)
- State and Local Government Series

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

B. Bond Insurer will allow the following Obligations to be used as Permitted Investments for all purposes other than defeasance investments in refunding escrow accounts.

(1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank

(2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System

- Senior debt obligations of other Government Sponsored Agencies approved by Bond Insurer

(3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(4) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P, and which matures not more than 270 calendar days after the date of purchase;

(5) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(6) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph A(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(7) Municipal Obligations rated "Aaa/AAA" or general obligations of states with a rating of "A2/A" or higher by both Moody's and S&P;

(8) Investment Agreements approved in writing by the Bond Insurer (supported by appropriate opinions of counsel);

(9) The Local Agency Investment Fund of the State of California;

(10) The County Treasurer's investment pool, provided that the investment pool is rated in a rating category not less than the rating on then applicable general fund debt of the County; and

(11) Other forms of investments (including repurchase agreements) approved in writing by Bond Insurer.

C. The value of the above investments shall be determined as follows:

a) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Salomon Smith Barney, Bear Stearns, or Lehman Brothers;

b) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus accrued interest thereon; and

c) As to any investment not specified above: the value thereof established by prior agreement among the LACPWFA, the Trustee, and Bond Insurer.

"Principal Account" means the account by that name established pursuant to Section 3.03(b).

"Project" means, collectively, the refinancing of the Facility and the public improvement projects, equipment and furnishings, generally described in Exhibit B to the Sublease.

"Project Fund" means the fund by that name established pursuant to Section 2.12(a).

"Project Costs" means all costs of the Project and of expenses incident thereto (or for making reimbursements to the LACPWFA or the County or any other person, firm or corporation for such costs theretofore paid by him or it), including, but not limited to, architectural and engineering fees and expenses, interest during construction, furnishings and equipment, tests and inspection, surveys, land acquisition, insurance premiums, losses during construction not insured against because of deductible amounts, costs of accounting, feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs, printing costs, reproduction and binding costs.

"Rebate Fund" means the fund by that name established pursuant to Section 4.05.

"Rebate Requirement" has the meaning assigned to such term in the Tax Agreement.

"Record Date" means the fifteenth day of the month immediately preceding each Interest Payment Date whether or not a Business Day.

"Representation Letter" means the letter of representation or other agreements to The Depository Trust Company, New York, New York, from the LACPWFA and the Trustee relating to the Bonds.

"Reserve Fund" means the fund by that name established pursuant to Section 3.03(c).

"Reserve Fund Requirement" means, at any time of calculation, with respect to all Outstanding Bonds, an amount equal to the least of (i) the Maximum Annual Debt Service for the Bonds, (ii) 125% of the average annual Debt Service for the Bonds, and (iii) ten percent (10%) of the stated principal amount of the Bonds. The Reserve Requirement may be satisfied

by cash, a municipal bond reserve fund surety policy or letter of credit satisfactory to the Bond Insurer in accordance with Section 3.03 hereof, or a combination of the two.

"Revenue Fund" means the fund by that name established pursuant to Section 3.02.

"Revenues" means (i) all rents, receipts, installment payments, and other income derived by the LACPWFA or the Trustee pursuant to or otherwise under or in respect of the Sublease (or, in the case of a termination of the Sublease pursuant to Section 2 thereof, all rents, receipts, installment payments, and other income received by the LACPWFA from the ownership, operation or reletting of the Facility), and (ii) all interest or other income from any investment of any money in any fund or account established pursuant to this Indenture (other than the Project Fund), but not including amounts, including investment income, received for or on deposit in the Rebate Fund; provided that such term shall not include amounts payable by the County to the LACPWFA or to the Trustee or any other person as Additional Rental pursuant to Section 3.1(b) of the Sublease.

"Series 2005 Bonds" means the Lease Revenue Bonds (Calabasas Landfill Project), Series 2005 issued under this Indenture.

"S&P" means Standard & Poor's Corporation, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Standard & Poor's Corporation shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

"Securities Depositories" means: The Depository Trust Company, 55 Water Street, New York, New York 10041-0099, Attention: Call Notification Department; Fax: (212) 855-7232 or, in accordance with the then current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other addresses and/or such other securities depositories, or to no such depositories, as the LACPWFA may designate in a Certificate of the LACPWFA delivered to the Trustee.

"State" means the State of California.

"Sublease" means that certain Sublease and Option to Purchase, dated of the date herewith, by and between the LACPWFA and the County.

"Supplemental Indenture" means any indenture then in full force and effect that has been duly executed and delivered by the LACPWFA and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Tax Agreement" means the Tax Compliance Certificate relating to the Bonds, dated as of the date of original delivery of the Bonds, of the LACPWFA and the County, as the same may be amended from time to time.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is excluded from the gross income of the holders thereof (other than any holder who is a "substantial user" of facilities financed with such

obligations or a "related person" within the meaning of Section 147(a) of the Code) for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

"Tax-Exempt Securities" means revenue bonds or other securities the interest on which is Tax-Exempt.

"Trustee" means DEUTSCHE BANK NATIONAL TRUST COMPANY, or any other association or corporation that may at any time be substituted in its place as provided in Section 5.01.

"Written Request of the LACPWFA" means an instrument in writing signed by the Chair, Vice Chair, Treasurer or Controller of the LACPWFA or by any other officer of the LACPWFA duly authorized by the LACPWFA for that purpose.

"Written Request of the County" means an instrument in writing signed by its [_____] or County Treasurer or by any such officers' duly appointed designee, or by any other officer of the County duly authorized by the County Board of Supervisors of the County to the Trustee for that purpose.

SECTION 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Holders thereof, the Indenture shall be deemed to be and shall constitute a contract among the LACPWFA, the Trustee and the Holders from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the LACPWFA shall be for the equal and proportionate benefit, protection and security of all Holders of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the series, number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

ISSUANCE OF BONDS

SECTION 2.01 Authorization and Purpose of Bonds. The LACPWFA hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the LACPWFA is now duly authorized, pursuant to each and every requirement of the Act, to issue the Bonds in the form and manner provided herein for the purpose of providing funds to pay for the Project and costs related to the Bonds, and that the Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

SECTION 2.02 Terms of the Series 2005 Bonds. The Series 2005 Bonds shall be issued in one series and shall be designated "Los Angeles County Public Works Financing

Authority Lease Revenue Bonds, (Calabasas Landfill Project) Series 2005", issued in the aggregate principal amount of _____ Dollars ($_____). The Series 2005 Bonds shall be dated the Dated Date, shall be issued only in fully registered form in denominations of $5,000 (or any integral multiple of $5,000) (not exceeding the principal amount of Series 2005 Bonds maturing at any one time), and shall mature on the dates and in the principal amounts and bear interest at the rates as set forth in the following schedule:

Lease Revenue Bonds (Calabasas Landfill Project), Series 2005

Maturity Date (_____)	Principal Amount	Interest Rate

The principal of and redemption premiums, if any, on the Bonds shall be payable by check in lawful money of the United States of America at the corporate trust office of the Trustee in Los Angeles, California or such other place as designated by the Trustee. The Bonds shall bear interest at the rates set forth above, payable on each Interest Payment Date. Interest on the Bonds shall be computed using a year of 360 days consisting of twelve 30-day months.

The Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is an Interest Payment Date or during the period from the sixteenth day of the month preceding an Interest Payment Date to such Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of authentication is on or before the first Record Date, in which event they shall bear interest from the Dated Date; provided, however, that if at the time of authentication of any Bond interest is then in default on the Outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds.

Payment of interest on the Bonds due on or before the maturity or prior redemption thereof shall be made on the Interest Payment Date to the person whose name appears in the Bonds registration books kept by the Trustee pursuant to Section 2.08 as the registered owner thereof as of the close of business on the Record Date for an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on the Interest Payment Date by first-class mail to such registered owner at the address as it appears in such books; provided that upon the written request of a Holder of $1,000,000 or more in aggregate principal amount of Bonds received by the Trustee at least five days prior to the applicable Record Date, interest shall be paid by wire transfer in immediately available funds.

SECTION 2.03 Redemption of Series 2005 Bonds.

(a) Extraordinary Redemption. The Series 2005 Bonds are subject to redemption by the LACPWFA on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole, or in part by lot within each stated maturity in integral multiples of $5,000, from prepayments made by the County pursuant to Section 5 or Section 6 of the Sublease and deposited by the Trustee in the Principal Account, at a prepayment price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the redemption date. Whenever less than all of the Outstanding Series 2005 Bonds of a series are to be redeemed on any one date, the Trustee shall select the Series 2005 Bonds of such series to be redeemed in part from the Outstanding Series 2005 Bonds of such series on a pro rata basis so that the aggregate annual Debt Service on Series 2005 Bonds that shall be payable after such redemption date shall be as nearly proportional as practicable to the aggregate annual Debt Service on Series 2005 Bonds Outstanding prior to such redemption date.

(b) Mandatory Sinking Account Redemption. The Series 2005 Bonds maturing on _____, 20__, and on _____, 20__, upon notice as hereinafter provided, shall also be subject to mandatory sinking account redemption prior to maturity, in part on the respective dates indicated, by lot, from and in the amount of the Mandatory Sinking Account Payments set forth in Section 3.03, at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon to the redemption date, without premium.

(c) Optional Redemption. The Series 2005 Bonds maturing after _____, 20__ are subject to redemption prior to their respective stated maturities at the written direction of the LACPWFA, from moneys deposited by the LACPWFA or the County in the Principal Account, as a whole or in part (in such order of maturity as designated in writing by the County to the Trustee or, if no order of redemption is designated, in inverse order of maturity) on any date on or after _____, 20__, at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium:

(d) If less than all Outstanding Series 2005 Bonds of a series maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select from such series the Series 2005 Bonds of such maturity date to be redeemed by lot in any manner that it deems appropriate, and shall promptly notify the LACPWFA in writing of the numbers of the Series 2005 Bonds so selected for redemption. For purposes of such selection, Series 2005 Bonds shall be deemed to be composed of $5,000 multiples of principal, and any such multiple may be separately redeemed. The LACPWFA shall provide the Trustee with a revised sinking account schedule as a result of any such optional or extraordinary redemption.

Notice of redemption shall be mailed by first-class mail, postage prepaid, by the Trustee, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to (i) the respective Holders of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, (ii) the Municipal Securities Rulemaking Board, (iii) the Securities Depositories and (iv) one or more Information Services. Notice of redemption to the

Securities Depositories and the Information Services shall be given by registered mail, electronic mail or overnight delivery or facsimile transmission. Each notice of redemption shall state the date of such notice, the redemption price, if any, (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Bonds of such maturity, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount to be redeemed; provided that with regard to an optional redemption, in the event that the funds required to pay the redemption price are not on deposit with the Trustee at the time the notice of redemption is to be sent, a statement to the effect that the redemption is conditioned upon the receipt of the appropriate funds required to pay the redemption price by the Trustee on or prior to the redemption date. Each such notice shall also state that on said date there will become due and payable on each of said Bonds identified therein the redemption price, if any, thereof and in the case of a Bond to be redeemed in part only, the specified portion of the principal amount to be redeemed, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice shall not invalidate any of the proceedings taken in connection with such redemption.

In the event of redemption of Bonds (other than sinking account redemptions), the Trustee shall mail a notice of redemption upon receipt of a Written Request of the LACPWFA, received by the Trustee not less than forty-five (45) days prior to the redemption date but only after the LACPWFA shall file a written certificate of the LACPWFA with the Trustee stating that on or before the date set for redemption, the LACPWFA shall have deposited with or otherwise made available to the Trustee for deposit in the Principal Account the money required for payment of the redemption price, including accrued interest, of all Bonds then to be called for redemption, together with the estimated expense of giving such notice.

If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such Bonds shall cease to accrue, and the Holders of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed pursuant to the provisions of this Section shall be cancelled by the Trustee and shall be destroyed with a certificate of destruction furnished to the LACPWFA upon its request and shall not be reissued.

SECTION 2.04 Form of Series 2005 Bonds. The Series 2005 Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the form set forth in Exhibit A hereto attached and by this reference herein incorporated (provided that, in the event Bond certificates are issued to Holders other than Cede & Co., or its successor as nominee for DTC as holder of all the Series 2005 Bonds, another securities depository as holder of all the Series 2005 Bonds, or the nominee of such successor securities depository, on the face of each Series 2005 Bonds, at the place where the portion of the form set forth below appears on the reverse side of such Bond, there shall be inserted the following sentence: REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS

SHALL, FOR ALL PURPOSES, HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE). Bonds may be typewritten, printed, engraved, lithographed or otherwise produced.

SECTION 2.05 Execution of Bonds. The Chair and the Treasurer of the LACPWFA are hereby authorized and directed to execute and attest, respectively, each of the Bonds on behalf of the LACPWFA. The signatures of such officers may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

Only those Bonds bearing thereon a certificate of authentication and registration in the form hereinbefore recited, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated and registered have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

SECTION 2.06 Transfer and Payment of Bonds. Any Bonds may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bonds for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form acceptable by the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the LACPWFA shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of the same maturity for a like aggregate principal amount of authorized denominations. The Trustee may require the payment by the Holder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the LACPWFA.

The LACPWFA and the Trustee may deem and treat the registered owner of any Bonds as the absolute owner of such Bonds for the purpose of receiving payment thereof and for all other purposes, whether such Bonds shall be overdue or not, and neither the LACPWFA nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Bonds shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Bonds to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of or exchange any Bonds which have been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 2.03 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.07 Exchange of Bonds. Bonds may be exchanged at the corporate trust office of the Trustee in Los Angeles, California, or such other place as designated by the Trustee for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations. The Trustee may require the payment by the Holder requesting such exchange

of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the LACPWFA. The Trustee shall not be required to exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 2.03 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.08 Bond Registration Books. The Trustee will keep sufficient books for the registration and transfer of the Bonds, which shall during normal business hours be open to inspection by the LACPWFA, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

SECTION 2.09 Mutilated, Destroyed, Stolen or Lost Bonds. If any Bond shall become mutilated the Trustee at the expense of the Holder shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender at the corporate trust office of the Trustee in Los Angeles, California or such other place as designated by the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Holder, shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Bond issued under this Section 2.09 and of the expenses that may be incurred by the LACPWFA and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds. Neither the LACPWFA nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

SECTION 2.10 Temporary Bonds. The Bonds issued under this Indenture may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the LACPWFA, shall be in fully registered form and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed and authenticated as authorized by the LACPWFA, in accordance with the terms of the Act. If the LACPWFA issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the corporate trust office of the Trustee in Los Angeles, California, or such other place as designated by the Trustee and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive

Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds delivered hereunder.

SECTION 2.11 Procedure for the Issuance of Series 2005 Bonds; Application of Proceeds.

(a) At any time after the sale of the Series 2005 Bonds in accordance with the Act, the LACPWFA shall execute the Series 2005 Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the Series 2005 Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the LACPWFA and upon receipt of payment therefor from the purchaser thereof.

(i) The proceeds of the Series 2005 Bonds shall be deposited by the Trustee as follows:

(ii) $_____ shall be deposited in the Costs of Issuance Fund;

(iii) $_____ shall be deposited in the Reserve Fund, representing the Reserve Fund Requirement; and

(iv) $_____ shall be deposited in the in the Project Fund.

SECTION 2.12 Creation of Project Fund; Creation of Costs of Issuance Fund; Application of Proceeds.

(a) There is hereby created hereunder the "Project Fund," which fund the LACPWFA hereby agrees and covenants to maintain with the Trustee until there are no moneys on deposit therein. All moneys in the Project Fund shall be held by the Trustee in trust and applied by the Trustee to the payment of Project Costs and of expenses incident thereto (or for making reimbursements to the LACPWFA or the County or any other person, firm or corporation for such costs theretofore or thereafter paid by it).

Before any payment is made from the Project Fund by the Trustee, the County shall cause a Written Request of the County, in substantial form as attached hereto as Exhibit B, which as provided in such Exhibit B may be executed by an officer of the County Sanitation District No. 2 of Los Angeles County having responsibility for the Project, to be filed with the Trustee, showing with respect to each payment to be made:

(i) the item number of the payment;

(ii) the name and address of the person to whom payment is due;

(iii) the amount to be paid;

(iv) the purpose for which the obligation to be paid was incurred; and

(v) shall state that obligations in the stated amounts have been incurred and that each item thereof is a proper charge against the Project.

Upon receipt of each such Written Request, the Trustee will pay the amount set forth in such Written Request as directed by the terms thereof. Each such Written Request shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. The Trustee need not make any such payment if it has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

Upon receipt by the Trustee of a Certificate of Completion, amounts remaining in the Project Fund, if any, shall be transferred to the Revenue Fund and the Project Fund shall be closed. Upon such event, any such moneys transferred to the Revenue Fund shall be used for the payment of interest on, principal of or redemption premium, if any, on the Series 2005 Bonds.

(b) There is hereby created hereunder the "Costs of Issuance Fund," which fund the LACPWFA hereby agrees and covenants to maintain with the Trustee until _____, 2006 or such earlier date on which no funds remain in said fund. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon receipt of a Written Request of the LACPWFA, in substantial form as attached hereto as Exhibit C, filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On _____, 2006, or upon the earlier Written Request of the LACPWFA, any remaining balance in the Costs of Issuance Fund shall be transferred to the Project Fund. Interest or profits received on amounts on deposit in the Costs of Issuance Fund shall be retained therein.

SECTION 2.13 Validity of Bonds. The recital contained in the Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Bonds shall be incontestable from and after their issuance. The Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

SECTION 2.14 Special Covenants as to Book-Entry Only System for Bonds.

(a) Except as otherwise provided in subsections (b) and (c) of this Section 2.14, all of the Bonds initially issued shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such Bonds, representing the aggregate principal amount of the Bonds of such maturity. Upon initial issuance, the ownership of all such Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.08 hereof in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall

request pursuant to the Representation Letter. The Trustee, the LACPWFA and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders hereunder, registering the transfer of Bonds, obtaining any consent or other action to be taken by Holders of the Bonds and for all other purposes whatsoever; and neither the Trustee nor the LACPWFA or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor the LACPWFA or any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section 2.14, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (iii) any notice which is permitted or required to be given to Holders of Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or (v) any consent given or other action taken by DTC as Holder of Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the LACPWFA's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section 2.14.

(c) In the event that the LACPWFA determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain bond certificates, the Trustee shall, upon the written instruction of the LACPWFA, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the Bonds will be transferable in accordance with subsection (f) of this Section 2.14. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice of such discontinuance to the LACPWFA or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Bonds will be transferable in accordance with subsection (f) of this Section 2.14. Whenever DTC requests the LACPWFA and the Trustee to do so, the Trustee and the LACPWFA will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Bonds then Outstanding. In such event, the Bonds will be transferable to such securities depository in accordance with subsection (f) of this Section 2.14, and thereafter, all references in this Indenture to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as all Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Bond and all notices with respect to each such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Trustee is hereby authorized and requested to execute and deliver the Representation Letter and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Indenture.

(f) In the event that any transfer or exchange of Bonds is authorized under subsection (b) or (c) of this Section 2.14, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.06 and 2.07 hereof. In the event Bond certificates are issued to Holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, another securities depository as holder of all the Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.06 and 2.07 hereof shall also apply to, among other things, the registration, exchange and transfer of the Bonds and the method of payment of principal of, premium, if any, and interest on the Bonds.

SECTION 2.15 Issuance of Additional Bonds. In addition to the Series 2005 Bonds authorized pursuant to Section 2.01 and 2.02, the Trustee, the LACPWFA and the County may by execution of a Supplemental Indenture, without the consent of the Owners, provide for the issuance and sale of Additional Bonds payable from Revenues. The Trustee may authenticate and deliver such Additional Bonds, and the proceeds of such Additional Bonds may be applied to any lawful purposes, but such Additional Bonds may only be issued and sold upon compliance with the provisions of Section 2.16 hereof and subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) neither the County nor the LACPWFA shall be in default under the Indenture or the Sublease;

(b) upon the issuance of such Additional Bonds, the amount on deposit in the Reserve Fund, together with the amount available under all Reserve Facilities, shall be at least equal to the Reserve Fund Requirement (calculated with respect to all Outstanding Bonds and Additional Bonds);

(c) payments of principal of such Additional Bonds shall be payable only on June 1 of any particular year;

(d) the aggregate principal amount of Bonds issued and sold and at any time Outstanding hereunder shall not exceed any limit imposed by law or by this Indenture; and

(e) the Sublease shall have been amended so as to increase the Base Rental Payments payable thereunder by any amount necessary to provide for the payment of the principal of and interest on all Outstanding Bonds, including without limitation such Additional Bonds, payable at such times and in such manner as may be necessary to provide for the payment of such principal of and interest; provided, however, that no such amendment shall be made such that the sum of Base Rental Payments plus Additional Rental Payments, in any Rental Period, shall be in excess of the annual fair rental value of the Leased Premises after taking into account the use of the proceeds of any Additional Bonds issued and sold in connection therewith (evidence of the satisfaction of such condition shall be made by a certificate of the County).

Any Additional Bonds shall be on a parity with the Series 2005 Bonds and each Owner thereof shall have the same rights upon an event of default as the Owner of any other Series 2005 Bonds issued and sold under this Indenture, except as otherwise provided in the Supplemental Indenture under which Additional Bonds are issued and sold.

SECTION 2.16 Proceedings for Authorization of Additional Bonds. Whenever the County or the LACPWFA shall determine to authorize the issuance of any Additional Bonds pursuant to Section 2.15 hereof, the Trustee, the LACPWFA and the County shall enter into a Supplemental Indenture, without the consent of the Owners of any Bonds, providing for the issuance of such Additional Bonds, specifying the maximum principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds.

Such Supplemental Indenture shall prescribe the form or forms of such Additional Bonds and, subject to the provisions of Section 2.15 hereof, shall provide for the distinctive designation, denominations, method of numbering, dates, interest rates or methods of determination thereof, principal and interest payment dates, provisions for prepayment (if desired) and places of payment of principal of and interest on such Additional Bonds.

Before such Additional Bonds shall be issued and sold, the County and the LACPWFA shall file or cause to be filed the following documents with the Trustee:

(a) an Opinion of Counsel setting forth (i) that the issuance and sale of the Additional Bonds have been duly authorized by the LACPWFA, (ii) that said amendments to the Sublease and the Supplemental Indenture are authorized or permitted by the Indenture and, when duly executed and delivered by the parties thereto, will be valid and binding obligations of the County and the LACPWFA, as applicable, and (iii) that the execution and delivery of the Supplemental Indenture and the amendments to the Sublease, in and of themselves, do not adversely affect the exclusion from gross income for federal income tax purposes of interest on Outstanding Bonds;

(b) certification in writing by the County that the requirements of Section 2.15 hereof have been met, which shall include written certification as to the fair rental value of the Leased Premises, after giving effect to the issuance of the Additional Bonds, and to the use of proceeds received therefrom;

(c) certified copies of the resolutions of the LACPWFA and the County authorizing the execution and delivery of the Supplemental Indenture and the amendment to the Sublease required by Section 2.15 hereof;

(d) executed counterparts or duly authenticated copies of the Supplemental Indenture and the amendment to the Sublease required by Section 2.15 hereof, with satisfactory evidence that such amendment to the Sublease has been duly recorded; and

(e) the written consent of the Bond Insurer to the issuance of such Additional Bonds; except that such consent shall not be required for Additional Bonds issued to refund Outstanding Bonds the issuance of which does not result in an increase of Maximum Annual Debt Service on all Bonds Outstanding after the issuance of such Additional Bonds as compared to Maximum Annual Debt Service on all Outstanding Bonds before the issuance of such Additional Bonds.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's being satisfied from an examination of said instruments that all applicable provisions of this Indenture have been complied with so as to permit the issuance and sale of the Additional Bonds in accordance with the Supplemental Indenture, the Trustee shall authenticate and deliver said Additional Bonds.

ARTICLE III

REVENUES

SECTION 3.01 Pledge of Revenues; Liability of LACPWFA Limited to Revenues. All Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established hereunder (other than amounts on deposit in the Project Fund and the Rebate Fund) are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as provided herein; and the Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding except for such purposes as are permitted hereunder. This pledge shall constitute a pledge of and charge and lien upon the Revenues and all other moneys on deposit in the funds and accounts established hereunder (excluding other amounts on deposit in the Project Fund and the Rebate Fund) for the payment of the interest and premium, if any, on and principal of the Bonds in accordance with the terms hereof and thereof.

The LACPWFA hereby assigns to the Trustee all of the LACPWFA's rights and remedies under the Site Lease and the Sublease (other than rights to receive additional payments and certain rights to indemnification therein) including, without limitation, proceeds of insurance policies as specified in Section 5 of the Sublease. The assignment of the Site Lease and the Sublease to the Trustee is solely in its capacity as Trustee under this Indenture and the duties, powers and liabilities of the Trustee in acting hereunder shall be subject to the provisions of this Indenture, including, without limitation, the provisions of Article V hereof. The Trustee shall have no responsibility for the representations, covenants or warranties of the LACPWFA under the Sublease or the Site Lease.

Notwithstanding anything contained herein, the LACPWFA shall not be required to advance any money derived from any source other than the Revenues as provided herein for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds or for the performance of any agreements or covenants herein contained. The LACPWFA may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose without incurring an indebtedness.

The Bonds are limited obligations of the LACPWFA and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues as provided herein, and the LACPWFA is not obligated to pay them except from the Revenues. All the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds as provided herein. The Bonds are not a debt of the LACPWFA, the State or any of its political subdivisions, and neither the LACPWFA, said State nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those of the LACPWFA as

provided herein. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

SECTION 3.02 Receipt and Deposit of Revenues in the Revenue Fund. In order to carry out and effectuate the pledge, charge and lien contained herein, the LACPWFA agrees and covenants that all Revenues when and as received shall be received by the LACPWFA in trust hereunder for the benefit of the Holders and shall be transferred when and as received by the LACPWFA to the Trustee for deposit in the Revenue Fund, which fund is hereby created and which fund the LACPWFA hereby agrees and covenants to maintain with the Trustee so long as any Bonds shall be Outstanding hereunder. All Revenues shall be accounted for through and held in trust in the Revenue Fund, and the LACPWFA shall have no beneficial right or interest in any of the Revenues except as herein provided. All Revenues, whether received by the LACPWFA in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied and disbursed solely to the purposes and uses hereinafter in this Article set forth, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the LACPWFA.

SECTION 3.03 Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund. All money in the Revenue Fund shall be set aside by the Trustee in the following respective special funds and accounts within the Revenue Fund (each of which is hereby created and each of which the LACPWFA hereby covenants and agrees to cause to be maintained) in the following order of priority as provided herein:

(1) Interest Account,

(2) Principal Account, and

(3) Reserve Fund.

All money in each of such funds and accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this section.

(a) Interest Account. On or before each Interest Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account that amount of money that is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. On or before the 20th day of the month prior to each Interest Payment Date, the Trustee shall notify the County of the amount, if any, on deposit in the Interest Account, and the amount still required for payment of interest on the Bonds on the immediately following Interest Payment Date. No deposit need be made in the Interest Account if the amount contained therein is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

All money in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(b) Principal Account.

(1) On or before each _____, commencing _____, 20__, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of all Mandatory Sinking Account Payments required to be made on such _____ into the respective sinking accounts for all Outstanding Term Bonds maturing on such _____. On or before each _____, the Trustee shall notify the County of the amount, if any, on deposit in the Principal Account, and the amount required for payment of Mandatory Sinking Account Payments on the immediately following _____. No deposit need be made in the Principal Account if the amount contained therein is at least equal to the aggregate amount of all sinking account payments required to be made on such _____ for all Outstanding Bonds.

Amounts deposited to the Principal Account for the redemption of Bonds pursuant to Section 2.03(a) or (c) shall be applied to pay the principal and redemption premium, if any, on the Bonds called for redemption pursuant to said Sections.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds as they shall become due and payable, whether at maturity or redemption, except that any money in any sinking account shall be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such sinking account was created.

(2) The Trustee shall establish and maintain within the Principal Account a separate account for the 20__ Term Bond maturity of the Series 2005 Bonds designated as "20__ Sinking Account" [and a separate account for the 20__ Term Bond maturity of the Series 2005 Bonds designated as "20__ Sinking Account"] (each such account, respectively, a "Sinking Account"). Subject to the terms and conditions set forth in this Section and Section 2.03(b), the Series 2005 Bonds shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments in the amounts and upon the dates hereby established for such Sinking Account, as follows:

Series 2005 Term Bonds of _____, 20__

Date (_____)	Mandatory Sinking Account Payment

Series 2005 Term Bonds of _____, 20__

Date (_____)	Mandatory Sinking Account Payment

With respect to a Sinking Account, on each mandatory sinking account payment date established for such Sinking Account, the Trustee shall apply the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the maturity for which such Sinking Account was established, upon the notice and in the manner provided in Article II; provided that, at any time prior to giving such notice of such redemption, the Trustee may upon the Written Request of the LACPWFA, apply moneys in such Sinking Account to the purchase of Term Bonds of such maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account), as may be directed by the LACPWFA, except that the purchase price (excluding accrued interest) shall not exceed the redemption price that would be payable for such Bonds upon redemption by application of such Mandatory Sinking Account Payment. If, during the twelve-month period immediately preceding said mandatory sinking account payment date, the Trustee has purchased Term Bonds of such maturity with moneys in such Sinking Account, such Bonds so purchased shall be applied, to the extent of the full principal amount thereof, in the case of Bonds, to reduce said Mandatory Sinking Account Payment.

(c) Reserve Fund. All money in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account or the Principal Account, in that order, in the event of any deficiency at any time in either of such accounts, except that so long as the LACPWFA is not in default hereunder, any cash amounts in the Reserve Fund in excess of the Reserve Fund Requirement shall be transferred, if permitted by Section 4.05 hereof, to the Rebate Fund, if necessary, or to the Revenue Fund to pay principal of the Bonds. Amounts on deposit in the Reserve Fund shall be applied by the Trustee to the final payment of the Bonds when such amount equals the principal of and interest on the Bonds Outstanding.

(i) Surety Bond or Insurance Policy. Subject to the written consent of the Bond Insurer, a surety bond or insurance policy issued to the Trustee, on behalf of the Owners, by a company licensed to issue an insurance policy guaranteeing the timely payment of principal of and interest on the Bonds (a "municipal bond insurer") may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the claims paying ability of such municipal bond insurer shall be rated "Aaa" by Moody's and "AAA" by S&P.

If the claims paying ability of a municipal bond insurer falls below an "Aaa" rating by Moody's or an "AAA" rating by S&P, the LACPWFA will use its best efforts to procure a replacement surety bond or insurance policy within 30 days from the date of the decline in such claims paying ability, meeting the requirements set forth above to the extent that, in the judgment of the LACPWFA, such a substitute or replacement surety bond or insurance policy is available upon reasonable terms and at a reasonable cost, or will use its best efforts to deposit into the Reserve Fund a letter of credit meeting the requirements of this Section 3.03 in order to provide that there will be on deposit in the Reserve Fund an amount equal to the Reserve Fund Requirement.

(ii) Letter of Credit. Subject to the written consent of the Bond Insurer, a letter of credit may be deposited in the Reserve Fund to meet the Reserve Fund Requirement, provided that any such letter of credit must be issued or confirmed by a state or national bank or a foreign bank with an agency or branch located in the continental United States which has

outstanding an issue of unsecured long term debt securities rated at least equal to the second highest rating category (disregarding rating subcategories) by Moody's and S&P, but in no event less than the rating on the Bonds given by any rating agency which has a then currently effective rating on the Bonds.

In the event that unsecured long-term debt securities of the state, national or foreign bank which has issued or confirmed any letter of credit are downgraded by Moody's or S&P to a rate below the requirements set forth above, the LACPWFA will use its best efforts to obtain a substitute or replacement letter of credit within 30 days from the date of such downgrading from a state, national or foreign bank meeting the requirements set forth above, to the extent that, in the judgment of the LACPWFA, such a substitute or replacement letter of credit is available upon reasonable terms and at a reasonable cost, or will use its best efforts to deposit into the Reserve Fund a replacement surety bond or insurance policy meeting the requirements of this Section 3.03 in order to provide that there will be on deposit in the Reserve Fund an amount equal to the Reserve Fund Requirement.

Unless the Bonds have been fully paid and retired, the Trustee shall draw the full amount of any letter of credit credited to the Reserve Fund for such Bonds on the third Business Day preceding the date such letter of credit (taking into account any extension, renewal or replacement thereof) would otherwise expire, and shall deposit moneys realized pursuant to such draw in the Reserve Fund.

(iii) Release of Moneys in Reserve Fund. If the LACPWFA replaces a cash-funded Reserve Fund, in whole or in part, with a surety bond, insurance policy or letter of credit meeting the requirements of either (i) or (ii) above, amounts on deposit in the Reserve Fund shall be transferred and/or applied by the Trustee as directed by the County, in writing.

SECTION 3.04 Application of Insurance Proceeds and Eminent Domain Awards.

(a) In the event of any damage to or destruction of any part of the Leased Premises including, without limitation, the Facility, covered by insurance, the LACPWFA, except as hereinafter provided, shall cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Leased Premises including, without limitation, the Facility, and the Trustee shall hold said proceeds in a fund established by the Trustee for such purpose separate and apart from all other funds, to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Leased Premises including, without limitation, the Facility, to at least the same good order, repair and condition as was the case prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Trustee shall invest said proceeds in Permitted Investments pursuant to the Written Request of the County, as agent for the LACPWFA under the Sublease, and withdrawals of said proceeds shall be made from time to time upon the filing of a Written Request of the County with the Trustee, stating that the County has expended moneys or incurred liabilities in an amount equal to the amount therein stated for the purpose of the repair, reconstruction or replacement of the Leased Premises including, without limitation, the Facility, and specifying the items for which such moneys were expended, or such liabilities were incurred, in reasonable detail. The County shall file a written certificate with the Trustee to the effect that sufficient funds from insurance proceeds or from any funds legally available to the County, or from any combination thereof, are available in the event it elects to repair, reconstruct

or replace the Leased Premises including, without limitation, the Facility. Any balance of such proceeds not required for such repair, reconstruction or replacement and the proceeds of use and occupancy insurance shall be treated by the Trustee as Base Rental Payments and applied in the manner provided by Section 3.02. Alternatively, the County, at its option, if the proceeds of such insurance together with any other moneys then available for such purpose are sufficient to prepay all, in case of damage or destruction in whole of the Leased Premises including, without limitation, the Facility, or that portion, in the case of partial damage or destruction of the Leased Premises including, without limitation, the Facility, of the Base Rental Payments relating to the damaged or destroyed portion of the Leased Premises including, without limitation, the Facility, may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Leased Premises including, without limitation, the Facility, and thereupon shall cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the provisions of Section 2.03(a). The County shall not apply the proceeds of insurance as set forth in this Section to redeem the Bonds in part due to damage or destruction of a portion of the Leased Premises including, without limitation, the Facility, unless the Trustee receives a written certificate of the LACPWFA to the effect that the Base Rental payments on the undamaged portion of the Leased Premises including, without limitation, the Facility, will be sufficient to pay the initially-scheduled principal and interest on the Bonds remaining unpaid after such redemption.

(b) The proceeds of any award made in eminent domain proceedings for the taking of the Leased Premises, including without limitation, the Facility, or a portion thereof, shall be deposited with the Trustee as required by Section 6 of the Sublease and used for the redemption of Outstanding Bonds pursuant to the provisions of Section 2.03(a). Prior to any such partial redemption, the LACPWFA shall provide the Trustee a written certificate to the effect that the Base Rental payments to be paid with respect to the portion of the Leased Premises not subject to the eminent domain proceedings and remaining subject to the Sublease will be sufficient to pay the principal and interest on the Bonds remaining unpaid after such redemption.

SECTION 3.05 Deposit and Investments of Money in Accounts and Funds. All money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments at the Written Request of the LACPWFA filed with the Trustee at least two Business Days in advance of the making of such investment. In the absence of such request from the LACPWFA, the Trustee shall invest any such moneys in Permitted Investments described in clause (B) (5) of the definition thereof.

Investments (except investment agreements) in the funds and accounts held hereunder shall be valued at the market value thereof, exclusive of accrued interest.

Investments purchased with funds on deposit in the Revenue Fund shall mature not later than the payment date immediately succeeding the investment. Investments purchased with funds on deposit in the Project Fund shall mature not later than the dates upon which such funds shall need to be expended for Costs of the Project (or shall be invested in repurchase agreements or investment agreements described in the definition of Permitted Investments). Investments (except investment agreements or repurchase agreements) purchased with funds on deposit in the Reserve Fund shall have a term to maturity not greater than five years.

All interest or profits received on amounts in the Project Fund shall be retained in the Project Fund. All interest or profits received on amounts in the Reserve Fund, the Interest Account and the Principal Account shall be credited or charged to the respective fund or account

from which such investments are made. The Trustee shall not be liable for any losses on such investments.

The LACPWFA acknowledges that to the extent that any regulatory entity grants the LACPWFA the right to receive brokerage confirmations of security transactions as they occur, the LACPWFA will not receive such confirmations to the extent permitted by law. The Trustee will furnish the LACPWFA periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder. The Trustee may make any investment hereunder through its own bond or investment department or trust investment department, or those of its parent or any affiliate. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investment made by the Trustee hereunder.

ARTICLE IV

COVENANTS OF THE LACPWFA

SECTION 4.01 Punctual Payment and Performance. The LACPWFA will punctually pay, from the Revenues, the interest and redemption premiums, if any, on and the principal of every Bond issued hereunder in strict conformity with the terms hereof and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the LACPWFA contained herein and in the Bonds.

SECTION 4.02 Against Encumbrances. The LACPWFA will not make any pledge of or place any charge or lien upon the Revenues except as provided herein, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues, except as provided in Section 3.03.

SECTION 4.03 Accounting Records and Reports. The LACPWFA will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the Revenues, and such books shall be available for inspection by the Trustee, at reasonable hours and under reasonable conditions.

SECTION 4.04 Prosecution and Defense of Suits. The LACPWFA will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent arising out of the receipt, application or disbursement of any of the Revenues or to the extent involving the failure of the LACPWFA to fulfill its obligations hereunder; provided that the Trustee or any affected Holder at its election may appear in and defend any such suit, action or proceeding. The LACPWFA will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by the LACPWFA, and will indemnify and hold harmless the Trustee against any attorney's fees or other expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the negligence or willful misconduct by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Bonds secured hereby may have been fully paid and satisfied or following the resignation or removal of a Trustee.

SECTION 4.05 Arbitrage Covenants; Rebate Fund.

(a) The LACPWFA covenants with all persons who hold or at any time held Bonds that the LACPWFA will not directly or indirectly use the proceeds of any of the Bonds or any other funds of the LACPWFA or permit the use of the proceeds of any of the Bonds or any other funds of the LACPWFA or take or omit to take any other action which will cause any of the Bonds to be "arbitrage bonds" or to be otherwise subject to federal income taxation by reason of Sections 103 and 141 through 150 of the Code and any applicable regulations promulgated thereunder. To that end the LACPWFA covenants to comply with all covenants set forth in the Tax Agreement, which is hereby incorporated herein by reference as though fully set forth herein.

(b) There is hereby created hereunder the "Los Angeles County Public Works Financing Authority Lease Revenue Bonds, Series 2005 Rebate Fund" (herein called the "Rebate Fund")," which fund the LACPWFA hereby agrees and covenants to maintain with the Trustee. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be directed in writing by the County as necessary in order for the LACPWFA and the County to comply with the terms and requirements of the Tax Agreement. Subject to the transfer provisions provided in paragraph (c) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Agreement), for payment to the United States Government, and neither the County, the LACPWFA nor the Bondholders shall have any rights in or claim to such moneys. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 4.05 and by the Tax Agreement. The Trustee shall conclusively be deemed to have complied with such provisions if it follows the directions of the County, including supplying all necessary information requested by the County and the LACPWFA in the manner set forth in the Tax Agreement, and shall not be required to take any actions thereunder in the absence of written directions from the County.

(c) Upon receipt of the County's written instructions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States Government, as so directed. In addition, if the County so directs, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by the County's written directions. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Requirement shall be withdrawn and remitted to the County upon its written request. The Trustee may rely conclusively upon the County's determinations, calculations and certifications required by this Section. The Trustee shall have no responsibility to independently make any calculation or determination or to review the County's calculations hereunder.

(d) Notwithstanding any provision of this Indenture, including in particular Article X hereof, the obligation of the County to pay the Rebate Requirement to the United States Government and to comply with all other requirements of this Section 4.05 and the Tax Agreement shall survive the defeasance or payment in full of the Bonds.

(e) Notwithstanding any provisions of this Section 4.05, if the County shall provide to the LACPWFA and the Trustee an Opinion of Bond Counsel that any specified action required under this Section 4.05 is no longer required or that some further or different action is required to maintain the Tax-Exempt status of interest on the Bonds, the County, the Trustee and

the LACPWFA may conclusively rely on such opinion in complying with the requirements of this Section and the covenants hereunder shall be deemed to be modified to that extent.

SECTION 4.06 Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Holder, the LACPWFA will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Holders all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

ARTICLE V

THE TRUSTEE

SECTION 5.01 The Trustee. Deutsche Bank National Trust Company shall serve as the Trustee for the Bonds for the purpose of receiving, applying and using all money deposited hereunder as provided herein and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment in Los Angeles, California, or such other place as designated by the Trustee with the rights and obligations provided herein. The LACPWFA agrees that it will at all times maintain a Trustee having a principal office in Los Angeles or San Francisco, California.

The LACPWFA may at any time (with the written consent of the Bond Insurer), unless there exists any Event of Default hereunder, remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor shall be approved in writing by the Bond Insurer and shall be a bank corporation or trust company, having a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars ($50,000,000) and subject to supervision or examination by federal or state authority. If such bank corporation or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this section the combined capital and surplus of such bank, corporation or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the LACPWFA and the Bond Insurer and by mailing by first class mail to the Holders notice of such resignation. Upon receiving such notice of resignation, the LACPWFA shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the LACPWFA and shall destroy such Bonds

and a certificate of destruction shall be delivered to the LACPWFA upon its request. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

The Trustee shall, prior to an event of default, and after the curing or waiver of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied duties or obligations shall be read into this Indenture. The Trustee shall, during the existence of any Event of Default (that has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

SECTION 5.02 Liability of Trustee. The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the LACPWFA, and the Trustee assumes no responsibility for the correctness of the same nor makes any representation as to the sufficiency or validity hereof or of the Bonds, nor shall incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

The Trustee shall not be bound to recognize any person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and such Holder's title thereto satisfactorily established, if disputed.

The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Holders or the Bond Insurer pursuant to the provisions of this Indenture unless such Holders or the Bond Insurer shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Holders for the payment of interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

The Trustee shall not be deemed to have knowledge of any Event of Default unless and until an officer at the Trustee's corporate trust office in Los Angeles, California responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at its corporate trust office in Los Angeles, California. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in

connection with the Bonds, or as to the existence of a default or event of default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys that shall be released or withdrawn in accordance with the provisions hereof.

Whether or not therein expressly so provided, every provision of this Indenture, the Sublease or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee makes no representation or warranty, express or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the LACPWFA or the County of the Leased Premises. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Sublease or this Indenture for the existence, furnishing or use of the Leased Premises.

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the LACPWFA), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the LACPWFA, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a written certificate of the LACPWFA, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under Section 6.01 shall

be the successor to such Trustee without execution or filing of any further act, anything herein to the contrary notwithstanding.

The Trustee may rely upon a facsimile transmission with regard to any requisition or instruction for any transfer, disbursement or investment of funds held by the Trustee.

SECTION 5.03 Compensation and Indemnification of Trustee. The LACPWFA covenants to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the LACPWFA will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, default or willful misconduct. The LACPWFA, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damages, liability or expense (including attorneys' fees) incurred without negligence or bad faith on the part of the Trustee, arising out of or in connection with (i) the acceptance or administration of the trusts created hereby, (ii) any violation of any environmental law, rule or regulation or the release of any hazardous or toxic substance on the Facility including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the LACPWFA under this Section 5.03 shall survive the discharge of the Bonds and this Indenture and the resignation or removal of the Trustee.

ARTICLE VI

AMENDMENT OF THE INDENTURE

SECTION 6.01 Amendment of the Indenture. The Indenture and the rights and obligations of the LACPWFA and of the Holders may be amended at any time by a Supplemental Indenture, which shall become binding when the written consents of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 6.02, filed with the Trustee. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or principal of or redemption premium, if any, on any Bond without the express written consent of the Holder of such Bond, or (2) permit the creation by the LACPWFA of any pledge of or charge or lien upon the Revenues superior to or except as provided herein on a parity with the pledge, charge and lien created hereby for the benefit of the Bonds, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, or (4) modify any rights or obligations of the Trustee, the LACPWFA or the County without their prior written assent thereto, respectively.

The Indenture and the rights and obligations of the LACPWFA and of the Holders may also be amended at any time by a Supplemental Indenture which shall become binding upon adoption without the consent of any Holders, for any purpose that will not materially adversely affect the interests of the Holders, including (without limitation) for any one or more of the following purposes:

(a) to add to the agreements and covenants required herein to be performed by the LACPWFA other agreements and covenants thereafter to be performed by the LACPWFA, or to surrender any right or power reserved herein to or conferred herein on the LACPWFA;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the LACPWFA may deem desirable or necessary and not inconsistent herewith;

(c) to provide for any additional procedures, covenants or agreements necessary to maintain the Tax-Exempt status of interest on the Bonds;

(d) to provide for the procedures required to permit any Bondholder to separate the right to receive interest on the Bonds from the right to receive principal thereof and to sell or dispose of such rights, as contemplated by Section 1286 of the Code; or

(e) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify the Indenture under the Trust Indenture Act of 1939.

Upon receipt by the Trustee of: (1) a Certified Resolution approving the execution of any such Supplemental Indenture; (2) an Opinion of Bond Counsel stating that such Supplemental Indenture is: (i) authorized or permitted by this Indenture; (ii) will, upon the execution and delivery thereof, be valid and binding upon the LACPWFA; and (iii) will not adversely affect the Tax-Exempt status of interest on the Bonds; and (3) evidence of the consent of the Bondholders, if required as aforesaid, the Trustee shall join with the LACPWFA in the execution of such Supplemental Indenture; provided, however, that (i) the Trustee shall not be obligated to enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its sole discretion, but shall not be obligated to, enter into such Supplemental Indenture; and (ii) the Trustee shall not enter into such Supplemental Indenture without first obtaining the County's written consent thereto.

It shall not be necessary for the consent of the Bondholders under this Section to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

SECTION 6.02 Disqualified Bonds. Bonds owned or held by or for the account of the LACPWFA or the County shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this article, and shall not be entitled to consent to or take any other action provided in this article provided, however, that the Trustee shall not be deemed to have knowledge that any Bond is owned or held by or for the account of the LACPWFA or the County unless the LACPWFA or the County is the registered Holder or the Trustee has received written notice that any other registered Holder is the owner or is holding for the account of the LACPWFA or County.

SECTION 6.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the LACPWFA may determine that the Bonds may bear a notation by endorsement in form approved by the LACPWFA as to such action, and in that case upon demand of the Holder of any Outstanding

Bonds and presentation of his Bond for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Bond. If the LACPWFA shall so determine, new Bonds so modified as, in the opinion of the LACPWFA, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Holder of any Outstanding Bond a new Bond or Bonds shall be exchanged at the office of the Trustee without cost to each Holder for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

SECTION 6.04 Amendment by Mutual Consent. The provisions of this article shall not prevent any Holder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF HOLDERS

SECTION 7.01 Events of Default and Acceleration of Maturities. If one or more of the following events (each an "Event of Default") shall happen, that is to say:

(a) if default shall be made by the LACPWFA in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the LACPWFA in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for redemption;

(c) if default shall be made by the LACPWFA in the performance of any of the agreements or covenants required herein to be performed by the LACPWFA, and such default shall have continued for a period of thirty (30) days after the LACPWFA shall have been given notice in writing of such default by the Trustee;

(d) if the LACPWFA shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the LACPWFA seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the LACPWFA or of the whole or any substantial part of its property; or

(e) if an Event of Default has occurred under the Sublease;

then and in each and every such case during the continuance of such event of default the Trustee may, and upon the written request of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding (with the written consent of the Bond Insurer), or at the direction of the Bond Insurer, shall, by notice in writing to the LACPWFA, declare the principal of all Bonds then Outstanding and the interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become due and payable,

anything contained herein or in the Bonds to the contrary notwithstanding. The Trustee shall promptly notify all Holders by first class mail of any such event of default that is continuing.

This provision, however, is subject to the condition that if at any time after the principal of the Bonds then Outstanding shall have been so declared due and payable and before any judgment or decree for the payment of the money due shall have been obtained or entered the LACPWFA shall deposit with the Trustee a sum sufficient to pay all matured interest on all the Bonds and all principal of the Bonds matured prior to such declaration, with interest at the rate borne by such Bonds on such overdue interest and principal, and the reasonable fees and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding (with the written consent of the Bond Insurer), or the Bond Insurer, by written notice to the LACPWFA and to the Trustee, may on behalf of the Holders of all the Bonds then Outstanding rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

SECTION 7.02 Application of Funds upon Acceleration. All moneys in the accounts and funds provided in Sections 2.11, 3.02, 3.03 and 3.05 upon the date of the declaration of acceleration by the Trustee as provided in Section 7.01 and all Revenues (other than Revenues on deposit in the Project Fund and the Rebate Fund) thereafter received by the LACPWFA hereunder shall be transmitted to the Trustee and shall be applied by the Trustee in the following order--

First, to the payment of the reasonable fees, costs and expenses of the Trustee in providing for the declaration of such event of default, and in the exercise of any remedies, including reasonable compensation to their accountants and counsel together with interest on any amounts advanced as provided herein including further, any outstanding sums owed under Section 5.03 and then to the payment of the reasonable costs and expenses of the Holders, if any, in carrying out the provisions of this article, including reasonable compensation to its accountants and counsel; and

Second, upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid or upon the surrender thereof if fully paid, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with (to the extent permitted by law) interest on the overdue interest and principal at the rate borne by such Bonds, and in case such money shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and (to the extent permitted by law) interest on overdue interest and principal without preference or priority among such interest, principal and interest on overdue interest and principal ratably to the aggregate of such interest, principal and interest on overdue interest and principal.

SECTION 7.03 Institution of Legal Proceedings by Trustee. Subject to Section 7.01 hereof, if one or more of the events of default shall happen and be continuing, the Trustee may, and upon the written request of the Holders of a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to

protect or enforce its rights or the rights of the Holders of Bonds under this Indenture and under Section 12 of the Sublease by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties hereunder.

SECTION 7.04 Non-Waiver. Nothing in this article or in any other provision hereof or in the Bonds shall affect or impair the obligation of the LACPWFA, which is absolute and unconditional, to pay the interest on, principal of and redemption premiums, if any, on the Bonds to the respective Holders of the Bonds at the respective dates of maturity or upon prior redemption as provided herein from the Revenues as provided herein pledged for such payment, or shall affect or impair the right of such Holders, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds.

A waiver of any default or breach of duty or contract by the Trustee or any Holder shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Holder to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Holders by the Act or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Holders.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the LACPWFA, the Trustee and any Holder shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

SECTION 7.05 Actions by Trustee as Attorney-in-Fact. Any action, proceeding or suit which any Holder shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Holders, whether or not the Trustee is a Holder, and the Trustee is hereby appointed (and the successive Holders, by taking and holding the Bonds issued hereunder, shall be conclusively deemed to have so appointed it) the true and lawful attorney-in-fact of the Holders for the purpose of bringing any such action, proceeding or suit and for the purpose of doing and performing any and all acts and things for and on behalf of the Holders as a class or classes as may be advisable or necessary in the opinion of the Trustee as such attorney-in-fact.

SECTION 7.06 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Holders is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

SECTION 7.07 Limitation on Holders' Right to Sue. No Holder of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Indenture, unless (a) such Holder shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 7.01

hereunder; (b) the Holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name and the Bond Insurer, if any, will have consented to such request; (c) said Holders shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder; it being understood and intended that no one or more owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Holders of the Outstanding Bonds.

ARTICLE VIII

DEFEASANCE

SECTION 8.01 Discharge of Bonds.

(a) If the LACPWFA shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, and all amounts due and owing to the Trustee have been paid in full, then the Holders of such Bonds shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided herein, and all agreements, covenants and other obligations of the LACPWFA to the Holders of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the LACPWFA all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the LACPWFA or, at its direction, to the County, all money or securities held by it pursuant hereto that are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds; except for amounts on deposit in the Project Fund, which the Trustee shall, at the Written Request of the LACPWFA, pay over or deliver to the County.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the LACPWFA shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 2.03, (2) there shall have been deposited with the Trustee either (A) money in an amount that shall be sufficient or (B) Permitted Investments of the type described in clause (A) of the definition of Permitted Investments and which are not subject to redemption prior to maturity (including any such Permitted Investments issued or held in book-entry form on the books of the Treasury of the United States of America), the principal of and interest on which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be

sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the LACPWFA shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Holders of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds.

Notwithstanding anything contained herein to the contrary, in the event that any interest and/or principal due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the LACPWFA, and the assignment and pledge hereof and all covenants, agreements and other obligations of the LACPWFA to the Holders of the Bonds shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Holders.

SECTION 8.02 Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the LACPWFA as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Holders shall not look to the Trustee for the payment of such Bonds; provided, however, that before being required to make any such payment to the LACPWFA, the Trustee may, and at the request of the LACPWFA shall, at the expense of the LACPWFA, cause to be published once a week for two (2) successive weeks in a Financial Newspaper in Los Angeles and in San Francisco, California and in the same or a similar Financial Newspaper in New York, New York a notice that such money remains unclaimed and that, after a date named in such notice, which date shall not be less than thirty (30) days after the date of the first publication of each such notice, the balance of such money then unclaimed will be returned to the LACPWFA.

ARTICLE IX

BOND INSURANCE

SECTION 9.01 Concerning the Bond Insurer. Notwithstanding any other provision hereof, so long as the Bond Insurance Policy shall be in full force and effect, the LACPWFA and the Trustee hereby agree to comply with the following provisions:

(a) At least one (1) day prior to all Interest Payment Dates the Trustee or Paying Agent, if any, will determine whether there will be sufficient funds in the Funds and Accounts to pay the principal of or interest on the Obligations on such Interest Payment Date. If the Trustee or Paying Agent, if any, determines that there will be insufficient funds in such Funds or

Accounts, the Trustee or Paying Agent, if any, shall so notify Bond Insurer. Such notice shall specify the amount of the anticipated deficiency, the Obligations to which such deficiency is applicable and whether such Obligations will be deficient as to principal or interest, or both. If the Trustee or Paying Agent, if any, has not so notified Bond Insurer at least one (1) day prior to an Interest Payment Date, Bond Insurer will make payments of principal or interest due on the Obligations on or before the first (1st) day next following the date on which Bond Insurer shall have received notice of nonpayment from the Trustee or Paying Agent, if any.

(b) The Trustee or Paying Agent, if any, shall, after giving notice to Bond Insurer as provided in (a) above, make available to Bond Insurer and, at Bond Insurer's direction, to The Bank of New York, in New York, New York, as insurance trustee for Bond Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Obligor maintained by the Trustee or Paying Agent, if any, and all records relating to the Funds and Accounts maintained under this Indenture.

(c) The Trustee or Paying Agent, if any, shall provide Bond Insurer and the Insurance Trustee with a list of registered owners of Obligations entitled to receive principal or interest payments from Bond Insurer under the terms of the Financial Guaranty Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Obligations entitled to receive full or partial interest payments from Bond Insurer and (ii) to pay principal upon Obligations surrendered to the Insurance Trustee by the registered owners of Obligations entitled to receive full or partial principal payments from Bond Insurer.

(d) The Trustee or Paying Agent, if any, shall, at the time it provides notice to Bond Insurer pursuant to (a) above, notify registered owners of Obligations entitled to receive the payment of principal or interest thereon from Bond Insurer (i) as to the fact of such entitlement, (ii) that Bond Insurer will remit to them all or a part of the interest payments next coming due upon proof of Holder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Bond Insurer, they must surrender their Obligations (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Obligations to be registered in the name of Bond Insurer) for payment to the Insurance Trustee, and not the Trustee or Paying Agent, if any, and (iv) that should they be entitled to receive partial payment of principal from Bond Insurer, they must surrender their Obligations for payment thereon first to the Trustee or Paying Agent, if any, who shall note on such Obligations the portion of the principal paid by the Trustee or Paying Agent, if any, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) In the event that the Trustee or Paying Agent, if any, has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee or Paying Agent, if any, shall, at the time Bond Insurer is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Bond Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the

Trustee or Paying Agent, if any, shall furnish to Bond Insurer its records evidencing the payments of principal of and interest on the Obligations which have been made by the Trustee or Paying Agent, if any, and subsequently recovered from registered owners and the dates on which such payments were made.

(f) In addition to those rights granted Bond Insurer under this Indenture, Bond Insurer shall, to the extent it makes payment of principal of or interest on Obligations, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee or Paying Agent, if any, shall note Bond Insurer's rights as subrogee on the registration books of the Obligor maintained by the Trustee or Paying Agent, if any, upon receipt from Bond Insurer of proof of the payment of interest thereon to the registered owners of the Obligations, and (ii) in the case of subrogation as to claims for past due principal, the Trustee or Paying Agent, if any, shall note Bond Insurer's rights as subrogee on the registration books of the Obligor maintained by the Trustee or Paying Agent, if any, upon surrender of the Obligations by the registered owners thereof together with proof of the payment of principal thereof.

SECTION 9.02 Information To Be Given To The Bond Insurer. For such time as the Municipal Bond Insurance Policy shall be in full force and effect and so long as the Bond Insurer is not in default under its Municipal Bond Insurance Policy, the LACPWFA or the Trustee shall furnish to such Bond Insurer (to the attention of the Surveillance Department, unless otherwise indicated):

(a) So long as the Bond Insurer is not in default under the Municipal Bond Insurance Policy, the LACPWFA shall furnish to the Bond Insurer (i) written notice, at least 30 days in advance of soliciting consents of Owners, with respect to each amendment to this Indenture or the Sublease requiring the consent of Owners, and (ii) a copy of any notice to be given to the registered owners of the Bonds, including, without limitation, notice of any prepayment of or defeasance of Bonds, and any certificate rendered pursuant to this Indenture relating to the security for the Bonds.

(b) The Trustee shall notify the Bond Insurer of any failure of the LACPWFA to provide notices or certificates required under this Indenture.

(c) Upon the occurrence of an Event of Default which is continuing, the LACPWFA will permit the Bond Insurer to discuss the affairs, finances and accounts of the LACPWFA or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the LACPWFA. The Trustee and the LACPWFA will permit the Bond Insurer to have access to the Leased Premises and have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(d) Upon the occurrence of an Event of Default under Section 7.01(a), (b) or (d) hereof, which is continuing, the Bond Insurer shall have the right to request an accounting, to be completed at the LACPWFA's expense within thirty (30) days after receipt of such written request, provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would materially adversely affect the interests of any registered owner of the Bonds.

(e) Notwithstanding any other provision of this Indenture, the Trustee or the LACPWFA shall immediately notify the Bond Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any Event of Default hereunder.

(f) The Trustee or the LACPWFA shall forward to the Bond Insurer a copy of the LACPWFA's annual certification provided pursuant to Section 4.3 of the Sublease that the insurance policies required by Section 4.3 of the Sublease are in full force and effect, and will provide the Bond Insurer with copies of such policies upon request.

SECTION 9.03 Consent of Bond Insurer. So long as the Bond Insurer is not in default under the Municipal Bond Insurance Policy, the Bond Insurer's consent shall be required for the initiation or approval of any action which requires the consent of the Owners, including, but not limited to, consent, when required, for the following purposes: (i) execution and delivery of any Supplemental Indenture or any amendment, supplement or change to or modification of the Sublease; and (ii) removal of the Trustee and selection and appointment of any successor trustee. Notwithstanding anything to the contrary in this Indenture, the rights given to the Bond Insurer hereunder to give consents, directions and approvals shall not be effective so long as it is in default of its obligations under the Municipal Bond Insurance Policy.

SECTION 9.04 Consent of Bond Insurer in the Event of Insolvency. So long as the Bond Insurer is not in default under the Municipal Bond Insurance Policy, any reorganization or liquidation plan with respect to the LACPWFA must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold Bonds absent a default under the Municipal Bond Insurance Policy.

SECTION 9.05 Exercise of Remedies Upon Default. Notwithstanding anything to the contrary in this Indenture, so long as the Bond Insurer is not in default under the Municipal Bond Insurance Policy, upon the occurrence and continuance of an Event of Default as defined herein, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners or the Trustee for the benefit of the Owners under the Indenture.

SECTION 9.06 Limitation on Modification. Any provision of this Indenture expressly recognizing or granting rights in or to the Bond Insurer may not be amended in a manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer.

SECTION 9.07 Effect of Municipal Bond Insurance Policy. Notwithstanding any other provision of this Indenture, in determining whether any actions taken pursuant to the terms and provisions of this Indenture or under the Sublease are adverse to the interests of the Owners of the Bonds, the effect on the Owners shall be considered as if there were no Municipal Bond Insurance Policy.

SECTION 9.08 Bond Insurer as Third Party Beneficiary. To the extent that this Indenture confers upon or gives or grants to the Bond Insurer any right, remedy or claim under or by reason of this Indenture, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

SECTION 9.09 Bond Insurer Default. Rights of the Bond Insurer to direct or consent to actions under the Indenture or the Sublease shall be suspended during any period in which the Bond Insurer is in default in its payment obligations under the Bond Insurance Policy (except to the extent of amounts previously paid by the Bond Insurer and due and owing to the Bond Insurer) and shall be of no force or effect in the event the Bond Insurance Policy is no longer in effect or the Bond Insurer asserts that the Bond Insurance Policy is not in effect.

ARTICLE X

MISCELLANEOUS

SECTION 10.01 [Reserved.]

SECTION 10.02 Benefits of the Indenture Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the LACPWFA, the Trustee, and the Holders any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the LACPWFA or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Trustee and the Holders.

SECTION 10.03 Successor Is Deemed Included in All References to Predecessor. Whenever herein either the LACPWFA or any member, officer or employee thereof or of the State is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions with respect to the Project that are presently vested in the LACPWFA or such member, officer or employee, and all agreements and covenants required hereby to be performed by or on behalf of the LACPWFA or any member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 10.04 Execution of Documents by Holders. Any declaration, request or other instrument which is permitted or required herein to be executed by Holders may be in one or more instruments of similar tenor and may be executed by Holders in person or by their attorneys appointed in writing. The fact and date of the execution by any Holder or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the corporate trust office of the Trustee in Los Angeles, California, or such other place as designated by the Trustee.

Any declaration, request, consent or other instrument or writing of the Holder of any Bond shall bind all future Holders of such Bond with respect to anything done or suffered to be done by the Trustee or the LACPWFA in good faith and in accordance therewith.

SECTION 10.05 Waiver of Personal Liability. No member, officer or employee of the LACPWFA or the County shall be individually or personally liable for the payment of the

interest on or principal of or redemption premiums, if any, on the Bonds by reason of their issuance, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by the Act or any other applicable provisions of law or hereby.

SECTION 10.06 Acquisition of Bonds by LACPWFA. All Bonds acquired by the LACPWFA, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

SECTION 10.07 Destruction of Cancelled Bonds. Whenever provision is made for the return to the LACPWFA of any Bonds that have been cancelled pursuant to the provisions hereof, the LACPWFA may, by a Written Request of the LACPWFA, direct the Trustee to destroy such Bonds.

SECTION 10.08 Content of Certificates. Every certificate of the LACPWFA with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any certificate of the LACPWFA may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the LACPWFA, upon a representation by an officer or officers of the LACPWFA unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

SECTION 10.09 Publication for Successive Weeks. Any publication required to be made hereunder for successive weeks in a Financial Newspaper may be made in each instance upon any Business Day of the first week and need not be made on the same Business Day of any succeeding week or in the same Financial Newspaper for any subsequent publication, but may be made on different Business Days or in different Financial Newspapers, as the case may be.

SECTION 10.10 Accounts and Funds; Business Days. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained with industry practice and with due regard for the protection of the security of the Bonds and the rights of the Holders. Any action

required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day.

SECTION 10.11 Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the LACPWFA:

Los Angeles County Public Works Financing Authority
County of Los Angeles
Hall of Administration
500 West Temple Street, Room 383
Los Angeles, CA 90012
Attention: Executive Officer – Clerk of the Board of Supervisors

If to the Trustee:

Deutsche Bank National Trust Company
101 California Street, 46th Floor
Mail Stop: SFR03-4601
San Francisco, CA 94111
Attention: Trust and Securities Services

If to the County:

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

If to the Bond Insurer:

Bond Insurer
One State Street Plaza
New York, New York 10004
Attn: Surveillance Department

SECTION 10.12 Article and Section Headings and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 10.13 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the

LACPWFA or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Holders shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The LACPWFA and the Trustee hereby declare that they would have executed and delivered the Indenture and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 10.14 Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the LACPWFA and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 10.15 Amendments to Sublease. The LACPWFA shall not supplement, amend, modify or terminate any of the terms of the Sublease or the Site Lease, or consent to any such supplement, amendment, modification or termination, without the written consent of the Trustee. The Trustee shall give such written consent only if (a) such supplement, amendment, modification or termination will not materially adversely affect the interests of the Holders, or (b) the Trustee first obtains the written consent of the Holders of a majority in principal amount of the Bonds then Outstanding to such supplement, amendment, modification or termination; provided, that no such supplement, amendment, modification or termination shall reduce the amount of Base Rental Payments to be made to the LACPWFA or the Trustee by the County pursuant to the Sublease, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by the Sublease (except as expressly provided in the Sublease), in each case without the written consent of all of the Holders of the Bonds then Outstanding.

IN WITNESS WHEREOF, the LACPWFA has caused this Indenture to be signed in its name by one of its duly authorized officers and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

By: _____

_____, _____

DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee

By: _____
Authorized Officer

EXHIBIT A

(FORM OF BOND)

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
LEASE REVENUE BONDS (CALABASAS LANDFILL PROJECT), SERIES 2005

No. R-__ $_____

NEITHER THE FULL FAITH AND CREDIT OF THE LACPWFA NOR THE COUNTY OF LOS ANGELES IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES, TO THE EXTENT PROVIDED IN THE INDENTURE, IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY OF LOS ANGELES.

Interest Rate	Maturity Date	Dated Date	CUSIP
	_____, 20__	_____, 2005	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: $_____ DOLLARS

The Los Angeles County Public Works Financing Authority, a joint exercise of powers LACPWFA, duly organized and validly existing under and pursuant to the laws of the State of California (the "LACPWFA"), for value received hereby, promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal amount specified above, together with interest on such principal amount from the Interest Payment Date next preceding the date of registration of this Bond (unless this Bond is registered as of an Interest Payment Date or during the period from the sixteenth day of the month preceding an Interest Payment Date to such interest payment date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is registered prior to _____, 2006, in which event it shall bear interest from the Dated Date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on _____, 2006, and semiannually thereafter on each _____ and _____ (each an "Interest Payment Date"). Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed on each Interest Payment Date by first-class mail to the registered owner hereof; provided that upon the written request of a Holder of $1,000,000 or more in aggregate principal amount of Bonds received by the Trustee prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America at the

corporate trust office of [TRUSTEE] in Los Angeles, California, or such other place as designated by the Trustee.

This Bond is one of a duly authorized issue of bonds of the LACPWFA designated as its "Los Angeles County Public Works Financing Authority Lease Revenue Bonds, (Calabasas Landfill Project) Series 2005" which are being issued in the aggregate principal amount of _____ Dollars ($_____) ("Series 2005 Bonds") all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of an Indenture, dated as of December 1, 2005 (as it may be amended or supplemented from time to time, the "Indenture"), between the LACPWFA and DEUTSCHE BANK NATIONAL TRUST COMPANY, as trustee (such initial trustee and any successor trustee, the "Trustee") (copies of which are on file at the corporate trust office of the Trustee in Los Angeles, California).

The Series 2005 Bonds are limited obligations of the LACPWFA and are payable, as to interest thereon and principal thereof, solely from the Revenues (as defined as in the Indenture) and certain other amounts held by the Trustee under the Indenture. The LACPWFA is not obligated to pay interest or premium, if any, on and principal of the Series 2005 Bonds except from the Revenues pledged therefor. Reference is hereby made to the Act and to the Indenture and any and all amendments thereof and supplements thereto for a description of the terms on which the Series 2005 Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the Series 2005 Bonds, security for payment of the Series 2005 Bonds, remedies upon default and limitations thereon, and amendment of the Indenture (with or without consent of the registered owners of the Series 2005 Bonds); and all the terms of the Indenture are hereby incorporated herein and constitute a contract between the LACPWFA and the registered owner of this Series 2005 Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The Series 2005 Bonds are subject to redemption by the LACPWFA on the dates, at the prices, upon the notice and pursuant to the terms and provisions set forth in the Indenture.

This Bond is transferable only on a register to be kept for that purpose at the above-mentioned corporate trust office of the Trustee, or such other place as designated by the Trustee, by the registered owner hereof in person or by his duly authorized attorney upon payment of the charges provided in the Indenture and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount in authorized denominations will be issued to the transferee in exchange therefor. The LACPWFA and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the LACPWFA nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the principal of and interest on this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

This Bond shall not be entitled to any benefit, protection or security under the Indenture or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been executed and dated by the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the LACPWFA, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Series 2005 Bonds permitted to be issued under the Indenture.

IN WITNESS WHEREOF, the Los Angeles County Public Works Financing Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signature of the Chair of the LACPWFA and attested by the facsimile signature of the Treasurer of said LACPWFA, and has caused this Bond to be dated as of the Dated Date specified above.

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

By _____
Chair

Attested:

_____
Treasurer

STATEMENT OF INSURANCE

Financial Guaranty Insurance Policy No. _____ (the "Policy") with respect to payments due for principal of and interest on this Bond has been issued by _____ ("_____"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from _____ or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of _____ as more fully set forth in the Policy.

[FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within- mentioned Indenture that has been authenticated on _____.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Trustee

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT TO
APPEAR ON BONDS]

For value received the undersigned hereby sells, assigns and transfers unto (Taxpayer Identification Number: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Note: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

Notice: Signature(s) guarantee must be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program.

EXHIBIT B

FORM OF REQUISITION (PROJECT FUND)

FORM OF REQUISITION
FOR MONEY FROM THE PROJECT FUND

To: DEUTSCHE BANK NATIONAL TRUST COMPANY

_____

_____

Attention: _____

Re: Los Angeles County Public Works Financing Authority
Lease Revenue Bonds (Calabasas Landfill), Series 2005

Requisition No. _____

The undersigned, on behalf of the Los Angeles County Public Works Financing Authority, hereby requests payment, from the Project Fund for the Bonds established under the Indenture, of the total amount shown [below] [on such attachment hereto] to the order of the payee or payees named [below] [on the attachment]. The payee(s), the purpose and the amount of the disbursement requested are as follows:

[See attachment.]

[Payee	Purpose	Amount	Account
Name and Address Total		$	]

All capitalized terms used herein shall have the meanings given such terms in the Indenture dated as of December 1, 2005 (this "Indenture"), by and between Deutsche Bank National Trust Company and the Los Angeles County Public Works Financing Authority (the "LACPWFA"), relating to the Bonds identified above.

The undersigned hereby certifies as follows:

1. Each of the items for which payment is requested is a cost of the Project as defined in the Sublease, is a proper charge against the Project Fund, and is or was necessary in connection with the Project;

2. None of the items for which payment is requested has been reimbursed previously from the Project Fund, and none of the payments herein requested will result in a breach of the Indenture, the Sublease or the Tax Agreement; and

3. All of the amounts requisitioned hereby will be used in a manner consistent with the Tax Agreement.

Dated: _____

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

By: _____
Authorized Officer

[OR BY:]

COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY

By:_____

Title:_____

EXHIBIT C

FORM OF REQUISITION (COSTS OF ISSUANCE FUND)

FORM OF REQUISITION
FOR MONEY FROM THE COSTS OF ISSUANCE FUND

To: Deutsche Bank National Trust Company

_____

Attention: _____

Re: Los Angeles County Public Works Financing Authority
Lease Revenue Bonds (Calabasas Landfill Project), Series 2005

Requisition No. _____

The undersigned, on behalf of Los Angeles County Public Works Financing Authority, hereby requests payment, from the Costs of Issuance Fund for the Bonds established under the Indenture, of the total amount shown [below] [on the attachment hereto] to the order of the payee or payees named [below] [on such attachment], as payment or reimbursement for costs incurred or expenditures made in connection with the issuance of the Bonds. The payee(s), the purpose and the amount of the disbursement requested are as follows:

[See attachment.]

[Payee	Purpose	Amount
Name and Address		
Total		$]

All capitalized terms used herein shall have the meanings given such terms in the Indenture dated as of December 1, 2005 (this "Indenture"), by and between Deutsche Bank National Trust Company and the Los Angeles County Public Works Financing Authority (the "LACPWFA"), relating to the Bonds identified above.

The undersigned hereby certifies as follows:

Each obligation mentioned herein is a Costs of Issuance described in Section 2.12(b) of the Indenture, has been properly incurred and is a proper charge against the Costs of Issuance Fund. None of the items for which payment is requested has been paid or reimbursed previously

from the Costs of Issuance Fund, and none of the payments herein requested will result in a breach of the Indenture, the Sublease or the Tax Agreement.

Dated: _____

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

By: _____
Chair

PROPOSED FORM

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Squire, Sanders & Dempsey L.L.P.
801 South Figueroa Street, Suite 1400
Los Angeles, California 90017

Attention: Harriet M. Welch, Esq.

SUBLEASE AND OPTION TO PURCHASE

Relating to

Calabasas Landfill

Dated as of December 1, 2005

By and Between

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

and

COUNTY OF LOS ANGELES

NO DOCUMENTARY TRANSFER TAX

This Sublease and Option to Purchase is exempt pursuant to Section 4.60.050 of the Los Angeles County Code adopted pursuant to Part 6.7 (commencing with Section 11901) of Division 2 of the California Revenue and Taxation Code, and Section 11928 of the California Revenue and Taxation Code. This document is recorded for the benefit of the County of Los Angeles and the recording is fee exempt under Section 6103 of the California Government Code.

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SUBLEASE AND OPTION TO PURCHASE

Relating to

Calabasas Landfill

THIS SUBLEASE AND OPTION TO PURCHASE, relating to the Calabasas Landfill, dated as of December 1, 2005 (the "Sublease"), by and between the COUNTY OF LOS ANGELES, a political subdivision of the State of California (the "County"), and the LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California ("LACPWFA");

WITNESSETH:

WHEREAS, the County and LACPWFA have entered into a Site Lease, relating to the Calabasas Landfill, dated as of the date hereof (the "Site Lease"), pursuant to which the County has leased to LACPWFA certain real property, as more particularly described therein and in Exhibit A hereto (collectively, the "Site"); and

WHEREAS, LACPWFA has acquired title to certain buildings, fixtures and improvements currently on the Site which, together with the Site, constitute the Leased Premises as of the date hereof; and

WHEREAS, the County has determined it is necessary for the health, safety and welfare of the residents of the County, and in their best interests, that the County provide for the use and possession of the Leased Premises by the County; and

WHEREAS, the County has determined that in order for the County to obtain the use and possession of the Leased Premises, it is necessary and desirable to sublease the Leased Premises from LACPWFA; and

WHEREAS, the County is authorized pursuant to the laws of the State of California to enter into leases and subleases for such purpose; and

WHEREAS, LACPWFA is simultaneously providing for the transfer of certain of its right, title and interest in and to the Site Lease and this Sublease to the Trustee pursuant to the Indenture (as hereinafter defined), and pursuant to such Indenture the LACPWFA will issue and the Trustee will authenticate and deliver lease revenue bonds, payable from the Base Rental payments to be made by the County under this Sublease;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Sublease, have the meanings as set forth below. All other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture.

"Additional Rental" means the amounts specified as such in Section 3.1(b) hereof.

"Base Rental" means the amounts specified as such in Section 3.1(a) hereof, as such amounts may be adjusted from time to time in accordance with the terms hereof, but does not include Additional Rental.

"Base Rental Payment Date" means each June 1 and December 1 during the Term of this Sublease, commencing June 1, 2006, as further described in Section 3.1 hereof; or, if any such date is not a Business Day, the next succeeding Business Day.

"Business Day" means any day other than a Saturday, a Sunday, a day on which banking institutions are authorized or required by law or executive order to be closed in the State of New York or in the State for commercial banking purposes or a day on which the New York Stock Exchange is closed.

"Closing Date" means December __, 2005.

"Code" means the Internal Revenue Code of 1986, as, amended.

"County" means the County of Los Angeles, a political subdivision of the State, and its successors and assigns.

"Event of Default" means, with respect to this Sublease, any of the events described in Section 12.1 hereof.

"Fiscal Year" means the fiscal year of the County, which at the date of this Sublease is the period from each July 1 to and including the following June 30.

"Indenture" means that certain Indenture, dated as of the date hereof, by and between LACPWFA and the Trustee, as it may from time to time be amended or supplemented in accordance with its terms.

"LACPWFA" means the Los Angeles County Public Works Financing Authority, a California joint powers authority, and its successors and assigns.

"Lease Year" means the period from each December 1 to and including the following November 30 during the Term of this Sublease.

"Leased Premises" means the Site and all buildings, fixtures and improvements currently thereon, together with such additional buildings, fixtures and improvements as may be made and included as part of the Leased Premises pursuant hereto (as further described in Exhibit B hereto as the "Project").

"Net Revenues" means Net Revenues produced by the operation of the Facility at the Site as defined in the Joint Powers Agreement dated as of November 1, 1960, as amended to the date hereof.

"Principal Payment Date" means, with respect to the Series 2005 Bonds, June 1 in each year commencing June 1, 2006, until maturity or earlier redemption date of the Series 2005 Bonds.

"Series 2005 Bonds" mean the Lease Revenue Bonds (Calabasas Landfill Project) Series 2005, issued by LACPWFA and authenticated and delivered by the Trustee pursuant to the Indenture.

"Site" means that certain real property described in the Site Lease and Exhibit A hereto.

"Site Lease" means that certain Site Lease, dated as of the date hereof, by which the County has leased certain property included in the Leased Premises described therein to LACPWFA, as it may from time to time be amended or supplemented in accordance with its terms and the terms of the Indenture.

"State" means the State of California.

"Sublease" means this Sublease and Option to Purchase, as it may from time to time be amended or supplemented in accordance with its terms and the terms of the Indenture.

"Term" means the term of this Sublease as provided in Section 2 hereof.

"Trustee" means Deutsche Bank National Trust Company, a national banking association organized and existing under the laws of the United States of America, the trustee acting in its capacity as such under the Indenture, or any successor appointed as therein provided.

Section 2. Agreement to Lease; Term. LACPWFA hereby subleases the Leased Premises to the County, and the County hereby subleases the Leased Premises from LACPWFA and agrees to pay Base Rental and Additional Rental as provided herein for the right to use and possession of the Leased Premises, all on the terms and conditions set forth herein. The Term of this Sublease shall begin on the Closing Date and shall end on (a) [_____1, ____], or (b) at such earlier time as (i) no Base Rental payments remain to be paid hereunder, or (ii) the date on which the County has exercised its right to purchase the whole of LACPWFA's right, title and interest in all of the Leased Premises pursuant to Section 15 hereof.

At the end of the Term of this Sublease, all of LACPWFA's right, title and interest in the Leased Premises, including all buildings, improvements and fixtures included in the Leased Premises at the time of termination of this Sublease, shall be transferred directly to the County, or, at the option of the County, to any assignee or nominee of the County, free and clear of any interest of LACPWFA.

Section 3. Rent.

Section 3.1. Rental Payments. The County hereby agrees, subject to the terms hereof, to pay to LACPWFA Base Rental and Additional Rental, at the times and in the manner hereafter set forth, such amounts constituting in the aggregate the rental payable under this Sublease.

(a) Base Rental. The County agrees to pay first, from Net Revenues and then from any legally available funds, Base Rental for the right to use and possession of the Leased Premises in the amounts, at the times and in the manner hereafter set forth. In the event that the County exercises its option, pursuant to Section 15 hereof, to purchase LACPWFA's rights, title and interest in the Leased Premises or any portion thereof, then from and after the date of purchase the Base Rental due hereunder shall be reduced in an amount equal to the principal and interest of the Series 2005 Bonds redeemed (or for which sufficient moneys are held in accordance with the Indenture to be applied to such redemption).

The Base Rental payable by the County hereunder shall be payable thirty days in advance of each June 1 and December 1 of each year during the term hereof, but such Base Rental shall not be delinquent hereunder unless remaining unpaid until such June 1 or December 1, as the case may be (each a "Base Rental Payment Date") commencing June 1, 2006. In order to secure its obligations to pay the Base Rental due in each Lease Year, the County agrees to deposit with the Trustee, for application to the Revenue Fund, amounts equal to the Base Rental due with respect to each such Base Rental Payment Date. The amount of the Base Rental payable with respect to each June 1 and December 1 shall be determined in accordance with Exhibit C hereto. The County's obligation to make such deposits shali be discharged to the extent of that portion of all amounts on deposit in the Principal Account and the Interest Account of the Revenue Fund which are not required to pay the redemption price of Series 2005 Bonds called for redemption on any such Base Rental Payment Date.

In no event shall the aggregate Base Rental payments in any Fiscal Year exceed the fair rental value of the Leased Premises as set forth in a certificate delivered by the County to LACPWFA on the Closing Date.

If payment of any installment of Base Rental is delinquent, interest shall accrue on the delinquent amounts and be payable by the County at a rate of interest sufficient to pay all interest due under the Indenture until the day such payment is made.

(b) Additional Rental. In addition to the Base Rental set forth herein, the County agrees to pay from the sources and in the order set forth in subsection (a) above, as Additional Rental all of the following:

(i) All taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Leased Premises or upon any interest of LACPWFA, the Trustee or the Owners therein or in this Sublease or the Site Lease, and all amounts payable pursuant to Section 4.2 of this Sublease;

(ii) Insurance premiums, if any, on all insurance required under the provisions of Section 4.3 of this Sublease;

(iii) All fees and expenses (not otherwise paid or provided for out of the proceeds of the sale of the Series 2005 Bonds or otherwise) of the Trustee in connection with the Indenture, the Assignment Agreement, the Site Lease, or this Sublease; and

(iv) Any other fees, costs or expenses incurred by the County or LACPWFA in connection with the execution, performance or enforcement of this Sublease or any assignment hereof or the Indenture or any of the transactions contemplated hereby or thereby or related to the Leased Premises.

Amounts constituting Additional Rental payable hereunder shall be paid by the County directly to the person or persons to whom such amounts shall be payable. The County shall pay all such amounts of Additional Rental when due or at such later time as such amounts may be paid without penalty or, in any case, within 60 days after notice in writing from the Trustee to the County stating the amount of Additional Rental then due and payable and the purpose thereof.

Section 3.2. Consideration. The payments of Base Rental and Additional Rental under this Sublease for each Fiscal Year or portion thereof during the Term of this Sublease shall constitute the total rental for such Fiscal Year or portion thereof and shall be paid by the County for and in consideration of the right to use and possession, and the continued quiet use and possession, of the Leased Premises by the County for and during such Fiscal Year or portion thereof. The parties hereto have agreed and determined that such total rental is not in excess of the total fair rental value of the Leased Premises. In making such determination, consideration has been given to the uses and purposes served by the Leased Premises and the benefits therefrom that will accrue to the parties by reason of this Sublease and to the general public by reason of the County's right of use and possession of the Leased Premises.

Section 3.3. Budget. To the extent that Net Revenues are expected to be insufficient to make Base Rental or Additional Rental payments in any fiscal year, the County hereby covenants to take such action as may be necessary to include all Base Rental and Additional Rental due hereunder (less the amounts of such Base Rental and Additional Rental reasonably expected to be paid from Net Revenues) in its annual budget and to make the necessary annual appropriations for all such Base Rental and Additional Rental, subject only to Section 3.5 hereof. The covenants on the part of the County herein contained, shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the County to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the County to carry out and perform the covenants and agreements on the part of the County contained in this Sublease. The obligation of the County to make Base Rental or Additional Rental payments does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. Neither the Series 2005 Bonds nor the obligation of the County to make Base Rental or Additional Rental

payments constitutes an indebtedness of the County, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Section 3.4. Payment. Amounts necessary to pay Base Rental shall be deposited by the County on the dates set forth in Section 3.1(a) hereof in lawful money of the United States of America, at the Principal Office of the Trustee, or at such other place or places as may be established in accordance with the Indenture. Except as provided in Section 3.5 hereof, any amount necessary to pay any Base Rental or portion thereof which is not so deposited shall remain due and payable until received by the Trustee. Notwithstanding any dispute between the County and LACPWFA hereunder, the County shall make all rental payments when due and shall not withhold any rental payments pending the final resolution of such dispute or for any other reason whatsoever. The County's obligation to make rental payments in the amounts and on the terms and conditions specified hereunder shall be absolute and unconditional without any right of setoff or counterclaim, subject only to the provisions of Section 3.5 hereof.

Section 3.5. Rental Abatement. Except to the extent of (i) amounts held by the Trustee in the Revenue Fund and the Reserve Fund, (ii) amounts received in respect of rental interruption insurance, title insurance, condemnation awards and liquidated damages, if any, relating to the Leased Premises and (iii) amounts, if any, otherwise legally available to the County and deposited with the Trustee for the purpose of making payments in respect of the Series 2005 Bonds, including Net Revenues, rental payments due hereunder for the County's right to use and possession of the Leased Premises shall be abated during any period in which, by reason of material damage, destruction, condemnation, theft or defects in the title to the Leased Premises or a portion thereof, there is substantial interference with the County's right to use or possession of the Leased Premises or any material portion thereof. The amount of rental abatement shall be such that the resulting total rental payments in any Fiscal Year during which such interference continues, excluding any amounts described in clauses (i), (ii) or (iii) above, do not exceed the total fair rental value of the remaining portions of the Leased Premises as to which such damage, destruction, condemnation, theft or title defect do not substantially interfere with the County's right of use or possession. The Trustee may require a certificate of a County Representative to the effect that the resulting total rental represents such fair consideration as elaborated in the preceding sentence. Any such abatement shall continue for the period commencing with the date on which any interference with the County's right to use or possession of the Leased Premises, or a material portion thereof, as a result of such damage, destruction, condemnation, theft or title defect commences and ending with the restoration of the Leased Premises, or the affected portion thereof, to tenantable condition.

Section 3.6. Triple Net Lease. This Sublease is intended to be a triple net lease. The County agrees that the rentals provided for herein shall be an absolute net return to LACPWFA free and clear of any expenses, charges or setoffs whatsoever.

Section 4. Affirmative Covenants of LACPWFA and the County. LACPWFA and the County are entering into this Sublease in consideration of, among other things, the following covenants:

Section 4.1. Replacement, Maintenance and Repairs. The County shall, at its own expense, maintain the Leased Premises, or cause the same to be maintained, in good order, condition and repair and furnish all parts, mechanisms, devices and servicing required therefor so that the value and condition thereof will at all times be maintained, ordinary wear and tear excepted. All such parts, mechanisms and devices shall immediately, without further act, become part of the Leased Premises without cost to LACPWFA.

The County shall repair or replace the Leased Premises or any portion thereof which is destroyed, damaged or stolen to such an extent that there is substantial interference with the use and right of possession by the County of the Leased Premises or any portion thereof which would result in an abatement of rental payments or any portion thereof pursuant to Section 3.5 hereof, to at least substantially the same condition and fair rental value as that which existed prior to the damage, destruction or theft whether or not there are sufficient insurance proceeds to pay for such repair or replacement; provided, however, that the County shall not be required to repair or replace any such portion of the Leased Premises pursuant to this Section 4.1 if insurance proceeds or other legally available funds are applied to the redemption of a portion of the Outstanding Series 2005 Bonds such that, after amending Exhibit C hereto as a result of such redemption in accordance with paragraph (a) of Section 3.1 hereof, either: (i) no Base Rental payments remain to be paid hereunder; or (ii) the annual fair rental value of the portion of the Leased Premises not so destroyed, damaged or stolen (as set forth in a written appraisal from a qualified appraiser, who may but need not be an employee of the County) will be at least 100% of the maximum amount of Base Rental becoming due hereunder in the then current Lease Year or any subsequent Lease Year.

The County shall provide or cause to be provided all maintenance service, security service, custodial service, janitorial service and other services necessary for the proper upkeep and maintenance of the Leased Premises. It is understood and agreed that in consideration of the payment by the County of the rental payments herein provided for, the County is entitled to use and possession of the Leased Premises and no other party shall have any obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of the Leased Premises during the Term of this Sublease. LACPWFA shall not be required at any time to make any improvements, alterations, changes, additions, repairs or replacements of any nature whatsoever in or to the Leased Premises. The County hereby expressly waives the right to make repairs or to perform maintenance of the Leased Premises at the expense of LACPWFA and (to the extent applicable and to the extent permitted by law) waives the benefit of Sections 1932, 1941 and 1942 of the California Civil Code relating thereto. The County shall keep the Leased Premises free and clear of all liens, charges and encumbrances other than those existing on or prior to the Closing Date, and any liens of mechanics, materialmen, suppliers, vendors or other persons or entities for work or services performed or materials furnished in connection with the Leased Premises which are not due and payable or the amount, validity or application of which is being contested in accordance with Section 4.4 hereof, subject only to the provisions of Section 4.4 hereof.

Section 4.2. Taxes, Other Governmental Charges and Utility Charges. LACPWFA and the County contemplate that the Leased Premises will be used for a governmental or proprietary purpose of the County and, therefore, that the Leased Premises will

be exempt from all taxes presently assessed and levied. Nevertheless, the County will pay or cause to be paid from Net Revenues during the Term of this Sublease, as the same respectively become due, all taxes, utility charges and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Premises; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are accrued during such time as this Sublease is in effect, and provided further that the County may contest in good faith the validity or application of any tax, utility charge or governmental charge in any reasonable manner which does not in the opinion of Independent Counsel adversely affect the County's leasehold interest in the Leased Premises or the County's right to the use and possession thereof or adversely affect the estate of LACPWFA in and to any portion of the Leased Premises or its rights or interests under this Sublease or subject any portion of the Leased Premises to loss or forfeiture. Any such additional taxes or charges shall constitute Additional Rental under Section 3.1(b) hereof and shall be payable directly to the entity assessing such taxes or charges.

Section 4.3. Insurance. The County shall secure and maintain or cause to be secured and maintained at all times with insurers of recognized responsibility or through a program of self-insurance to the extent specifically permitted in this Section 4.3, all coverage with respect to the Leased Premises required by this Section 4.3.

Such insurance shall consist of:

(1) A policy or policies of insurance against loss or damage to the Leased Premises known as "all risk," including earthquake and flood. Such insurance shall be maintained as of any time in an amount not less than the lesser of (i) the full replacement value of the Leased Premises, or (ii) the aggregate Base Rental remaining unpaid hereunder. Such insurance may at any time include a deductible clause providing for a deductible not to exceed $1,000,000 for all losses in any year; provided, however, that the County's obligation under this clause (1) may be satisfied by self-insurance in the event such insurance is not available from a reputable carrier at a reasonable cost.

(2) Comprehensive general liability coverage against claims for damages including death, personal injury, bodily injury or property damage arising from the condition of, or operations involving, the Leased Premises. Such insurance shall afford protection with a combined single limit of not less than $1,000,000 per occurrence with respect to bodily injury, death or property damage liability, or such greater amount as may from time to time be recommended by the County's risk management officer or an independent insurance consultant retained by the County for that purpose; provided, however, that the County's obligations under this clause (2) may be satisfied by self-insurance.

(3) To the extent that the Leased Premises qualify for such insurance, boiler and machinery coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereinafter installed in an amount not less than $5,000,000 per accident; provided, however, that the County's obligation under this clause (3) may be satisfied by self-insurance.

(4) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the California Labor Code, or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the County in connection with the Leased Premises and to cover full liability for compensation under any such aforesaid act; provided, however, that the County's obligations under this clause (4) may be satisfied by self-insurance.

(5) Rental interruption insurance to cover loss, total or partial, of the use of any part of the Leased Premises as a result of any of the hazards required to be covered pursuant to clause (1) above in an amount sufficient at all times to pay an amount not less than the fair rental value thereof during any period when there is substantial interference with the County's right to the use or possession of the Leased Premises or any portion thereof as a result of the occurrence of such hazards. Such rental interruption insurance shall be payable for a period adequate to cover the period of repair or reconstruction; provided, however, that such policy shall provide that the aggregate amount payable thereunder shall not be less than an amount equal to two years' Base Rental. The County shall not be permitted to self-insure its obligation under this clause (5).

(6) A CLTA policy or policies of title insurance for the Leased Premises in an amount not less than the aggregate Base Rental payable hereunder as of the Closing Date. Such policy or policies of title insurance shall insure the subleasehold interest of the County in the Leased Premises created pursuant to the Sublease, subject to such encumbrances as will not, in the opinion of the County, materially affect the use and possession of the Leased Premises and will not result in the abatement of Base Rental payable by the County hereunder.

All policies or certificates issued by the respective insurers for insurance, with the exception of workers' compensation insurance, shall provide that such policies or certificates shall not be canceled or materially changed without at least 30 days' prior written notice to the Trustee.

Annually on or before August 1 of each year, and upon the provision of any new insurance policy or the renewal of any existing policy, the County shall provide the Trustee and Bond Insurer with a certificate stating whether the County is in full compliance with the requirements of this Section 4.3 and the insurance policies that are required hereby are in full force and effect. The County will provide Bond Insurer with copies of such policies upon request. The Trustee shall be entitled to rely upon any certificate so provided as to the County's compliance with this Section 4.3, and the Trustee shall have no further duties in that regard.

All policies or certificates of insurance provided for herein shall name, where applicable, the County as a named insured, and LACPWFA and its directors and the Trustee as additional insureds.

Notwithstanding the generality of the foregoing, the County shall not be required to maintain or cause to be maintained more insurance than is specifically referred to above or, except with respect to rental interruption insurance, any policies of insurance other than standard policies of insurance with standard deductibles offered by reputable insurers at a reasonable cost

on the open market; provided, however, that if the County determines that any such insurance, except for "all risk" and rental interruption insurance, is not offered by reputable insurers at a reasonable cost on the open market, or for any other reason the County elects, with respect to those risks set forth above for which self-insurance is permitted, not to maintain the insurance with outside insurers as described above, it will self-insure those risks for which insurance is otherwise required.

Section 4.4. Liens. The County shall promptly pay or cause to be paid all sums of money that may become due for any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about the Leased Premises and which may be secured by any mechanic's, materialman's or other lien against the Leased Premises or any portion thereof or the interest of the County or LACPWFA therein, and shall cause each such lien to be fully discharged and released; provided, however, that the County or LACPWFA (i) may contest any such claim or lien without payment thereof so long as such non-payment and contest stays execution or enforcement of the lien, but if such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not stayed, or if stayed and the stay thereafter expires, then and in any such event the County shall forthwith pay and discharge such judgment or lien; or (ii) delay payment without contest so long as and to the extent that such delay will not result in the imposition of any penalty or forfeiture.

Section 4.5. Laws and Ordinances. The County agrees to observe and comply with all rules, regulations and laws applicable to the County with respect to the Leased Premises and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the County, and LACPWFA shall not be liable therefor. The County further agrees to place, keep, use, maintain and operate the Leased Premises in such a manner and condition as will provide for the safety of its agents, employees, invitees, subtenants, licensees and the public.

Section 5. Application of Insurance Proceeds. All proceeds of insurance maintained under clauses (1) or (3) of Section 4.3 hereof shall be deposited with the Trustee for application pursuant to the provisions of Section 3.04 of the Indenture. All proceeds of insurance maintained under clause (5) of Section 4.3 hereof shall be deposited with the Trustee for application pursuant to the provisions of Section 3.04 of the Indenture. All proceeds of insurance maintained under clause (6) of Section 4.3 hereof shall be deposited with the Trustee for application pursuant to the provisions of Section 3.04 of the Indenture. All proceeds of insurance maintained under clauses (2) and (4) of Section 4.3 hereof shall be paid to the County.

Section 6. Application of Eminent Domain Awards. Any award made in eminent domain proceedings for the taking of the Leased Premises or a portion thereof shall be paid to the Trustee for application in accordance with the provisions of Section 3.04 of the Indenture.

Section 7. Assignment and Sublease. The County shall not mortgage, pledge, assign or transfer any interest of the County in this Sublease by voluntary act or by operation of law, or otherwise; provided, however, that the County may sublease all or any portion of the Leased Premises, may grant concessions to others involving the use of all or any portion of the Leased Premises, whether such concessions purport to convey a leasehold interest or a license to use all or a portion of the Leased Premises, and may assign its right to purchase LACPWFA's

right, title and interest in the Leased Premises, or any portion thereof, pursuant to Section 15 hereof. The County shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Sublease, notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve the County from its obligation to pay Base Rental and Additional Rental as provided in this Sublease or to relieve the County from any other obligations contained herein. In no event will the County sublease or permit the use of all or any portion of the Leased Premises to or by any person so as to cause the portion of any Base Rental payment comprising interest to be included in gross income for federal income tax purposes or to be subject to State personal income taxes.

LACPWFA shall, concurrently with the execution hereof, assign certain of its right, title and interest in and to the Site Lease and this Sublease to the Trustee pursuant to the Indenture, and the County hereby approves such assignment. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith. Except for such assignment to the Trustee (including any successor Trustee under the Indenture), LACPWFA shall not sell, transfer, assign, hypothecate, pledge, or otherwise dispose of or create any lien or encumbrance on, its interest in the Leased Premises or this Sublease; provided, however that nothing in this sentence shall limit the rights of LACPWFA under Section 12 hereof.

Section 8. Additions and Improvements. The County shall have the right during the Term of this Sublease to make any additions or improvements to the Leased Premises, to attach fixtures, structures or signs and to affix any personal property to the Leased Premises, so long as the fair rental value of the Leased Premises is not thereby materially reduced. All such additions and improvements which are made to the buildings, improvements or fixtures included in the Leased Premises on the Closing Date or are otherwise not capable of removal without damaging such property shall become part of the Leased Premises, but title to all other additions and improvements, including, but not limited to, equipment or personal property placed by the County on the Leased Premises, shall remain in the County. The title to any additions, improvements, personal property, equipment or fixtures placed on the Leased Premises by any sublessee or licensee of the County shall be controlled by the sublease or license agreement between such sublessee or licensee and the County, which sublease or license agreement shall not be inconsistent with this Sublease.

Section 9. Right of Entry. Representatives of LACPWFA shall, subject to reasonable security precautions, have the right to enter upon the Leased Premises during reasonable business hours (and in emergencies at all times) (i) to inspect the same, (ii) for any purpose connected with the rights and obligations of LACPWFA under this Sublease, or (iii) for all other lawful purposes.

Section 10. Quiet Enjoyment. LACPWFA covenants and agrees that the County shall, at all times during the Term hereof, peaceably and quietly have, hold, and enjoy the Leased Premises subject to the terms of this Sublease.

Section 11. Indemnification and Hold Harmless Agreement. To the extent permitted by law, the County hereby agrees to indemnify and hold harmless LACPWFA and its

officers and directors against any and all liabilities which arise out of or are related to the Leased Premises or the Series 2005 Bonds, and the County further agrees to defend LACPWFA and its officers and directors in any action arising out of or related to the Leased Premises or the Series 2005 Bonds.

Section 12. Default by County.

Section 12.1. Default. The following shall be "events of default" by the County under this Sublease and the terms "Events of Default" and "default" shall-mean, whenever they are used in this Sublease, any one or more of the following events: (i) failure to have on deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 3.1(a) hereof by the close of business on the applicable June 1 or December 1 pursuant to Section 3.1(a) hereof to be made; (ii) failure by the County to pay any item of Additional Rental as and when the same shall become due and payable pursuant to Section 3.1(b) hereof; (iii) breach of any other terms, covenants or conditions contained herein or in the Indenture, and failure to remedy any such breach with all reasonable dispatch within a period of 60 days after receipt of written notice thereof from LACPWFA or the Trustee to the County; provided, however, that if the failure stated in such notice cannot be corrected within such period, then such period will be extended so long as corrective action is instituted by the County within such period and diligently pursued until the default is corrected, but only if such extension would not materially adversely affect the interest of the Owners.

Section 12.2. Remedies. So long as LACPWFA or the Trustee does not terminate the County's right to possession of the Leased Premises, this Sublease shall continue in effect and LACPWFA or the Trustee shall have the right to enforce all of its rights and remedies under this Sublease, including the right to recover Base Rental payments as they become due under this Sublease pursuant to Section 1951.4 of the California Civil Code.

All damages and other payments received by LACPWFA pursuant to the exercise of its rights and remedies pursuant to this Section 12 shall be applied in the manner set forth in Section 7.02 of the Indenture.

Section 12.3. Remedies Cumulative. Each and every remedy available to LACPWFA hereunder shall be available to any assignee of the rights of LACPWFA hereunder and is cumulative and the exercise of one remedy shall not impair the right of LACPWFA to any or all other remedies. If any statute or rule validly shall limit the remedies given to LACPWFA hereunder, LACPWFA or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law except as otherwise expressly provided herein.

Section 12.4. Limitations. Neither LACPWFA nor the Trustee shall exercise its remedies hereunder so as to cause any Base Rental payment comprising interest to be includable in gross income for federal income tax purposes or subject to State personal income taxes. Notwithstanding any other provision of this Sublease or the Indenture, in no event shall LACPWFA or the Trustee have the right to accelerate the payment of any Base Rental hereunder.

Section 13. Waiver. The waiver by LACPWFA of any breach by the County, and the waiver by the County of any breach by LACPWFA, of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

Section 14. Disclaimer of Warranties. NEITHER LACPWFA OR ITS ASSIGNEE NOR ANY PERSON ACTING ON ITS BEHALF HAS MADE OR MAKES ANY WARRANTY OR REPRESENTATION AS TO THE PAST, PRESENT OR FUTURE CONDITION OF THE LEASED PREMISES NOT HEREIN EXPRESSED, AND THE COUNTY HAS ENTERED INTO THIS SUBLEASE WITHOUT REPRESENTATIONS OR WARRANTIES WITH RESPECT THERETO ON THE PART OF LACPWFA, ITS AGENTS, REPRESENTATIVES OR EMPLOYEES OR ANY ASSIGNEE OF THE RIGHTS OF LACPWFA HEREUNDER.

In no event shall LACPWFA or its assignee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Sublease or the existence, furnishing or functioning of the Leased Premises, or the County's use thereof.

LACPWFA hereby irrevocably appoints the County its agent and attorney-in-fact during the Term of this Sublease, so long as the County shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the manufacturers and vendors of any item constituting a portion of the Leased Premises. The County's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or vendor of such item and not against LACPWFA, nor shall such matter have any effect whatsoever on the rights and obligations of LACPWFA with respect to this Sublease, including the right to receive full and timely payments hereunder. The County expressly acknowledges that LACPWFA and its assignee make, and have made, no representation or warranties whatsoever as to the existence or availability of such warranties of any manufacturer or vendor.

The County will not install, operate or maintain any item constituting a portion of the Leased Premises or otherwise located on the Leased Premises improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Sublease. The County shall provide all permits and licenses, if any, necessary for the installation and operation of any item constituting a portion of the Leased Premises or otherwise located on the Leased Premises.

Section 15. Option to Purchase.

(a) The County shall have the exclusive right and option, which shall be irrevocable, to purchase on any Business Day during the Term of this Sublease LACPWFA's right, title and interest in all of the Leased Premises, or in any portion thereof, but only if the County is not in default under this Sublease or the Indenture and so long as the purchase is made in accordance with the provisions of this Section 15.

(b) The option price for the purchase of LACPWFA's right, title and interest in all of the Leased Premises shall be the amount necessary to pay or redeem (or make provision

for such payment or redemption in accordance with Section 8.01 of the Indenture) all of the Outstanding Series 2005 Bonds such that as a result of such payment or redemption (or making such provision therefor) in accordance with paragraph (a) of Section 3.1 hereof, no Base Rental payments remain to be paid hereunder. Subject to paragraph (d) below, the County shall exercise its option to purchase LACPWFA's right, title and interest in all of the Leased Premises by a County Representative giving notice thereof to LACPWFA and to the Trustee and Bond Insurer not later than five days prior to the Business Day on which it desires to so exercise its purchase option.

(c) The option price for the purchase of LACPWFA's right, title and interest in a portion of the Leased Premises shall be the amount necessary to pay or redeem a portion (or make provision for such payment or redemption in accordance with Section 8.01 of the Indenture) of the Outstanding Series 2005 Bonds such that, after amending Exhibit C hereto as a result of such payment or redemption (or making such provision therefor) in accordance with paragraph (a) of Section 3.1 hereof, the annual fair rental value of that portion of the Leased Premises remaining subject to this Sublease after such purchase will be at least 100% of the maximum amount of Base Rental coming due in the then current or in any subsequent Lease Year. Subject to paragraph (d) below, the County shall exercise its option to purchase LACPWFA's right, title and interest in a portion of the Leased Premises by giving the following to LACPWFA and the Trustee not later than five days prior to the Business Day on which it desires to so exercise its purchase option:

(i) Notice by a County Representative of such exercise; and

(ii) A certificate of a County Representative, accompanied by a written appraisal from a qualified appraiser, who may but need not be an employee of the County, evidencing that the annual fair rental value of the property which will constitute the Leased Premises after such purchase will be at least equal to 100% of the maximum amount of Base Rental becoming due under this Sublease in the then current Lease Year or in any subsequent Lease Year after amending Exhibit C hereto as a result of the payment or redemption of Outstanding Series 2005 Bonds with the option price to be paid by the County pursuant to this paragraph (c).

(d) If the Business Day on which the County intends to exercise its option hereunder is, in accordance with the terms of Section 2.03(c) of the Indenture, a date on which Outstanding Series 2005 Bonds are subject to optional redemption, then the County shall give notice to the Trustee and Bond Insurer of its intention to exercise its option hereunder not later than five days prior to the date on which the Trustee is required to send notice of redemption to the Owners pursuant to the Indenture, and on such purchase date the County shall deposit with the Trustee an amount equal to the option price determined by reference to paragraph (b) or paragraph (c) of this Section 15, as applicable, which amount shall be in addition to the Base Rental due on such date.

(e) If the Business Day on which the County intends to exercise its option hereunder is not a date on which Series 2005 Bonds are subject to optional redemption pursuant to the terms of Section 2.03(c) of the Indenture, then the option price shall be payable in installments. Each such installment (x) shall be payable at each time at which Base Rental would

have been payable had such option not been exercised, until the due date of the final installment specified below, and (y) shall equal the Base Rental payment referred to in clause (x) above plus any premium required pursuant to paragraph (b) or paragraph (c) of this Section 15, as applicable. The portion of each such installment of Base Rental referred to in clause (x) above shall bear interest until paid at a rate equal to the rate which would have been payable with respect to such Base Rental. At the option of the County, the final installment shall be payable on (A) the final date Base Rental would have been payable had such option not be exercised, or (B) the first date on which the Series 2005 Bonds are subject to optional redemption pursuant to the terms of Section 2.03(c) of the Indenture in an amount equal to the amount determined by reference to paragraph (b) or paragraph (c) of this Section 15, as applicable; provided, however, that the County must designate the date of such final installment not later than the date on which the purchase option granted in this Section 15 is exercised, and provided further, that the County may not choose a final installment date described in clause (A) of this sentence if to do so would in the opinion of Independent Counsel cause the portion of any Base Rental payment comprising interest to be included in gross income for federal income tax purposes or be subject to State personal income taxes.

(f) In order to secure its obligations to pay the installments referred to in paragraph (e) above, the County, concurrently with the exercise of its option hereunder, shall deposit or cause to be deposited with the Trustee, in trust, cash and/or investments of the type described in Section 8.01 of the Indenture in such amount as will together with the interest to accrue on such investments without the need for further investment, be fully sufficient to pay the installments (including all principal, premium, if any, and interest) referred to in paragraph (e) above at the times at which such installments are required to be paid. Such deposit shall be in addition to the Base Rental, if any, due on such date. The excess, if any, of the amount so deposited over the installments actually required to be paid by the County shall be remitted to the County.

(g) On any Business Day as to which the County shall have exercised the option granted it pursuant to this Section 15, and shall have paid or made provision for the payment of the required option price, as set forth herein, LACPWFA shall execute and deliver to the County a quitclaim deed conveying to the County or its designee LACPWFA's interest so purchased. If the County shall exercise the option provided in this Section 15 to purchase LACPWFA's right, title and interest in all of the Leased Premises pursuant to paragraph (b) above prior to June 1, ____, LACPWFA shall execute and deliver the quitclaim deed as aforesaid and this Sublease shall terminate, but such termination shall not affect the County's obligation to pay the option price on the terms herein set forth.

Section 16. Notices. All notices under this Sublease shall be in writing and shall be sufficiently given and served upon such party if delivered by hand directly to the offices named below or sent by United States first class mail, postage prepaid, and addressed as follows:

(a) if to the County, to the County of Los Angeles, Treasurer and Tax Collector, Room 437, 500 West Temple Street, Los Angeles, California 90012, Attention: Public Finance;

(b) if to LACPWFA, to the Los Angeles County Public Works Financing Authority, County of Los Angeles, Room 383, Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, Attention: Executive Officer - Clerk of the Board of Supervisors;

(c) if to the Trustee, to Deutsche Bank National Trust Company, 101 California Street, 46th Floor, Mail Stop SFR03-4601, San Francisco, California 94111, Attention: Trust and Securities Services; or to such other address or addresses as any such party may designate to the others by notice given in accordance with the provisions of this Section.

Section 17. Validity. If any one or more of the terms, provisions, promises, covenants or conditions of this Sublease shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, promises, covenants and conditions of this Sublease shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

If for any reason this Sublease shall be held by a court of competent jurisdiction void, voidable, or unenforceable by LACPWFA or by the County, or if for any reason it is held by such a court that any of the covenants and agreements of the County hereunder, including the covenant to pay Base Rental and Additional Rental hereunder, is unenforceable for the full Term of this Sublease, then and in such event for and in consideration of the right of the County to possess occupy and use the Leased Premises, which right in such event is hereby granted, this Sublease shall thereupon become and shall be deemed to be a lease from year to year under which the annual Base Rental payments and Additional Rental payments herein specified will be paid by the County for the remainder of the Term under this Sublease.

Section 18. Counterparts. This Sublease may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Sublease.

Section 19. Law Governing. This Sublease is made in the State under the Constitution and laws of the State and is to be so construed.

Section 20. Binding Effect; Successors and Assigns. This Sublease shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Except as otherwise provided in Section 7 hereof with respect to the continuation of the County's obligations hereunder, whenever in this Sublease any party is named or referred to, such reference shall be deemed to include: such party's successors and assigns and all covenants and agreements contained in this Sublease by or on behalf of any party hereto shall bind and inure to the benefit of such party's successors and assigns whether so expressed or not. Without limiting the generality of the foregoing, each right of LACPWFA to give notice or consent hereunder, to require or authorize any action pursuant hereto or to enforce any of the County's obligations or otherwise pursue any remedy hereunder shall apply to the Trustee as assignee of LACPWFA's right, title and interest in and to this Sublease pursuant to the Indenture. In addition, the Owners shall have the right to enforce the County's obligations hereunder to the extent set forth in Section 9.06 of the Indenture.

Section 21. Amendment. This Sublease may be amended only in accordance with and as permitted by the terms of Section 10.15 and 2.15 of the Indenture.

Section 22. No Merger. If both LACPWFA's and the County's estate under this or any other lease relating to the Leased Premises or any portion thereof shall at any time or for any reasons become vested in one owner, this Sublease and the estate created hereby shall not be destroyed or terminated by the doctrine of merger unless no Base Rental payments remain to be paid by the County hereunder and the County so elects as evidenced by recording a written declaration so stating, and, unless and until such time, the County shall continue to have and enjoy all of its rights and privileges as to the separate estates.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the day and year first above written.

COUNTY OF LOS ANGELES

By_____
Chairman, Board of Supervisors

Attest:

_____,
Executive Officer-Clerk of the
Board of Supervisors

By _____
Deputy

LOS ANGELES COUNTY PUBLIC WORKS
FINANCING AUTHORITY

By_____
[Chairman]

Attest:

By _____
Assistant Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

On this _____ day of _____, 2005, before me, _____, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that she/he executed this instrument in her/his authorized capacity, and that by her/his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public of the State of California

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

On this _____ day of _____, 2005, before me, _____, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that she/he executed this instrument in her/his authorized capacity, and that by her/his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public of the State of California

EXHIBIT A

THE LANDFILL SITE

[Insert from Title Report]

EXHIBIT B

THE PROJECT

[to come]

EXHIBIT C

BASE RENTAL SCHEDULE

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

HD&W – 11/14/05 Draft

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 1, 2005

NEW ISSUE – BOOK-ENTRY-ONLY

RATINGS:
Fitch: "___"
Moody's: "___"
Standard & Poor's: "___"
See "Ratings" herein.

In the opinion of Squire, Sanders & Dempsey L.L.P., Los Angeles, California, Bond Counsel, under existing law and assuming continuing compliance with certain covenants and the accuracy of certain representations, (i) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (ii) interest on the Bonds is exempt from State of California personal income taxes. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "Tax Matters" herein.

$33,800,000*

[SEAL]

Los Angeles County Public Works Financing Authority
Lease Revenue Bonds
(Calabasas Landfill Project), Series 2005

Dated: Date of Delivery **Due: June 1, as shown on the inside cover page**

The Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Calabasas Landfill Project), Series 2005 (the "Bonds"), are being issued pursuant to an Indenture (the "Indenture"), dated as of December 1, 2005, by and between the Los Angeles County Public Works Financing Authority (the "Authority") and Deutsche Bank National Trust Company, as Trustee (the "Trustee"). Principal of and interest on the Bonds are payable from Base Rental payments to be made by the County of Los Angeles, California (the "County") pursuant to a Sublease and Option to Purchase, dated as of December 1, 2005 (the "Sublease"), by and between the County and the Authority, relating to that certain refuse disposal facility located between Calabasas and Agoura, California and the real property on which it is located, as more particularly described herein (collectively, the "Facility"). Pursuant to the Sublease, Base Rental payments will be made first from Net Revenues (herein defined) of the Facility and, to the extent that Net Revenues are expected to be insufficient in any fiscal year, from any legally available funds of the County. See "Security and Sources of Payment for the Bonds" herein. The proceeds of the Bonds will be used to finance and refinance certain public improvement projects, equipment and furnishings at the Facility, fund a Reserve Fund and pay certain costs of issuance incurred in connection with the issuance of the Bonds. See "Plan of Finance" and "Estimated Sources and Uses of Funds" herein.

The Bonds will be issued in authorized denominations of $5,000 and any integral multiple thereof. Interest on the Bonds will be payable semiannually each June 1 and December 1, commencing on June 1, 2006. See "The Bonds" herein. The Bonds will be delivered in fully registered form only, and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only. Principal of, redemption premium, if any, and interest on the Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Participants (as defined herein) for subsequent disbursement to the beneficial owners of the Bonds. See Appendix E – "Book-Entry Only System" attached hereto.

The Bonds are subject to optional redemption, extraordinary redemption and mandatory sinking account redemption prior to maturity, as described herein. See "The Bonds –Redemption" herein.

The payment of the principal of and interest on the Bonds when due will be insured by a financial guaranty insurance policy to be issued concurrently with the delivery of the Bonds by _____. See "Bond Insurance" herein and Appendix H – "Form of Financial Guaranty Insurance Policy" attached hereto.

[Insurer Logo]

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE, AS TO INTEREST THEREON, PRINCIPAL THEREOF AND ANY PREMIUMS UPON THE REDEMPTION OF ANY THEREOF, SOLELY FROM THE REVENUES AS PROVIDED IN THE INDENTURE, AND THE AUTHORITY IS NOT OBLIGATED TO PAY THEM EXCEPT FROM THE REVENUES. ALL THE BONDS ARE EQUALLY SECURED BY A PLEDGE OF AND CHARGE AND LIEN UPON THE REVENUES, AND THE REVENUES CONSTITUTE A TRUST FUND FOR THE SECURITY AND PAYMENT OF THE INTEREST ON AND PRINCIPAL OF AND REDEMPTION PREMIUMS, IF ANY, ON THE BONDS AS PROVIDED IN THE INDENTURE. THE OBLIGATION OF THE COUNTY TO MAKE BASE RENTAL OR ADDITIONAL RENTAL PAYMENTS UNDER THE SUBLEASE DOES NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE COUNTY TO MAKE BASE RENTAL OR ADDITIONAL RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

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* Preliminary, subject to change.

This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds will be offered when, as and if issued, subject to the approval as to their legality by Squire, Sanders & Dempsey L.L.P., Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, Los Angeles, California, and for the Authority and the County by County Counsel. It is anticipated that the Bonds will be available for delivery to DTC in New York, New York on or about December 21, 2005.

UBS Financial Services Inc.

[_____] [_____] [_____]

Dated: December __, 2005

MATURITY SCHEDULE*

$_____*
Los Angeles County Public Works Financing Authority
Lease Revenue Bonds
(Calabasas Landfill Project), Series 2005
Base CUSIP†: _____

Due (June 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP†
	$	%	%	

$_____ ___% Term Bonds due June 1, 20__: Yield – __% CUSIP†: _____
$_____ ___% Term Bonds due June 1, 20__: Yield – __% CUSIP†: _____

* Preliminary, subject to change.
† CUSIP data, copyright 2005, American Bankers Association. CUSIP data are set forth herein for convenience of reference only. Neither the Authority, the County nor the Underwriters assume any responsibility for the accuracy of such data.

[SEAL] **COUNTY OF LOS ANGELES**

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
LEASE REVENUE BONDS
(Calabasas Landfill Project), Series 2005

Board of Supervisors

Gloria Molina
First District, Chair

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Violet Varona-Lukens
Executive Officer-Clerk
Board of Supervisors

County Officials

David E. Janssen
Chief Administrative Officer

Raymond G. Fortner, Jr.
County Counsel

J. Tyler McCauley
Auditor-Controller

Mark J. Saladino
Treasurer and Tax Collector

Montague DeRose and Associates, LLC
Financial Advisor

Deutsche Bank National Trust Company
Trustee

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the County or the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

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

The information set forth in this Official Statement has been obtained from the Authority and County, and other sources that are believed by the Authority and County to be reliable. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale of the Bonds made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the County or the Authority since the date hereof. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions. Preparation of this Official Statement and its distribution have been duly authorized and approved by the County and Authority.

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

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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$33,800,000*
LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
Lease Revenue Bonds
(Calabasas Landfill Project), Series 2005

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Bonds being offered, and a brief description of the entire Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California and any documents referred to in this Official Statement do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions. All capitalized terms used in this Official Statement and not otherwise defined herein will have the meanings set forth in the Indenture and the Sublease. See Appendix D – "Summary of Certain Provisions of the Principal Legal Documents – Definitions."

General Description

This Official Statement, including the cover page, the inside cover page and the appendices attached hereto (the "Official Statement"), provides certain information concerning the sale and issuance of the Los Angeles County Public Works Financing Authority (Calabasas Landfill Project), Series 2005 (the "Bonds") in the aggregate principal amount of $33,800,000* (the "Bonds") pursuant to an Indenture (the "Indenture"), dated as of December 1, 2005, by and between the Los Angeles County Public Works Financing Authority (the "Authority") and Deutsche Bank National Trust Company, as Trustee (the "Trustee"). The proceeds of the Bonds will be used to finance and refinance certain public improvement projects, equipment and furnishings at the Facility (herein defined), fund a Reserve Fund and pay certain costs of issuance incurred in connection with the issuance of the Bonds. See "The Facility" and "Estimated Sources and Uses of Funds" herein.

The County of Los Angeles, California (the "County") will lease that certain refuse disposal facility located near Agoura, California and the real property on which it is located, as more particularly described herein (collectively, the "Facility"), to the Authority pursuant to a Site Lease, dated as of December 1, 2005 (the "Site Lease"), by and between the County and the Authority. The County will lease the Facility from the Authority pursuant to a Sublease and Option to Purchase, dated as of December 1, 2005 (the "Sublease"), by and between the County and the Authority. Base Rental payments to be made by the County under the Sublease will be used to pay principal of and interest on the Bonds when due. Pursuant to the Sublease, Base Rental payments will be made first from Net Revenues (herein defined) of the Facility and, to the extent that Net Revenues are expected to be insufficient in any fiscal year, from any legally available funds of the County. See "Security and Sources of Payment for the Bonds" herein.

Terms of the Bonds

The Bonds will be issued in denominations of $5,000 and any integral multiple thereof. The Bonds will be dated their date of delivery and are payable semiannually each June 1 and December 1, commencing on June 1, 2006 (each such date being an "Interest Payment Date"). The Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co.,

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* Preliminary, subject to change.

as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only. Principal of, redemption premium, if any, and interest on the Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Participants (defined herein) for subsequent disbursement to the Owners of the Bonds. See Appendix E – "Book-Entry Only System" attached hereto.

The Bonds are subject to optional redemption, extraordinary redemption and mandatory sinking account redemption prior to maturity as described herein. See "The Bonds – Redemption" herein.

Security and Sources of Payment for the Bonds

Principal of, redemption premium, if any, and interest on the Bonds are payable from Base Rental ("Base Rental") payments to be made by the County under the Sublease, as consideration for the use and occupancy of the Facility by the County. See "Security and Sources of Payment for the Bonds – Base Rental" herein. The County has covenanted in the Sublease to make Base Rental payments and certain other payments ("Additional Rental") first from Net Revenues. To the extent that Net Revenues are expected to be insufficient to make Base Rental or Additional Rental payments in any fiscal year, the County has covenanted in the Sublease to pay the Base Rental due thereunder from any source of legally available funds, to take such action as may be necessary to include all Base Rental and Additional Rental (less the amounts of such Base Rental and Additional Rental reasonably expected to be paid from Net Revenues) in its annual budget, and to make the necessary annual appropriations for all such Base Rental and Additional Rental (except to the extent such payments are abated as described herein). Base Rental payments under the Sublease are scheduled to be sufficient to pay principal of and interest on the Bonds when due. See Appendix D – "Summary of Certain Provisions of the Principal Legal Documents – The Indenture" and "– The Sublease" attached hereto.

Subject to certain exceptions, payments under the Sublease will be abated during any period in which, by reason of material damage, destruction, condemnation, theft or defects in the title to the Facility or a portion thereof, there is substantial interference with the County's right to use or possession of the Facility or any material portion thereof. Any such abatement will continue for the period commencing with the date on which any interference with the County's right to use or possession of the Facility, or a material portion thereof, as a result of such damage, destruction, condemnation, theft or title defect commences and ending with the restoration of the Facility, or the affected portion thereof, to tenantable condition. See "Security and Sources of Payment for the Bonds – Abatement" herein.

Limited Obligation

The Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues as provided herein, and the Authority is not obligated to pay them except from the Revenues. All the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds as provided in the Indenture. The Bonds are not a debt of the Authority, the State or any of its political subdivisions, and neither the Authority, said State nor any of its political subdivisions is liable thereon, nor in any event will the Bonds be payable out of any funds or properties other than those of the Authority as provided in the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

The obligation of the County to make Base Rental or Additional Rental payments under the Sublease does not constitute an obligation of the County for which the County is obligated to levy or

pledge any form of taxation or for which the County has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the County to make Base Rental or Additional Rental payments constitutes an indebtedness of the County, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Bond Insurance

The payment of the principal of and interest on the Bonds when due will be insured by a financial guaranty insurance policy to be issued concurrently with the delivery of the Bonds by _____. See "Bond Insurance" herein and Appendix H – "Form of Financial Guaranty Insurance Policy" attached hereto.

The County

The County was established in 1850. The economy of the County is diversified and includes manufacturing, world trade, financial services, motion picture and television production, agriculture and tourism. For certain economic, demographic and financial information with respect to the County, see Appendix A – "The County of Los Angeles Information Statement" and Appendix B – "The County of Los Angeles Audited Financial Statements for the Fiscal Year Ended June 30, 2004" attached hereto.

The Authority

The Authority was formed pursuant to a Joint Exercise of Powers Agreement, dated May 18, 1993 (as amended by a Certificate of Amendment dated April 26, 1994 and a Certificate of Amendment dated October 22, 1996, and as further amended from time to time, the "JPA Agreement"), to provide financial assistance from time to time to the County, the Los Angeles County Flood Control District, the Los Angeles County Regional Park and Open Space District, the Community Facilities District No. 2 (Rowland Heights Area) of the County of Los Angeles and any entity that becomes a party to the JPA Agreement in accordance with its terms. The Authority has previously issued obligations secured by certain revenues of and rental payments from certain contracting parties and may issue additional obligations in the future. These other obligations of the Authority are not secured by any Base Rental payments under the Sublease, and the Bonds are not secured by any other assets or property of the Authority other than Base Rental payments under the Sublease, as provided in the Indenture.

The Facility

The Facility is the portion of the County's solid waste management system that provides disposal capacity for the communities of Agoura Hills, Calabasas, Hidden Hills, Malibu, and Westlake Village, the north-western portion of the City of Los Angeles, the western portion of the unincorporated County and the southern portion of Ventura County (the "Service Area"). The Facility is located between Calabasas and Agoura, California, north of the Ventura Freeway (U.S. 101) in unincorporated Los Angeles County, within the Santa Monica Mountains National Recreation Area and near the County border with Ventura County. The Facility has been operated and maintained since 1961 on County property by County Sanitation District No. 2 of Los Angeles County (the "District"), one of 22 active county sanitation districts in the County, pursuant to an Amended Joint Powers Agreement – Calabasas Landfill, dated April 1, 1966 (as amended, the "Calabasas Agreement"), by and between the County and the District. The Calabasas Agreement also provides for, among other things, the rates applicable to the disposal of refuse at the Facility, the closure and post-closure conditions of the Facility, and certain site development and project implementation by the District. See "The Facility – Operation and Maintenance of the Facility" herein.

Continuing Disclosure

Pursuant to the Continuing Disclosure Agreement, dated as of December 1, 2005 (the "Continuing Disclosure Agreement"), the County has covenanted to provide, or cause to be provided, by not later than February 1 of each fiscal year, commencing on February 1, 2006, to each nationally recognized municipal securities information repository and any public or private repository or entity designated by the State as a state repository for purposes of Rule 15c2-12 (the "Rule") promulgated by the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, certain annual financial information and operating data and, in a timely manner, notice of certain material events. These covenants have been made in order to assist the Underwriters of the Bonds in complying with the Rule. See "Continuing Disclosure" herein and Appendix G – "Form of Continuing Disclosure Agreement" attached hereto.

Forward-Looking Statements

Certain statements included or incorporated by reference in the Official Statement constitute "forward-looking statements. " Such statements are generally identifiable by the terminology used such as "plan, " "expect, " "estimate, " "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Although such expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The County is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

PLAN OF FINANCE

The proceeds of the Bonds will be used to finance and refinance certain public improvement projects, equipment and furnishings at the Facility (the "Project"), fund a Reserve Fund and pay certain costs of issuance incurred in connection with the issuance of the Bonds. See "The Facility" and "Estimated Sources and Uses of Proceeds of Funds" herein.

The Project consists of capital improvements to the Facility to access the remaining capacity within the permitted disposal footprint of the Facility, which was approximately 9.72 million tons as of July 1, 2005, including the installation of new landfill liners and liquids collection and removal systems in the undeveloped areas of the Facility. The Project will involve the excavation of approximately 8.1 million cubic yards of soil and the installation of 52.3 acres of liner and 0.5 million cubic yards of engineered fill. Once the new liner is in place, operators of the Facility will have access to the vertical airspace capacity in the existing developed area, as well as horizontal capacity in the newly developed areas. After Project completion, the Facility is expected to provide disposal capacity through fiscal year 2024, based on estimated annual waste deliveries. Since the Facility capacity is based on volume, the expected disposal capacity will vary depending on the actual annual waste deliveries. See Appendix C - "Los Angeles County Calabasas Landfill Liner Construction Project Consulting Engineer's Feasibility Report" attached hereto.

The Project is being designed by the District's engineering staff in three phases. Phase I generally consists of the excavation of approximately 4 million cubic yards of earthwork and the construction of approximately 16 acres of liner and is estimated to cost approximately $11.3 million. Phase I is currently being constructed under a construction agreement (the "Construction Contract") with Sukut Construction, Inc. with the use of certain monies advanced by the County on an interim basis. Phase IIA generally

consists of the excavation of approximately 2.5 million cubic yards of earthwork and the construction of approximately 10.6 acres of liner and is estimated to cost approximately $10.6 million. Phase IIA has been designed, is currently out for bid and is expected to be completed in August 2006, approximately 6 months following the issuance of the notice to proceed. Phase IIB generally consists of the excavation of approximately 1.6 million cubic yards of earthwork and the construction of approximately 25.7 acres of liner and is estimated to cost approximately $14.3 million. Phase IIB is scheduled to be designed in 2007, with construction to begin in 2008 and completion of construction by August 2008. Upon completion of this last phase, operators of the Facility will have access to the vertical airspace capacity to reach the final permitted fill contours of the Facility.

ESTIMATED SOURCES AND USES OF FUNDS

The Bond proceeds and other funds are expected to be applied approximately as set forth below:

SOURCES:	
Principal Amount of Bonds	$
Original Issue Premium	
TOTAL	$
USES:	
Project Fund	$
Reserve Fund	
Repayment to [Los Angeles County Refuse Disposal Trust Fund]	
Costs of Issuance Fund[1]	
TOTAL	$

[1] Includes underwriters' discount, bond insurance premium, financial advisor fees, rating agency fees, escrow agent fees, bond counsel fees, verification agent fees, printing costs and other miscellaneous expenses.

THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds for the complete text thereof and to the Indenture for a more detailed description of such provisions. The discussion herein is qualified by such reference.

General Provisions

The Bonds will be dated, will mature on the dates in the respective principal amounts, and will bear interest at the respective rates per annum, all as set forth on the cover page of this Official Statement. Interest on the Bonds will be computed using a year of 360 days comprised of twelve 30-day months and is payable on each Interest Payment Date. The Bonds will be delivered in fully registered form only and, when executed and delivered, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only, in each case in the denominations of $5,000 or any integral multiple thereof. See Appendix E – "Book-Entry Only System" attached hereto.

Redemption

Optional Redemption.[*] The Bonds maturing on and after June 1, 20__ are subject to redemption prior to their respective stated, as a whole or in part (in such order of maturity as designated in writing by the County to the Trustee) on any date on or after June 1, 20__, at a redemption price equal to the sum of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium.

Extraordinary Redemption. The Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, as a whole, or in part by lot within each stated maturity in integral multiples of $5,000, from prepayments made by the County from insurance proceeds or eminent domain awards pursuant the Sublease and deposited by the Trustee in the Principal Account, at a prepayment price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the redemption date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee will select the Bonds to be redeemed in part from the Outstanding Bonds on a *pro rata* basis so that the aggregate annual Debt Service on Bonds that will be payable after such redemption date will be as nearly proportional as practicable to the aggregate annual Debt Service on Bonds Outstanding prior to such redemption date. See Appendix D –"Summary of Certain Provisions of the Principal Legal Documents – Sublease" attached hereto.

Mandatory Sinking Account Redemption.[*] The Bonds maturing on June 1, 20__ and on June 1, 20__, are subject to mandatory sinking account redemption prior to maturity, in part on the respective dates indicated, by lot, from and in the amount of the Mandatory Sinking Account Payments set forth below at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon to the redemption date, without premium:

Redemption Date (June 1)	Mandatory Sinking Account Payment
20__	$
20__	
20__[†]	

[†] Final maturity.

Redemption Date (June 1)	Mandatory Sinking Account Payment
20__	$
20__	
20__[†]	

[†] Final maturity.

Selection of Bonds for Redemption. If less than all Outstanding Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee will select from the Bonds of such maturity date to be redeemed by lot in any manner that it deems appropriate, and will promptly notify the Authority in writing of the numbers of the Bonds so selected for redemption. For purposes of such

[*] Preliminary, subject to change.

selection, Bonds will be deemed to be composed of $5,000 multiples of principal, and any such multiple may be separately redeemed. So long as a book-entry system is used for the Bonds, selection of Bonds for redemption will be made according to DTC's practices. See Appendix E – "Book-Entry Only System" attached hereto.

Notice of Redemption. Notice of redemption will be mailed by first-class mail, postage prepaid, by the Trustee, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective Holders of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption will state, among other things, the redemption date, the redemption price, the name and appropriate address of the Trustee and that from and after such redemption date interest thereon will cease to accrue, and will require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice. With regard to an optional redemption, in the event that the funds required to pay the redemption price are not on deposit with the Trustee at the time the notice of redemption is to be sent, the notice of redemption will include a statement to the effect that the redemption is conditioned upon the receipt of the appropriate funds required to pay the redemption price by the Trustee on or prior to the redemption date. Failure to receive such notice will not invalidate any of the proceedings taken in connection with such redemption.

If notice of redemption has been duly given as provided in the Indenture and money for the payment of the redemption price of the Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice Bonds so called for redemption will become due and payable, and from and after the date so designated interest on such Bonds will cease to accrue, and the Holders of such Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed pursuant to the Indenture will be cancelled by the Trustee and will be destroyed with a certificate of destruction furnished to the Authority upon its request and will not be reissued.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Pledge of Revenues

Under the Indenture, all Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established under the Indenture (other than amounts on deposit in the Project Fund and the Rebate Fund) are irrevocably pledged to the payment of the principal of and interest on the Bonds as provided in the Indenture. "Revenues" means (i) all rents, receipts, installment payments, and other income derived by the Authority or the Trustee pursuant to or otherwise under or in respect of the Sublease, and (ii) all interest or other income from any investment of any money in any fund or account established pursuant to this Indenture (other than the Project Fund), but not including amounts, including investment income, received for or on deposit in the Rebate Fund; provided that such term will not include certain amounts payable by the County to the Authority or to the Trustee or any other person as Additional Payments pursuant to the Sublease.

Base Rental and Additional Rental

The Sublease requires the County to pay Base Rental for the use and possession of the Facility and to pay, as Additional Rental, any taxes, assessments and insurance premiums with respect to the Facility and to the extent not paid out of proceeds of the Bonds, the fees and expenses of the Trustee and any other fees, costs or expenses incurred by the County or the Authority in connection with the execution, performance or enforcement of the Sublease or any assignment thereof or the Indenture or any

of the transactions contemplated thereby or related to the Facility. The County has agreed to deposit with the Trustee the Base Rental payable under the Sublease due on or prior to each such Base Rental Payment Date. The County's obligation to pay Base Rental under the Sublease will commence on the date of issuance of the Bonds. Base Rental payments under the Sublease are scheduled to be sufficient to pay principal of and interest on the Bonds when due.

The County has covenanted in the Sublease to pay, first from Net Revenues and then from any legally available funds, Base Rental, and, to the extent that Net Revenues are expected to be insufficient to make Base Rental in any fiscal year, to take such action as may be necessary to include all Base Rental and Additional Rental payments for the Facility (less the amounts of such Base Rental and Additional Rental reasonably expected to be paid from Net Revenues) in its annual budgets and to make the necessary annual appropriations therefor (except to the extent such payments are abated as permitted under the Sublease). See Appendix D –"Summary of Certain Provisions of the Principal Legal Documents – The Sublease" attached hereto.

"Net Revenues" means, for purposes of the Sublease, [net] revenues produced by the operation of the Facility pursuant to the Calabasas Agreement. "Net Revenues" under the Calabasas Agreement, are for any Bond Year (as defined in the Indenture), the Revenues during such Bond Year less the Maintenance and Operation Costs of the Project during such Bond Year. Under the Calabasas Agreement, "Revenues" means all gross income and revenue received [or receivable] by the County or the District from the ownership or operation of the Facility, determined in accordance with Generally Accepted Accounting Principles, including all payments received by the County or the District from the sale of gas and the other services of the Facility, tipping fee revenues, all proceeds of business interruption insurance or extra expense insurance relating to the Facility, proceeds of other insurance relating to the Facility and proceeds of eminent domain proceedings, in each case to the extent such proceeds are to be treated as Revenues under the Indenture, investment income (to the extent generally available to pay costs of the Facility); and all other money howsoever derived by the County or the District from the ownership or operation of the Facility or otherwise arising from the Facility; and "Maintenance and Operation Costs" means, for any period, the reasonable and necessary costs paid or incurred by the County or the District for maintaining and operating the Facility, determined in accordance with Generally Accepted Accounting Principles, including (among other things) all required closure and post-closure maintenance funding, all reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Facility in good repair and working order, and including all administrative costs of the County or the District that are charged directly or apportioned to the operation of the Facility, salaries and wages of employees, overhead, insurance, taxes (if any) and insurance premiums, and including all other necessary and reasonable costs of the County or the District or charges required to be paid by it to comply with the terms of the Law, the Indenture or the Bonds, such as compensation, reimbursement and indemnification of the Trustee and fees and expenses of Independent Engineers; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, costs of capital additions, replacements, betterments, extensions, or improvements to the Facility, which under Generally Accepted Accounting Principles are charged to a capital account or to a reserve for depreciation, and excluding any payment of debt service on the Bonds. The definitions of Revenues and Maintenance and Operation Costs under the Calabasas Agreement exclude all revenues and costs of any future methane gas facility to be developed or financed at the Facility if, at the time of such development or financing, the County and the District approve such exclusion. Net Revenues are not pledged to the Trustee for the benefit of the Bondholders.

Subject to the provisions of the Sublease relating to abatement, the County's obligation to make rental payments in the amounts and on the terms and conditions specified in the Sublease will be absolute and unconditional without any right of setoff or counterclaim. To the extent that Net Revenues are expected to be insufficient to make Base Rental in any fiscal year, the County has covenanted in the

Sublease to take such action as may be necessary to include all Base Rental and Additional Rental payments for the Facility (less the amounts of such Base Rental and Additional Rental reasonably expected to be paid from Net Revenues) in its annual budgets and to make the necessary annual appropriations therefor (except to the extent such payments are abated as permitted under the Sublease). The Sublease provides that the covenants on the part of the County contained therein, will be deemed to be and will be construed to be ministerial duties imposed by law and it will be the ministerial duty of each and every public official of the County to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the County to carry out and perform the covenants and agreements on the part of the County contained in the Sublease. See Appendix D – "Summary of Certain Provisions of the Principal Legal Documents – The Sublease" attached hereto.

Notwithstanding any other provision of the Sublease or the Indenture, in no event will the Authority or the Trustee have the right to accelerate the payment of any Base Rental under the Sublease and there is no remedy to relet the Facility upon the occurrence of an Event of Default under the Sublease.

Base Rental payments are scheduled to be paid as set forth below:

Lease Payment Date[1]	Principal Component	Interest Component	Base Rental Payment
	$	$	$

[1] Due on June 1 and December 1 of each year, commencing on June 1, 2006.

Pursuant to the Indenture, the Authority has assigned to the Trustee all of its rights and remedies under the Sublease (other than rights to receive additional payments and certain rights to indemnifications therein), including, without limitation, proceeds of insurance policies as specified in the Sublease. See Appendix D – "Summary of Certain Provisions of the Principal Legal Documents –The Indenture" attached hereto.

The Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues as provided herein, and the Authority is not obligated to pay them except from the Revenues. All the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds as provided in the Indenture. The Bonds are not a debt of the County, the State or any of its political subdivisions, and neither the County, the State nor any of its political subdivisions is liable thereon, nor in any event will the Bonds be payable out of any funds or properties other than those of the Authority as provided in the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

The obligation of the County to make Base Rental or Additional Rental payments under the Sublease does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the County to make Base Rental or Additional Rental payments constitutes an indebtedness of the County, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Reserve Fund

The Reserve Fund will be held by the Trustee and maintained by the Trustee in the amount of the Reserve Fund Requirement, as provided in the Indenture. All money in the Reserve Fund will be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account or the Principal Account, in that order, in the event of any deficiency at any time in either of such accounts, except that so long as the Authority is not in default under the Indenture, any cash amounts in the Reserve Fund in excess of the Reserve Fund Requirement will be transferred, if permitted by the Indenture, to the Rebate Fund, if necessary, or to the Revenue Fund to pay principal of the Bonds. Amounts on deposit in the Reserve Fund will be applied by the Trustee to the final payment of the Bonds when such amount equals the principal of and interest on the Bonds Outstanding. "Reserve Fund Requirement" means, at any time of calculation, with respect to all Outstanding Bonds, an amount equal to the least of (i) Maximum Annual Debt Service for the Bonds, (ii) 125% of the average annual Debt Service for the Bonds, and (iii) ten percent (10%) of the stated principal amount of the Bonds. "Maximum Annual Debt Service" means, as of any date, with respect to Bonds, the maximum amount of Debt Service coming due on such Bonds in the then current or any future Fiscal Year. "Debt Service" means, for any Fiscal Year or other period, the sum of (1) the interest accruing during such Fiscal Year or period on all Outstanding Bonds, assuming that all Outstanding Bonds are redeemed or paid from sinking account payments as scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds), and (2) that portion of the principal amount of all Outstanding Bonds required to be redeemed or paid on the next succeeding redemption date (together with the redemption premiums, if any, thereon) that would have accrued during such Fiscal Year or period if such principal amount (and redemption premiums) were deemed to accrue daily in equal amounts from the next preceding redemption date or during the year preceding the first redemption date, as the case may be. See Appendix D – "Summary of Certain Provisions of the Principal Legal Documents – The Indenture" attached hereto.

Refuse Rate Setting under the Calabasas Agreement

The Bonds are payable from Revenues, which consist of Base Rental and Additional Rental payments. Base Rental and Additional Rental are payable first from Net Revenues. The County and the District have agreed in the Calabasas Agreement to fix from time to time the prices to be charged for the disposal of refuse at the Facility, as determined by the County, after consultation with and advisement by the District, to effectuate the purposes of the Calabasas Agreement. The prices will be established at such level as will be sufficient to produce revenues which are adequate to fund the District's immediate requirements for the Facility site, including (1) to provide and pay for the District's cost of site development and implementation, operation and maintenance, site beautification, closure, postclosure maintenance including financial assurances therefor as required by law, and, if necessary, liabilities and obligations assumed in agreements with others of the rights and powers granted to the District in the Calabasas Agreement with respect to landfill gas generated at the Facility, (2) to fund the Net Economic Benefits Account as provided in the Calabasas Agreement, and (3) to produce Net Revenues sufficient to pay debt service on the Bonds for each Bond Year, including provision for payment of the next succeeding installment of payments on the Bonds. Net Revenues are not pledged to the Trustee for the benefit of the Bondholders and the Trustee and the Bondholders are not entitled to enforce the terms of the Calabasas Agreement. In addition, the Calabasas Agreement may be amended from time to time by the County and the District without the prior consent of the Holders of the Bonds.

Abatement

A proportionate amount of Base Rental will be abated during any period in which, by reason of material damage, destruction, condemnation, theft or defects in the title to the Facility or a portion thereof, there is substantial interference with the use and possession of any material portion of the Facility

by the County. There will be no abatement of Base Rental to the extent that moneys are (a) on deposit with the Trustee in the Revenue Fund and the Reserve Fund, (b) amounts received in respect of rental interruption insurance, title insurance, condemnation awards and liquidated damages, if any, relating to the Facility, and (c) amounts, if any, otherwise legally available to the County and deposited with the Trustee for the purpose of making payments in respect of the Bonds, including Net Revenues. The amount of any abatement will be such that the resulting Base Rental in any Fiscal Year during which such interference continues, excluding any amounts described in clauses (a) through (c) above, does not exceed the total fair rental value of the remaining portions of the Facility as to which such damage, destruction, condemnation, theft or title defect do not substantially interfere with the County's right of use or possession. Any such abatement will continue for the period commencing with the date on which any interference with the County's right to use or possession of the Facility, or a material portion thereof, as a result of such damage, destruction, condemnation, theft or title defect commences and ending with the restoration of the Facility, or the affected portion thereof, to tenantable condition. See Appendix D – "Summary of Certain Provisions of the Principal Legal Documents – The Sublease – Abatement" attached hereto.

Insurance

The County has covenanted in the Sublease to obtain certain types of insurance, including rental interruption insurance, all-risk insurance, general liability coverage, workers' compensation insurance and title insurance policies, from outside insurers, so long as such insurance, except for rental interruption insurance, is offered by reputable insurers at a reasonable cost in the open market. If the County determines that any such insurance, except for all-risk and rental interruption insurance, is not offered by reputable insurers at a reasonable cost on the open market, or for any other reason the County elects, the County will self-insure those risks for which insurance is otherwise required. The County has agreed not to self-insure for rental interruption insurance. No assurance can be given that such insurance will be offered by reputable insurers at a reasonable cost on the open market during the entire term of the Sublease. See "Risk Factors – Abatement" herein.

Additional Bonds

Subject to compliance with the conditions set forth in the Indenture, the Trustee, the Authority and the County may by execution of a supplemental indenture, without the consent of the Owners, provide for the issuance and sale of Additional Bonds payable on a parity with the Bonds from Revenues. See Appendix D – "Summary of Certain Provisions of the Principal Legal Documents – The Indenture" attached hereto.

BOND INSURANCE

The following information has been furnished by _____ for use in this Official Statement. Reference is made to Appendix H attached hereto for a form of the Insurance Policy.

[To Come]

THE FACILITY

General

The County's solid waste management system includes the Facility, transfer stations, recycling operations and other related programs and administration activities. The Facility provides disposal

capacity for the communities of Agoura Hills, Calabasas, Hidden Hills, Malibu, and Westlake Village, the north-western portion of the City of Los Angeles, the western portion of the unincorporated County and the southern portion of Ventura County (the "Service Area"). See "The Facility - Sources of Solid Waste" herein. The Facility is located between the cites of Agoura and Calabasas, California, north of the Ventura Freeway (U.S. 101) in unincorporated Los Angeles County, within the Santa Monica Mountains National Recreation Area and near the County border with Ventura County. The Facility is located on 505 acres, of which 416 acres are designated for landfill operations, and has been operated since 1961 on County property by the District. The Facility site consists of an internal roadway system, a scale facility, field offices, an equipment service and storage facility, a temporary hazardous waste storage yard, a paved, white goods storage area, a fuel tank facility and a flare station.

The Facility is currently operated as a Class III sanitary landfill in compliance with federal, state and local standards and accepts only non-hazardous municipal solid waste. All refuse loads are weighed at the scale facility, where they are also screened for the presence of any radioactive wastes and data regarding the quantity of waste received and its jurisdiction of origin are also collected. Thereafter, the trucks proceed to the appropriate disposal area. Green waste, including brush, grass clippings and larger wood waste material, refrigerants from refrigerators and air conditioners, and large, recoverable metallic items and appliances are separated from the refuse loads and processed at their respective facilities. Compactors are used to compact the remaining waste. A daily cover, consisting of both excavated soil and green waste, is applied to the waste at the end of each day of operation to control disease, vectors, fires, odors, blowing litter and scavenging. Additional covers, consisting of materials with specified hydraulic conductivity, are placed over the surfaces pursuant to applicable law.

Operation and Maintenance of the Facility

The Facility is operated and maintained by the District pursuant to the Calabasas Agreement. The District's rights and obligations under the Calabasas Agreement extend until December 31, 2012 and will continue annually thereafter until terminated by mutual agreement of the County and the District, subject to certain limitations. The Calabasas Agreement provides for, among other things, the rates applicable to the disposal of refuse at the Facility, the closure and post-closure conditions of the Facility, and certain site development and project implementation by the District. The District employs approximately 40 individuals at the Facility who are responsible for most of the design, permitting, reporting and all operations at the Facility. The District's staff includes administration personnel, engineers, equipment operators, ground maintenance workers, site attendants, mechanics and scale operators. Although the District periodically solicits services from private companies to execute various services, such as consulting, engineering, water and soil testing and other site maintenance activities, much of the design and construction activities are performed by the District. The District also provides comprehensive employee training, with the primary purpose being to improve and protect the health and safety of site workers. The Facility is financially distinct from the other solid waste operations of the District, and the District is not responsible for payment of debt service on the Bonds.

Capacity of the Facility

The Facility has a permitted daily operating capacity of 3,500 tons per day ("tpd") and an estimated remaining tonnage capacity of approximately 21.1 million cubic yards and 9.7 million tons of waste as of June 30, 2005. Actual rates of disposal averaged 1,775 tpd during fiscal year 2005. Over the past five years, the amount disposed has ranged from 343,500 tons per year to 549,600 tons per year. The Project is required in order for the Facility to continue operations in 2005. Depending on the actual future waste delivery rate, the Facility is expected to have between 15 to 25 years of remaining life. Factors that could affect the life of the site will include major shifts in waste flow to another Facility, reductions in waste due to increased material recovery, improvements in the use of daily or intermediate cover usage,

increased waste deliveries as a result of increased waste generation in the Service Area due to more rapid population growth or generation rates, or changes in the allowed Service Area, catastrophic events such as major earthquakes and waste flows out of the waste-shed boundaries. See Appendix C - "Los Angeles County Calabasas Landfill Liner Construction Project Consulting Engineer's Feasibility Report - Project and Landfill Description" attached hereto.

Revenues of the Facility

The County expects that Net Revenues of the Facility will be the primary source of funds for Base Rental payments under the Sublease. See "Security and Sources of Payment for the Bonds – Base Rental and Additional Rental" herein. Net Revenues are derived from revenues of the Facility, which consist of tipping fee revenues (which include all customer gate fees for disposal services), interest and other revenues (which include revenues from the sale of marketable byproducts, such as recovered metals) and other sources, including transfers from the Los Angeles County Refuse Disposal Trust Fund to fund certain Facility development projects. The following table sets forth the revenues of the Facility for fiscal year 2001 through fiscal year 2005.

Historical Revenues
Fiscal Years 2001 through 2005
(in thousands)

	2001	2002	2003	2004	2005
Tip Fees	$ 9,357	$ 9,944	$11,377	$14,518	$15,850
Interest & Other Revenue	212	103	116	93	82
Joint Administrative Office Liability Reserve	84	141	-40	-40	-40
Other Sources	710	2,433	7,271	2,579	5,550
	$10,363	$12,621	$18,724	$17,150	$21,442

The County intends to establish the tipping fee for Class I waste disposal at the Facility each fiscal year, based on the anticipated budgetary requirements for waste disposal in the region. Corollary increases in the tipping fees for the other waste categories, including green waste, would also be established annually. The disposal fees are charged to all solid waste delivered to the Facility from Service Area sources. Private haulers, municipalities and other credit customers are billed on a monthly basis for the waste deliveries. See Appendix C - "Los Angeles County Calabasas Landfill Liner Construction Project Consulting Engineer's Feasibility Report - Project and Landfill Description" attached hereto.

Regulatory Matters

The Facility is designed to operate in a manner consistent with, among other things, federal Subtitle D regulations and the California Code of Regulations for landfills under Title 27 Division 2. Compliance with these regulations require satisfaction of specific operating criteria, including the control of contaminated water, gas management, application of appropriate quantities of daily and intermediate cover and surface water protection. The Facility is currently in compliance with all permits [confirm] and all applicable federal and State laws and regulations. See "Risk Factors – Regulatory Risk" herein and Appendix C – "Los Angeles County Calabasas Landfill Liner Construction Project Consulting Engineer's Feasibility Report – Regulatory Status" attached hereto.

The District filed an application with the South Coast Air Quality Management District (the "Air Quality Management District") on March 23, 1998 to obtain the necessary permits for the construction and operation of the landfill gas control systems at the Facility. Preparation of a draft Title V permit by

the Air Quality Management District is currently pending. After the Air Quality Management District has prepared the draft Title V permit, it will be made available for public review and comment and will be sent to the U.S. Environmental Protection Agency (the "EPA") for review and comment. A final Title V permit incorporating all pertinent public and EPA comments will then be issued. Once issued, the Title V permit will replace all of the individual Permits to Operate in force at that time. No significant changes are currently anticipated. The District holds current individual Air Quality Management District permits for each potential emission source, including its condensate\leachate storage tanks, landfill gas system, fuel storage and dispensing system, and ten microturbines. [Any anticipated problems with respect any of the pending permit?]

[In 1990, in response to a statistically significant increase in water quality indicator parameters in excess of water quality protection standards, the District developed a verification monitoring program and submitted the work plan to the Regional Water Quality Control Board - Los Angeles Region (the "Regional Board"). The Regional Board has issued a number of orders regarding groundwater monitoring and reporting requirements for the Facility. [Discussions with the Regional Board indicate that the Regional Board does not currently intend to require any further action.]]

[In 2002, the State Water Resources Control Board (the "State Water Board") required several landfills throughout the State, including the Facility, to analyze for radioactive constituents in background and down-gradient ground waters and in liquid collection and removal system liquids. The results of the required sampling program were submitted to the State Water Board and the District has further investigated the source of uranium and gross beta results at the Facility. The follow-up reports indicate that background uranium occurs in Facility bedrock at elevated levels and that uranium daughter products and naturally occurring potassium40 account for the measured gross beta levels. [Discussions with the Regional Board indicate that the Regional Board does not currently intend to require any further action.]]

Sources of Solid Waste

The Facility's Service Area consists of approximately 300 square miles in western Los Angeles County and southeastern Ventura County. Municipal solid waste from portions of the County and Ventura County is disposed at the Facility. Pursuant to Title 12 of the County Code, no person will dispose of or tender for disposal at the Facility any solid waste which has its origin outside a certain wasteshed area that includes the incorporated cities of Hidden Hills, Agoura Hills, Westlake Village and Thousand Oaks, a certain portion of the City of Los Angeles bordering Interstate Highway 405 and certain unincorporated areas in the County and the County of Ventura.

RISK FACTORS

The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Bonds.

Not a Pledge of Taxes

The Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues as provided herein, and the Authority is not obligated to pay them except from the Revenues. All the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds as provided in the Indenture. The Bonds are not a debt of the Authority, the State or any of its political subdivisions, and neither the Authority, said State nor any of its political subdivisions is liable thereon, nor in any event will the Bonds be payable out of any funds or properties other than

those of the Authority as provided in the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

The obligation of the County to make Base Rental or Additional Rental payments under the Sublease does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the County to make Base Rental or Additional Rental payments constitutes an indebtedness of the County, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Although the Sublease does not create a pledge, lien or encumbrance upon the funds of the County, the County is obligated under the Sublease to pay, to the extent that Net Revenues are expected to be insufficient to make Base Rental or Additional Rental payments in any fiscal year, Base Rental from any source of legally available funds (subject to certain exceptions) and the County has covenanted in the Sublease that, for as long as the Facility is available for its use and possession, the County will take such action as may be necessary to include all Base Rental and Additional Rental payments (less the amounts of such Base Rental and Additional Rental reasonably expected to be paid from Net Revenues) due under the Sublease in any Fiscal Year during the term of the Sublease in its annual budgets for the Fiscal Year and to make the necessary annual appropriations for all such Base Rental and Additional Rental payments (except to the extent such payments are abated as described herein). The County is currently liable on other obligations payable from general revenues.

Additional Obligations of the County

The County has the capability to enter into other obligations which may constitute additional charges against its revenues. To the extent that additional obligations are incurred by the County, the funds available to make Base Rental payments may be decreased.

To the extent that Net Revenues are expected to be insufficient to make Base Rental or Additional Rental payments in any fiscal year, the Base Rental payments and other payments due under the Sublease (including payment of costs of repair and maintenance of the Facility, taxes and other governmental charges levied against the Facility) will be payable from funds lawfully available to the County. In the event that the amounts which the County is obligated to pay in a Fiscal Year exceed the County's revenues for such year, the County may choose to make some payments rather than making other payments, including Base Rental payments, based on the perceived needs of the County. The same result could occur if, because of California constitutional limits on expenditures, the County is not permitted to appropriate and spend all of its available revenues. In such event, the County may not have sufficient funds available to pay principal of and interest on the Bonds when due.

Default; Remedies Upon Default; No Right of Relet

Upon the occurrence of an Event of Default under the Sublease, the Trustee must thereafter maintain the Sublease in full force and effect and may only recover rent and other monetary charges as they become due, all without terminating the County's right to possession of the Facility regardless of whether or not the County has abandoned the Facility. This is the sole and exclusive remedy available against the County under the Sublease or otherwise in the event of a default under the Sublease. There is no remedy of acceleration of the total Base Rental payments due over the term of the Sublease, nor is the Trustee empowered to sell the Facility and use the proceeds of such sale to redeem the Bonds or pay debt service thereon. The County shall remain liable and agrees to keep or perform all covenants and conditions contained in the Sublease to be kept or performed by the County and, to pay the rent to the end of the term of the Sublease and further agrees to pay such rent and/or rent deficiency punctually at the

same time and in the same manner as provided in the Sublease for the payment of rent thereunder (without acceleration). The Trustee would be required to seek a separate judgment each year for that year's defaulted Base Rental payments. Any such suit for money damages would be subject to limitations on legal remedies against counties in the State, including a limitation on enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Base Rental payments were due and against funds needed to serve the public welfare and interest.

Limitations on Remedies

In the event of a default, there is no remedy of acceleration of the total Base Rental payments due over the term of the Sublease and the Trustee is not empowered to sell the Facility and use the proceeds of such sale to redeem the Bonds or pay debt service thereon or repossess the Facility in any way. More specifically, the Trustee does not have the right: (i) to demand that the County return the Facility; (ii) to enter upon the premises where the Facility is located and take possession of or remove the same by summary proceedings or in any other manner; (iii) to terminate the Sublease and sell the Facility or otherwise dispose of, hold, use, operate, lease to others or keep idle the Facility; or (iv) to retake possession of the Facility in any manner.

Under the terms of the Sublease, the Trustee has the right to recover Base Rental payments as they become due under the Sublease. The County will be liable only for Base Rental payments on an annual basis, and the Trustee would be required to seek a separate judgment each year for that year's defaulted Base Rental payments. Any such suit for money damages would be subject to limitations on legal remedies against counties in the State, including a limitation on enforcement of judgments against funds of a Fiscal Year other than the Fiscal Year in which the Base Rental payments were due and against funds needed to serve the public welfare and interest.

Additionally, enforceability of the rights and remedies of the Bondowners, and the obligations incurred by the Authority and the County, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against counties in the State. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Bondowners to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Adequacy of County Insurance Reserves or Insurance Proceeds

The County may self-insure for certain types of insurance required under the Sublease. See "Security and Sources of Payment for the Bonds – Insurance" herein. The County intends to self-insure for workers' compensation insurance and general liability insurance with respect to the Facility. If the County elects to self-insure against other risks, no assurance can be given that the insurance reserves established by the County will be sufficient to satisfy any loss which the County may experience. If the County's self-insurance reserves are inadequate or if the County receives insufficient commercial insurance proceeds to repair or replace any portion of the Facility which is damaged or destroyed, the amount of Base Rental payable under the Sublease could be abated. See "Security and Sources of Payment for the Bonds – Abatement" and "Risk Factors – Abatement" herein.

Abatement

Except to the extent of (i) amounts held by the Trustee in the Revenue Fund and the Reserve Fund, (ii) amounts received in respect of rental interruption insurance, title insurance, condemnation awards and liquidated damages, if any, relating to the Facility and (iii) amounts, if any, otherwise legally available to the County and deposited with the Trustee for the purpose of making payments in respect of the Bonds, including Net Revenues, rental payments under the Sublease will be abated in whole in part during any period in which, by reason of material damage, destruction, condemnation, theft or defects in the title to the Facility or a portion thereof, there is substantial interference with the County's right of use or possession of the Facility or any material portion thereof. In the event of an abatement, the amount of rental abatement will be such that the resulting total Base Rental in any Fiscal Year during which such interference continues excluding any amounts described in clauses (a) through (c) above, do not exceed the total fair rental value of the remaining portions of the Facility as to which such damage, destruction, condemnation, theft or title defect do not substantially interfere with the County's right of use or possession. Any such abatement will continue for the period commencing with the date on which any interference with the County's right to use or possession of the Facility, or a material portion thereof, as a result of such material damage, destruction, condemnation, theft or title defect commences and ending with the restoration of the Facility, or the affected portion thereof, to tenantable condition.

Flow Control Considerations

The Bonds are payable from Revenues, which consists of Base Rental and Additional Rental payments. Net Revenues are not pledged to the Trustee for the benefit of the Holders of the Bonds. Base Rental and Additional Rental are payable from Net Revenues. The County has agreed in the Calabasas Agreement to fix from time to time the prices to be charged for the disposal of refuse at the Facility as will be sufficient to produce revenues which are adequate to fund the District's immediate requirements for the Facility site, including producing Net Revenues sufficient to pay debt service on the Bonds for each Bond Year, including provision for payment of the next succeeding installment of payments on the Bonds. See "Security and Sources of Payment for the Bonds – Refuse Rate Setting under the Calabasas Agreement" herein.

The ability of the Facility to generate Net Revenues in an amount sufficient to comply with this requirement in the Calabasas Agreement depends on the continuing ability of the Facility to attract waste for disposal as tipping fees. Haulers of solid waste generally have no legal or contractual obligation to utilize the Facility. In the event that, for any reason (including those reasons described herein) the tipping fees charged at the Facility are no longer competitive with available alternate waste disposal locations (whether due to increases in tipping fees at the Facility or to decreases in the prevailing costs at alternate locations, or a combination of the foregoing), such circumstances could result in significant decreases in the amount of waste delivered to the Facility. There can be no assurances that such circumstances will not have a material adverse impact on the ability of the Facility to generate Net Revenues in the amounts contemplated by the Calabasas Agreement. To the extent that Net Revenues are expected to be insufficient to make Base Rental in any fiscal year, the County has covenanted in the Sublease to pay Base Rental from any legally available funds and to take such action as may be necessary to include all Base Rental and Additional Rental payments for the Facility (less the amounts of such Base Rental and Additional Rental reasonably expected to be paid from Net Revenues) in its annual budgets and to make the necessary annual appropriations therefor (except to the extent such payments are abated as permitted under the Sublease). See Appendix D –"Summary of Certain Provisions of the Principal Legal Documents – The Sublease" attached hereto.

Regulation

Laws and regulations governing solid waste management are enacted and promulgated by government agencies on the federal, state and local levels. These laws and regulations address air quality requirements; the design, construction, operation, maintenance, closure and post–closure maintenance of various types of facilities; acceptable and prohibited waste types; and inspection, permitting, environmental monitoring and solid waste recycling requirements. Laws and regulations at both the State and federal levels impose retroactive liability, particularly with respect to cleanup activities, relating to landfill sites. Compliance with these laws and regulations may be costly, and, as more stringent standards are developed to protect the environment, these costs will likely increase. The cost of complying with current or future regulations may be significant. Such costs are payable from Net Revenues or from other legally available sources. The County has covenanted in the Calabasas Agreement to establish prices for the disposal of refuse at a level sufficient to produce revenues which are adequate to fund District's immediate requirements for the Facility, including to produce Net Revenues sufficient to pay debt service on the Bonds for each Bond Year, including provision for payment of the next succeeding installment of payments on the Bonds. See "Security and Sources of Payment for the Bonds - Refuse Rate Setting under the Calabasas Agreement" herein. No assurance can be given that the cost of compliance with such laws and regulations will not materially adversely affect the ability of the Facility to generate Net Revenues in the amounts required by the Calabasas Agreement. To the extent that Net Revenues are expected to be insufficient to make Base Rental in any fiscal year, the County has covenanted in the Sublease to pay Base Rental from any legally available funds and to take such action as may be necessary to include all Base Rental and Additional Rental payments for the Facility (less the amounts of such Base Rental and Additional Rental reasonably expected to be paid from Net Revenues) in its annual budgets and to make the necessary annual appropriations therefor (except to the extent such payments are abated as permitted under the Sublease). See Appendix D –"Summary of Certain Provisions of the Principal Legal Documents – The Sublease" attached hereto.

Seismic Events

The Facility is located within a seismically active area, and damage from an earthquake could be substantial. If the proceeds of any earthquake insurance were insufficient to replace or repair the damage caused to the Facility, the County would be limited to its general fund, reserves, and emergency grants, if any, in seeking to make appropriate repairs. Pending such repairs, and except to the extent of amounts held by the Trustee for the purpose of making payments in respect of the Bonds, including Net Revenues, the County's obligation to make Base Rental payments would be subject to abatement. See "Risk Factors – Abatement" herein.

TAX MATTERS

In the opinion of Squire, Sanders & Dempsey L.L.P., Los Angeles, California, Bond Counsel, under existing law, (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) interest on the Bonds is exempt from State of California personal income taxes. An opinion to those effects will be included in the legal opinion of Bond Counsel. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix F. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Authority and the County to be contained in the transcript of proceedings for the Bonds and that are intended to

evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with these requirements by the Authority or the County may cause the interest on the Bonds to be included in gross income for federal income tax purposes and thus to be subject to federal income tax retroactively to the date of issuance of the Bonds. The Authority and the County have each covenanted to take the actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

Under the Code, a portion of the interest on the Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. In addition, interest on the Bonds may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States and to a tax imposed on excess net passive income of certain S corporations.

Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Purchasers of the Bonds at other than their original issuance at the respective prices indicated on the cover of this Official Statement should consult their own tax advisers regarding other tax considerations such as the consequences of market discount or premium.

Original Issue Premium

Certain of the Bonds ("Premium Bonds"), indicated on the cover of this Official Statement as having yields less than their respective interest rates, were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial offering at the price for that Premium Bond stated on the cover of this Official Statement, who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond), will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of bond premium properly accruable in any period with respect to the Premium Bonds and as to other federal tax consequences and the treatment of bond premium for state and local tax on, or based on, income.

CONTINUING DISCLOSURE

Pursuant to the Continuing Disclosure Agreement, the County has agreed to provide, or cause to be provided, not later than February 1 in each year, commencing with the report for the County's fiscal year ended June 30, 2005, to each nationally recognized municipal securities information repository and each Respository (as defined in the Continuing Disclosure Agreement) certain annual report, including the County's financial statements and certain updated information for the prior fiscal year, as set forth in the form of Continuing Disclosure Agreement attached hereto as Appendix G. In addition, the County has agreed to give, or cause to be given, to each Repository in a timely manner notice of the following listed events if determined by the County to be material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on the debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of any credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the security; (7) modifications to rights of security holders; (8) bond calls other than mandatory sinking fund redemptions; (9) defeasances; (10) release, substitutions, or sale of property, if any, securing repayment of the respective series of the Bonds; and (11) rating changes. These covenants have been made in order to assist the Underwriters in complying with the Rule. The County has never failed to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of material events.

The County may amend the Continuing Disclosure Agreement, and any provision of the Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied: (a) if the amendment or waiver relates to the provisions in connection with the content and provisions of the Annual Reports or Significant Events (each as defined in the Continuing Disclosure Agreement), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (b) the undertakings, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders of the Bonds, or (ii) does not, in the opinion of the Authority or nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

CERTAIN LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Squire, Sanders & Dempsey L.L.P., Los Angeles, California, Bond Counsel. The proposed form of opinion of Bond Counsel is contained in Appendix F hereto. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, Los Angeles, California and for the County and the Authority by County Counsel.

FINANCIAL ADVISOR

Montague DeRose and Associates, LLC served as Financial Advisor in connection with the issuance of the Bonds. The Financial Advisor has not been engaged, nor have they undertaken, to make an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

LITIGATION

No litigation is pending, or to the best knowledge of the County and the Authority, threatened against the County or the Authority concerning the validity of the Bonds or challenging any action taken by the County or the Authority in connection with the authorization of the Indenture or the Sublease or any other document relating to the Bonds to which the County or the Authority is or is to become a party or the performance by the County or the Authority of any of their obligations under any of the foregoing.

There are a number of lawsuits and claims pending against the County. Included in these are a number of property damage, personal injury and wrongful death actions seeking damages in excess of the County's insurance limits. In the opinion of the County Counsel, such suits and claims as are presently pending will not materially impair the ability of the County to make Base Rental payments. See Appendix A – "The County of Los Angeles Information Statement – Litigation" attached hereto.

RATINGS

Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") have assigned the Bonds ratings of "___," "___" and "___," respectively, based on the understanding that the Insurer will issue its Policy concurrently with the issuance of the Bonds. Such ratings reflect only the views of Fitch, Moody's and Standard & Poor's, and do not constitute a recommendation to buy, sell or hold the Bonds. Explanation of the significance of such ratings may be obtained only from the respective organizations at: Fitch Ratings, 33 Whitehall Street, 27th Floor, New York, New York 10004; Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007-2796 and Standard & Poor's, a division of The McGraw-Hill Companies, Inc., 55 Water Street, New York, New York 10041. There is no assurance that any such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the respective rating agencies, if in the judgment of any such rating agency circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Underwriters have agreed to purchase the Bonds from the County and the Authority at an aggregate purchase price of $_____ (consisting of the aggregate principal amount thereof plus net original issue premium of $_____ and less underwriters' discount of $_____), pursuant to the terms of the Bond Purchase Agreement. The Bond Purchase Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters will be obligated to purchase all of the Bonds offered under the Bond Purchase Agreement if any of the Bonds offered thereunder are purchased.

ADDITIONAL INFORMATION

Included herein are brief summaries of certain documents and reports, which summaries do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Indenture, the Site Lease and the Sublease may be obtained upon request from the Trustee at: _____, _____, Attention: Corporate Trust Services. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement among the Authority, the County and the purchasers or Owners of any of the Bonds.

The County regularly prepares a variety of reports, including audits, budgets, and related documents, as well as certain monthly activity reports. Any Owner may obtain a copy of any such report, as available, from the County at the address set forth below.

This Official Statement and its distribution have been duly authorized by the County and the Authority.

GLENN BYERS
DIRECTOR OF PUBLIC FINANCE
COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR
KENNETH HAHN HALL OF ADMINISTRATION, ROOM 432
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012
(213) 974-7175

APPENDIX A

THE COUNTY OF LOS ANGELES INFORMATION STATEMENT

APPENDIX B

THE COUNTY OF LOS ANGELES AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2004

APPENDIX C

LOS ANGELES COUNTY CALABASAS LANDFILL LINER CONSTRUCTION PROJECT CONSULTING ENGINEER'S FEASIBILITY REPORT

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix E concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book entry system has been obtained from DTC, and the Authority, the County and the Underwriters take no responsibility for the completeness or accuracy thereof. The Authority, the County and the Underwriters cannot and do not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix E. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (respectively, "NSCC," "GSCC," "MBSCC," and "EMCC," also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the

Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

Redemption notices will be sent to DTC. The conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants and by DTC Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify a Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption or of any other action premised on such notice. Redemption of portions of the Bonds by the Authority will reduce the outstanding principal amount of the Bonds held by DTC. In such event, DTC will implement, through its book-entry system, a redemption by lot of interest in the Bonds held for the account of DTC Participants in accordance with its own rules or other agreements with DTC Participants and then DTC Participants and Indirect Participants will implement a redemption of the Bonds for the Beneficial Owners.

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

Payments of principal of, premium, if any, and interest evidenced by the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee, or the Authority, subject to any statutory or regulatory

requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest evidenced by the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NONE OF THE AUTHORITY, THE COUNTY, THE UNDERWRITERS OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF BONDS FOR PREPAYMENT.

None of the Authority, the County or the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Bonds paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply.

None of the Authority, the Trustee or the Underwriters can and do not give any assurances that DTC, the Participants or others will distribute payments of principal, interest or premium, if any, evidenced by the Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. None of the Authority, the Trustee or the Underwriters are responsible or liable for the failure of DTC or any Participants to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or an error or delay relating thereto.

APPENDIX F

PROPOSED FORM OF APPROVING OPINION

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX H

FORM OF FINANCIAL GUARANTY INSURANCE POLICY

HD&W - 11/14/05 Draft

$_____

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY LEASE REVENUE BONDS (CALABASAS LANDFILL PROJECT), SERIES 2005

BOND PURCHASE AGREEMENT

December __, 2005

Los Angeles County
Public Works Financing Authority
Los Angeles, California

Board of Supervisors
County of Los Angeles, California
Los Angeles, California

Ladies and Gentlemen:

The undersigned, UBS Financial Services Inc., on behalf of itself and as representative (the "Representative") of the underwriters set forth on Exhibit A hereto (the "Underwriters"), offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the Los Angeles County Public Works Financing Authority (the "Authority") and the County of Los Angeles, a political subdivision of the State of California (the "County"), which, upon acceptance of this offer by the Authority and the County, will be binding upon the Authority, the County and the Underwriters. This offer made is subject to receipt by the Underwriters of the documents referred to in Section 9 hereof and to acceptance by the Authority and the County by execution and delivery of this Bond Purchase Agreement to the Underwriters at or prior to 5:00 P.M., California time, on the date first above written, and if not so accepted will be subject to withdrawal by the Underwriters upon notice delivered to the Authority and the County at any time prior to the acceptance hereof by the Authority and the County.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties, covenants and agreements hereinafter set forth, the Underwriters hereby agree to purchase from the Authority to offer to the public, and the Authority hereby agrees to deliver to the Underwriters for such purpose, all (but not less than all), in the manner provided herein, of the $_____ aggregate principal amount of the Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Calabasas Landfill Project), Series 2005 (the "Series 2005 Bonds"). The Series 2005 Bonds shall be delivered in fully registered form in denominations of $5,000 or any integral multiple thereof. The Series 2005 Bonds shall be dated their date of delivery and mature on the dates and in the principal amounts, and interest with respect thereto shall be computed at the rates, all as shown in Exhibit B. Interest on the Series 2005 Bonds will be payable semiannually each June 1 and December 1,

commencing on June 1, 2006. The Series 2005 Bonds shall otherwise be as described in the Official Statement with respect to the Series 2005 Bonds, dated December __, 2005 (the "Official Statement"), and be subject to redemption as provided in the Official Statement hereinafter mentioned. The aggregate purchase price of the Series 2005 Bonds shall be $_____ (representing the aggregate principal amount of the Series 2005 Bonds, plus net original issue premium of $_____, and less an Underwriters' discount of $_____).

2. The Series 2005 Bonds. The Series 2005 Bonds shall be issued in accordance with Article 4, Chapter 5, Division 7, Title 1 (commencing with Section 6584) of the Government Code of the State of California (the "Act"), that Resolution of the Authority adopted on November 22, 2005 (the "the Authority Resolution"), that Resolution of the County adopted on November 22, 2005 (the "County Resolution") and that Indenture, dated as of December 1, 2005 (the "Indenture"), between the Authority and Deutsche Bank National Trust Company, as the Trustee. The Series 2005 Bonds shall evidence and represent the right to receive principal and interest payments from Base Rental payments (as that term is defined in the Sublease (as defined herein) payable by the County pursuant to that certain Sublease and Option to Purchase, dated as of December 1, 2005 (the "Sublease"), by and between the County and the Authority, relating to certain real property and improvements located thereon (the "Facility"). In connection therewith, the County and the Authority have entered into a Site Lease, dated as of December 1, 2005 (the "Lease"), providing for the lease of the Facility by the County to the Authority. Pursuant to the Indenture, the Authority will assign to the Trustee certain of its rights, title and interest in and to the Lease and the Sublease. Capitalized terms in this Bond Purchase Agreement that are not otherwise defined herein shall have the meanings given to such terms in the Indenture.

The payment of principal and interest with respect to the Series 2005 Bonds, when due, will be insured by a financial guaranty insurance policy (the "Insurance Policy") issued by _____ (the "Insurer").

3. Purpose of Series 2005 Bonds. The Authority will use the proceeds of the Series 2005 Bonds to finance and refinance certain public improvement projects, equipment and furnishings at the Facility, fund a Reserve Fund and pay certain costs of issuance incurred in connection with the issuance of the Series 2005 Bonds.

4. Offering. (a) It shall be a condition to the Authority's obligation to sell and issue the Series 2005 Bonds to the Underwriters and to the Underwriters' obligations to purchase, to accept delivery of and to pay for the Series 2005 Bonds that the entire aggregate principal amount of the Series 2005 Bonds referred to in Section 1 shall be issued by the Authority and purchased, accepted and paid for by the Underwriters at the Closing (as defined herein). The Underwriters agree to make a bona fide public offering of all the Series 2005 Bonds, at prices not in excess of the initial public offering prices or yields for the Series 2005 Bonds as set forth in the Official Statement (as herein defined); provided that the Series 2005 Bonds may be offered and sold to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriters, at prices lower than such public offering prices and may effect transactions that stabilize or maintain the market price of the Series 2005 Bonds. The County and the Authority hereby authorize the use by the Underwriters of this Bond

Purchase Agreement, the Indenture, the Lease, the Sublease, the Authority Resolution, the County Resolution, the Continuing Disclosure Agreement, dated as of December 1, 2005 (the "Continuing Disclosure Agreement") and the Official Statement, and any supplements or amendments thereto, and the information contained in each of such documents, in connection with the public offering and sale of the Series 2005 Bonds (each as defined herein and, collectively, the "Legal Documents").

(b) The Underwriters agree as follows:

(i) to file on or before the date of Closing (as herein defined) a copy of the Official Statement, including any supplements thereto, with a Nationally Recognized Municipal Securities Information Repository (as defined in Rule 15c2-12 (the "Rule") promulgated by the U.S. Securities and Exchange Commission (the "SEC") pursuant to the Securities Act of 1933, as amended); and

(ii) to take any and all actions necessary to comply with rules of the SEC and Municipal Securities Rulemaking Board which are applicable to the Underwriters governing the offering, sale and delivery of the Series 2005 Bonds to the ultimate purchasers.

5. Official Statement. Upon the Authority's and the County's acceptance of this offer, the Authority and the County shall be deemed to have ratified, approved and confirmed the Preliminary Official Statement dated December 1, 2005 (together with any appendices thereto, any documents incorporated therein by reference and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement") with respect to the Series 2005 Bonds, in connection with the public offering and sale of the Series 2005 Bonds by the Underwriters. The Authority shall deliver to the Underwriters copies of the Official Statement in such quantities as the Underwriters shall reasonably request, dated the date hereof, substantially in the form of the Preliminary Official Statement, with only such changes as shall have been accepted by the Representative (said document, including its cover page, inside cover page and appendices, as the same may be amended and supplemented in accordance with this Bond Purchase Agreement and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Official Statement"), approved for distribution pursuant to the Authority Resolution and the County Resolution. The Authority shall, as soon as practicable, but not later than seven (7) business days from the date hereof, deliver to the Underwriters such copies of the Official Statement.

6. Representations, Warranties, Covenants and Agreements of the County. The County hereby represents, warrants, covenants and agrees with the Underwriters as follows:

(a) the County is, and will be on the date of Closing, a political subdivision of the State of California (the "State") organized and operating pursuant to the Constitution and laws of the State with the full power and authority to execute and deliver the Amended Joint Powers Agreement – Calabasas Landfill, dated April 1, 1966 (as amended, the "Calabasas Agreement"), by and between the County and County Sanitation District No. 2 of Los Angeles

County (the "District"), and the Legal Documents to be executed by it and to own its properties and to carry on its business as presently conducted;

(b) by official action of the County, prior to or concurrently with the acceptance hereof, the County has duly authorized and approved the execution and delivery of, and the performance by the County of the obligations on its part contained in, the Calabasas Agreement and the Legal Documents to be executed by it and the consummation by it of all other transactions contemplated by the Calabasas Agreement and the Legal Documents;

(c) this Bond Purchase Agreement, the Preliminary Official Statement and the Official Statement have been, as of the date hereof, and the other Legal Documents and the Calabasas Agreement will have been as of the date of Closing, duly authorized, executed and delivered by the County, and, assuming due authorization, execution and delivery by the other respective parties thereto, constitute legal, valid and binding agreements of the County, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(d) the execution and delivery of the Calabasas Agreement and the Legal Documents by the County and compliance with the provisions on the County's part contained herein and therein, will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or the Facility or its assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the County under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided in the Calabasas Agreement and the Legal Documents executed by the County;

(e) to the best knowledge of the County, the County is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or is otherwise subject, which breach or default would materially adversely affect the County's ability to enter into or perform its obligations under the Calabasas Agreement and the Legal Documents to be executed by it, and, no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach or default;

(f) to the best knowledge of the County, and except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending in which service of process has been completed against the County or threatened against the County in any material respect affecting the existence of the County or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the adoption of the County Resolution or the payment of Base Rental as required under the Sublease or in any way contesting or affecting the validity or enforceability of the Act, the Calabasas Agreement or the Legal

Documents or contesting the powers of the County or its authority to enter into, adopt or perform its obligations under any of the foregoing, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Calabasas Agreement or the Legal Documents to be executed by the County or this Bond Purchase Agreement or that could have a material adverse impact upon the ability of the County to enter into or perform its obligations under such documents or that may result in any material adverse change in the business, properties, assets or the financial condition of the County or in any way contesting the existence or powers of the County;

(g) the County will furnish such information, execute such instruments and take such other actions in cooperation with the Representative as the Representative may reasonably request in order (i) to qualify the Series 2005 Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and (ii) to determine the eligibility of the Series 2005 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Series 2005 Bonds; provided, however, that in no event shall the County be required to qualify to do business or consent to service of process in any jurisdiction without its approval;

(h) the information contained in the Preliminary Official Statement was, as of the date thereof, and in the final Official Statement is, as of the date hereof, and will be, as of the Closing Date and the date which is 25 days following the End of the Underwriting Period (as defined herein), true and correct in all material respects and such information does not and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) if between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Series 2005 Bonds, an event occurs which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the County will notify the Representative, and, if in the reasonable opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County shall cooperate with the Authority in preparing and furnishing to the Underwriters (at the expense of the Authority) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading; provided that, for the purposes of this subsection, between the date hereof and the date that is 25 days after the End of the Underwriting Period for the Series 2005 Bonds, the County will furnish such information with respect to itself as the Representative may from time to time reasonably request; provided, further, as used in this Bond Purchase Agreement, the term "End of the Underwriting Period" for the Series 2005 Bonds shall mean the earlier of (i) the Closing Date

unless the County and the Authority shall have been notified in writing to the contrary by the Representative on or prior to the said date or (ii) the date on which the End of the Underwriting Period for the Series 2005 Bonds has occurred under the Rule, provided, however, that the County and the Authority may treat as the End of the Underwriting Period for the Series 2005 Bonds the date specified as such in a notice from the Representative stating the date that is the End of the Underwriting Period;

(j) if the information contained in the Official Statement is amended or supplemented pursuant to the terms hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Series 2005 Bonds, the County will further amend or supplement the Official Statement so that the Official Statement, as supplemented or amended (including any financial and statistical data contained therein), will not contain any untrue statement of a material fact or omit to state a material fact necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading;

(k) no consent, approval, authorization or order of any State court or governmental body is required for the consummation by the County of the transactions contemplated by the Official Statement, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Series 2005 Bonds by the Underwriters;

(l) after the date of Closing, the County will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Representative shall reasonably object in writing or which shall be disapproved by counsel for the Underwriters;

(m) the financial statements of, and other financial information regarding, the County contained in the Official Statement fairly present the financial position and results of the operations of the County as of the dates and for the periods therein set forth, and, to the best of the County's knowledge, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, and (ii) the other financial information has been determined on a basis substantially consistent with that of the County's audited financial statements included in the Official Statement;

(n) any certificate signed by a representative of the County (the "County Representative") and delivered to the Representative pursuant to this Bond Purchase Agreement shall be deemed a representation and warranty by the County to each of the Underwriters as to the truth of the statements therein made; and

(o) the exceptions set forth in the preliminary title report with respect to the Facility, subject to permitted encumbrances, do not, and the exceptions set forth in the policy or policies of title insurance will not, materially impair the value of the Facility, the existing facilities thereon or the sites thereof, nor materially impair the County's enjoyment of the same for any purposes for which they are, or may reasonably be expected to be, used.

7. Representations, Warranties, Covenants and Agreements of the Authority. The Authority represents, warrants, covenants and agrees with the Underwriters as follows:

(a) the Authority is, and will be on the Closing Date, a joint exercise of powers authority duly organized and operating pursuant to Chapter 5, Division 7, Title 1 of the Government Code of the State with the full power and authority to issue the Series 2005 Bonds, execute and deliver the Legal Documents to be executed by it and own its properties and carry on its business as presently conducted;

(b) by official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in the Legal Documents to be executed by it and the consummation by it of all other transactions contemplated by the Legal Documents;

(c) this Bond Purchase Agreement, the Preliminary Official Statement and the Official Statement have been, as of the date hereof, and the other Legal Documents will have been as of the date of Closing, duly authorized, executed and delivered by the Authority, and, assuming due authorization, execution and delivery by the other respective parties thereto, constitute legal, valid and binding agreements of the Authority, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(d) the issuance of the Series 2005 Bonds and the execution and delivery of the Legal Documents by the Authority and compliance with the provisions on the Authority's part contained herein and therein, will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided in the Series 2005 Bonds or the Legal Documents executed by the Authority;

(e) to the best knowledge of the Authority, the Authority is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which breach or default would materially adversely affect the Authority's ability to issue the Series 2005 Bonds or enter into or perform its obligations under the Legal Documents to be executed by it, and, no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach or default;

(f) to the best knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public

board or body, pending in which service of process has been completed against the Authority or threatened against the Authority in any material respect affecting the existence of the Authority or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the adoption of the Authority Resolution or the sale, execution or delivery of the Series 2005 Bonds or the payment of principal and interest on the Series 2005 Bonds or in any way contesting or affecting the validity or enforceability of the Series 2005 Bonds, the Legal Documents to which the Authority is party or contesting the powers of the Authority or its authority to enter into, adopt or perform its obligations under any of the foregoing, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Legal Documents to be executed by the Authority or that could have a material adverse impact upon the ability of the Authority to issue the Series 2005 Bonds or enter into or perform its obligations under such documents or that may result in any material adverse change in the business, properties, assets or the financial condition of the Authority or in any way contesting the existence or powers of the Authority;

(g) the Authority will furnish such information, execute such instruments and take such other actions in cooperation with the Representative as the Representative may reasonably request in order (i) to qualify the Series 2005 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and (ii) to determine the eligibility of the Series 2005 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Series 2005 Bonds; provided, however, that in no event shall the Authority be required to qualify to do business or consent to service of process in any jurisdiction without its approval;

(h) the information contained in the Preliminary Official Statement was, as of the date thereof, and in the Final Official Statement is, as of the date hereof, and will be, as of the Closing Date and the date which is 25 days following the End of the Underwriting Period, true and correct in all material respects and such information does not and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) if between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Series 2005 Bonds, an event occurs which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the Authority will notify the Representative, and, if in the reasonable opinion of the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority shall forthwith prepare and furnish to the Underwriters (at the expense of the Authority) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is

delivered to prospective purchasers, not misleading; provided that, for the purposes of this subsection, between the date hereof and the date that is 25 days after the End of the Underwriting Period for the Series 2005 Bonds, the Authority will furnish such information with respect to itself as the Representative may from time to time reasonably request;

(j) if the information contained in the Official Statement is amended or supplemented pursuant to the terms hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Series 2005 Bonds, the Authority will further amend or supplement the Official Statement so that the Official Statement, as supplemented or amended (including any financial and statistical data contained therein), will not contain any untrue statement of a material fact or omit to state a material fact necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading;

(k) no consent, approval, authorization or order of any State court or governmental body is required for the consummation by the Authority of the transactions contemplated by the Official Statement, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Series 2005 Bonds by the Underwriters;

(l) after the date of Closing, the Authority will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Representative shall reasonably object in writing or which shall be disapproved by counsel for the Underwriters; and

(m) any certificate signed by a representative of the Authority (the "Authority Representative") and delivered to the Representative pursuant to this Bond Purchase Agreement shall be deemed a representation and warranty by the Authority to each of the Underwriters as to the truth of the statements therein made.

8. Closing. At 8:00 a.m., California time, on December 21, 2005, or at such other date and time as shall have been mutually agreed upon by the Authority, the County and the Representative, the Authority will issue or cause to be issued to the Representative the Series 2005 Bonds in definite form duly executed and authenticated by the Trustee in book-entry form through the facilities of The Depository Trust Company, New York, New York ("DTC") as described below, or at such other place upon which the Representative, the Authority and the County may mutually agree, and the other documents hereinafter mentioned shall be delivered at the office of Squire, Sanders & Dempsey L.L.P., Los Angeles, California, or at such other place as shall have been mutually agreed upon by the Authority, the County and the Representative. The Representative will accept such issuance through the facilities of DTC and pay the purchase price of the Series 2005 Bonds as set forth in Section 1 hereof in federal or other immediately available funds. Subject to the terms and conditions hereof, the Representative will accept delivery of the Series 2005 Bonds and pay the purchase price thereof as set forth herein in federal or other immediately available funds (such delivery of and payment for the Series 2005 Bonds is herein called the "Closing"). The Series 2005 Bonds shall be prepared and delivered to

the Representative on the date of Closing in the form of one certificate for each series, fully registered in the name of Cede & Co., as nominee of DTC.

9. Closing Conditions. The Underwriters have entered into this Bond Purchase Agreement in reliance upon the representations, warranties, covenants and agreements of the Authority and the County contained herein, the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority and the County of their respective obligations herein, both as of the date hereof and as of the date of Closing. Accordingly, the Underwriters' obligations under this Bond Purchase Agreement to purchase, accept issuance of, and pay for the Series 2005 Bonds shall be conditioned upon the performance by the Authority and the County of their obligations to be performed herein and the accuracy and delivery of the documents and instruments required to be delivered hereby at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) the representations and warranties of the Authority and the County contained or incorporated herein shall be true, complete and correct in all material respects at the date hereof and on and as of the date of Closing as if made on the date of Closing;

(b) at the time of the Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between the various parties thereto, and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented after the date thereof except as may have been agreed to in writing by the Representative, there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby and by the Legal Documents and the County and the Authority shall have performed their obligations required under or specified in the Legal Documents to be performed at or prior to the Closing;

(c) at the time of the Closing, all official actions of the Authority and the County relating to the Legal Documents and the Series 2005 Bonds shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect from the date hereof except as may have been agreed to in writing by the Representative;

(d) at the time of Closing, the Official Statement (as amended and supplemented) shall be true and correct in all material respects, and shall not omit any statement or information necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(e) at or prior to the time of Closing, the Representative shall receive the following documents, in each case reasonably satisfactory in form and substance to the Representative and to Underwriters' counsel, Hawkins Delafield & Wood LLP:

(i) the Official Statement and each supplement or amendment thereto, if any;

(ii) a certified copy of the Statement of Facts Roster of Public Agencies Filing of the Authority, together with all amendments thereto;

(iii) executed copies of the Legal Documents;

(iv) the unqualified approving opinion of Squire, Sanders & Dempsey L.L.P., Bond Counsel, dated the date of Closing and addressed to the Authority and the County, substantially in the form set forth in Appendix E to the Official Statement, together with a letter of such counsel, dated the date of Closing and addressed to the Underwriters and the Insurer, to the effect that the foregoing approving legal opinion addressed to the Authority and the County may be relied upon by the Underwriters and the Insurer to the same extent as if such letter were addressed to them;

(v) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriters and the Insurer to the effect that:

(A) this Bond Purchase Agreement has been duly authorized, delivered by, and constitutes the legal, valid and binding agreement of, the Authority in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to creditors' rights generally;

(B) the Series 2005 Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indenture is not required to be qualified pursuant to the Trust Indenture Act of 1939, as amended; and

(C) the statements contained in the Official Statement under the captions "Introduction – General Description," "– Security and Sources of Payment for the Bonds," "– Continuing Disclosure," "The Bonds," "Security and Sources of Payment for the Bonds," "Tax Matters," "Continuing Disclosure" and in Appendix D – "Summary of Certain Provisions of the Principal Legal Documents," and Appendix F – "Proposed Form of Approving Opinion," insofar as the statements contained under such captions purport to summarize certain provisions of the Series 2005 Bonds and the Legal Documents and said firm's final legal opinion concerning certain tax matters relating to the Series 2005 Bonds, are accurate in all material respects;

(vi) an opinion of the County Counsel, as counsel to the County, dated the date of Closing and addressed to the Underwriters and the Insurer to the effect that:

(A) the County is a political subdivision of the State, duly organized and validly existing pursuant to the laws and Constitution of the State, and has full legal right, power and authority to execute and deliver, and to perform its obligations under, the Legal Documents to which it is a party;

(B) the County Resolution was duly adopted at a meeting of the Board of Supervisors of the County, as the governing board of the County, which was called and held pursuant to law and with all public notice

required by law and at which a quorum was present and acting at the time of adoption;

(C) the Legal Documents to which the County is a party have been duly authorized, executed and delivered by the County, and, assuming due authorization, execution and delivery by the other respective parties thereto, constitute legal, valid and binding obligations of the County, enforceable against the County in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(D) to the best of County Counsel's knowledge, the County is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or is otherwise subject, which breach or default would materially adversely affect the County's ability to enter into or perform its obligations under the Legal Documents to be executed by it, and, to the best of County Counsel's knowledge, no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach or default; and the execution and delivery of the Legal Documents by the County and compliance with the provisions on the County's part contained herein and therein, will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument known to County Counsel after reasonable inquiry to which the County is a party or to which the County or the Facility or its assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the County under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided in the Legal Documents executed by the County;

(E) to the best of County Counsel's knowledge, and except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending in which service of process has been completed against the County or threatened against the County affecting the corporate existence of the County or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the County's covenant, to the extent that Net Revenues (as defined in the Sublease) are expected to be insufficient to make Base

Rental or Additional Rental (each as defined in the Sublease) payments in any fiscal year, to take such action as may be necessary to include all Base Rental and Additional Rental (less the amount of such Base Rental and Additional Rental reasonably expected to be paid from Net Revenues) in its annual budget and to make the necessary annual appropriations for all such Base Rental and Additional Rental as required under the Sublease or contesting or affecting as to the County the validity or enforceability of the Act or the Legal Documents, or contesting the tax-exempt status of payment and interest as would be received by the Owners of the Series 2005 Bonds, or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or contesting the powers of the County or any authorization in connection with the adoption of the County Resolution, or the execution and delivery by the County of the Legal Documents to which the County is party wherein an unfavorable decision, ruling or finding which would materially adversely affect the validity or enforceability of the Act as to the County or the performance by the County of its obligations under and in connection with the Legal Documents to which the County is a party; and

(F) the preparation and distribution of the Official Statement has been duly authorized by the Board of Supervisors of the County;

(vii) an opinion of the County Counsel, as counsel to the Authority, dated the date of Closing and addressed to the Underwriters and the Insurer to the effect that:

(A) the Authority is a joint exercise of powers authority duly organized and operating pursuant to Chapter 5, Division 7, Title 1 of the Government Code of the State, and has full legal right, power and authority to execute and deliver, and to perform its obligations under the Legal Documents to which it is a party and the Series 2005 Bonds;

(B) the Authority Resolution was duly adopted at a meeting of the Board of Directors of the Authority, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption;

(C) the Legal Documents to which the Authority is a party and the Series 2005 Bonds have been duly authorized, executed and delivered and issued, by the Authority and, assuming due authorization, execution and delivery by the other respective parties thereto, constitute legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(D) to the best of County Counsel's knowledge, the Authority is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which breach or default would materially adversely affect the Authority's ability to issue the Series 2005 Bonds or enter into or perform its obligations under the Legal Documents to be executed by it, and, to the best of County Counsel's knowledge, no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach or default; the issuance of the Series 2005 Bonds and the execution and delivery of the Legal Documents by the Authority and compliance with the provisions on the Authority's part contained herein and therein, will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument known to County Counsel after reasonable inquiry to which the Authority is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided in the Series 2005 Bonds or Legal Documents executed by the Authority; and the issuance of the Series 2005 Bonds and the execution and delivery of the Legal Documents to which the Authority is a party, and compliance with the provisions on the Authority's part contained therein will not conflict with or constitute a material breach of or default under any constitutional provision, law, administrative regulation, judgment or decree or any provision of any loan agreement, indenture, bond, note, resolution, agreement or other instrument known to us after reasonable inquiry to which the Authority is a party or to which the Authority or any of its Facilities or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon the Facility or assets of the Authority or under the terms of any such law, regulation or instrument, except as expressly provided by the Series 2005 Bonds (as set forth in the Indenture), the Authority Resolution or the Bond Purchase Agreement; and

(E) to the best of County Counsel's knowledge, and except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending in which service of process has been completed against the Authority or threatened against the Authority affecting the corporate existence of the Authority or the titles of

its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the issuance or sale of the Series 2005 Bonds or contesting or affecting as to the Authority the validity or enforceability of the Act, the Series 2005 Bonds or the Legal Documents, or contesting the tax-exempt status of payment and interest as would be received by the Owners of the Series 2005 Bonds, or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or contesting the powers of the Authority or any authorization in connection with the issuance of the Series 2005 Bonds, the adoption of the Authority Resolution, or the execution and delivery by the Authority of the Series 2005 Bonds or the Legal Documents to which the Authority is a party wherein an unfavorable decision, ruling or finding which would materially adversely affect the validity or enforceability of the Act as to the Authority or the performance by the Authority of its obligations under and in connection with the Series 2005 Bonds or the Legal Documents;

(F) the preparation and distribution of the Official Statement has been duly authorized by the Board of Directors of the Authority;

(viii) a certificate of the County Representative dated the date of Closing to the effect that:

(A) the representations and warranties of the County contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing, except that all references herein to the Preliminary Official Statement shall be deemed to be references to the Official Statement;

(B) to the best of his or her knowledge, no event affecting the County has occurred since the date of the Official Statement which should be disclosed in the Official Statement, as the same may be supplemented or amended, in order that the Official Statement not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading;

(C) the County has obtained insurance, or otherwise provided for self-insurance, as required by the Sublease and all required policies are in full force and effect and have not been revoked or rescinded;

(D) to the best knowledge of the County Representative, there does not exist any action, suit, proceeding or investigation pending in which service of process has been completed against the County, or threatened against the County which if adversely determined, could materially adversely affect the financial position of the County; and

(E) the County has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied pursuant to the Legal Documents to which it is a party at or prior to the time of Closing;

(ix) a certificate of the Authority Representative dated the date of Closing to the effect that:

(A) the representations and warranties of the Authority contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement;

(B) to the best of his or her knowledge, no event affecting the Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement, as the same may be supplemented or amended, in order that the Official Statement not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading;

(C) to the best knowledge of the Authority Representative, there does not exist any action, suit, proceeding or investigation pending in which service of process has been completed against the Authority, or threatened against the Authority which if adversely determined, could materially adversely affect the financial position of the Authority; and

(D) the Authority has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied pursuant to the Legal Documents to which it is a party at or prior to the time of Closing;

(x) a certificate of the Trustee dated the date of Closing to the effect that:

(A) the Trustee is duly organized and existing as a national banking association organized and existing under the laws of the United States of America, having the full power and authority to enter into and perform its duties under the Indenture and to authenticate and deliver the Series 2005 Bonds;

(B) the Trustee is duly authorized to enter into the Indenture and, when the Indenture is duly authorized, executed and delivered by the other parties thereto, to deliver the Series 2005 Bonds to the Representative pursuant to the terms of the Indenture;

(C) the execution and delivery by the Trustee of the Indenture and the Series 2005 Bonds, and compliance with the terms thereof, will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or, to its best knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty or agreement is made by the Trustee with respect to any federal or state securities or blue sky laws or regulations);

(D) no authorization, approval, consent or order of any governmental agency or any other person is required for the valid authorization, execution and delivery of the Indenture by the Trustee or the delivery of the Series 2005 Bonds by the Trustee;

(E) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, that has been served on, or, to the best of the knowledge of the Trustee, threatened against or affecting the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Series 2005 Bonds or the Indenture, or contesting the powers of the Trustee or its authority to enter into and perform its obligations under any of the foregoing, or wherein an unfavorable decision, ruling or finding would adversely affect the Trustee or the transactions contemplated in connection with the delivery of the Series 2005 Bonds, or which, in any way, would adversely affect the validity of the Series 2005 Bonds or the Indenture or any agreement or instrument to which the Trustee is a party and which is used or contemplated for use in the Indenture, or the consummation of the transactions contemplated in connection with the issuance of the Series 2005 Bonds; and

(F) subject to the provisions of the Indenture, the Trustee will apply the proceeds from the Series 2005 Bonds to the purposes specified in the Indenture;

(xi) an opinion of counsel to the Trustee dated the date of Closing addressed to the County, the Authority, the Underwriters and the Insurer to the effect that:

(A) the Trustee is a national banking association organized and existing under the laws of the United States, having full power and being qualified to enter, accept and administer the trust created under the Indenture, to enter into and perform its duties under the Continuing Disclosure Agreement and to deliver the Series 2005 Bonds; and

(B) the Series 2005 Bonds have been duly delivered by the Trustee in accordance with the Indenture, and the Indenture and the Continuing Disclosure Agreement have been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute the legal, valid and binding obligations of the Trustee enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(xii) a certificate of the District dated the date of Closing to the effect that:

(A) the District is, and will be on the date of Closing, a county sanitation district duly created and validly existing under the laws of the State of California and has all necessary power and authority to enter into and perform its duties under the Calabasas Agreement and to own its properties and to carry on its business as presently conducted;

(B) by official action of the District, prior to or concurrently with the acceptance hereof, the District has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in, the Calabasas Agreement and the consummation by it of all other transactions contemplated by the Calabasas Agreement;

(C) the Calabasas Agreement will be as of the date of Closing the legal, valid and binding agreement of the District, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(D) the execution and delivery of the Calabasas Agreement by the District and compliance with the provisions on the District's part contained herein and therein, will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District is otherwise subject; and

(E) to the best knowledge of the District, the District is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default

would materially adversely affect the District's ability to enter into or perform its obligations under the Calabasas Agreement, and, no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach or default;

(xiii) an opinion of Hawkins Delafield & Wood LLP, Los Angeles, California, as counsel to the Underwriters, dated the date of Closing and addressed to the Underwriters in form reasonably satisfactory to the Representative;

(xiv) evidence of the existence and validity of a policy or policies of title insurance with respect to the Facility;

(xv) certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Indenture;

(xvi) copies of the Authority Resolution certified by the Clerk of the Board of Directors of the Authority authorizing the execution and delivery of the Legal Documents to which the Authority is a party;

(xvii) copies of the County Resolution certified by the Clerk of the Board of Supervisors of the County authorizing the execution and delivery of the Legal Documents to which the County is a party;

(xviii) an executed copy of the Tax Compliance Certificate in form and substance acceptable to Bond Counsel;

(xix) a certificate of HDR Engineering, Inc. (the "Feasibility Consultant"), executed by a partner of the Feasibility Consultant and dated the date of Closing, to the effect that: (i) the Feasibility Consultant has been retained by the County to prepare an Engineer's Letter (the "Engineer's Letter") and concurrence is given to the inclusion of the Engineer's Letter as an appendix to the Official Statement; (ii) the conclusions set forth in the Engineer's Letter are reasonable and the Feasibility Consultant is not aware of any event or act which has occurred since the date of the Engineer's Letter and prior to the date of Closing which would materially and adversely affect the conclusions reached in the Engineer's Letter; and (iii) as of the date of the Official Statement and as of the Closing Date, the copy of the Engineer's Letter appended to the Official Statement and the statements in the Official Statement under the captions "Plan of Finance" and "The Facility" insofar as such statements purport to summarize the report of the Feasibility Consultant, are accurate in all material respects and do not contain any untrue statement of material fact and do not omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(xx) the Insurance Policy issued by the Insurer with respect to the Series 2005 Bonds, the tax certificate representations of the Insurer, and an opinion of counsel to the Insurer regarding the enforceability of the Insurance Policy and the accuracy of the statements contained in the Official Statement under the caption "Bond

Insurance", in form reasonably satisfactory to the Authority, the County, Bond Counsel and the Representative;

(xxi) evidence from Fitch, Moody's and S&P that the Series 2005 Bonds have been rated "___," "___" and "___," respectively, by such rating agencies; and

(xxii) such additional legal opinions, certificates, instruments and other documents as Bond Counsel or Counsel to the Underwriters may reasonably request to evidence compliance by the Trustee, the County and the Authority with legal requirements, the truth and accuracy, as of the time of Closing, of the representations contained herein and in the Official Statement, the lack of any material adverse litigation or proceeding and the due performance or satisfaction by the Trustee, the Authority and the County, at or prior to such time of all agreements the to be performed and all conditions then to be satisfied.

10. Termination. The Underwriters may terminate this Bond Purchase Agreement, without liability therefor, by notification to the Authority and the County if at any time subsequent to the date of this Bond Purchase Agreement and at or prior to the Closing:

(a) legislation enacted or recommended for passage by the President of the United States, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Chairman or ranking minority member of the Committee of Ways and Means of the House of Representatives or the Chairman or ranking minority member of the Committee on Finance of the Senate, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or press release issued or made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon moneys that would be received by the County or moneys for the payment of debt service that would be received by the Trustee under the Indenture or upon such interest as would be received by the Owners of the Series 2005 Bonds; or

(b) there shall have occurred after the date of this Bond Purchase Agreement any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the reasonable sole judgment of the Representative, impractical or inadvisable to proceed with the offering or delivery of the Series 2005 Bonds as contemplated in the Official Statement (exclusive of any amendment or supplement thereto); or

(c) the declaration of a general banking moratorium by federal, New York or California authorities; or

(d) there shall be in force a general suspension of trading on the New York Stock Exchange or other national securities exchange, or the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Series 2005 Bonds or obligations of the general character of the Series 2005 Bonds, or the material increase of any such restrictions now in force,

including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriters; or

(e) trading of any publicly-issued general fund securities of the State shall have been suspended on any exchange or in any over-the-counter market; or

(f) legislation enacted or recommended for passage by the President of the United States, or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed) or press release issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Series 2005 Bonds, or the Series 2005 Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended, or that the execution, offering or sale of obligations of the general character of the Series 2005 Bonds, or of the Series 2005 Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement, otherwise is or would be in violation of the federal securities laws as amended and then in effect; or

(g) the withdrawal or downgrading of any rating of any securities of the County by a national rating agency;

(h) any event occurring, or information becoming known that, in the judgment of the Representative, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(i) a material adverse change in the financial position, results of operations or financial condition of the County.

11. Expenses. (a) The Underwriters shall be under no obligation to pay and the Authority and the County shall pay or cause to be paid the expenses incident to the performance of their obligations hereunder including, but not limited to, (i) the cost of preparation, printing and delivery of the Legal Documents; (ii) the costs of preparation, printing and delivery of the Preliminary Official Statement and the Official Statement and any supplements and amendments thereto; (iii) the cost of preparation and printing of the Series 2005 Bonds; (iv) the fees and disbursements of Bond Counsel and the County Counsel; (v) the fees and disbursements of Montague DeRose and Associates LLC and/or other financial advisor for its services as financial advisor to the Authority and/or the County; (vi) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Authority and/or the County; (vii) the fees, if any, for bond ratings; and (viii) the fees and disbursements of the Feasibility Consultant in connection with the certificate to be delivered by same pursuant to this Bond Purchase Agreement and (ix) the fees and disbursements of independent certified public accountants and any other independent auditor of the Authority and/or the County.

(b) The Underwriters shall pay only: (i) the cost of preparing the Blue Sky Memorandum; (ii) all advertising expenses and Blue Sky filing fees in connection with the public offering of the Series 2005 Bonds; (iii) the fees and disbursements of Hawkins Delafield & Wood LLP, as counsel to the Underwriters; (iv) all California Debt and Investment Advisory Commission fees, and (v) all other expenses incurred by the Underwriters in connection with the public offering of the Series 2005 Bonds, including the fees and disbursements of any other counsel retained by them.

12. Representations of Representative. The Representative represents and warrants to and agrees with the Authority and the County that it is authorized to take any action under this Bond Purchase Agreement required to be taken by and on behalf of the Underwriters and that this Bond Purchase Agreement is a binding contract of the Underwriters enforceable in accordance with its terms.

13. Notices. Any notice or other communication (other than the acceptance hereof as specified in the first paragraph hereof) to be given under this Bond Purchase Agreement may be given by delivering the same in writing to the County to:

County of Los Angeles
Treasurer and Tax Collector
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 437
Los Angeles, California 90012
Attention: Public Finance

to the Authority:

Los Angeles County Public Works Authority
500 West Temple Street, Room 383
Los Angeles, California 90012
Attention: Executive Officer - Clerk of the Board of Supervisors

and to the Underwriters:

UBS Financial Services Inc.
777 South Figueroa Street, 50th Floor
Los Angeles, California 90017
Attention: Frank Lauterbur, Managing Director
Jeffrey Bower, Managing Director

14. Parties in Interest; Survivability of Representations, Warranties, Covenants and Agreements. This Bond Purchase Agreement, when accepted by the Authority and the County in writing as heretofore specified, shall constitute the entire agreement among the Authority, the County and the Underwriters and is made solely for the benefit of the Authority, the County and the Underwriters and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Authority's and the County's representations, warranties, covenants and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii)

issuance of and payment for the Series 2005 Bonds pursuant to this Bond Purchase Agreement; and (iii) any termination of this Bond Purchase Agreement.

The County and the Authority acknowledge that the Representative's Municipal Securities Group business unit is expected to perform the services contemplated by this Bond Purchase Agreement, and that the Representative has announced its intention to transfer this business unit to UBS Securities LLC (d/b/a UBS Investment Bank) once appropriate regulatory and operational steps have been accomplished. Therefore, the County and the Authority agree that if such transfer is formally completed on or before the time required for performance, that the services contemplated will be rendered by the transferred business group as part of UBS Securities LLC, and consents to this assignment of responsibilities. The parties hereto agree that any amounts payable to or by UBS Financial Services Inc. will be payable to or by UBS Securities LLC if the formal transfer is completed on or before the time at which such amounts are due to be paid.

15. Governing Law. The laws of the State shall govern the validity, interpretation and performance of this Bond Purchase Agreement.

16. Headings. The headings of the paragraphs of this Bond Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

17. Effectiveness. This Bond Purchase Agreement shall become effective upon the execution of the acceptance hereof by a County Representative and an Authority Representative and shall be valid and enforceable at the time of such acceptance.

19. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, which together shall constitute one and the same instrument.

Very truly yours,

UBS FINANCIAL SERVICES INC., on behalf of itself and the Underwriters

By: _____
Name:
Title:

By: _____
Name:
Title:

ACCEPTED:

This ___th day of December, 2005

COUNTY OF LOS ANGELES, CALIFORNIA

By: _____
Mark J. Saladino
Treasurer and Tax Collector

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

By: _____
Mark J. Saladino
Treasurer

Approved as to Form:

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

EXHIBIT A

UNDERWRITERS

UBS Financial Services Inc.

EXHIBIT B

MATURITY SCHEDULE

Maturity Date (June 1)	Principal Amount	Interest Rate	Price or Yield
	$	%	%

$_____ ____% Series 2005 Term Bonds Due June 1, 20__: Yield – _____% Price: _____
$_____ ____% Series 2005 Term Bonds Due June 1, 20__: Yield – _____% Price: _____

PROPOSED FORM

CONTINUING DISCLOSURE AGREEMENT

by and between

COUNTY OF LOS ANGELES

and

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

and

DEUTSCHE BANK NATIONAL TRUST COMPANY,

As Trustee

Dated as of December 1, 2005

Los Angeles County Public Works Financing Authority
Lease Revenue Bonds (Calabasas Landfill Project) Series 2005

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this "Disclosure Agreement"), dated as of December 1, 2005, is by and between LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the "LACPWFA"), the COUNTY OF LOS ANGELES, a political subdivision organized and existing under and by virtue of the laws of the State of California (the "County") and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee under the Indenture defined below and as Dissemination Agent hereunder (the "Trustee" and "Dissemination Agent," respectively).

W I T N E S S E T H :

WHEREAS, the County has executed and delivered a Sublease and Option to Purchase, dated as of December 1, 2005, by and between the Los Angeles County Public Works Financing Authority (the "LACPWFA") and the County, pursuant to which the County has agreed to make payments of Base Rental (the "Base Rental");

WHEREAS, the LACPWFA has issued its Lease Revenue Bonds (Calabasas Landfill Project) Series 2005 (the "Bonds") pursuant to the Indenture, dated as of the date hereof (the "Indenture"), by and among the LACPWFA, the County and the Trustee, which Bonds are payable solely from the Base Rental and other available funds as described in the Indenture;

WHEREAS, this Disclosure Agreement is being executed and delivered by the County and the LACPWFA for the benefit of the holders and beneficial owners of the Bonds and in order to assist the underwriters of the Bonds in complying with Securities Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the County pursuant to, and as described in, Sections 2 and 3 hereof.

"Disclosure Representative" means the Treasurer and Tax Collector of the County or his or her designee, or such other officer or employee as the County shall designate in writing to the LACPWFA from time to time.

"Dissemination Agent" means the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the County and which has filed with the LACPWFA a written acceptance of such designation.

"Listed Events" means any of the events listed in subsection (a) of Section 4 hereof.

"National Repository" means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Official Statement" means the Official Statement, dated December __, 2005, relating to the Bonds.

"Participating Underwriter" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" means each National Repository and each State Repository.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" means any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule and recognized by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

"Treasurer" means the Treasurer of the LACPWFA.

Section 2. Provision of Annual Reports.

(a) The County shall, or shall cause the Dissemination Agent to, not later than sixty (60) days after the County normally receives its audited financial statements from its auditors in each year but in no event later than February 1, commencing with the report for the 2004-2005 Fiscal Year, provide to each Repository an Annual Report which is consistent with the requirements of Section 3 hereof. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 3 hereof; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the County's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under subsection (f) of Section 4 hereof.

(b) Fifteen business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the Repositories, the Dissemination Agent shall contact the County and the Dissemination Agent to notify them of the date such Annual Report is required under subsection (a) of this Section.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to Repositories by the date required in subsection (a) of this Section, the Dissemination Agent shall send a notice to the Municipal Securities Rulemaking Board and each State Repository, if any, in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and

(ii) file a report with the County and (if the Dissemination Agent is not the Treasurer) the Treasurer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

Section 3. Content of Annual Reports. The County's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the County's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The following information:

(i) Updated information for the prior fiscal year comparable to the information contained in the table entitled "HISTORICAL AND PROJECTED DEBT SERVICE" under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Debt Service Coverage."

(ii) Updated information for the prior fiscal year comparable to the information contained under the heading "APPENDIX A – COUNTY OF LOS ANGELES – [County Budget]."

(iii) Updated information for the prior fiscal year comparable to the information contained under the heading "APPENDIX A – COUNTY OF LOS ANGELES – Assessed Valuation" including the table entitled ["CHANGE IN ASSESSED VALUATION."]

(iv) Updated information for the prior fiscal year comparable to the information contained under the heading "APPENDIX A – COUNTY OF LOS ANGELES – County Revenues – Property Taxes" including the table entitled ["_____ GENERAL FUND SHARE OF COUNTY ONE PERCENT LEVY."]

(v) Updated information for the prior fiscal year comparable to the information contained under the heading "APPENDIX A – COUNTY OF LOS ANGELES – County Revenues – Benefit Assessment" including the table entitled ["BENEFIT ASSESSMENT LEVIES AND COLLECTIONS."]

(vi) Updated information for the prior fiscal year comparable to the information contained under the heading "APPENDIX A – COUNTY OF LOS ANGELES – Financial Statements" including the table entitled ["COUNTY OF LOS ANGELES – Combined Statement of Revenues, Expenditures and Changes in Fund Balances."]

(vii) Updated information for the prior fiscal year comparable to the information contained under the heading "APPENDIX A – COUNTY OF LOS ANGELES – Outstanding Indebtedness" including the table entitled ["OUTSTANDING OBLIGATIONS OF THE _____."]

(viii) Principal amount of Bonds Outstanding.

(c) In addition to any of the information expressly required to be provided under subsections (a) and (b) of this Section, the County shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so included by reference.

Section 4. Reporting of Significant Events. (a) Pursuant to the provisions of this Section, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers, or their failure to perform.

(vi) Adverse tax opinions or events affecting the tax-exempt status of the security.

(vii) Modifications to rights of security holders.

(viii) Contingent or unscheduled Bond calls.

(ix) Defeasances.

(x) Release, substitution, or sale of property securing repayment of the securities.

(xi) Rating changes.

(b) The Dissemination Agent shall, within one business day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and request that the County promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f) of this Section.

(c) Whenever the County obtains knowledge of the occurrence of a Listed Event, whether because of a notice from the Dissemination Agent pursuant to subsection (b) of this Section or otherwise, the County shall as soon as possible determine if such event would be material under applicable Federal securities law.

(d) If the County has determined that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the County shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f) of this Section.

(e) If in response to a request under subsection (b) of this Section, the County determines that the Listed Event would not be material under applicable Federal securities law, the County shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f) of this Section.

(f) If the Dissemination Agent has been instructed by the County to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Repository. Notwithstanding the foregoing, notice of Listed Events described in paragraphs (viii) and (ix) of subsection (a) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Indenture.

Section 5. Termination of Reporting Obligation. The County's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the County shall give notice of such termination in the same manner as for a Listed Event under subsection (f) of Section 4 hereof.

Section 6. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be the Trustee. If at any time the Trustee shall resign from or be unable to fulfill its obligations hereunder as Dissemination Agent and there is not any other designated Dissemination Agent, the Treasurer shall be the Dissemination Agent.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the County and the LACPWFA may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the County), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsection (a) of Section 4 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of the LACPWFA or nationally recognized bond counsel, materially impair the interests of holders.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the County to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the Repositories.

Section 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 9. Default. In the event of a failure of the County or the LACPWFA to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate amount of principal of Outstanding Bonds, shall), or any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County or LACPWFA, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the County or the LACPWFA to comply with this Disclosure Agreement shall be an action to compel performance.

Section 10. Duties, Immunities and Liabilities of the County and the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees, attorneys and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall not be responsible for the form or content of any Annual Report or any other document provided to it hereunder.

Section 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Treasurer, the LACPWFA, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 12. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

COUNTY OF LOS ANGELES

By:_____
Chair

ATTEST:
VIOLET VARONA-LUKENS
Executive Officer-Clerk of the Board

By _____
Deputy

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

By:_____
Authorized Officer

DEUTSCHE BANK NATIONAL TRUST COMPANY

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Participant: County of Los Angeles

Name of Issue: Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Calabasas Landfill Project) Series 2005

Date of Issuance: _____, 2005

NOTICE IS HEREBY GIVEN that the County of Los Angeles (the "County") has not provided an Annual Report with respect to the above-named Bonds as required by Section 11.11 of the Indenture, dated as of December 1, 2005, by and among Deutsche Bank National Trust Company as Trustee, the County and the Los Angeles County Public Works Financing Authority. [The County anticipates that the Annual Report will be filed by _____.]

Dated: _____

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY, on behalf of the County of Los Angeles

cc: County of Los Angeles