



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



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February 20, 2007

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

Dear Supervisors:

**SALE AND ISSUANCE OF
LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
REFUNDING REVENUE BONDS, SERIES 2007A
(LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT)
(ALL DISTRICTS – 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Acting as the Board of Directors of the Los Angeles County Public Works Financing Authority, adopt a Resolution authorizing the issuance and sale of Refunding Revenue Bonds in an amount not to exceed \$140 million; the execution and delivery of various financing documents; the preparation and distribution of an Official Statement; and approving certain related matters.

IT IS RECOMMENDED THAT YOUR BOARD:

Acting as the Legislative Body of the Los Angeles County Regional Park and Open Space District, adopt a Resolution authorizing the issuance and sale of Limited Obligation Improvement Bonds in an amount not to exceed \$140 million; the execution and delivery of various financing documents; the preparation and distribution of an Official Statement; and approving certain related matters.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Adoption of the Resolutions will authorize the sale and issuance of Los Angeles County Public Works Financing Authority (the "Authority") Refunding Revenue Bonds, Series 2007A (the "2007A Refunding Bonds") to pay and redeem all of the Authority's outstanding 1997A Revenue Bonds (the 1997A Bonds). Based on current interest rates in the municipal bond market, the issuance of the 2007A Refunding Bonds will generate

approximately 5.5% net present value savings for the Los Angeles County Regional Park and Open Space District (the "District"). This is well above our normal threshold of 3.0% net present value savings for a refunding of this type.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goals of Organizational Effectiveness through collaborative actions among County departments and Fiscal Responsibility through the reduction of annual costs.

FISCAL IMPACT/FINANCING

At current market rates, the proposed transaction will generate gross savings of more than \$15 million through fiscal year 2019-20, or approximately \$1.2 million per year beginning in fiscal year 2007-08. The actual savings on the transaction will ultimately depend on the interest rate environment in the bond market at the time of sale.

The Resolutions provide for a true interest cost on the transaction of not to exceed five (5) percent. If interest rates increase to such an extent that we are unable to achieve an appropriate level of savings, the issuance of the 2007A Refunding Bonds will be postponed or withdrawn completely. In no event will the final maturity of the 2007A Refunding Bonds extend beyond the existing maturity schedule of the 1997A Bonds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 15, 2005, we refunded \$188.175 million of the then outstanding 1997A Bonds, which because of tax law, represented the maximum amount of bonds that could be refunded at that time. This transaction contemplates refunding all of the remaining 1997A Bonds on or after July 3, 2007, which is the earliest date that tax law allows these bonds to be defeased. In order to take advantage of the current historically low interest rates, we are recommending the 2007A Refunding Bonds be sold utilizing a Forward Bond Purchase Agreement (the "Forward BPA") that will lock in today's rates for bonds that will be delivered to investors in July. Our schedule anticipates pricing the 2007A Bonds the week of March 12, 2007. In the current market, the cost of utilizing a Forward BPA structure to lock in rates now is estimated at 3 to 5 basis points, which will be reflected in the final rates of the bonds.

Pursuant to the County's policies for the issuance of bonds, we are recommending that the sale of the 2007A Refunding Bonds be conducted on a negotiated basis. The use of a Forward BPA structure, combined with the economics of a refunding transaction that is highly sensitive to market volatility, requires control over the timing and structuring of a

The Honorable Board of Supervisors
February 20, 2007
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bond sale that is best achieved through a negotiated process. We are also recommending a fixed rate offering of the 2007A Refunding Bonds, which we believe will achieve the optimal balance between cost savings and risk to the District. Credit enhancement in the form of bond insurance will be considered based on a cost-benefit analysis at the time of sale. If bond insurance proves to be cost effective for this transaction, the insurer will be selected through a competitive bidding process.

We selected UBS Securities LLC as the Senior Managing Underwriter based on a modified competitive bidding process among the firms from our Board approved pool of long-term senior underwriters. Banc of America Securities LLC was selected as the Co-Senior Manager, and we may select one or two additional underwriters before pricing, to participate in the transaction as Co-Managers. Public Resources Advisory Group has been chosen from our Board approved pool to be the Financial Advisor for this transaction; and Squire, Sanders & Dempsey LLP will serve as Bond Counsel.

IMPACT ON CURRENT SERVICES (PROJECTS)

None.

CONCLUSION

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

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:DB:JP
Parks Refunding_Board Letter_022007

Attachments

cc: Chief Administrative Officer
County Counsel
Auditor-Controller
Director, Regional Park and Open Space District

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF REFUNDING REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$140,000,000; THE EXECUTION AND DELIVERY OF VARIOUS FINANCING DOCUMENTS; THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND APPROVING CERTAIN RELATED MATTERS

WHEREAS, the County of Los Angeles (the "County"), the Los Angeles County Flood Control District, the Los Angeles County Regional Park and Open Space District (the "District") and the Community Facilities District No. 2 (Rowland Heights Area) of the County of Los Angeles have executed 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 (the "Agreement"), pursuant to the Joint Exercise of Powers Act constituting Articles 1 through 3, Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Section 6500) (the "Act") establishing the Los Angeles County Public Works Financing Authority (the "Authority"), for the purpose of, among other things, of issuing its bonds to be used to provide financial assistance to the District; and

WHEREAS, the Board of Supervisors undertook proceedings with respect to the levy of an assessment within the District (the "Initial Assessment") and the issuance by the District from time to time in one or more series of its limited obligation improvement bonds (the "District Bonds") to pay the costs of certain capital outlay projects and grants set forth in Order of the Board of Supervisors of the County of Los Angeles Initiating Proceedings for Formation of the Los Angeles County Regional Park and Open Space District, Forming an Assessment District and Calling, Providing for and Giving Notice of a Special Election to be Held in the County on November 3, 1992 and Consolidating the Special Election with the General Election to be Held on November 3, 1992 (the "1992 Order"), adopted by the Board of Supervisors of the County on March 17, 1992, as amended by a resolution (the "Resolution" and, together with the 1992 Order the "Order"), as approved by voters within the County voting on the matter on November 6, 1996, and established an additional assessment to be levied thereunder within the District (the "Additional Assessment" and, together with the Initial Assessment, the "Assessment"), such District Bonds to be payable from and secured by a first lien and pledge on (i) all principal of, premium, if any, and interest on, and all other amounts payable by the District with respect to the District Bonds payable from the Assessments imposed and the proceeds of any foreclosure proceedings attributable thereto, if any, less the amounts deducted by the District and set aside and designated as maintenance and servicing and for administrative expenses in accordance with the Order, (ii) and certain other moneys held from time to time by the Fiscal Agent (as defined herein), and (iii) all interest and profits and other income received from the investment of such amounts; and

WHEREAS, the Authority, to provide financial assistance to the District, proposes to issue from time to time in one or more series its revenue bonds (the "Authority Bonds"), payable from payments by the District of principal, premium, if any, and interest on the District Bonds; and

WHEREAS, the District desires to issue District Bonds and sell to the Authority a series of District Bonds (the "Series 2007A District Bonds") to provide, along with certain

District funds, for the payment and redemption of all of its outstanding Los Angeles County Regional Park and Open Space District Limited Obligation Improvement Bonds, Series 1997A (the "1997 District Bonds"); and

WHEREAS, the Authority has previously issued its Revenue Bonds, Series 1997A (the "Prior Bonds") under the provisions of an Authority Master Indenture of Trust, dated as of November 1, 1997 (the "Master Indenture"), as supplemented by an Authority First Supplemental Indenture of Trust (the "Authority First Supplemental Indenture" and, together with the Master Indenture, the "1997 Indenture"), each by and between the Authority and the Auditor-Controller of the County of Los Angeles, as fiscal agent (the "Fiscal Agent"); and

WHEREAS, the Authority desires to issue and sell to the public a series of bonds in an aggregate principal amount not to exceed \$140,000,000 (the "Series 2007A Authority Bonds"), the proceeds of which will be applied, along with certain available funds, (i) to pay or redeem of all the Prior Bonds (the "Refunded Bonds"), (ii) fund a debt service reserve account and (iii) to pay costs of issuance; and

WHEREAS, the Series 2007A Authority Bonds are to be issued pursuant to the Mark-Roos Local Bond Pooling Act of 1985 (commencing with Section 6584 of the California Government Code) (the "Bond Law"), and pursuant to the 1997 Indenture, as supplemented by the Third Supplemental Indenture of Trust (the "Authority Third Supplemental Indenture" and, together with the 1997 Indenture, the "Indenture"), by and between the Authority and the Fiscal Agent; and

WHEREAS, the sale of the Series 2007A Authority Bonds will take place pursuant to a forward bond purchase agreement between the Authority and the underwriters defined herein and subject to the conditions set forth in such agreement;

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

NOW, THEREFORE, this Board of Directors of the Los Angeles County Public Works Financing Authority (the "Board") does find, resolve, determine and order as follows:

Section 1. The issuance of the Series 2007A Authority Bonds in an aggregate principal amount not to exceed \$140,000,000 is hereby approved. The officers of the Authority 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 Authority, to execute by manual or facsimile signature and to deliver the Authority Third Supplemental Indenture, substantially in the form on file with the 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 Authority, such approval to be evidenced conclusively by the execution and delivery thereof.

The Series 2007A Authority Bonds shall be special limited obligations of the Authority payable from amounts received by the Authority from the Series 2007A District Bonds as specified in the Indenture, and the Authority shall not be obligated to pay the Series 2007A Authority Bonds except from such amounts and certain amounts on hand under the Indenture.

Section 2. The form of forward bond purchase agreement (the “Purchase Agreement”), by and among UBS Securities LLC, as the representative of the several underwriters named or to be named therein (the “Underwriters”), the District and the Authority, on file with this Board is approved. The officers of the Authority 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 Authority, to execute by manual or facsimile signature and to deliver the Purchase 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 Authority, such approval to be evidenced conclusively by the execution and delivery thereof. In connection with the execution and delivery of the Purchase Agreement, the officers and their authorized representatives are further authorized and directed, jointly and severally, to negotiate the price and the interest rates for the Series 2007A Authority Bonds to be sold pursuant to such Purchase Agreement such that the true interest cost to the Authority with respect to the aggregate principal amount of the Series 2007A Authority Bonds shall not exceed five percent (5%). The Series 2007A Authority Bonds shall mature no later than October 1, 2019.

Section 3. All or any portion of the Series 2007A Authority Bonds may be sold with credit enhancement (such as a letter of credit, a surety bond or a policy of municipal bond insurance), if the Treasurer and Tax Collector of the County of Los Angeles (the “Treasurer”), in consultation with the Underwriters, determines that the savings to the Authority resulting from the purchase of such credit enhancement exceeds the cost thereof.

Section 4. The form of escrow agreement (the “Escrow Agreement”), by and between the Authority and U.S. Bank National Association, as escrow holder (the “Escrow Holder”) on file with this Board is approved. The officers of the Authority 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 Authority, to execute by manual or facsimile signature and to deliver the Escrow Agreement, substantially in the form on file with the 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 Authority, such approval to be evidenced conclusively by the execution and delivery thereof.

Section 5. The purchase by the Authority of the Series 2007A District Bonds from the District is hereby authorized and approved. The form of Agreement for Sale and Purchase of District Bonds (the “Sale Agreement”), by and between the Authority and the District on file with this Board pursuant to which the Authority will purchase the District Bonds from the District is approved. The officers of the Authority 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 Authority, to execute by manual or facsimile signature and to deliver the Sale 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 Authority, such approval to be evidenced conclusively by the execution and delivery thereof.

Section 6. In connection with the Series 2007A Authority Bonds, the officers of the Authority and their authorized representatives are, and each of them acting alone is, authorized and directed to prepare or cause to be prepared a preliminary official statement and an official statement, including updates or supplements as appropriate, regarding the Series 2007A Authority Bonds, which the Underwriters are authorized to distribute to persons who may be

interested in the purchase of the Series 2007A Authority Bonds. The officers of the Authority are and each of them acting alone is, further authorized to deem the preliminary official statement to be final in accordance with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, and for in the name of and on behalf of the Authority, to execute and deliver a certificate or other instrument deeming each such preliminary official statement or official statement final as of its respective date for purposes of the aforementioned Rule 15c2-12.

Section 7. The Fiscal Agent, the Treasurer and the Authority are each authorized to appoint agents to perform duties, functions and obligations under the Indenture, in accordance with and as required or permitted by the provisions of the Indenture.

Section 8. The Chairman of the Board and the other officers of the Authority and their authorized representatives are hereby authorized to take any and all actions they deem necessary or advisable to carry out the purposes of this resolution and all actions heretofore taken by any of them with respect to the execution, authentication, delivery and sale of the Series 2007A Authority Bonds or in connection with or related to any of the agreements referenced in this resolution are approved, confirmed and ratified.

Without limiting the foregoing, the Chairman of the Board and the other officers of the Authority and their authorized representatives are, and each of them acting alone is, further authorized to execute and deliver for, and in the name of the Authority, such amendments or supplements to the Master Indenture, the Authority First Supplemental Indenture, the Authority Third Supplemental Indenture, the Purchase Agreement, the Sale Agreement, the Escrow Agreement and such other documents referred to in this resolution as may be necessary or desirable in the judgment of such officers, to effectuate the execution, authentication, delivery and sale of the Series 2007A Authority Bonds in one or more series or to otherwise carry out the purposes of this resolution.

Section 9. This resolution shall take effect immediately upon its passage.

The foregoing resolution was on the ____ day of March 2007, 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.

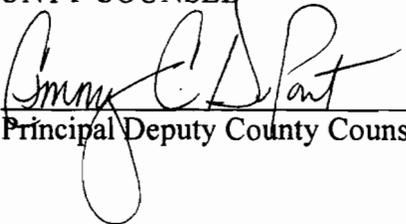
[SEAL]

Sachi A. Hamai
Executive Officer-Clerk of the
Board of Supervisors of the
County of Los Angeles

By: _____
Deputy

Approved as to form:

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

By: 
Principal Deputy County Counsel

AUTHORITY THIRD SUPPLEMENTAL INDENTURE OF TRUST

dated as of July 1, 2007

by and between the

LOS ANGELES COUNTY
PUBLIC WORKS FINANCING AUTHORITY

and the

AUDITOR-CONTROLLER OF THE
COUNTY OF LOS ANGELES,
as Fiscal Agent

relating to

\$000,000,000
LOS ANGELES COUNTY
PUBLIC WORKS FINANCING AUTHORITY
REFUNDING REVENUE BONDS, SERIES 2007A

(Supplemental to the Authority Master Indenture of Trust, dated as of November 1, 1997)

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AUTHORITY THIRD SUPPLEMENTAL INDENTURE OF TRUST

This Authority Third Supplemental Indenture of Trust (this “Authority Third Supplemental Indenture”), dated as of [July] 1, 2007, is made by and between the Los Angeles County Public Works Financing Authority, a joint exercise of powers entity duly organized and existing under the Constitution and the laws of the State of California (the “Authority”), and the Auditor-Controller of The County of Los Angeles, as Fiscal Agent (the “Fiscal Agent”), and supplements that certain Master Indenture of Trust, dated as of November 1, 1997 (the “Authority Master Indenture”), by and between the Authority and the Fiscal Agent.

RECITALS

WHEREAS, the Authority and the Fiscal Agent entered into the Authority Master Indenture to provide for the issuance of Bonds for the purposes specified therein including to assist the Los Angeles County Regional Park and Open Space District (the “District”) with the financing of certain capital outlay projects and grants of the District set forth in the Order, as amended by the Resolution and as may be further amended from time to time, through the purchase of District Bonds (as defined in the Authority Indenture); and

WHEREAS, the Authority has purchased District Bonds designated “Los Angeles County Regional Park and Open Space District Limited Obligation Improvement Bonds, Series 2007A” (the “Series 2007A District Bonds”), in the aggregate principal amount of \$000,000,000; and

WHEREAS, the Authority Master Indenture provides that the Authority may, from time to time, issue Bonds in one or more Series; and

WHEREAS, the Authority desires to issue a Series of Bonds designated Los Angeles County Public Works Financing Authority Refunding Revenue Bonds, Series 2007A (the “Series 2007A Authority Bonds”) for the purpose of paying or redeeming, together with other moneys, its outstanding Los Angeles County Public Works Financing Authority Revenue Bonds, Series 1997A (the “1997 Authority Bonds”), funding a reserve fund and providing for the costs of issuance of the Series 2007A Authority Bonds and the Series 2007A District Bonds;

NOW, THEREFORE, the Authority and the Fiscal Agent agree as follows, each for the benefit of the other and the benefit of the Bondholders.

ARTICLE I

DEFINITIONS; INTERPRETATIONS

Section 1.01 Definitions. Except as otherwise provided in this Section 1.01 or as amended by Section 1.02 of this Authority Third Supplemental Indenture, all words, terms and phrases defined in this Authority Third Supplemental Indenture shall have the same meaning herein as in the Authority Master Indenture.

“Authority Indenture” means the Authority Master Indenture of Trust, dated as of November 1, 1997, by and between the Authority and the Fiscal Agent, as the same may be

amended and supplemented from time to time in accordance with its terms, including by this Authority Third Supplemental Indenture.

“Authorized Denominations” means, with respect to the Series 2007A Authority Bonds, \$5,000 or any integral multiple thereof.

“Bond Interest Account” means the Account of that name in the 2007A Debt Service Fund created pursuant to the Authority Master Indenture and Section 4.02 hereof.

“Bond Principal Account” means the Account of that name in the 2007A Debt Service Fund created pursuant to the Authority Master Indenture and Section 4.02 hereof.

“Bondholder” means the person in whose name any Series 2007A Authority Bond is registered, including DTC or its nominee as the sole registered holder of Book-Entry Bonds.

“District Indenture” means the District Master Indenture of Trust, dated as of November 1, 1997, by and between the District and the Fiscal Agent, as the same may be amended and supplemented from time to time in accordance with its terms.

“Insurer” means _____, or any successor thereto or assignee thereof.

“Insurance Policy” means the insurance policy No. _____ issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2007A Insured Authority Bonds when due.

“Interest Payment Date” means, with respect to the Series 2007A Authority Bonds, each April 1 and October 1, commencing October 1, 2007.

“Paying Agent” means, with respect to the Series 2007A Authority Bonds, U.S. Bank National Association, and its successors and assigns.

“Record Date” means, with respect to the Series 2007A Authority Bonds, the close of business on the fifteenth day of the month next preceding each Interest Payment Date with respect to the Series 2007A Authority Bonds.

“Representation Letter” means the Letter of Representations from the Authority and the Paying Agent to DTC with respect to the Series 2007A Authority Bonds.

“Series 2005A Authority Bonds” means the \$181,220,000 aggregate principal amount of Bonds issued under the Authority Master Indenture and the Authority Second Supplemental Indenture dated as of February 1, 2005 between the Authority and the Fiscal Agent and designated as the “Los Angeles County Public Works Financing Authority Refunding Revenue Bonds, Series 2005A.”

“Series 2007A Authority Bonds” means the \$000,000,000 aggregate principal amount of Bonds issued under the Authority Master Indenture and this Authority Third Supplemental

Indenture and designated as the “Los Angeles County Public Works Financing Authority Refunding Revenue Bonds, Series 2007A.”

“Series 2007A District Bonds” means District Bonds designated “Los Angeles County Regional Park and Open Space District Limited Obligation Improvement Bonds, Series 2007A” in the aggregate principal amount of \$000,000,000 issued by the District under the District Master Indenture and that certain District Third Supplemental Indenture, dated as of July 1, 2007, by and between the District and the Auditor-Controller of the County.

“Series 2007A Insured Authority Bonds” means the Series 2007A Authority Bonds insured by the Insurer under the Insurance Policy.

“2007A Debt Service Fund” means the Fund of that name created pursuant to the Authority Master Indenture and Section 4.02 hereof.

Section 1.02 Article and Section References. Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this Authority Third Supplemental Indenture.

ARTICLE II

THE SERIES 2007A AUTHORITY BONDS

Section 2.01 Designation of Series 2007A Authority Bonds; Principal Amount. The Series 2007A Authority Bonds authorized to be issued under the Authority Master Indenture and this Authority Third Supplemental Indenture shall be designated as the “Los Angeles County Public Works Financing Authority Refunding Revenue Bonds, Series 2007A” and shall be issued in the aggregate principal amount of \$000,000,000.

Section 2.02 Series 2007A Authority Bonds Under the Authority Indenture; Security. The Series 2007A Authority Bonds issued pursuant to this Authority Third Supplemental Indenture are issued subject to the terms of the Authority Master Indenture and are secured by and payable from Pledged Revenues in accordance with the terms of the Authority Master Indenture. The Series 2007A Authority Bonds are secured on parity with the Outstanding Series 2005A Authority Bonds.

The Series 2007A Authority Bonds are limited obligations payable solely from certain payments received by the Authority from the District, which include pledged Assessments. Neither the Series 2007A Authority Bonds nor the obligation of the District to make payments constitutes an indebtedness of the Authority, the County, the District, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation, or a pledge of the faith and credit of the County. The obligation of the Authority to pay principal of or interest on the Series 2007A Authority Bonds does not constitute an obligation of the Authority for which the Authority is obligated to levy or pledge any form of taxation or for which the Authority has levied or pledged any form of taxation. The Authority has no taxing power.

Section 2.03 Terms of Series 2007A Authority Bonds. The Series 2007A Authority Bonds shall be dated their date of delivery. Each Series 2007A Authority Bond shall bear interest from the Interest Payment Date immediately preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Series 2007A Authority Bond shall bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Series 2007A Authority Bond shall bear interest from such succeeding Interest Payment Date, or unless such date of authentication is on or before August 15, 2007, in which event such Series 2007A Authority Bond shall bear interest from its date of delivery. If interest on the Series 2007A Authority Bonds shall be in default, Series 2007A Authority Bonds issued in exchange for Series 2007A Authority Bonds surrendered for transfer or exchange shall bear interest from the last Interest Payment Date on which interest has been paid in full on such Series 2007A Authority Bonds surrendered. The Series 2007A Authority Bonds shall be issued in Authorized Denominations.

Interest on the Series 2007A Authority Bonds shall be paid on each Interest Payment Date. Interest on the Series 2007A Authority Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2007A Authority Bonds shall mature in the years and in the amounts and bear interest at the annual rates set forth in the following schedule:

<u>October 1 of the Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
	\$	

Payment of principal of the Series 2007A Authority Bonds shall be made upon surrender of the Series 2007A Authority Bonds to the Paying Agent or its agent. Payment of interest on Series 2007A Authority Bonds shall be made by check or draft of the Paying Agent by Mail to the person who is the registered Bondholder thereof on the Record Date, except that any Bondholder of Series 2007A Authority Bonds may be paid interest by wire transfer to an account in the United States if such owner makes a written request of the Paying Agent at least thirty (30) days preceding any interest payment date specifying the wire transfer instructions for such Bondholder. Such notice may provide that it will remain in effect for later interest payments until changed or resolved by another written notice. The Series 2007A Authority Bonds shall be substantially in the form of Exhibit A to this Authority Third Supplemental Indenture.

If the principal of a Series 2007A Authority Bond becomes due and payable, but shall not have been paid, or provision shall not have been made for its payment, then such Series 2007A Authority Bond shall bear interest at the same rate after such default as on the day before such default occurred.

ARTICLE III

REDEMPTION

Section 3.01 Optional Redemption. The Series 2007A Authority Bonds maturing on or after October 1, 200_ are subject to optional redemption prior to maturity on or after October 1, 200_ at the option of the Authority, upon written notice to the Paying Agent as provided in the Authority Indenture at least 45 days prior to the date of such redemption, as a whole on any date or in part on any Interest Payment Date. The Series 2007A Authority Bonds so redeemed shall be redeemed at a redemption price of the principal amount thereof, without premium, plus accrued but unpaid interest to the redemption date.

Section 3.02 Mandatory Redemption. The Series 2007A Authority Bonds maturing on October 1, 20__ are subject to mandatory redemption, in part, by lot, on October 1, 20__ and each October 1 thereafter prior to maturity, from sinking fund installments on deposit in the Bond Principal Account of the 2007A Debt Service Fund at the principal amount of such Series 2007A Authority Bonds to be redeemed, without premium, plus accrued but unpaid interest to the redemption date, as indicated on the following table:

October 1 of <u>the year</u>	<u>Principal</u>
---------------------------------	------------------

(maturity)

The Series 2007A Authority Bonds maturing on October 1, 20__ are subject to mandatory redemption, in part, by lot, on October 1, 20__ and each October 1 thereafter prior to maturity, from sinking fund installments on deposit in the Bond Principal Account of the 2007A Debt Service Fund at the principal amount of such Series 2007A Authority Bonds to be redeemed, without premium, plus accrued but unpaid interest to the redemption date, as indicated on the following table:

October 1 of <u>the year</u>	<u>Principal</u>
---------------------------------	------------------

(maturity)

ARTICLE IV

APPLICATION OF FUNDS; FUNDS AND ACCOUNTS

Section 4.01 Application of Proceeds. The proceeds of the sale of the Series 2007A Authority Bonds received by the Fiscal Agent shall be applied to the purchase of the Series 2007A District Bonds and applied as set forth in the District Third Supplemental Indenture.

Section 4.02 Establishment of the 2007A Debt Service Fund and Accounts Therein. There is hereby established a Fund designated as the “2007A Debt Service Fund,” and therein separate Accounts to be designated as the “Bond Interest Account” and the “Bond Principal Account.” Amounts in the Bond Interest Account will be disbursed to pay interest on the Series 2007A Authority Bonds pursuant to the Authority Master Indenture and this Authority Third Supplemental Indenture. Amounts in the Bond Principal Account will be disbursed to pay principal on the Series 2007A Authority Bonds pursuant to the Authority Master Indenture and this Authority Third Supplemental Indenture.

Section 4.03 Establishment of 2007A Redemption Fund. There is hereby established a separate Fund to be designated as the “2007A Redemption Fund.” The 2007A Redemption Fund shall be established for the purposes of redeeming Series 2007A Authority Bonds, as set forth in the Authority Indenture and this Authority Third Supplemental Indenture.

ARTICLE V

BOND INSURANCE

Section 5.01 Payments Under Insurance Policy. If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Fiscal Agent, after making all transfers and deposits required under the Authority Indenture, moneys sufficient to pay the principal of and interest on the Series 2007A Insured Authority Bonds due on such Payment Date, the Fiscal Agent shall give notice to the Insurer and to its designated agent, if any (the “Insurer’s Fiscal Agent”), by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the Third Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2007A Insured Authority Bonds due on such Payment Date, the Fiscal Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer’s Fiscal Agent, if any, by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2007A Insured Authority Bonds and the amount required to pay principal of the Series 2007A Insured Authority Bonds, confirmed in writing to the Insurer and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such Third Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Fiscal Agent shall designate any portion of payment of principal on Series 2007A Insured Authority Bonds paid by the Insurer, whether by virtue of maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2007A Insured Authority Bonds registered to the then current Bondholder of such Series 2007A Insured Authority Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2007A Insured Authority Bond to the Insurer, registered in the name of the Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Fiscal Agent's failure to so designate any payment or issue any replacement Series 2007A Insured Authority Bond shall have no effect on the amount of principal or interest payable by the Authority on any Series 2007A Insured Authority Bond or the subrogation rights of the Insurer.

The Fiscal Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal paid in respect of any Series 2007A Insured Authority Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Fiscal Agent.

Upon payment of a claim under the Insurance Policy, the Fiscal Agent shall establish a separate special purpose trust account for the benefit of Bondholders of the Series 2007A Insured Authority Bonds referred to herein as the "Policy Payments Account" and over which the Fiscal Agent shall have exclusive control and sole right of withdrawal. The Fiscal Agent shall receive any amount paid under the Insurance Policy in trust on behalf of Bondholders of the Series 2007A Insured Authority Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Fiscal Agent to Bondholders of the Series 2007A Insured Authority Bonds in the same manner as principal and interest payments are to be made with respect to the Series 2007A Insured Authority Bonds under the sections hereof regarding payment of Series 2007A Insured Authority Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything to the contrary otherwise set forth in the Authority Indenture, and to the extent permitted by law, in the event amounts paid under the Insurance Policy are applied to claims for payment of principal of or interest on the Series 2007A Insured Authority Bonds, interest on such principal of and interest on such Series 2007A Insured Authority Bonds shall accrue and be payable from the date of such payment as determined by the Insurer at the greater of (i) the per annum rate of interest, publicly announced from time to time by _____ or its successor at its principal office in the City of New York, as its _____ rate plus _%, and (ii) the then applicable rate of interest on the Series 2007A Insured Authority Bonds provided that in no event shall such rate exceed the maximum rate permissible under applicable usury or similar laws limiting interest rates.

Funds held in the Policy Payments Account shall not be invested by the Fiscal Agent and may not be applied to satisfy any costs, expenses or liabilities of the Fiscal Agent. Any funds remaining in the Policy Payments Account following a Series 2007A Insured Authority Bond payment date shall promptly be remitted to the Insurer.

The Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2007A Insured Authority Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy. The obligations to the Insurer shall survive discharge or termination of the Authority Indenture.

Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Authority Indenture and shall remain Outstanding and continue to be due and owing until paid by the Authority in accordance with the Authority Indenture. The Authority Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

The Insurer shall be entitled to pay principal of or interest on the Series 2007A Insured Authority Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Authority (as such terms are defined in the Insurance Policy) and any amounts due on the Series 2007A Insured Authority Bonds as a result of acceleration of the maturity thereof in accordance with the Authority Indenture, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

Section 5.02 Reimbursement. The Authority shall pay or reimburse the Insurer solely from Pledged Revenues any and all charges, fees, costs and expenses which the Insurer may reasonably pay or incur in connection with (i) the enforcement, defense or preservation of any rights or security in the Authority Indenture; (ii) the pursuit of any remedies under the Authority Indenture or otherwise afforded by law or equity, (iii) the violation by the Authority of any law, rule or regulation, or any judgment, order or decree applicable to it or (iv) any litigation or other dispute in connection with the Authority Indenture or the transactions contemplated thereby, other than amounts resulting from the failure of the Insurer to honor its obligations under the Insurance Policy.

Section 5.03 Insurer Consent for Acceleration. The maturity of Series 2007A Insured Authority Bonds insured by the Insurer shall not be accelerated without the consent of the Insurer. In the event the maturity of the Series 2007A Insured Authority Bonds is accelerated by the Fiscal Agent, the Insurer may elect, in its sole discretion, to pay the principal and interest accrued through the date of acceleration (to the extent unpaid by the Authority). Upon payment of such accelerated principal and interest accrued to the acceleration date as provided in this Section 4.03, the Insurer's obligations under the Insurance Policy with respect to such Series 2007A Insured Authority Bonds shall be fully discharged.

Section 5.04 Records. The Fiscal Agent shall provide notice of the following to the Insurer: (i) any draw on the Reserve Fund under the District Indenture within two Business Days after its knowledge thereof other than (a) withdrawals of amounts in excess of the Reserve Requirement and (b) withdrawals in connection with a refunding of the Series 2007A Insured Authority Bonds, (ii) any default known to the Fiscal Agent within five Business Days after its knowledge thereof, (iii) a proposed advance refunding or redemption of any of the Series 2007A Insured Authority Bonds, including the principal amount, maturities and CUSIP numbers thereof, (iv) the resignation or removal of the Fiscal Agent, Paying Agent or registrar and the

appointment of, and acceptance of duties by, any successor thereto, and (v) all reports, notices and correspondence to be delivered to Bondholders under the terms of the Authority Indenture.

Section 5.05 Consents, Directions and Approvals of Insurer. In determining whether any amendment, consent or other action to be taken, or any failure to act, under the Authority Indenture would adversely affect the security for the Series 2007A Insured Authority Bonds or the rights of Bondholders of the Series 2007A Insured Authority Bonds, the Fiscal Agent shall consider the effect of any such amendment, consent, action or inaction as if there were no Insurance Policy. The Insurer shall be deemed to be the sole Bondholder of the Series 2007A Insured Authority Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Bondholders are entitled to take pursuant the Article VIII and Sections 9.01 and 9.02 of the Authority Master Indenture. Notwithstanding anything to the contrary in this Authority Third Supplemental Indenture, the rights provided to the Insurer hereunder to give consents, directions and approvals shall not be effective so long as the Insurer is in payment default of its obligations under the Insurance Policy.

ARTICLE VI

MISCELLANEOUS

Section 6.01 Defeasance. Notwithstanding any provisions of Article VII of the Authority Master Indenture to the contrary, only (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody's, respectively or (5) securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof to the extent they are not inconsistent with the definitions of Government Obligations and Pre-refunded Municipals, as applicable, as provided in the Authority Master Indenture, shall be authorized to be used to effect defeasance of the Series 2007A Insured Authority Bonds unless the Insurer otherwise approves.

In addition to the requirements of Article VII of the Authority Master Indenture, in connection with any defeasance of the Series 2007A Insured Authority Bonds, the Authority shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer (“Accountant”) verifying the sufficiency of the escrow established to pay the Series 2007A Insured Authority Bonds in full on the maturity or redemption date (“Verification”), (ii) an escrow deposit agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Series 2007A Insured Authority Bonds are no longer Outstanding under the Authority Indenture and (iv) a certificate of discharge of the Fiscal Agent with respect to the Series 2007A Insured Authority Bonds; each Verification and defeasance opinion shall be acceptable in form and substance and addressed to the Authority, the Fiscal Agent and the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow. The

Series 2007A Insured Authority Bonds shall be deemed Outstanding under the Authority Indenture unless and until they are in fact paid and retired or the above criteria are satisfied.

Section 6.02 Amendments. No modification or amendment to the Authority Master Indenture or this Authority Third Supplemental Indenture, except for amendments under Sections 10.02(a)(i), (iii), (iv), (v), (vii), (viii) or (ix) of the Authority Master Indenture, shall become effective without obtaining the prior written consent of the Insurer. Copies of any modification or amendment to the Authority Indenture shall be sent to S&P and Moody's at least ten days prior to the effective date thereof. A record of all proceedings relating to the execution of any amendment or supplement to the Authority Indenture shall be provided to the Insurer.

Section 6.03 Nonarbitrage Certificate. The Authority hereby covenants to comply with the Nonarbitrage Certificate, relating to the Series 2007A Authority Bonds, to the extent required under Section 5.08 of the Authority Indenture.

Section 6.04 Agents. The Fiscal Agent or the Authority (with written notice to the Fiscal Agent) may from time to time appoint banks, trust companies or other financial institutions to perform functions described in this Authority Third Supplemental Indenture. Such agents may include, but shall not be limited to, authenticating agents and paying agents. Any reference in this Authority Third Supplemental Indenture to the Fiscal Agent shall also refer to any agent appointed by the Fiscal Agent or the Authority to such duty in addition to the Fiscal Agent or shall, instead, refer only to any agent appointed by the Fiscal Agent or the Authority to perform such duty in place of the Fiscal Agent.

Section 6.05 Paying Agent. U.S. Bank National Association has been appointed as Paying Agent. The Paying Agent shall have its principal corporate trust office in Los Angeles, California.

Section 6.06 Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Authority Third Supplemental Indenture must be in writing except as expressly provided otherwise in this Authority Third Supplemental Indenture or the Series 2007A Authority Bonds.

(b) For purposes of this Section 6.06 and Section 11.06 of the Authority Master Indenture, the Paying Agent's address is 633 West Fifth Street, 24th Floor, Los Angeles, California 90071.

(c) For purposes of this Section 6.06 and Section 11.06 of the Authority Master Indenture, [Insurer's] address is _____, Attention: Managing Director - Surveillance, Policy No. _____, Telephone: _____; Telecopier: _____. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 6.07 Insurer as Third Party Beneficiary; Limitation of Rights. To the extent that any provision herein confers upon or gives or grants to the Insurer any right, remedy or

claim under or by reason of this Authority Third Supplemental Indenture, the 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. Nothing expressed or implied in this Authority Third Supplemental Indenture or the Series 2007A Authority Bonds shall give any person other than the Fiscal Agent, the Paying Agent, the Authority, the Insurer (with respect to the Series 2007A Insured Authority Bonds) and the Bondholders any right, remedy or claim under or with respect to this Authority Third Supplemental Indenture.

Section 6.08 Severability. If any provision of this Authority Third Supplemental Indenture shall be determined to be unenforceable, such determination shall not affect any other provision of this Authority Third Supplemental Indenture.

Section 6.09 Payments or Actions Occurring on Non-Business Days. If a payment date is not a Business Day or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made on the action taken on the stated date, and no interest shall accrue for the intervening period.

Section 6.10 Governing Law. This Authority Third Supplemental Indenture shall be governed by and construed in accordance with the laws of the State.

Section 6.11 Captions. The captions in this Authority Third Supplemental Indenture are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Authority Third Supplemental Indenture.

Section 6.12 Counterparts. This Authority Third Supplemental Indenture may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Authority Third Supplemental Indenture by their officers thereunto duly authorized as of the date first above written.

**LOS ANGELES COUNTY PUBLIC WORKS
FINANCING AUTHORITY**

By _____
Chairman

ATTEST:

**THE AUDITOR-CONTROLLER OF THE
COUNTY OF LOS ANGELES,
as Fiscal Agent**

By _____
Assistant Secretary

By _____
Authorized Signatory

EXHIBIT A — FORM OF SERIES 2007A BOND

**LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
REFUNDING REVENUE BOND, SERIES 2007A**

UNLESS THIS SERIES 2007A AUTHORITY BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE BELOW REFERENCED MASTER INDENTURE OF TRUST) TO THE PAYING AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY SERIES 2007A AUTHORITY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. _____ \$ _____

Maturity Date Interest Rate Dated CUSIP
Date

_____, 2007

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY, a public entity duly organized and existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Pledged Revenues, as such term is defined in the Authority Indenture, hereinafter referred to) to the Registered Owner named above or registered assigns, on the Maturity Date specified above, the Principal Amount specified above together with interest on such Principal Amount at the Interest Rate determined as herein provided on each Interest Payment Date. This Los Angeles County Public Works Financing Authority Refunding Revenue Bonds, Series 2007A Authority Bond (the "Series 2007A Authority Bonds") will bear interest from the Interest Payment Date immediately preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event this Series 2007A Authority Bond will bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event this Series 2007A Authority Bond shall bear interest from such succeeding Interest Payment Date, or unless such date of authentication is on or before _____ 15, 2007, in which event this Series 2007A Authority

Bond shall bear interest from _____ 15, 2007. The principal hereof and premium, if any, hereon are payable when due upon presentation hereof at the corporate trust office of U.S. Bank National Association, as Paying Agent (the "Paying Agent"), in Los Angeles, California, or at the offices of its duly appointed successor, the amounts set forth herein in lawful money of the United States of America.

This Series 2007A Authority Bond is one of a duly authorized issue of Series 2007A Authority Bonds, in aggregate principal amount of \$000,000,000, which Series comprises one series of Los Angeles County Public Works' Financing Authority Revenue Bonds (the "Bonds"). The Series 2007A Authority Bonds are issued and shall be issued pursuant to the provisions of the Marks Roos Local Bond Pooling Act of 1985, as amended (commencing with Section 6584 of the California Government Code) (the "Act"), the Authority Master Indenture of Trust, dated as of November 1, 1997 (the "Authority Master Indenture"), by and between the Authority and the Auditor-Controller of the County of Los Angeles, as Fiscal Agent (the "Fiscal Agent"), as amended, including by an Authority Third Supplemental Indenture of Trust, dated as of [July] 1, 2007, between the Authority and the Fiscal Agent (the "Authority Third Supplemental Indenture" and, together with the Authority Master Indenture, the "Authority Indenture"), setting forth the terms and authorizing the issuance of the Series 2007A Authority Bonds. The Bonds shall be issued, from time to time, with varying denominations, dates, maturities, interest rates and other provisions, all as provided and as shall be provided in the Authority Indenture. Reference is hereby made to the Authority Indenture and to the Act for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the Pledged Revenues (as that term is defined in the Master Indenture), and the rights of the registered owners of the Bonds; and all the terms of the Authority Indenture and the Act are hereby incorporated herein and constitute a contract between the Authority and the registered owner from time to time of this Series 2007A Authority Bond, and to all the provisions thereof the registered owner of this Series 2007A Authority Bond, by its acceptance hereof, consents and agrees. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Authority Indenture.

The Series 2007A Authority Bonds and the interest thereon are payable from and are secured by a charge and lien on, the Pledged Revenues primarily derived by the Authority from the principal of, premium if any, and interest on, and all other amounts payable by the Los Angeles County Regional Park and Open Space District (the "District") with respect to the Los Angeles County Regional Park and Open Space District Limited Obligation Improvement Bonds, Series 2007A. All of the Series 2007A Authority Bonds are equally secured by a pledge of, and charge and lien upon, the Pledged Revenues, and the Pledged Revenues constitute a trust fund for the security and payment of the interest on and principal of the Series 2007A Authority Bonds. The Series 2007A Authority Bonds are secured on parity with the Outstanding Series 2005A Authority Bonds. Pledged Revenues may, however, be applied for other purposes, as provided in the Authority Indenture.

The Series 2007A Authority Bonds are limited obligations of the Authority and are payable, both as to principal and interest out of the Pledged Revenues and certain funds held by the Fiscal Agent under the Authority Indenture.

None of the general funds of the County of Los Angeles (the “County”), the District or the Authority is liable, and the credit or taxing power of neither the County or the Authority is pledged, for the payment of the Bonds or the interest thereon. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or the County or any of its income or receipts, except the Pledged Revenues.

Interest payable on the Series 2007A Authority Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

This Series 2007A Authority Bond is subject to redemption prior to maturity as provided in the Authority Indenture.

The rights and obligations of the Authority and of the Bondholders and registered owners of the Series 2007A Authority Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Authority Indenture, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of the Bonds.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Series 2007A Authority Bond, and in the issuing of this Series 2007A Authority Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this Series 2007A Authority Bond, together with all other indebtedness of the Authority pertaining to the Pledged Revenues, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of Series 2007A Authority Bonds permitted to be issued under the Authority Indenture or the Act.

This Series 2007A Authority Bond shall not be entitled to any benefit under the Authority Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Paying Agent.

IN WITNESS WHEREOF, THE LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY has caused this Series 2007A Authority Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chair, and attested by the manual or facsimile signature of its Assistant Secretary.

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

By: _____
Chairman

ATTEST:

By: _____
Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Authority Indenture and authenticated on the date set forth below.

Dated: _____, 2007

U.S. Bank National Association, as Paying Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received _____ hereby sell, assign and transfer unto _____ the within Bond and hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the books of the Authority at the office of the Paying Agent, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guaranteed by:

NOTE: Signature must be guaranteed by an eligible guarantor institution.

STATEMENT OF INSURANCE

_____, New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to U.S. Bank National Association, Los Angeles, California, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from _____ or the Paying Agent.

\$ _____
LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
Refunding Revenue Bonds Series 2007A
(Los Angeles County Regional Park and Open Space District)

March ____, 2007

FORWARD BOND PURCHASE AGREEMENT

Los Angeles County Public Works Financing Authority
Los Angeles County Regional Park and Open Space District
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Ladies and Gentlemen:

The undersigned, UBS Securities LLC, as Representative of the underwriters named on Exhibit A hereto (collectively, the **“Underwriters”**), offers to enter into this Forward Bond Purchase Agreement (the **“Forward Purchase Agreement”**) with the Los Angeles County Public Works Financing Authority (the **“Authority”**) and the Los Angeles County Regional Park and Open Space District (the **“District”**), which, upon the Authority’s and the District’s acceptance hereof, will be binding upon the Authority, the District and the Underwriters. This offer is made subject to receipt by the Underwriters of the documents referred to in Sections 9 and 11 hereof, and to the written acceptance of this Forward Purchase Agreement by the Authority and the District and the delivery of such acceptance to the Representative, at or prior to 6:00 P.M., Los Angeles time, on the date hereof.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations and warranties hereinafter set forth, including the simultaneous purchase by the Authority of certain limited obligation bonds of the District (the **“District Bonds”**), the Underwriters, jointly and severally, hereby agree to purchase from the Authority for reoffering to the public, and the Authority hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of \$_____ aggregate principal amount of the Authority’s Refunding Revenue Bonds Series 2007A (Los Angeles County Regional Park and Open Space District) (the **“Bonds”**). The purchase price of the Bonds shall be \$_____ (being the par amount of the Bonds, plus a net original issue premium of \$_____ less an Underwriters’ discount of \$_____).

2. The Bonds.

(a) The Bonds shall mature as set forth in Exhibit B hereto and shall be as described in the Official Statement (as defined below) and shall be issued under and pursuant to Section 6584 et seq. of the Joint Exercise of Powers Act constituting Articles 1 through 4, Chapter 5, Division 7, Title I of the California Government Code (commencing with Section 6500), as amended from time to time (the **“Act”**), a resolution of the Authority adopted on March __, 2007 (the **“Authority Resolution”**) and the

Master Indenture of Trust, dated as of November 1, 1997 (the “**Authority Master Indenture**”), as supplemented by a Third Supplemental Indenture of Trust, dated as of July 1, 2007 (the “**Authority Third Supplemental Indenture**” and, together with the Authority Master Indenture and all prior supplements thereto, the “**Authority Indenture**”), each by and between the Authority and the Auditor-Controller of the County of Los Angeles, as fiscal agent (the “**Fiscal Agent**”). _____ (the “**Bond Insurer**”) has issued to the Authority a Forward Municipal Bond Insurance Commitment (the “**Insurance Commitment**”), dated _____, pursuant to which the Bond Insurer has agreed, upon the terms and conditions set forth therein, to issue its Municipal Bond Insurance Policy (the “**Bond Insurance Policy**”) on the date of the Settlement (defined below at Section 7). The Authority Resolution authorizes (i) the issuance of the Authority Bonds, (ii) the execution and delivery of the Authority Third Supplemental Indenture, the Escrow Agreement (as defined below), the Purchase Agreement for Purchase and Sale of District Bonds by and between the District and the Authority (the “**District Bond Purchase Agreement**”) and this Forward Purchase Agreement (together, the “**Authority Documents**”) and (iii) the use of the Preliminary Official Statement dated _____, 2007, relating to the Bonds together with all appendices thereto (the “**Preliminary Official Statement**”) and the execution and delivery of the Official Statement (defined below) together with all appendices thereto, and with such supplements thereto as are consented to in writing by the Authority, the District and the Underwriters including the Updated Official Statement as described below. A portion of the proceeds from the sale of the Bonds together with funds on deposit in the funds and accounts established in connection with the Prior Obligations (as defined below), and other moneys of the District (the “**District Other Moneys**”), will be deposited into an Escrow Fund established pursuant to the Escrow Agreement dated as of July 1, 2007 (the “**Escrow Agreement**”), between the Authority and U.S. Bank National Association as escrow holder (the “**Escrow Holder**”). Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the Authority Indenture. Payment of principal of, premium, if any, and interest on the Bonds shall be made by U.S. Bank National Association as Paying Agent (the “**Paying Agent**”) under a Paying Agent Agreement (the “**Paying Agent Agreement**”) dated as of July 1, 2007, by and between the Authority and the Paying Agent.

(b) Amounts in the Escrow Fund will be used to pay and redeem all of the outstanding principal amount of the Authority’s Revenue Bonds Series 1997A (Los Angeles County Regional Park and Open Space District) (the “**Prior Obligations**”). The Prior Obligations are secured by and payable from amounts payable under certain limited obligations of the District (the “**Prior District Obligations**”) issued under and pursuant to the District Master Indenture (defined below) and a First Supplemental Indenture of Trust, dated as of November 1, 1997 (together, the “**Prior District Indenture**”).

(c) The District Bonds shall be issued and secured under the provisions of the Master Indenture of Trust, dated as of November 1, 1997 (the “**District Master Indenture**”), as supplemented by a Third Supplemental Indenture of Trust, dated as of July 1, 2007 (the “**District Third Supplemental Indenture**” and, together with the District Master Indenture and all prior supplements thereto, the “**District Indenture**”), each by and between the District and the Auditor-Controller of the County of Los

Angeles, as fiscal agent. Pursuant to a resolution of the District adopted on March __, 2007 (the “**District Resolution**”), the District has authorized (i) the issuance of the District Bonds, (ii) the execution and delivery of the District Third Supplemental Indenture, the District Bond Purchase Agreement and this Forward Purchase Agreement (together, the “**District Documents**”), and (iii) the use of the Preliminary Official Statement and the execution and delivery of the Official Statement (defined below) together with all appendices thereto, and with such supplements thereto as are consented to in writing by the Authority, the District and the Underwriters including the Updated Official Statement as described below. The District Bonds will be secured by (i) a portion of a certain assessment (the “**Initial Assessment**”) levied on property within the District pursuant to an official act of the Board of Supervisors of the County of Los Angeles (the “**County**”), as set forth in its Order of March 17, 1992 (the “**1992 Order**”) and approved by the voters within the County voting on the matter on November 3, 1992 and (ii) an additional assessment levied within the District (the “**Additional Assessment**,” and together with the Initial Assessment, the “**Assessments**”) as established by an amendment to the 1992 Order effected by a resolution of the County Board of Supervisors adopted on June 15, 1996 (the “**Assessment Resolution**,” and together with the 1992 Order, the “**Order**”) and approved by the voters within the County voting on the matter on November 6, 1996.

(d) The proceeds of the Bonds shall be used (i) (together with other amounts) to defease the Prior Obligations pursuant to the Escrow Agreement, (ii) to pay the costs of issuance of the Bonds and the District Bonds, and (iii) to fund the 2007A Reserve Account of the Reserve Fund (as described in the District Indenture).

3. Authorization of Representative. The Underwriters represent that the Representative has been duly authorized by the Underwriters to execute this Forward Purchase Agreement and to act hereunder on their behalf and to take such actions as it may deem advisable with respect to all matters pertaining to this Forward Purchase Agreement.

4. Offering. The Underwriters agree to make a bona fide public offering of all the Bonds at not in excess of the respective initial public offering prices to be set forth on the inside cover page of the Official Statement. The Underwriters reserve the right to change such initial offering prices as the Underwriters shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing such bonds into investment trusts) and others at prices lower than the initial offering prices set forth on the inside cover page of the Official Statement. The Underwriters also reserve the right to (i) over allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time.

5. Official Statement.

(a) The Authority and the District hereby authorize the use by the Underwriters of the Authority Resolution, the District Resolution, the Authority Documents, the District Documents 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 Bonds. The Authority and the District consent to the use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds.

(b) The Authority will deliver to the Underwriters, as promptly as practicable after execution of this Forward Purchase Agreement, and in any event not later than seven business days after the date hereof, copies of the Official Statement in final form (including all documents incorporated by reference therein) and any amendment or supplement thereto in such quantities as the Underwriters may reasonably request in order to comply with the obligations of each Underwriter pursuant to the rules of the Municipal Securities Rulemaking Board and Rule 15c2-12(b)(4) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). As soon as practicable following receipt thereof from the Authority, the Representative shall deliver the Official Statement to a nationally recognized municipal securities information repository (as such term is defined by Rule 15c2-12 under the Exchange Act).

(c) Notwithstanding any prior amendments or supplements to the Official Statement made pursuant to this Forward Purchase Agreement, the Authority and the District, in cooperation with the Underwriters, shall prepare an updated Official Statement dated a date not more than twenty-five (25) nor less than ten (10) days (both dates inclusive) prior to Settlement (defined below at Section 7) relating to the Bonds (the “**Updated Official Statement**”) which, as of such date, will be correct and complete in all material respects and will not contain any 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 were made, not misleading. The Authority shall furnish to the Underwriters, on or before _____, 2007, copies of the Updated Official Statement in such quantities as the Underwriters reasonably shall request. As used herein, the term “**Official Statement**” shall mean (i) at any point in time during the period from the date of the Official Statement to, but not including, the date of delivery of the Updated Official Statement, the Official Statement and (ii) from and after the date of such delivery of the Updated Official Statement, the Updated Official Statement. References herein as of a specific date to the Official Statement shall mean the Official Statement applicable on such date in accordance with the preceding sentence.

(d) Authorized officers of the Authority and the District have certified to the Underwriters on behalf of the Authority and the District, by delivery of their respective certificates substantially in the form of Exhibit C hereto, that the Preliminary Official Statement was deemed to be final as of its date for purposes of Rule 15c2-12, with the exception of certain final pricing and related information referred to in Rule 15c2-12.

(e) The District will undertake, pursuant to the District Indenture, to provide certain annual financial information and notices of certain material events, as required by Rule 15c2-12 and as described in the section entitled “CONTINUING DISCLOSURE” of the Official Statement.

6. Closing.

(a) At 8:00 a.m., California time, on _____, 2007 or at such other time or on such other business day as shall have been mutually agreed upon by the Authority and the Representative (the “**Closing Date**”), the certificates, opinions and other documents required by Section 9 below shall be executed and delivered (such execution and delivery being referred to herein as the “**Closing**”). The Closing shall take place at the law offices of Squire, Sanders & Dempsey, L.L.P., Los Angeles, California (“**Bond Counsel**”) or at such other location as shall be mutually agreed upon by the Authority and the Representative. Subject to the provisions of this Forward Purchase Agreement, upon completion of the Closing, the Underwriters shall be obligated to purchase the Bonds and the Authority shall be obligated to issue the Bonds on the date of Settlement.

(b) The Representative on behalf of the Underwriters will advise the Authority whether, as of the Closing Date, there remain any Bonds that have not been sold to an investor. If there are no unsold Bonds, then the Authority will have no obligation to provide to the Underwriters an official statement other than the Official Statement and the Updated Official Statement referenced in Section 5(b) hereof. If there are unsold Bonds as of the Closing Date, then the Authority agrees that it shall, within twenty days after receipt from the Representative on behalf of the Underwriters of a written request, provide to the Underwriters either (i) a certificate of the Authority signed by a duly authorized officer of the Authority in the form set forth as Exhibit C hereto, dated a date (and speaking as of such date) not earlier than the date of such request; or (ii) an updated Official Statement (the “**Interim Official Statement**”) accompanied by a certificate as described in the preceding clause. The Representative on behalf of the Underwriters may make the request referenced in the preceding sentence only one time between the date it receives the Official Statement pursuant to Section 5(b) hereof and the date of Settlement. If the Authority, upon receipt of such request, determines that it is necessary to prepare an Interim Official Statement, the Authority shall provide the Underwriters a draft of such document for their review.

7. Settlement.

(a) “**Settlement**” shall mean the time, at 8:00 a.m., California time, on _____, 2007, or at such later date, as may be mutually agreed upon by the Authority and the Representative, at which the following transactions shall occur: (i) the Authority will, subject to the terms and conditions hereof, issue the Bonds to DTC on behalf of the Underwriters in the form of one or more certificates for each maturity of the Bonds registered in the name of Cede & Co. and deliver or cause to be delivered to the Underwriters the other documents required by Section 11 hereof; and, (ii) the Underwriters will, subject to the terms and conditions hereof, accept such delivery and pay or cause to be paid the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds to the Fiscal Agent. Delivery and payment as aforesaid shall be made at the offices of Bond Counsel, or such other place as shall have been mutually agreed upon by the Authority and the Representative.

(b) The Authority will have no obligation to cause the issuance of the Bonds if, because of a Change in Law, such issuance would be illegal as to the Authority. In such event, the Authority will have no liability whatsoever for its failure to cause the issuance of the Bonds.

The term “**Change in Law**” means any Legislative Action (defined below) which, in any such case, would, (i) as to the Underwriters, prohibit (or have the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) the Underwriters from underwriting the Bonds as provided herein or selling the Bonds or beneficial ownership interests therein to the public as contemplated by the Official Statement, (ii) as to the Authority or the District, would make the issuance, sale or delivery of the Bonds or the District Bonds illegal (or have the retroactive effect of making such issuance, sale or delivery illegal, if enacted, adopted, passed or finalized) or (iii) result in Bond Counsel being unable to give its approving opinion on the date of Settlement to the effect that interest on the Bonds is excluded from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax and is exempt from State personal income taxes.

The term “**Legislative Action**” means (i) an amendment to the Constitution of the United States of America (“United States”) or of the State, or to any federal, state or local legislation, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in rules, regulations or other pronouncements or interpretations by federal or state agencies, (ii) any legislation (A) enacted by the Congress of the United States or (B) introduced therein or recommended to Congress for passage, by press release, or other form of notice or otherwise, by the President of the United States, the United States Treasury Department, the Internal Revenue Service, or by the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives or (C) presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the Joint Committee on Taxation of the United States Congress or (D) favorably reported for passage to either House of the Congress by any Committee of such House or by a Conference Committee of both Houses to which such legislation has been referred for consideration (if such enacted, introduced or recommended legislation has a proposed effective date which is on or before the Closing Date or the date of Settlement; (iii) any law, rule or regulation proposed or enacted by any governmental body (including the State), department or agency (if such proposed or enacted law, rule or regulation has a proposed effective date which is on or before the Closing Date or the date of Settlement) or (iv) any decision of any court or administrative body of the United States or any ruling or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other authority of the United States.

8. Representations and Warranties of the Authority and the District.

(a) The Authority represents, warrants and covenants to each of the Underwriters that:

(1) The Authority is validly existing as a joint powers authority under the laws of the State of California, with the legal right and power to sell, issue and deliver the Bonds to the Underwriters as provided herein, to adopt the Authority

Resolution and to execute, deliver and perform its obligations under the Authority Documents and the Bonds, and the Authority has materially complied, and will at the Closing and the date of Settlement be in material compliance in all respects, with the terms of the Act, and with its obligations in connection with the issuance of the Bonds.

(2) (i) At or prior to the Closing or the date of Settlement, as applicable, the Authority will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds and the performance of its obligations thereunder; (ii) the Authority has full legal right, power and authority to enter into the Authority Documents, to adopt the Authority Resolution and to issue and deliver the Bonds to the Underwriters and to perform its obligations thereunder as provided herein and therein; at or prior to the Closing, the execution and delivery of, and the performance by the Authority of its obligations contained in, the Bonds and the Authority Documents shall have been duly authorized; the Authority has duly approved the Preliminary Official Statement and the delivery thereof to the Underwriters, has duly authorized and approved the Official Statement and the Updated Official Statement and the delivery thereof to the Underwriters; (iii) as of the Closing Date or date of Settlement, as applicable, the Authority Documents shall have been duly authorized, executed and delivered and each shall constitute a valid and legally binding obligation of the Authority enforceable in accordance with its respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought; the Bonds, when issued, authenticated and delivered to the Underwriters in accordance with the terms of the Authority Indenture, will constitute legal, valid and binding instruments, entitled to the benefits of the Authority Indenture and enforceable in accordance with their terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought; upon the issuance, authentication and delivery of the Bonds, the Authority Indenture will provide, for the benefit of the holders from time to time of the Bonds, the legally valid and binding pledge of, charge and lien which it purports to create on payments of, principal of, premium, if any, and interest on the District Bonds (the "**Pledged Revenues**"), subject only to the provisions of the Authority Indenture permitting the application thereof on the terms and conditions set forth in the Indenture; and (iv) the Authority Resolution was duly authorized 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.

(3) The Bonds are limited obligations of the Authority and are payable, as to principal, premium (if any), and interest thereon, solely from a pledge of and lien on Pledged Revenues of the Authority.

(4) All approvals and consents of the Board of Directors of the Authority, which would constitute a condition precedent to the performance by

the Authority of its obligations under the Bonds and the Authority Documents, have been obtained and are in full force and effect. No other authorization, consent or approval of, or filing or registration with, any Governmental Authority (as defined below) or court is, or under existing requirements of law will be, necessary for the valid execution or delivery of, or performance by the Authority of its obligations under, the Bonds, the Official Statement or the Updated Official Statement, or the Authority Documents, other than any authorization, consent, approval, filing or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale or issuance of the Bonds. All authorizations, consents or approvals of or filings or registrations with any Governmental Authority or court necessary for the valid issuance of, and performance by the Authority of its obligations under, the Bonds will have been duly obtained or made prior to the issuance of the Bonds (and disclosed to the Underwriters). As used herein, the term “**Governmental Authority**” refers to any legislative body or governmental official, department, commission, board, bureau, agency, instrumentality, body or public benefit corporation.

(5) 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 enter into or perform its obligations under the Bonds or the Authority Documents, 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. The adoption of the Authority Resolution, and the execution and delivery of the Authority Documents, the Bonds and the Official Statement and the Updated Official Statement, and compliance with the provisions contained therein, will not conflict with or constitute a breach of or default under any law, regulation, court order or decree, consent, resolution or agreement to which the Authority is subject or by which it is bound.

(6) No litigation is pending for which service of process has been completed on the Authority, or, to the best knowledge of the Authority, otherwise pending or threatened (other than any disclosed in the Official Statement) (i) in any way questioning the existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) seeking to restrain or enjoin the adoption of the Authority Resolution or the issuance or delivery of any of the Bonds or in any way contesting or affecting the validity of the Authority Resolution, the Bonds or the Authority Documents, or materially affecting payment of the Bonds or payment of any other obligations of the Authority, or contesting the powers of the Authority or any authority for the issuance of the Bonds; or (iii) which may result in any material adverse change in the business, properties, assets or the financial condition of the Authority, or which may have a material adverse effect on the ability of the Authority to meet its obligations under the Bonds or the Authority Documents.

(7) The Bonds will be issued in accordance with the Authority Indenture, and the Bonds and the Authority Documents will conform in all material respects to the descriptions of the Bonds and the Authority Documents contained in the Official Statement.

(8) Any certificate signed by any official or other representative of the Authority and delivered to the Underwriters pursuant to this Forward 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.

(9) Between the date of this Forward Purchase Agreement and the date of Settlement, the Authority will not, without the prior written consent of the Representative, offer or issue any certificates, bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, the issuance of which, in either case, would materially adversely affect the rights of the Underwriters hereunder or the security for the Bonds.

(10) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order (i) to qualify the 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 Underwriters may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Authority shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(11) As of the date thereof, the Preliminary Official Statement, other than the information set forth in "APPENDIX H -- FORM OF DELAYED DELIVERY CONTRACT," did not contain any 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 were made, not misleading.

(12) At the time of the Authority's acceptance hereof, the Preliminary Official Statement, other than the information set forth in "APPENDIX H -- FORM OF DELAYED DELIVERY CONTRACT," did not contain any 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 were made, not misleading; and the Official Statement, as the same may be supplemented or amended to the date of the Updated Official Statement pursuant to the provisions of this Forward Purchase Agreement, and the Updated Official Statement, as of its date and as the same may be supplemented or amended pursuant to the provisions of this Forward Purchase Agreement, other than the information set forth in "APPENDIX H -- FORM OF DELAYED DELIVERY CONTRACT," will not, in either case except for brief periods between changes in any relevant

circumstances and the timely amendment or supplement of the Official Statement or Updated Official Statement (as the case may be) required to reflect such change, contain any 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 were made, not misleading.

(13) If the Official Statement is supplemented or amended pursuant to paragraph (14) of this Section 8(a), at the time of each supplement or amendment thereto, the Official Statement as so supplemented or amended, other than the information set forth in “APPENDIX H -- FORM OF DELAYED DELIVERY CONTRACT,” will not contain any untrue statement of a material fact or omit to state a material fact required to be state therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(14) If between the date of this Forward Purchase Agreement and the date which is 25 days following the end of the underwriting period for the Bonds (as determined in accordance with Section 16 hereof) any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Representative thereof, and if in the opinion of the Underwriters such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriters.

(15) If the Official Statement (through the date of the Updated Official Statement) or the Updated Official Statement is supplemented or amended pursuant to the provisions of this Forward Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to the provisions of this Forward Purchase Agreement) at all times subsequent thereto up to and including the date of the Updated Official Statement (in the case of the Official Statement) or the date of the Settlement (in the case of the Updated Official Statement), except for brief periods between changes in any relevant circumstances and the timely amendment or supplement of the Official Statement or the Updated Official to reflect such change, the Official Statement or the Updated Official Statement (as the case may be) as so supplemented or amended, other than the information set forth in “APPENDIX H -- FORM OF DELAYED DELIVERY CONTRACT,” will not contain any 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 were made, not misleading.

(16) During the period from the date hereof until the date of Settlement, the Authority agrees to furnish the Underwriters with copies of any documents it

files with any regulatory authority which are reasonably requested by the Underwriters.

(17) The Authority is not in default, nor has the Authority been in default at any time, as to the payment of principal or interest with respect to an obligation issued by the Authority or a trustee on behalf of the Authority or with respect to an obligation guaranteed by the Authority as guarantor.

(18) The Authority is, and at the Closing Date will be, in compliance, in all respects, with the Authority Documents.

(19) Upon the issuance and delivery of the Bonds and the application of the proceeds thereof and other moneys pursuant to the Escrow Agreement and compliance by the Escrow Holder with the provisions thereof, the Prior Obligations will no longer be outstanding within the meaning of the Authority Indenture. Except for the rights of the holders of the Prior Obligations to payments from the Escrow Fund established by the Escrow Agreement, upon the issuance and delivery of the Bonds and the application of the proceeds thereof and other moneys pursuant to the Escrow Agreement and compliance by the Escrow Holder with the provisions thereof, the Prior Obligations will have ceased to be entitled to any lien, benefit or security under the Authority Indenture, and all covenants, agreements and obligations (other than those that specifically provide that they shall survive a payment or defeasance of the Prior Obligations) of the Authority to the holders of the Prior Obligations will have ceased, terminated, become void and been discharged and satisfied.

(20) The Authority will promptly notify the Representative as soon as practicable after it becomes aware of any fact which, in its judgment, casts doubt on or calls into question the ability of the Authority to issue, sell, and deliver the Bonds as provided for by this Forward Purchase Agreement.

(21) The Authority shall take no action including, without limitation, the issuance of additional debt, which, to the best of its knowledge, would result in a material adverse change in the market price or marketability of the Bonds or the effect of which would be to prevent the issuance and delivery of any of the Bonds on the date of Settlement.

(b) The District represents, warrants and covenants to each of the Underwriters that:

(1) The District is a public entity organized under the laws of the State of California, duly created and operating pursuant to Division 5 of the California Public Resources Code (the “**Public Resources Code**”) and the Order, with the legal right and power to execute, deliver and perform its obligations under the District Bonds and the District Documents, and the District has materially complied, and will at the Closing and the date of Settlement be in material

compliance in all respects, with its obligations in connection with the issuance of the Bonds.

(2) (i) At or prior to the Closing or the date of Settlement, as applicable, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the District Bonds and the performance of its obligations thereunder; (ii) the District has full legal right, power and authority to levy and collect the Assessments, to adopt the District Resolution and to enter into the District Documents and to issue and deliver the District Bonds to the Authority and to perform its obligations thereunder and under the District Documents and the Order as provided herein and therein; at or prior to the Closing, the execution and delivery of, and the performance by the District of its obligations contained in, the District Bonds and the District Documents shall have been duly authorized; the District has duly approved the Preliminary Official Statement and the delivery thereof to the Underwriters, has duly authorized and approved the Official Statement and the Updated Official Statement and the delivery thereof to the Underwriters; (iii) as of the Closing Date or date of Settlement, as applicable, the District Documents shall have been duly executed and delivered and each shall constitute a valid and legally binding obligation of the District enforceable in accordance with its terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought, and the District Bonds, when issued, authenticated and delivered to the Authority in accordance with the terms of the District Indenture and the District Bond Purchase Agreement, will constitute legal, valid and binding obligations, entitled to the benefits of the District Indenture and enforceable in accordance with their terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought; (iv) upon the issuance, authentication and delivery of the District Bonds, the District Indenture will provide, for the benefit of the Authority, as holder of the District Bonds, the legally valid and binding pledge of, charge and lien on the portion of the Assessments (the "**Pledged Assessments**") pledged thereunder, subject only to the provisions of the District Indenture permitting the application thereof on the terms and conditions set forth in the District Indenture; and (v) the Order, the District Resolution and the District Documents were duly authorized at a meeting of the District Board 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. The levy and collection of the Assessments has been duly authorized by the District Board, and the Assessments constitute valid and binding liens on the properties on which they are levied

(3) The District Bonds are limited obligations of the District and are payable, as to principal, premium (if any), and interest thereon, solely from a pledge of and lien on Pledged Assessments and other amounts pledged under the District Indenture.

(4) All approvals and consents of the Board of Supervisors of the County, acting on behalf of the District, which would constitute a condition precedent to the performance by the District of its obligations hereunder, under the District Bonds or under the other District Documents and the consummation by it of all other transactions contemplated by the Official Statement, the Order and the District Resolution, including, without limitation, the levy and collection of Assessments, have been obtained and are in full force and effect. No other authorization, consent or approval of, or filing or registration with, any Governmental Authority or court is, or under existing requirements of law will be, necessary for the adoption of the District Resolution, or the valid execution, delivery or performance by the District of the District Bonds, the Official Statement, the Updated Official Statement or the District Documents, other than any authorization, consent, approval, filing or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale or issuance of the Bonds.

(5) 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 District Bonds or the District Documents, 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. The adoption of the District Resolution, and the execution and delivery of the District Documents, the District Bonds, and the Official Statement and the Updated Official Statement, and compliance with the provisions contained therein, will not conflict with or constitute a breach of or default under any law, regulation, court order or decree, consent, resolution or agreement to which the District is subject or by which it is bound.

(6) No litigation is pending for which service of process has been completed on the District, or, to the best knowledge of the District, otherwise pending or threatened (other than any disclosed in the Official Statement) (i) in any way questioning the titles of the officers of the District to their respective offices; (ii) seeking to restrain or enjoin the adoption of the District Resolution or the issuance and delivery of the District Bonds or the levy and collection of Assessments or in any way contesting or affecting the validity of the District Documents or the Assessments or materially affecting payment of the District Bonds or payment of any other obligations of the District or contesting the powers of the District or any authority for the issuance of the District Bonds; or (iii)) which may result in any material adverse change in the business, properties, assets or the financial condition of the District, or which may have a material adverse effect on the ability of the District to meet its obligations under the District Bonds or the District Documents.

(7) The District Bonds will be issued in accordance with the District Indenture, and the descriptions of the District Documents contained in the Official Statement will conform in all material respects thereto.

(8) Any certificate signed by any official or other representative of the District and delivered to the Underwriters pursuant to this Forward Purchase Agreement shall be deemed a representation and warranty by the District to each of the Underwriters as to the truth of the statements therein made.

(9) Between the date of this Forward Purchase Agreement and the date of Settlement, the District will not, without the prior written consent of the Representative, offer or issue any certificates, bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, the issuance of which, in either case, would materially adversely affect the rights of the Underwriters hereunder or the security for the Bonds.

(10) The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order (i) to qualify the 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 Underwriters may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the District shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(11) As of the date thereof, the Preliminary Official Statement, other than the information set forth in "APPENDIX H -- FORM OF DELAYED DELIVERY CONTRACT," did not contain any 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 were made, not misleading.

(12) At the time of the District's acceptance hereof, the Preliminary Official Statement, other than the information set forth in "APPENDIX H -- FORM OF DELAYED DELIVERY CONTRACT," did not contain any 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 were made, not misleading; and the Official Statement, as the same may be supplemented or amended to the date of the Updated Official Statement pursuant to the provisions of this Forward Purchase Agreement, and the Updated Official Statement, as of its date and as the same may be supplemented or amended pursuant to the provisions of this Forward Purchase Agreement, will not, in either case except for brief periods between changes in any relevant circumstances and the timely amendment or supplement of the Official Statement or Updated Official Statement (as the case may be) required to reflect such change, , other than the information set forth

in “APPENDIX H -- FORM OF DELAYED DELIVERY CONTRACT,” contain any 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 were made, not misleading.

(13) If the Official Statement (through the date of the Updated Official Statement) or the Updated Official Statement is supplemented or amended pursuant to the provisions of this Forward Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to the provisions of this Forward Purchase Agreement) at all times subsequent thereto up to and including the date of the Updated Official Statement (in the case of the Official Statement) or the date of the Settlement (in the case of the Updated Official Statement), except for brief periods between changes in any relevant circumstances and the timely amendment or supplement of the Official Statement or the Updated Official to reflect such change, the Official Statement or the Updated Official Statement (as the case may be) as so supplemented or amended, other than the information set forth in “APPENDIX H -- FORM OF DELAYED DELIVERY CONTRACT,” will not contain any 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 were made, not misleading.

(14) If between the date of this Forward Purchase Agreement and the date which is 25 days following the end of the underwriting period for the Bonds (as determined in accordance with Section 16 hereof) any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading, the District, in conjunction with the Authority, shall notify the Representative thereof, and if in the opinion of the Underwriters such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will at its or the Authority’s expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriters.

(15) If the Official Statement is supplemented or amended pursuant to paragraph (14) of this Section 8(b), 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 following the end of the underwriting period, the Official Statement as so supplemented or amended, other than the information set forth in “APPENDIX H -- FORM OF DELAYED DELIVERY CONTRACT,” will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statement therein, in the light of the circumstances under which they were made, not misleading.

(16) The District is now in compliance with all existing continuing disclosure undertakings, and has never failed to comply in all material respects with any such continuing disclosure undertaking executed with regard to Rule 15c2-12 to provide annual reports or notices of material events required thereby.

(17) During the period from the date hereof until the date of Settlement, the District agrees to furnish the Underwriters with copies of any documents it files with any regulatory authority which are reasonably requested by the Underwriters.

(18) The District is, and at the Closing date will be, in compliance, in all respects, with the District Documents, the Order and the Public Resources Code.

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

(20) Upon the issuance and delivery of the Bonds and the application of the proceeds thereof and other moneys pursuant to the Escrow Agreement and compliance by the Escrow Holder with the provisions thereof, the Prior Obligations will no longer be outstanding within the meaning of the Authority Indenture. The District covenants that it will make timely delivery of the District Other Moneys for deposit into the Escrow Fund in an amount sufficient, together with the other amounts deposited therein, to pay and redeem the Prior Obligations.

(21) The District will promptly notify the Representative as soon as practicable after it becomes aware of any fact which, in its judgment, casts doubt on or calls into question the ability of the District to issue, sell, and deliver the District Bonds as contemplated by this Forward Purchase Agreement.

(22) The District shall take no action including, without limitation, the issuance of additional debt, which, to its knowledge, would result in a material adverse change in the market price or marketability of the Bonds, or the effect of which would be to prevent the issuance and delivery of any of the District Bonds on the date of Settlement.

9. Closing Conditions. The Underwriters have entered into this Forward Purchase Agreement in reliance upon the representations, warranties and agreements of the Authority and the District contained herein, the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and the date of Settlement and

upon the performance by the Authority and the District of their respective obligations herein, as of the date hereof and as of the Closing Date and the date of Settlement. The Underwriters' obligations under this Forward Purchase Agreement are and shall be conditioned upon the performance by the Authority and the District of their obligations to be performed herein, and shall also be subject to the following additional conditions:

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

(b) at the time of the Closing and the date of Settlement, this Forward Purchase Agreement, the Authority Resolution, the District Resolution, the District Master Indenture, the Authority Master Indenture, and the Order, shall be in full force and effect and shall not have been amended, modified or supplemented after the date thereof except as shall have been agreed to in writing by the Underwriters;

(c) At the time of the Closing and the date of Settlement, the [Updated] 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;

(d) Both at the time of the Closing and the date of Settlement, all official action of the Authority and the District relating to this Forward Purchase Agreement, the Authority Documents and the District Documents, shall have been taken and 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 adverse respect;

(e) At the time of the Closing, there shall have been no material adverse change in (i) the status of operations, required permits, licenses and approvals of the District, nor (ii) the financial position, results of operations or condition, financial or otherwise, of the District, as all the foregoing matters are described in the Official Statement; and

(f) At or prior to the Closing, the Underwriters shall receive the following documents, in each case satisfactory in form and substance to the Underwriters and to Underwriters' counsel, Hawkins Delafield & Wood LLP:

(1) The Official Statement and each supplement or amendment, if any, thereto;

(2) The Authority Resolution, certified by the Secretary of the Authority or another duly authorized officer of the Authority as having been duly adopted by the Authority and as being in effect, together with a certificate from the Secretary of the Authority or another duly authorized officer of the Authority

stating that the Authority Resolution is in effect in the form existing on the date hereof and has not been amended;

(3) The District Resolution, certified by the Secretary of the District or another duly authorized officer of the District as having been duly adopted by the District and as being in effect, together with a certificate from the Secretary of the District or another duly authorized officer of the District stating that the District Resolution is in effect in the form existing on the date hereof and has not been amended;

(4) A letter of Bond Counsel dated the date of Closing and addressed to the Authority and to the District, in substantially the form attached hereto as Exhibit D, together with a letter of such counsel, dated the date of the Closing and addressed to the Underwriters, to the effect that the foregoing letter addressed to the Authority may be relied upon by the Underwriters to the same extent as if such letter were addressed to it;

(5) A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Authority, the District and the Underwriters, to the effect that:

(A) this Forward Purchase Agreement has been duly authorized, executed and delivered by, and constitutes a legal, valid and binding agreement of, the Authority and the District in accordance with its terms;

(B) assuming no change in applicable law from the law in effect on the date of such opinion, the Bonds and the District Bonds, if issued, will not be subject to the registration requirements of the Federal Securities Act of 1933 (as the same shall from time to time be supplemented or amended, the “**33 Act**”), and the Authority Indenture and the District Indenture, on such date of issuance, will be exempt from qualification pursuant to the Federal Trust Indenture Act of 1939 (as the same shall from time to time be supplemented or amended, the “**39 Act**”);

(C) the statements contained in the Official Statement under the captions “INTRODUCTION -- General Terms of the Series 2007A Authority Bonds,” --“Source of Payment for the 2007A Authority Bonds and the Series 2007A District Bonds,” -- “Reserve Account,” -- “Additional Bonds,” -- “Limited Obligation,” and -- “Continuing Disclosure,” “PLAN OF REFUNDING,” “THE SERIES 2007A AUTHORITY BONDS,” “SECURITY FOR THE SERIES 2007A AUTHORITY BONDS,” “TAX MATTERS,” APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS,” and APPENDIX D — “FORM OF BOND COUNSEL APPROVING OPINION,” insofar as the statements contained under such captions and in such appendices purport to summarize certain provisions

of the Bonds, the Authority Documents and the District Documents, are accurate in all material respects; and

(D) upon the issuance and delivery of the Bonds and the application of the proceeds thereof and other moneys pursuant to the Escrow Agreement and compliance by the Escrow Holder with the provisions thereof, the Prior Obligations will no longer be outstanding within the meaning of the Authority Indenture. Except for the rights of the holders of the Prior Obligations to payments from the Escrow Fund established by the Escrow Agreement, upon the issuance and delivery of the Bonds, the application of the proceeds thereof pursuant to the Escrow Agreement and compliance by the Escrow Holder with the provisions thereof, the Prior Obligations will have ceased to be entitled to any lien, benefit or security under the indenture under which such obligations were issued, and all covenants, agreements and obligations (other than those that specifically provide that they shall survive a payment or defeasance of the Prior Obligations) of the Authority to the holders of the Prior Obligations will have ceased, terminated, become void and been discharged and satisfied;

(6) A certificate, dated the date of the Closing, signed by an authorized officer of the Authority to the following effect (but in lieu of or in conjunction with such certificate the Representative may, in its sole discretion, accept certificates or opinions of Bond Counsel, or of other counsel acceptable to the Representative, that, in the opinion of such counsel, the issues raised in any pending or threatened litigation referred to in such certificate are without substance or that the contentions of all plaintiffs therein are without merit):

(A) the representations and warranties of the Authority contained in this Forward Purchase Agreement are true and correct in all material respects on and as of the Closing [Settlement] Date with the same effect as if made on the [Settlement] Closing Date; and

(B) no event affecting the Authority, has occurred since the date of the [Updated] Official Statement which either makes untrue or incorrect in any material respect as of the Closing [Settlement] Date any statement or information contained in the [Updated] Official Statement or is not reflected in the [Updated] Official Statement but should be reflected therein in order to make the statements and information therein not materially misleading in any material respect;

(C) such officer is executing and delivering such certificate after consultation with and with the approval of County Counsel acting as Counsel to the Authority.

(7) A certificate, dated the date of the Closing, signed by an authorized officer of the District to the following effect (but in lieu of or in conjunction with

such certificate the Representative may, in its sole discretion, accept certificates or opinions of Bond Counsel, or of other counsel acceptable to the Representative, that, in the opinion of such counsel, the issues raised in any pending or threatened litigation referred to in such certificate are without substance or that the contentions of all plaintiffs therein are without merit):

(A) the representations and warranties of the District contained in this Forward Purchase Agreement are true and correct in all material respects on and as of the Closing [Settlement] Date with the same effect as if made on the Closing [Settlement] Date; and

(B) no event affecting the District; has occurred since the date of the [Updated] Official Statement which either makes untrue or incorrect in any material respect as of the Closing [Settlement] Date any statement or information contained in the [Updated] Official Statement or is not reflected in the [Updated] Official Statement but should be reflected therein in order to make the statements and information therein not materially misleading in any material respect;

(C) such officer is executing and delivering such certificate after consultation with and with the approval of County Counsel acting as Counsel to the Authority.

(8) An opinion, dated the date of the Closing and addressed to the Underwriters, of Hawkins Delafield & Wood LLP, counsel for the Underwriters, to the effect that (A) assuming no change in applicable law from the law in effect on the date of such opinion, the Bonds, if issued, will not be subject to the registration requirements of the 33 Act, and the Authority Indenture and the District Indenture, on such date of issuance, will be exempt from qualification pursuant to the 39 Act; and (B) in their letter containing the foregoing opinion, or in a separate letter dated the date of the Closing and addressed to the Underwriters, that, based upon an examination which such firm has made, which shall be specified, and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, as of the date thereof, such firm has no reason to believe that the Official Statement (except for any financial, statistical or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, or information about the insurer, the municipal bond insurance policy or The Depository Trust Company, New York, New York and its book-entry-only system contained in the Official Statement, and each of the appendices thereto, as to which no opinion need be expressed) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(9) Written evidence satisfactory to the Representative that Standard & Poor's Ratings Group ("S&P"), Moody's Investors Service ("Moody's") and

Fitch Ratings (“Fitch”) have rated the Bonds, at the time of the Closing, “AAA,” “Aaa,” and “AAA,” respectively;

(10) A copy of the Bond Insurance Commitment executed by the Authority and the Bond Insurer in the form previously approved by the Representative;

(11) Favorable opinions of counsel to the Bond Insurer, satisfactory in form and scope to the Representative, dated the date of the Closing and addressed to the Underwriters, as to the power and authority of the Bond Insurer to issue the Bond Insurance Commitment and to deliver the Bond Insurance Policy pursuant thereto, and as to the validity and enforceability of such Commitment and, when issued and paid for, the Bond Insurance Policy, and as to such other matters as the Representative may request; and

(12) Such additional legal opinions, bonds, instruments and other documents as the Underwriters may request to evidence the truth and accuracy, as of the date hereof and as of the date of Closing, of the District’s and the Authority’s representations and warranties contained herein and of the statements and information contained in the [Updated] Official Statement, as the same may be supplemented or amended.

(g) The obligations of the Authority and the District under this Forward Purchase Agreement shall be conditioned upon the performance by the Underwriters of their obligations to be performed hereunder, including furnishing to the Authority and the District at the Closing a certificate of the Representative as to the issue price for the Bonds in the form mutually agreed upon by the parties hereto and Bond Counsel.

(h) The opinions, letters, certificates, instruments and other documents mentioned in this Section shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to (i) the Representative in the case of subsections (a) through (e) of this Section and (ii) the Authority, the District and Bond Counsel in the case of subsection (g) of this Section. The opinions and certificates the forms of which are set forth herein shall be deemed satisfactory if they are substantially in the respective forms set forth herein.

10. Rights of Termination on or Prior to Closing. The Representative, on behalf of the Underwriters, may terminate this Forward Purchase Agreement, without liability therefor except as set forth in Section 15 (“Termination and Its Effect”) hereof, by notification to the Authority and the District if at any time on or after the acceptance by the Authority and the District of this Forward Purchase Agreement and on or prior to the Closing:

(a) the marketability of the Bonds or the market price thereof, in the judgment of the Representative, has been materially adversely affected by Legislative Action affecting the federal or State tax status of the Authority or the District, either of their property or income, or the interest on the bonds of the Authority or the District (including the Bonds and the District Bonds);

(b) there shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, the effect of which on the financial markets of the United States being such, as in the judgment of the Representative, would make it impracticable for the Underwriters to market the Bonds or to enforce contracts for the sale of the Bonds;

(c) there shall have occurred the declaration of a general banking moratorium by any authority of the United States or the State of New York or the State of California;

(d) there shall have been any downgrading, suspension or withdrawal, or any official statement as to a possible downgrading, suspension or withdrawal, of any rating by Moody's, S&P or Fitch on the bonds of the Authority (including the Authority Bonds) payable from Pledged Revenues; or

(e) an event described in Section 5 hereof shall have occurred which in the judgment of the Representative requires the preparation and publication of a supplement or amendment to the Official Statement.

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

(a) the representations and warranties of the District and the Authority 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 Settlement as if made on the date of Settlement;

(b) at the time of the Settlement, (i) the Authority Documents and the District Documents shall be in full force and effect and shall not have been amended, modified or supplemented after the date thereof except as shall have been agreed to in writing by the Representative and (ii) the Authority and the District shall have performed their obligations required under or specified in the Legal Documents to be performed at or prior to the Settlement;

(c) at the time of the Settlement, all official actions of the District and the Authority relating to the Authority Documents and the District Documents and the Bonds and the District 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 Underwriters;

(d) At the time of the Settlement, the Official Statement and the Updated 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; and

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

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

(2) executed copies of the Authority Documents and the District Documents;

(3) The Tax Compliance Certificate, dated as of the date of Settlement (the "Tax Certificate");

(4) A certificate, dated the date of the Settlement, of the Secretary of the Authority or another duly authorized officer of the Authority, to the effect that the Authority Resolution is in full force and effect in the form adopted on or prior to, and in effect on, the date of this Forward Purchase Agreement and has not been subsequently amended, modified or supplemented, or, if the Authority Resolution has been so amended, modified or supplemented, together with certified copies of all such amendments, modifications and supplements and a certification that none of such amendments, modifications or supplements has a material adverse effect on the security for or source of payment of the Bonds or on the transactions contemplated by this Forward Purchase Agreement;

(5) A certificate, dated the date of the Settlement, of the Secretary of the District or another duly authorized officer of the District, to the effect that the District Resolution is in full force and effect in the form adopted on or prior to, and in effect on, the date of this Forward Purchase Agreement and has not been subsequently amended, modified or supplemented, or, if the District Resolution has been so amended, modified or supplemented, together with certified copies of all such amendments, modifications and supplements and a certification that none of such amendments, modifications or supplements has a material adverse effect on the security for or source of payment of the District Bonds or on the transactions contemplated by this Forward Purchase Agreement;

(6) An opinion of Bond Counsel, dated the date of Settlement and addressed to the Authority and the District, substantially to the effect of the form included in the Official Statement as Appendix D, together with a letter of such

counsel, dated the date of the Settlement and addressed to the Underwriters, to the effect that the foregoing opinion may be relied upon by the Underwriters to the same extent as if such opinion were addressed to them;

(7) A supplemental opinion of Bond Counsel, dated the date of Settlement and addressed to the Authority, the District and the Underwriters, to the effect that

(A) this Forward Purchase Agreement has been duly authorized, executed and delivered by, and constitutes a legal, valid and binding agreement of, the Authority and the District in accordance with its terms;

(B) the Bonds and the District Bonds are not subject to the registration requirements of the 33 Act, and the Authority Indenture and the District Indenture are exempt from qualification pursuant to the 39 Act;

(C) the statements contained in the Updated Official Statement under the captions "INTRODUCTION -- General Terms of the Series 2007A Authority Bonds," --"Source of Payment for the 2007A Authority Bonds and the Series 2007A District Bonds," -- "Reserve Account," -- "Additional Bonds," -- "Limited Obligation," and -- "Continuing Disclosure," "PLAN OF REFUNDING," "THE SERIES 2007A AUTHORITY BONDS," "SECURITY FOR THE SERIES 2007A AUTHORITY BONDS," "TAX MATTERS," APPENDIX B — "SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS," and APPENDIX D — "FORM OF BOND COUNSEL APPROVING OPINION," insofar as the statements contained under such captions and in such appendices purport to summarize certain provisions of the Bonds, the District Bonds, the Authority Documents, the District Documents, and the Order, are accurate in all material respects; and

(D) upon the issuance and delivery of the Bonds and the application of the proceeds thereof pursuant to the Escrow Agreement and compliance by the Escrow Holder with the provisions thereof, the Prior Obligations will no longer be outstanding within the meaning of the Authority Indenture. Except for the rights of the holders of the Prior Obligations to payments from the Escrow Fund established by the Escrow Agreement, upon the issuance and delivery of the Bonds, the application of the proceeds thereof pursuant to the Escrow Agreement and compliance by the Escrow Holder with the provisions thereof, the Prior Obligations will have ceased to be entitled to any lien, benefit or security under the indenture under which such obligations were issued, and all covenants, agreements and obligations (other than those that specifically provide that they shall survive a payment or defeasance of the Prior Obligations) of the

Authority to the holders of the Prior Obligations will have ceased, terminated, become void and been discharged and satisfied;

(8) A certificate, dated the date of Settlement, of the Escrow Holder that it holds, as Escrow Holder under the Escrow Agreement, direct obligations of the United States the maturing principal of and interest on which, based on the report of Causey Demgen & Moore Inc. (the "Verification Agent") will be sufficient to pay, when due, all principal of and interest and premium on the bonds to be refunded, and a certificate, dated the date of the Settlement, of the Verification Agent to the effect that it has verified the accuracy of the mathematical computations of the adequacy of the maturing principal amounts of the Government Obligations (as defined in the Escrow Agreement) to be held by the Escrow Holder together with the interest earned and to be earned thereon to make full and timely payment of all principal and interest due with respect to all of the bonds to be refunded from the proceeds of the Bonds and to redeem all of the bonds to be refunded as are then outstanding on the dates specified in the Escrow Agreement at the then applicable redemption prices; such mathematical computations to be based upon information provided to the Verification Agent by or on behalf of the Authority;

(9) An opinion, dated the date of the Settlement and addressed to the Underwriters, of County Counsel, as counsel to the Authority, to the effect that:

(A) the Authority is a joint powers authority duly organized, and validly existing and operating pursuant to Chapter 5, Division 7, Title 1 of the Government Code of the State;

(B) the preparation and distribution of the Preliminary Official Statement, the Official Statement and the Updated Official Statement have been duly authorized by the Board of Directors of the Authority;

(C) The Authority has full legal power and corporate authority to enter into the Authority Documents, to own its properties and to carry on its business as currently conducted.

(D) the Authority Resolution was duly authorized 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;

(E) except as disclosed in the Official Statement or the Updated Official Statement, there is no action, suit, proceeding or investigation of a material nature at law or in equity before or by any court, public board or body for which service of process has been completed, or, to the best knowledge of such counsel, otherwise pending or threatened against or affecting the Authority, to restrain or enjoin the issuance of the Bonds, or in any way contesting or affecting the validity of the Authority Resolution,

the Bonds, the Authority Documents, the Official Statement or the Updated Official Statement;

(F) the adoption of the Authority Resolution, the execution and delivery by the Authority of the Authority Documents, the Bonds, the Official Statement and the Updated Official Statement, and compliance by the Authority with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute a breach of or default under any State (or to the knowledge of such counsel any federal) law, administrative regulation, court decree, resolution, agreement or instrument to which the Authority is subject to or by which it is bound;

(G) the Bonds and the Authority Documents and the have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, the Bonds and the Authority Documents constitute the legal, valid and binding obligations of the Authority, enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, and by the application of equitable principles if equitable remedies are sought;

(H) no authorization, approval, consent, or other order of the State of California (the "State") or any other governmental body of the State having jurisdiction over the Authority is required for the adoption of the Authority Resolution or consummation by the Authority of the transactions contemplated by the Authority Documents, except such as have been obtained and except such as may be required under securities or blue sky laws of any jurisdiction in connection with the purchase and distribution of the Bonds by the Underwriters; and

(I) 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 enter into or perform its obligations under the Bonds or the Authority Documents, and, to the best of our 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;

(10) An opinion, dated the date of the Closing and addressed to the Underwriters, of County Counsel, as counsel to the District, to the effect that:

(A) the District is duly formed and validly existing under the laws of the State and a duly and validly existing member of the Authority;

(B) The District has full legal power and corporate authority to enter into the District Documents, to own its properties and to carry on its business as currently conducted

(C) the preparation and distribution of the Preliminary Official Statement, the Official Statement and the Updated Official Statement have been duly authorized by the Board of Supervisors of the County and ex officio governing body of the District (the “**District Board**”);

(D) the Order, the District Resolution and the District Documents were duly adopted or approved at meetings of the District Board, which were 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;

(E) there is no action, suit, proceeding or investigation of a material nature at law or in equity before or by any court, public board or body for which service of process has been completed, or, to the best knowledge of such counsel, otherwise pending or threatened against or affecting the District, to restrain or enjoin the issuance of the Bonds or the levy and collection of Assessments or the application thereof as described in the Official Statement or the Updated Official Statement, or in any way contesting or affecting the validity of the District Resolution, the Order, the levy and collection of the Assessments, the District Documents or the preparation and distribution of the Official Statement or the Updated Official Statement, or which may result in any material adverse change in the business, properties, assets or the financial condition of the District, or which may have a material adverse effect on the ability of the District to meet its obligations under the District Bonds or the District Documents;

(F) the District has full legal power and authority to levy and collect the Assessments, the levy and collection of Assessments has been duly authorized by the District Board, and the Assessments constitute valid and binding liens on the properties on which they have been levied;

(G) the adoption of the Order and the District Resolution, the execution and delivery by the District of the District Documents, the Official Statement, and the Updated Official Statement, and compliance by the District with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute a breach of or default under any State (or, to the knowledge or such counsel, federal) law, administrative regulation, court decree, resolution or agreement to which the District is subject to or by which it is bound;

(H) the District Documents have been duly authorized, executed and delivered by the District and, assuming due authorization,

execution and delivery by the other parties thereto, the District Documents constitute the legal, valid and binding obligations of the District, enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, and by the application of equitable principles if equitable remedies are sought;

(I) 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 District Bonds, the District Resolution, the Order and the District Documents, 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 of default; and

(J) except for building and other permits, zoning approvals and variances, if any, and similar ministerial governmental approvals associated with the construction and installation of the Projects, no authorization, approval, consent, or other order of the State or any other governmental authority or agency within the State having jurisdiction over the District is required for the adoption of the District Resolution or consummation by the District of the transactions contemplated by the District Documents, except such as have been obtained and except such as may be required under securities or blue sky laws of any jurisdiction in connection with the purchase and distribution of the Bonds by the Underwriters;

(11) A certificate, dated the date of the Settlement, signed by an authorized officer of the Authority in substantially the form set forth in Section 9(f)(6) hereof (and pertaining to the Updated Official Statement) (but in lieu of or in conjunction with such certificate the Representative may, in its sole discretion, accept certificates or opinions of Bond Counsel, or of other counsel acceptable to the Representative, that, in the opinion of such counsel, the issues raised in any pending or threatened litigation referred to in such certificate are without substance or that the contentions of all plaintiffs therein are without merit);

(12) A certificate, dated the date of the Settlement, signed by an authorized officer of the District in substantially the form set forth in Section 9(f)(7) hereof (and pertaining to the Updated Official Statement) (but in lieu of or in conjunction with such certificate the Representative may, in its sole discretion, accept certificates or opinions of Bond Counsel, or of other counsel acceptable to the Representative, that, in the opinion of such counsel, the issues raised in any pending or threatened litigation referred to in such certificate are without substance or that the contentions of all plaintiffs therein are without merit);

(13) An opinion, dated the date of Settlement and addressed to the Underwriters, of Hawkins Delafield & Wood LLP, counsel to the Underwriters, to the effect that (A) the Bonds are not subject to the registration requirements of the 33 Act, and the Authority Indenture and the District Indenture are exempt from qualification pursuant to the 39 Act; and (B) in their letter containing the foregoing opinion, or in a separate letter dated the date of the Settlement and addressed to the Underwriters, that, based upon their participation in the preparation of the Updated Official Statement as counsel for the Underwriters (which participation will not extend beyond the date of the Updated Official Statement or the last amendment thereto) and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Updated Official Statement, during the course of their representation of the Underwriters on this matter, as of the date of the Settlement no information has come to the attention of the attorneys in such firm rendering legal services in connection with such representation causing them to believe that the Updated Official Statement as of its date (except for the statements contained in the Updated Official Statement relating to the Bond Insurer, the Bond Insurance Policy, the book entry only system and The Depository Trust Company, all financial and statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion and the Appendices to the Updated Official Statement, as to all of which no view need be expressed) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(14) The Letter of Representations or other evidence of appropriate arrangements with The Depository Trust Company for use of its book entry only system with respect to the Bonds;

(15) Written evidence satisfactory to the Representative that Moody's, S&P, and Fitch have each issued an insured and an uninsured rating for the Bonds, and that such ratings are in full force and effect as of the date of the Settlement;

(16) Evidence satisfactory to the Representative that the Bond Insurance Policy for the Bonds has been issued in substantially the form set forth as Appendix F to the Official Statement;

(17) Favorable opinions of counsel to the Bond Insurer, satisfactory in form and scope to the Representative, dated the date of the Settlement, and addressed to the Underwriters, as to the power and authority of the Bond Insurer to deliver the Bond Insurance Policy, and as to the validity and enforceability of the Bond Insurance Policy, and as to such other matters as the Representative may request;

(18) A copy of the Verification Report;

(19) An opinion of counsel to the Paying Agent, dated the date of Settlement, addressed to the Authority, the District and the Underwriters, to the effect that:

(A) the Paying Agent is a [national banking association] duly organized and validly existing under the laws of [the United States];

(B) the Paying Agent has taken all corporation action necessary to assume the duties and obligations of the Paying Agent under the Paying Agent Agreement and to authorize in such capacity the authentication of the Bonds;

(C) the Paying Agent Agreement has been duly authorized, executed and delivered by the Paying Agent and assuming due authorization, execution and delivery by the other parties thereto are legal, valid and binding agreements of the Paying Agent enforceable in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law); and

(D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Paying Agent that has not been obtained is or will be required for the execution and delivery by the Paying Agent of the Paying Agent Agreement;

(20) an opinion of counsel to the Escrow Holder in form and substance satisfactory to the Underwriters dated the date of Settlement, addressed to the Underwriters, to the effect that:

(A) the Escrow Holder is a [national banking association] organized and existing under and by virtue of the laws of [the United States of America];

(B) the Escrow Holder has duly authorized the execution and delivery of the Escrow Agreement;

(C) the Escrow Holder has taken all corporation action necessary to assume the duties and obligations of the Escrow Holder under the Escrow Agreement;

(D) the Escrow Agreement has been duly entered into and delivery by the Escrow Holder and assuming due, valid and binding authorization, execution and delivery the other parties thereto, constitutes the legal, valid and binding obligation of the Escrow Holder enforceable against the Escrow Holder in accordance with its terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement

of creditors' rights generally and the application of equitable principles if equitable remedies are sought;

(E) acceptance by the Escrow Holder of the duties and obligations under the Escrow Agreement and compliance with provisions thereof will not conflict with or constitute a breach of or default under any law or administrative regulation to which the Escrow Holder is subject; and

(F) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the performance by such Escrow Holder of its duties and obligations under the Escrow Agreement have been obtained and are in full force and effect;

(21) A certificate, dated the date of the Closing and signed by an authorized officer of the Paying Agent, to the effect that:

(A) he or she is an authorized officer of the Paying Agent;

(B) the duties and obligations of the Paying Agent under the Paying Agent Agreement have been duly accepted by the Paying Agent;

(C) the Paying Agent has all necessary powers required to carry out the trust intended under the Paying Agent Agreement; and

(D) acceptance by the Paying Agent of the duties and obligations of the Paying Agent under the Paying Agent Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any agreement or other instrument to which the Paying Agent is subject;

(22) A certificate, dated the date of the Closing and signed by an authorized officer of the Escrow Holder, to the effect that:

(A) he or she is an authorized officer of the Escrow Holder;

(B) the duties and obligations of the Escrow Holder under the Escrow Agreement have been duly accepted by the Escrow Holder;

(C) the Escrow Holder has all necessary powers required to carry out the trust intended under the Escrow Agreement; and

(D) the acceptance by the Escrow Holder of the duties and obligations of the Escrow Holder under the Escrow Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any law, administrative regulation, consent

decree or any agreement or other instrument to which the Escrow Holder is subject; and

(23) Such additional legal opinions, certificates, instruments and other documents as the Representative may request to evidence the truth and accuracy, as of the date hereof and as of the date of the Settlement, of the Authority's or the District's representations and warranties contained herein and of the statements and information contained in the Official Statement and the Updated Official Statement and the due performance or satisfaction by the Authority and the District on or prior to the date of the Settlement of all the agreements contained herein or in the Authority Documents or the District Documents, as appropriate, then to be performed and conditions then to be satisfied by them.

(f) The opinion of Bond Counsel which is referred to in subsection (e)(6) of this Section shall be deemed satisfactory provided it is substantially in the form included in the Official Statement as Appendix D, and the opinions and certificates the forms of which are set forth herein shall be deemed satisfactory if they are substantially in the respective forms set forth herein.

12. Termination after Closing, but on or Prior to Settlement. The Representative, on behalf of the Underwriters, may terminate this Forward Purchase Agreement without liability therefor by notification to the Authority and the District if at any time on or after Closing and on or prior to Settlement:

(a) the Authority or the District fails to comply with all of the conditions to Settlement set forth in Section 11 hereof by 10:00 a.m. Los Angeles Time on the date of Settlement, except any such condition waived by the Representative in accordance herewith;

(b) there is a Change in Law;

(c) Legislative Action has occurred relating to the federal taxation of interest received on obligations of the general character of the Bonds, which, in the opinion of Bond Counsel has, or will have, the effect of such interest being subject to inclusion in gross income for purposes of federal income taxation (except to the extent such interest is intended to be includable in gross income) or such interest being subject to inclusion in State personal income taxation;

(d) As a result of any reason other than Legislative Action, Bond Counsel cannot issue an opinion to the effect that (i) interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax, and (iii) interest on the Bonds is exempt from State personal income taxation;

(e) legislation is enacted, or actively considered for enactment with an effective date prior to Settlement, or a decision by a court of the United States is rendered, the effect of which, in the judgment of the Representative, is that the Bonds or

the Authority Indenture or the District Indenture, as the case may be, are not exempt from the registration, qualification or other requirements of the 33 Act, the 34 Act (excepting compliance with Rule 15c2-12), or the 39 Act, as amended and as then in effect;

(f) a stop order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter is issued or made or any other event occurs, the effect of which, in the judgment of the Representative or the Authority and the District, is that the issuance, offering, or sale of the Bonds, or the entry into the District Documents or the Authority Documents as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the federal securities laws, including the 33 Act, the 34 Act, and the 39 Act;

(g) there shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, the effect of which on the financial markets of the United States being such as, in the judgment of the Representative, would make it impracticable for the Underwriters to market the Bonds or to enforce contracts for the sale of the Bonds;

(h) there shall have occurred a declaration of a general banking moratorium by any authority of the United States or the States of New York or California;

(i) an event of default has occurred and is continuing, technical or otherwise, under the Authority Indenture or the District Indenture;

(j) the Bond Insurance Policy is not delivered and in effect at Settlement; or

(k) Additional restrictions not in force as of the date of this Forward Purchase Agreement are imposed upon trading in securities generally by any governmental authority or by any securities exchange that would, in the judgment of the Representative, materially adversely affect the market for the Bonds.

13. Expenses. The Underwriters shall be under no obligation to pay, and the Authority and the District shall pay, any expenses incident to the performance of the Authority's and the District's obligations hereunder including, but not limited to: (i) the cost of preparation, printing and delivery of the Authority Resolution and the District Resolution; (ii) the costs of preparation, printing and delivery of the Preliminary Official Statement and the Official Statement and the Updated Official Statement and any supplements and amendments to any of such official statements; (iii) the cost of preparation and printing of the Bonds and the District Bonds; (iv) the fees and disbursements of Bond Counsel and Counsel to the Authority and the District; (v) the fees and disbursements of the Financial Advisor, for its services as financial advisor to the Authority and the District; (vi) the fees and disbursements of any other accountants, and other experts, consultants or advisers retained by the Authority or the District; (viii) the fees, if any, for bond ratings; (ix) the fees and disbursements of the Verification Agent in connection with the certificate to be delivered pursuant to this Forward Purchase Agreement; (x) the fees and disbursements of the independent auditor of the District, if any; and (xi) the cost of delivering the purchase price for the Bonds in immediately available funds. The Authority

and the District shall also pay for any expenses (included in the expense component of the Underwriters' compensation) incurred by the Underwriters on behalf of the Authority's and the District's employees that are incidental to implementing this Forward Purchase Agreement and the issuance of the Bonds, including, but not limited to, meals, transportation, lodging and entertainment of those employees, if any, and any other miscellaneous closing costs.

14. Notices. Any notice or other communication to be given to the Authority or the District under this Forward Purchase Agreement may be given by delivering the same in writing to Treasurer and Tax Collector, 432 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, Attention: Finance Officer, or to such other person as he may designate in writing, and any notice or other communication to be given to the Representative under this Forward Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing to UBS Securities LLC, 777 South Figueroa Street, 50th Floor, Los Angeles, California 90017, Attention: _____ . The approval of the Underwriters when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Representative and delivered to the Authority and the District.

15. Termination and Its Effect.

(a) In the event that either the Authority or the District is unable, after using its best efforts, to satisfy the conditions herein to the completion of the Closing (unless waived by the Representative, on behalf of the Underwriters) by the time such completion is required or if the Representative, on behalf of the Underwriters, shall terminate this Forward Purchase Agreement prior to the completion of the Closing in accordance with Section 10 hereof, then this Forward Purchase Agreement shall terminate, and neither the Authority, the District, nor the Underwriters shall have any further obligation or liability to, or any rights against, the other.

(b) If the Closing shall have occurred, in the event that either the Authority or the District is unable, after using its best efforts, to satisfy the conditions herein to the completion of the Settlement (unless waived by the Representative, on behalf of the Underwriters) by the time such completion is required, or is otherwise unable, after using its best efforts, to satisfy the conditions to the obligation of the Underwriters to purchase, accept delivery of and pay for the Bonds as set forth in this Forward Purchase Agreement (unless waived by the Representative, on behalf of the Underwriters) by the time such completion is required, then this Forward Purchase Agreement shall terminate, and neither the Authority, the District, nor the Underwriters shall have any further obligation or liability to, or any rights against, the other except as otherwise provided in this Forward Purchase Agreement.

(c) In the event the Underwriters fail to purchase, accept delivery of and pay for the Bonds as provided herein for a reason permitted hereunder, then this Forward Purchase Agreement shall terminate, and neither the Underwriters nor the Authority, nor the District shall have any further obligation or liability to, or rights against, the other except as otherwise provided in this Forward Purchase Agreement.

(d) In the event the Representative, on behalf of the Underwriters, terminates this Forward Purchase Agreement as permitted in Section 10 hereof, then this Forward Purchase Agreement shall terminate, and neither the Underwriters nor the Authority nor the District shall have any further obligation or liability to, or rights against, the other.

(e) Notwithstanding the foregoing, the provisions of Section 20 (“Entire Agreement . . .”) hereof shall survive any termination of this Forward Purchase Agreement.

16. Underwriting Period. The term “end of the underwriting period” means the later of such time as (i) the Authority delivers the Bonds to the Underwriters or (ii) the Underwriters do not retain directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Representative gives notice to the contrary, the “end of the underwriting period” shall be deemed to occur 25 days after Settlement. Any notice delivered pursuant to this Section shall be written notice, delivered to the Authority and the District at or prior to the , and shall specify a date, other than the date of Settlement (or other date specified by notice delivered pursuant to this Section), to be deemed the “end of the underwriting period.” In no event, without the prior agreement of the Authority and the District, shall the “end of the underwriting period” be a date more than 30 days after the date of Settlement.

17. Effectiveness. This Forward Purchase Agreement shall become effective upon the execution of the acceptance hereof by an Authority Representative and a District Representative and shall be valid and enforceable at the time of such acceptance.

18. Governing Law. This Forward Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed within such state.

19. Execution in Counterparts. This Forward Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[Balance of page intentionally left blank]

20. Entire Agreement; Parties In Interest; Survivability . This Forward Purchase Agreement when accepted by the Authority and the District in writing as heretofore specified shall constitute the entire agreement among the Authority, the District and the Underwriters and is made solely for the benefit of the Authority, the District and the Underwriters (including the successors or assigns of any Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, covenants and other agreements of the Authority and the District contained in this Forward Purchase Agreement or in any certificate delivered pursuant hereto shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment for the Bonds. The provisions of Sections 10 and 12 hereof shall survive the termination or cancellation of this Forward Purchase Agreement.

Very truly yours,

UBS SECURITIES LLC
as Representative of the Several Underwriters

By _____

By _____

The foregoing is hereby agreed to and accepted as of the date first above written.

LOS ANGELES COUNTY PUBLIC WORKS
FINANCING AUTHORITY

By _____
Mark J. Saladino

LOS ANGELES COUNTY REGIONAL PARK
AND OPEN SPACE DISTRICT

By _____
Mark J. Saladino

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By _____
Principal Deputy County Counsel

EXHIBIT A

List of Underwriters

UBS Securities LLC
Banc of America Securities LLC

EXHIBIT B

\$ _____
LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
REFUNDING REVENUE BONDS SERIES 2007A

Maturity Date (October 1)	Principal Amount	Maturity Schedule		
		Rate	Yield	Price

EXHIBIT C

March ____, 2007

UBS Securities LLC
777 South Figueroa Street, 50th Floor
Los Angeles, California 90017

Ladies and Gentlemen:

With respect to the proposed sale to you of the Los Angeles County Public Works Financing Authority Refunding Revenue Bonds Series 2007A (Los Angeles County Regional Park and Open Space District) (the “**Bonds**”), the Los Angeles County Regional Park and Open Space District (the “**District**”) has delivered to you a Preliminary Official Statement, dated _____, 2007 relating to the Bonds (the “**Preliminary Official Statement**”). The District, for purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the following information: the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, dates of mandatory sinking fund payments, delivery dates, ratings, and any other terms of the Bonds relating to such matters.

Sincerely,

LOS ANGELES COUNTY REGIONAL PARK
AND OPEN SPACE DISTRICT

By: _____
Mark J. Saladino

March ____, 2007

UBS Securities LLC
777 South Figueroa Street, 50th Floor
Los Angeles, California 90017

Ladies and Gentlemen:

With respect to the proposed sale to you of its Refunding Revenue Bonds Series 2007A (Los Angeles County Regional Park and Open Space District) (the “**Bonds**”), the Los Angeles County Public Works Financing Authority (the “**Authority**”) has delivered to you a Preliminary Official Statement, dated _____, 2007 relating to the Bonds (the “**Preliminary Official Statement**”). The Authority, for purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the following information: the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, dates of mandatory sinking fund payments, delivery dates, ratings, and any other terms of the Bonds relating to such matters.

Sincerely,

LOS ANGELES COUNTY PUBLIC WORKS
FINANCING AUTHORITY

By: _____
Mark J. Saladino

EXHIBIT D

[Letterhead of Bond Counsel.]

[Closing Date]

Los Angeles County Public Works Financing Authority
Los Angeles County Regional Park and Open Space District

Ladies and Gentlemen:

Attached as Appendix D to the Official Statement (the “Official Statement”) of the Los Angeles County Public Works Financing Authority (the “Authority”), dated March ____, 2007, pertaining to the Authority’s Refunding Revenue Bonds Series 2007A (Los Angeles County Regional Park and Open Space District) (the “Bonds”) is our proposed form of legal opinion regarding, among other things, the authorization, issuance, validity and enforceability of the Bonds and the exclusion of interest on the Bonds from gross income for federal income tax purposes and State personal income taxes, subject to the conditions and qualifications stated therein. Assuming satisfaction by the Authority and UBS Securities LLC, as Representative on behalf of the Underwriters (as defined in the Forward Purchase Agreement hereinafter referred to) of their respective obligations to be satisfied in the Forward Bond Purchase Agreement, dated March ____, 2007, among the Authority, the Los Angeles County Regional Park and Open Space District and the Underwriters (the “Forward Purchase Agreement”), and the issuance of the Bonds, and no change in any applicable law, regulations or rulings, or in interpretations thereof, or in any other facts or circumstances (tax or otherwise) which, in our sole and exclusive view, affect or are material to our opinion (including, without limitation, the existence of any litigation), we will be able to issue our opinion on the date of the Settlement (as defined in the Forward Purchase Agreement) in substantially the form attached as Appendix D to the Official Statement.

Very truly yours,

ESCROW AGREEMENT

This Escrow Agreement, dated as of [July] 1, 2007 (the "Agreement") by and between the LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY (the "Authority" and U.S. Bank National Association, a national banking association organized and existing under and by virtue of the laws of the United States of America with a corporate trust office located in Los Angeles, California at the address hereinafter set forth, as Escrow Holder, as defined herein:

WITNESSETH:

WHEREAS, the Authority has issued its Revenue Bonds, Series 1997A (the "1997 Authority Bonds") pursuant to the Authority Master Indenture of Trust, dated as of November 1, 1997 (the "Authority Master Indenture"), as supplemented by the Authority First Supplemental Indenture of Trust, dated as of November 1, 1997 (the "Authority First Supplemental Indenture" and, together with the Authority Master Indenture, the "1997 Authority Indenture"), each by and between the Authority and the Auditor-Controller of the County of Los Angeles, as fiscal agent (the "Auditor-Controller"), presently outstanding in the aggregate principal amount of \$126,520,000;

WHEREAS, the 1997 Authority Bonds bear interest at the rates and mature on the dates and are subject to prior redemption as set forth in the 1997 Authority Indenture, and the Authority has determined to pay or redeem all of the outstanding 1997 Authority Bonds (the "Authority Refunded Bonds"); and

WHEREAS, the Los Angeles County Regional Park and Open Space District (the "District") has issued its Los Angeles County Regional Park and Open Space District Limited Obligation Improvement Bonds, Series 1997A (the "1997 District Bonds") pursuant to the District Master Indenture of Trust, dated as of November 1, 1997 (the "District Master Indenture"), as supplemented by the District First Supplemental Indenture of Trust, dated as of November 1, 1997 (the "District First Supplemental Indenture" and, together with the District Master Indenture, the "1997 District Indenture"), each by and between the District and the Auditor-Controller, presently owned by the Authority and outstanding in the aggregate principal amount of \$126,520,000; and

WHEREAS, the Authority's Refunding Revenue Bonds, Series 2007A (the "Series 2007A Authority Bonds"), are being issued pursuant to the 1997 Authority Indenture, as supplemented by the Authority Third Supplemental Indenture of Trust, dated as of [July] 1, 2007 (the "Authority Third Supplemental Indenture" and, together with the 1997 Authority Indenture, the "Authority Indenture"), by and between the Authority and the Auditor-Controller, as Fiscal Agent, capitalized terms used but not defined herein shall have the meanings established for purposes of the Authority Indenture; and

WHEREAS, concurrently with the issuance of the Series 2007A Authority Bonds, the District is issuing its Limited Obligation Improvement Bonds, Series 2007A (the "Series 2007A District Bonds") pursuant to a District Master Indenture of Trust, dated as of November 1, 1997, as supplemented (the "1997 District Indenture"), including by a District Third Supplemental Indenture of Trust, dated as of [July] 1, 2007 (the "District Third Supplemental Indenture" and, together with the 1997 District Indenture, the "District Indenture"), each by and between the District and the Auditor-Controller, as Fiscal Agent; and

WHEREAS, the District Third Supplemental Indenture provides that a portion of the proceeds from the sale of the Series 2007A Authority Bonds received by the District shall be placed in escrow hereunder for the purpose of providing funds necessary to refund certain of the Authority Refunded Bonds; and

WHEREAS, the District Third Supplemental Indenture provides that certain amounts held in the 1997A Debt Service Fund and the 1997 Reserve Account of the Reserve Fund under the District Indenture shall be placed in escrow hereunder for the purpose of providing funds necessary to refund certain of the Authority Refunded Bonds; and

WHEREAS, the Authority wishes to provide for the application of such proceeds of the Series 2007A Authority Bonds, together with the amounts provided by the District and the interest earned from the investment thereof, to effect the refunding of the Authority Refunded Bonds;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The Authority hereby appoints U.S. Bank National Association, as escrow holder under this Agreement (the "Escrow Holder") and U.S. Bank National Association, hereby accepts the appointment as Escrow Holder.

2. Receipt is hereby acknowledged by the Escrow Holder of a copy of the 1997 Authority Indenture. Reference herein to, or citation herein of, any provision of the 1997 Authority Indenture shall be deemed to be incorporated as a part hereof in the same manner and with the same effect as if it were fully set forth herein.

3. There is hereby created and established with the Escrow Holder a special, segregated and irrevocable escrow fund, established for the purpose of refunding the Authority Refunded Bonds (the "Escrow Fund") to be held at the direction of the Authority in the custody of the Escrow Holder as a trust account for purposes of Section 7.02 of the 1997 Authority Indenture. Moneys in the 2007A Escrow Fund shall be applied solely as provided in this Escrow Agreement.

4. Concurrently with the execution of this Agreement, the Authority and the District shall (A) cause the transfer of \$_____ on deposit in the 1997A Reserve Account of the Reserve Fund and \$_____ on deposit in the 1997A Excess Earnings Account of the Excess Earnings Fund to the Escrow Holder for deposit into the Escrow Fund, (B) cause there to be deposited with the Escrow Holder for deposit into the Escrow Fund moneys in the amount of \$_____ derived from the proceeds of the Series 2007A Authority Bonds and (C)

cause there to be deposited with the Escrow Holder for deposit into the Escrow Fund moneys in the amount of \$_____ representing amounts held in the 1997A Debt Service Fund under the District Indenture. The Escrow Holder agrees to immediately invest \$_____ of such amounts in the Government Obligations set forth on Schedule A hereto. The Auditor-Controller is hereby irrevocably directed by the Authority to make the deposits with the Escrow Holder or, if directed by the Auditor-Controller, _____, as Paying Agent (the "Paying Agent"), respectively, as set forth hereinabove. The Escrow Holder is hereby irrevocably directed by the Authority to take such actions as may be necessary to assure that the amount so deposited in the Escrow Fund shall immediately be invested by the Escrow Holder in the securities as set forth on Schedule A, attached hereto. The securities set forth in Schedule A attached hereto are collectively referred to herein as "Eligible Securities," it being the intention of the Authority that the principal of such Eligible Securities, together with the interest to be paid thereon, will be sufficient, as of the date of calculation, and will mature, bear interest and be available to pay in a timely manner the principal and interest with respect to the Authority Refunded Bonds as the same shall become due and payable on October 1, 2007 whether at maturity or at a redemption price of 101% as set forth in Schedule B attached hereto (collectively, the "Escrow Requirement"). The Authority hereby represents that such Eligible Securities are comprised of Government Obligations as defined in the 1997 Authority Indenture ("Government Obligations").

EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION 4, THE ESCROW HOLDER MAY NOT SELL, TRANSFER, REQUEST THE REDEMPTION OF OR OTHERWISE DISPOSE OF THE ELIGIBLE SECURITIES. Interest income and other amounts received by the Escrow Holder as payments on the Eligible Securities held in the Escrow Fund, shall be held as part of such Escrow Fund to be used for the purposes set forth in this Escrow Agreement and may be invested by the Escrow Agent at the written direction of an authorized representative of the Authority [or as directed in the Escrow Verification Report], provided that (a) such amounts may only be invested in Eligible Securities and (b) such investments shall have maturities which do not extend beyond the date on which the moneys so invested will be needed to make payments required by this Escrow Agreement.

Notwithstanding anything herein to the contrary, no party to this Agreement shall take any action (other than the payment of the principal and interest on the Authority Refunded Bonds) which would cause the funds in the Escrow Fund to be unavailable for the uses set forth herein.

5. The Escrow Holder hereby acknowledges receipt of the deposit of the moneys in the Escrow Fund as described in paragraph 4 hereof.

6. The deposit by the Authority and the District of the moneys in the Escrow Fund shall constitute an irrevocable deposit thereof for the uses and purposes specified in this Agreement and in the provisions of the 1997 Authority Indenture expressly referred to herein, and such moneys and Eligible Securities, together with all interest thereon, shall be held in trust and applied solely for such uses and purposes. Such moneys and Eligible Securities, along with the proceeds of investment thereof, shall be held by the Escrow Holder separate and apart from all other funds and shall not be commingled with other moneys for any purpose.

7. (a) Except as otherwise expressly provided in paragraph 4, the Escrow Holder shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Eligible Securities held hereunder or to sell, transfer or otherwise dispose of the Eligible Securities acquired hereunder, or to pay interest on any such moneys not required to be invested hereunder.

(b) The liability of the Escrow Holder for the payment of the principal and interest, and redemption premium, if any, payable, with respect to the Authority Refunded Bonds as set forth in Schedule B, shall be limited to the principal of and interest on the Eligible Securities and cash available for such purposes in the Escrow Fund.

(c) The Authority hereby agrees that it will not take action or fail to take action which would (i) affect adversely the exclusion from gross income for federal income tax purposes of interest with respect to the 1997 Authority Bonds or on the Series 2007A Authority Bonds, or (ii) affect adversely the status of the Authority Refunded Bonds as being deemed no longer deemed Outstanding under the 1997 Authority Indenture.

8. The Escrow Holder shall collect the matured principal of and payments of interest on the Eligible Securities as the same become due and payable and deposit the same in the Escrow Fund. Not later than the date on which any payment on any of the Authority Refunded Bonds is required to be made, as set forth in Schedule B, or if such date is not a Business Day then not later than the Business Day next preceding such date, the Escrow Holder shall transmit, from the funds in the Escrow Fund to the Auditor-Controller, or to such other paying agent as may be designated in writing by the Authority (collectively, with the Auditor-Controller, the "Paying Agent"), the applicable amount set forth in Schedule B attached hereto. The Escrow Holder may conclusively rely upon Schedule B with respect to all information set forth therein and may conclusively rely upon any written directions of the Authority described in this paragraph.

Any moneys held by the Paying Agent in trust for the payment and discharge of the interest or principal or redemption price with respect to any of the Authority Refunded Bonds which remain unclaimed for three months after the date when such payments have become due and payable, shall, be paid to the credit of the District and the Paying Agent shall thereupon be released and discharged with respect thereto and the holders of Authority Refunded Bonds shall look only to the District for the payment of the interest or principal or redemption price with respect to such Authority Refunded Bonds.

9. _____ is hereby irrevocably directed to mail notice of redemption as required by Section 3.03 of the 1997 Authority Indenture substantially in the form attached hereto as Exhibit 1, with such changes as the Escrow Holder deems appropriate ("Redemption Notice"), and to mail notice of defeasance as required by Section 7.02(b) and Section 3.03 of the 1997 Authority Indenture substantially in the form attached hereto as Exhibit 2 ("Defeasance Notice"), by first class mail, postage prepaid, to the Authority and the respective holders of the Authority Refunded Bonds, respectively, at their addresses appearing on the bond register. The Redemption Notice shall be mailed not less than 30 days, but not more than 45 days, prior to the redemption date. The Defeasance Notice shall be mailed as soon as practicable.

Additionally, as soon as practicable, the Defeasance Notice shall be published one time in The Bond Buyer or The Wall Street Journal, or, if such publications are impractical or unlikely to reach a substantial number of the Bondholders of the Authority Refunded Bonds, in some financial newspaper selected by the Authorized Authority Representative which regularly carries similar notices of defeasance for obligations similar to the Authority Refunded Bonds. At least 30 days prior to the redemption date, the Redemption Notice shall be published one time in The Bond Buyer or The Wall Street Journal, or, if, in the determination of the Authority, such publications are impractical or unlikely to reach a substantial number of the Bondholders of the Authority Refunded Bonds, in some financial newspaper selected by the Paying Agent which regularly carries similar notices of redemption for obligations similar to the Authority Refunded Bonds. At least two (2) days before the date of publication required by this Section, Redemption Notice, or Defeasance Notice as the case may be, shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission or (iii) overnight delivery service, to The Depository Trust Company, New York, New York at 55 Water Street, New York, New York 10041 and otherwise in accordance with the 1997 Authority Indenture. On the date of publication required by this Section, Redemption Notice, or Defeasance Notice as the case may be, shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the information services selected by an Authorized Authority Representative in accordance with the 1997 Authority Indenture. Neither the failure of a holder to receive the Defeasance Notice or Redemption Notice, nor the failure to give such notice to certain depositories or information services as required by the 1997 Authority Indenture, nor any defect in any such notice, will affect the sufficiency of the proceedings for the redemption or the defeasance of any Authority Refunded Bonds.

Each check or other transfer of funds issued or made by _____ for the purpose of redeeming the Authority Refunded Bonds shall bear the CUSIP number identifying, by issue and maturity, the Authority Refunded Bonds being redeemed with the proceeds of such check or other transfer.

10. The Authority agrees to pay and shall pay to the Escrow Holder as compensation in full for all services to be rendered by the Escrow Holder under this Agreement the amounts set forth in a separate schedule of fees and expenses, as modified from time to time as agreed upon by the parties hereto. Any payment to the Escrow Holder pursuant to this paragraph, shall be made from any moneys of the Authority lawfully available therefor, but the Escrow Holder shall have no lien whatsoever upon any of the moneys or Eligible Securities in the Escrow Fund for any such payment.

To the extent authorized by law, the Authority hereby assumes liability for and hereby agrees to indemnify, protect, save and keep harmless the Escrow Holder and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Authority or the Escrow Holder (whether or not also indemnified against by any person under any other contract or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the acceptance and performance of the duties and obligations of the Escrow Holder hereunder, the establishment of the Escrow Fund, the acceptance of the moneys deposited in such fund, the purchase of the

Eligible Securities, the retention of such moneys and Eligible Securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Holder in accordance with the provisions of this Agreement, provided, that the Authority shall not be required to indemnify, protect, save and keep harmless the Escrow Holder against its own negligence, or willful misconduct. In no event shall the Authority be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Holder as set forth in this paragraph. The indemnities contained in this paragraph shall survive the termination of this Agreement.

11. The Escrow Holder agrees to maintain books and records for the Escrow Fund and to account separately for deposits therein, investments thereof, earnings thereon and losses (if any) with respect thereto. The Escrow Holder shall only act in accordance with the specific provisions set forth herein and shall not assume any implied duties or obligations hereunder.

The Escrow Holder shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Agreement unless the Authority shall have deposited sufficient funds therefor with the Escrow Holder. The Escrow Holder may rely and shall be protected in acting upon the written or oral instructions of authorized representatives of the Authority or of its respective agents relating to any matter or action as Escrow Holder under this Agreement.

The liability of the Escrow Holder for the payment of moneys as hereinabove set forth respecting the payment of the Authority Refunded Bonds shall be limited to the principal of and interest on the Eligible Securities and other securities purchased hereunder. The Escrow Holder shall not be liable for any loss resulting from any investment, sale, transfer, redemption, substitution or other disposition made pursuant to this Escrow Agreement in compliance with the provisions hereof or the sufficiency of the Eligible Securities or any uninvested moneys held hereunder to accomplish the discharge of the Authority Refunded Bonds. The Escrow Holder shall not have any lien whatsoever upon any of the moneys deposited in accordance with paragraph 4 hereof for the payments of fees and expenses for services by it under this Escrow Agreement until after all payments required pursuant hereto in accordance herewith. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statements of the Authority and the Escrow Holder assumes no responsibility for the correctness thereof. The Escrow Holder makes no representations as to the sufficiency of the Eligible Securities to be purchased pursuant hereto and any uninvested moneys to accomplish the refunding of the Authority Refunded Bonds or to the validity of this Agreement as to the Authority and, except as otherwise provided herein, the Escrow Holder shall incur no liability in respect thereof. The Escrow Holder shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Holder shall be determined by the express provisions of this Agreement. The Escrow Holder may consult with counsel, who may or may not be counsel to the Authority, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Holder shall deem it necessary or desirable that a matter be provided or established prior to taking, suffering, or omitting any action under this Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally

recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the Authority.

12. The Escrow Holder may be removed with or without cause at any time by the Authority, and the Escrow Holder may resign by giving written notice to the Authority, but no such removal or resignation shall take effect under this Agreement unless a successor Escrow Holder shall have been appointed by the Authority as hereinafter provided and such successor Escrow Holder shall have accepted such appointment, in which event such removal or resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Holder. In the event that no appointment of a successor Escrow Holder shall have been made by the Authority pursuant to the foregoing provisions of this paragraph within forty-five (45) days after written notice of resignation of the Escrow Holder has been given to the Authority, any retiring Escrow Holder may apply to any court of competent jurisdiction for the appointment of a successor Escrow Holder, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Holder. No successor Escrow Holder shall be appointed unless such successor Escrow Holder shall be a corporation or other entity with trust powers organized under the banking laws of the United States or any state and shall have at the time of appointment capital, surplus and undivided profits of not less than \$100,000,000. Every successor Escrow Holder appointed hereunder shall execute, acknowledge and deliver to its predecessor, the Authority and to the Los Angeles County Treasurer and Tax Collector (the "County Treasurer"), an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Holder without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Holder or the Authority execute and deliver an instrument transferring to such successor Escrow Holder all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Holder shall deliver all cash and Eligible Securities held by it to its successor. Should any transfer, assignment or instrument in writing from the predecessor Escrow Holder be required by any successor Escrow Holder for more fully and certainly vesting in such successor Escrow Holder the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Holder, any such transfer, assignment and instrument in writing shall, on request, be executed, acknowledged and delivered by the predecessor Escrow Holder. Any corporation or other entity into which the Escrow Holder, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation or other entity resulting from any merger, conversion, consolidation or reorganization to which the Escrow Holder or any successor to it shall be a party, shall be the successor Escrow Holder under this Agreement without the execution or filing of any paper or any act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

13. Upon the written direction of an Authorized Authority Representative, the Escrow Agent shall sell, transfer and request the redemption of or otherwise dispose of the Eligible Securities; provided that (i) there are simultaneously substituted therefor and delivered to the Escrow Agent other Government Obligations the payments of principal of and interest on which, together with other moneys available for such purpose, as certified by an independent certified public accountant that, will be sufficient to pay, when due, the principal of, redemption premium and interest on the Authority Refunded Bonds and (ii) the Escrow Agent shall receive

the opinion of bond counsel to the effect that such disposition or substitution would not adversely affect the exclusion from gross income of interest on the Authority Refunded Bonds or the Series 2007A Authority Bonds. Any cash received from the disposition and substitution of Government Obligations pursuant to this Section to the extent that such cash will not be required pursuant to Section 4 hereof shall be transferred to the Fiscal Agent and deposited into the Bond Interest Subaccount of the 2007A Debt Service Fund under the District Third Supplemental Indenture, or as otherwise directed by the District.

14. This Agreement shall terminate when there shall have been paid to the _____, in accordance with the provisions hereof, moneys sufficient to pay all principal and interest, and redemption premiums, payable with respect to all of the Authority Refunded Bonds as set forth on Schedule B, and any remaining moneys and Eligible Securities, together with any interest thereon, in the Escrow Fund shall after payment of all outstanding fees and expenses of the Escrow Holder and the Provider thereupon be transferred to the District.

15. If any one or more of the covenants or agreements provided in this Agreement on the part of the parties hereto to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

16. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original and shall constitute and be but one and the same instrument.

17. This Agreement shall be governed by the applicable law of the State of California.

18. All notices, demands and formal actions under this Agreement shall be in writing and mailed, telegraphed or delivered to:

The Authority:	Los Angeles County Public Works Financing Authority c/o Los Angeles County Treasurer and Tax Collector Office of Public Finance 500 West Temple Street, Room 437 Los Angeles, California 90012 Attention: Glenn Byers Director of Public Finance
The District:	Los Angeles County Regional Park and Open Space District c/o Los Angeles County Treasurer and Tax Collector Office of Public Finance 500 West Temple Street, Room 437 Los Angeles, California 90012 Attention: Glenn Byers Director of Public Finance

The Escrow Holder:	U.S. Bank National Association 633 West Fifth Street, 24 th Floor Los Angeles, California 90071 Attention: Corporate Trust
If to the County Treasurer:	Los Angeles County Treasurer and Tax Collector Office of Public Finance 500 West Temple Street, Room 437 Los Angeles, California 90012 Attention: Glenn Byers Director of Public Finance

19. This Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the holders of one hundred percent (100%) in aggregate principal amount of the Authority Refunded Bonds then unpaid as to principal shall have been filed with the Escrow Holder. This Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such holders, but only: (i) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Authority; (ii) to cure, correct or supplement any ambiguous or defective provision contained herein; or (iii) in regard to questions arising hereunder as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interest of the holders of the Authority Refunded Bonds, and that such amendment will not cause interest with respect to the Authority Refunded Bonds to become subject to inclusion in gross income for purposes of federal income taxation.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

**LOS ANGELES COUNTY PUBLIC WORKS
FINANCING AUTHORITY**

By: _____
Treasurer

**U.S. BANK NATIONAL ASSOCIATION, as
Escrow Holder**

By _____
Authorized Officer

Schedule A

ESCROW FUND INVESTMENTS

<u>Type</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Price</u>	<u>Total</u>	<u>CUSIP No.</u>
-------------	-----------------	----------------------	-------------------------	--------------	--------------	------------------

Total

Total Purchase Price:
Initial Cash:
Total:

Schedule B
REFUNDED ISSUE DEBT SERVICE

(See attached)

Schedule C

Authority Revenue Bonds, Series 1997A

Maturity Date (October 1)	Prior <u>CUSIP</u>	Refunded <u>CUSIP</u>	Refunded <u>Principal</u> ¹
2007			
2008	544738DK0	544738GB7	
2009	544738DL8	544738GC5	
2010	544738DM6	544738GD3	
2011	544738DN4	544738GE1	
2012	544738DP9	544738GF8	
2013	544738DR5	544738GH4	
2013	544738DQ7	544738GG6	
2016	544738DS3	544738GJ0	
2019	544738DT1	544738GK7	

1. Redemption date is October 1, 2007. Redemption price is 101%.

EXHIBIT 1

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
REVENUE BONDS, SERIES 1997A
(LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT)

NOTICE IS HEREBY GIVEN to all holders and holders of the captioned obligations (the "Bonds") that Los Angeles County Public Works Financing Authority will redeem all of the outstanding Bonds on October 1, 2007 (the "Redemption Date") pursuant to the Indenture of Trust authorizing the Bonds.

Upon surrender of any of the Bonds listed below for redemption, the holder will be entitled to: (i) the redemption price (the "Redemption Price") (expressed as a percentage of the principal amount of the Bonds to be redeemed) as set forth below; and (ii) accrued interest with respect to said Bonds to the Redemption Date.

The holders and owners of the Bonds listed below are required to surrender such outstanding Bonds as follows:

<u>Bond No.</u>	<u>CUSIP Number</u>	<u>Maturity (or Partial Maturity)</u>	<u>Redemption Price</u>
-----------------	---------------------	---------------------------------------	-------------------------

All of the aforesaid Bonds to be so redeemed should be surrendered for payment as follows:

By Hand

New York, NY

By Mail

New York, NY

By Overnight Mail

New York, NY

Attention: Corporate Trust Operations

On the Redemption Date, the above listed Bonds shall become due and payable at the Redemption Price and shall cease to bear interest.

All holders submitting Bonds for redemption must also submit certification of their Taxpayer Identification Number. Failure to provide the above identification will result in 31% backup withholding to Holders pursuant to the Interest and Dividend Tax Compliance Act of 1983, as amended by the Comprehensive National Energy Policy Act of 1992.

[Paying Agent]
[Date of Notice]

\$ _____

**LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
REVENUE BONDS, SERIES 1997A
(LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT)**

NOTICE IS HEREBY GIVEN to all holders of the captioned obligations (the "Bonds") in accordance with Section 7.02(b) of the Master Indenture of Trust, dated as of November 1, 1997, by and between the Los Angeles County Public Works Financing Authority (the "Authority") and the Auditor Controller of the County of Los Angeles (the "Fiscal Agent"), as supplemented and amended (the "Indenture"), that payment with respect to the Bonds of the principal, interest and premium has been provided for, as certified to the Fiscal Agent by a Financial Consultant, by irrevocably depositing with U.S. Bank National Association in trust and irrevocably setting aside exclusively for such payment Government Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to pay in a timely manner the principal and interest with respect to the Authority Refunded Bonds as the same shall become due and payable on October 1, 2007 at a redemption price of 101% and thereafter, plus accrued interest, and that the Bonds have accordingly been deemed paid in accordance with Article VII of the Indenture.

U.S. Bank National Association, as Paying Agent

[Date of Notice]

AGREEMENT FOR SALE AND PURCHASE OF DISTRICT BONDS

This Purchase Agreement for Purchase and Sale of District Bonds, dated as of July 1, 2007 (the "Agreement") by and between the LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT (the "District"), and the LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY (the "Authority"):

W I T N E S S E T H:

WHEREAS, the Authority has previously issued its Revenue Bonds, Series 1997A (the "1997 Authority Bonds") under the provisions of an Authority Master Indenture of Trust (the "Authority Master Indenture"), and an Authority First Supplemental Indenture of Trust (the "Authority First Supplemental Indenture"), each dated as of November 1, 1997, and each by and between the Authority and the Auditor-Controller of the County of Los Angeles, as fiscal agent (the "Fiscal Agent"), presently outstanding in the aggregate principal amount of \$126,520,000;

WHEREAS, the 1997 Authority Bonds bear interest at the rates and mature on the dates and subject to prior redemption as set forth in the Authority First Supplemental Indenture, and the Authority has determined to pay or redeem all the outstanding 1997 Authority Bonds (the "Authority Refunded Bonds"); and

WHEREAS, the District has previously issued, pursuant to the District Master Indenture of Trust, dated as of November 1, 1997, as supplemented by the District First Supplemental Indenture of Trust, each by and between the District and the Auditor-Controller of the County of Los Angeles, its Limited Obligation Improvement Bonds, Series 1997A (the "1997 District Bonds"), which are presently held by the Authority and outstanding in the aggregate principal amount of \$126,520,000; and

WHEREAS, the District presently desires to issue and sell a series of the District Bonds in an aggregate principal amount not to exceed \$140,000,000 (the "Series 2007A District Bonds") and to apply certain funds on deposit with the District and the proceeds to effect the payment or redemption of the 1997 District Bonds in the principal amount of \$126,520,000 as set forth on Schedule I attached hereto (the "District Refunded Bonds"); and

WHEREAS, the Authority's Refunding Revenue Bonds, Series 2007A (the "Series 2007A Authority Bonds"), are being issued in the principal amount of \$_____ pursuant to the Authority Master Indenture, as supplemented, including by the Authority Third Supplemental Indenture of Trust, dated as of [July] 1, 2007, by and between the Authority and the Fiscal Agent (the "Authority Third Supplemental Indenture" and, together with the Authority Master Indenture, the Authority First Supplemental Indenture, the "Authority Indenture"), capitalized terms used but not defined herein shall have the meanings established for purposes of the Authority Indenture; and

WHEREAS, concurrently with the issuance of the Series 2007A Authority Bonds, the District is issuing its Limited Obligation Improvement Bonds, Series 2007A (the "Series 2007A District Bonds") pursuant to a District Master Indenture of Trust, dated as of November 1, 1997 (the "District Master Indenture"), as supplemented, including by a District Third Supplemental Indenture of Trust, dated as of [July] 1, 2007, each by and between the District and the Auditor-Controller, as Fiscal Agent (the "District Third Supplemental Indenture" and, together with the District Master Indenture, the "District Indenture"); and

WHEREAS, the Authority will enter into an Escrow Agreement, dated as of [July] 1, 2007 (the "Escrow Agreement") by and between itself and U.S. Bank National Association, a national banking association organized and existing under and by virtue of the laws of the United States of America with a corporate trust office located in Los Angeles, California, as Escrow Holder, for the purpose of paying or refunding the Authority Refunded Bonds; and

WHEREAS, all acts precedent to and conditional for the issuance and sale of the Series 2007A District Bonds and Series 2007A Authority Bonds have been taken;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Upon the terms and conditions and upon the basis of the representations herein set forth, the Authority hereby agrees to purchase from the District, and the District hereby agrees to sell to the Authority, all (but not less than all) of the Series 2007A District Bonds, subject to the sale and delivery of the Series 2007A Authority Bonds to the Underwriters from the Authority and the return and cancellation of the 1997 District Bonds as set forth herein. The Authority expects to apply the proceeds of the Series 2007A Authority Bonds (i) to pay or redeem the Authority Refunded Bonds, (ii) to provide funds to fund the 2007A Reserve Account in the Reserve Fund and (iii) to finance the costs of issuance of the Series 2007A Authority Bonds and the Series 2007A District Bonds. Upon delivery of the Series 2007A Authority Bonds and the defeasance of the Authority Refunded Bonds, and as partial consideration for the sale of the Series 2007A District Bonds to the Authority, the Authority will deliver to the District for cancellation the 1997 District Bonds. It is hereby agreed that upon such delivery to the District, the outstanding 1997 District Bonds shall be and are hereby deemed paid in accordance with and in satisfaction of Article VII of the 1997 District Indenture, and the right, title and interest of the Fiscal Agent thereunder in and to the Pledged Revenues (as defined in the 1997 District Indenture) shall thereupon cease, terminate and become void and the 1997 District Indenture shall be cancelled, discharged and released.

2. Concurrently with the execution of this Agreement, the Authority and the District shall (A) cause the transfer of \$_____ on deposit in the 1997A Reserve Account of the Reserve Fund and \$_____ on deposit in the 1997A Earnings Account of the Earnings Fund to the Escrow Holder for deposit into the Escrow Fund, (B) cause the deposit of \$_____ to the 2007A Reserve Account of the Reserve Fund and (C) cause the transfer of \$_____ of the proceeds of the Series 2007A Authority Bonds to the Escrow Holder for deposit into the Escrow Fund.

3. At or prior to the settlement, the Authority shall have purchased from the District, and the District shall have delivered to the Authority, all (but not less than all) of the Series 2007A District Bonds.

4. The Authority and the District hereby agree that they will not take any action or fail to take any action which would affect adversely the exclusion from gross income for federal income tax purposes of interest on the Series 2007A District Bonds and Series 2007A Authority Bonds.

5. If any one or more of the covenants or agreements provided in this Agreement on the part of the parties hereto to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

6. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original and shall constitute and be but one and the same instrument.

7. This Agreement shall be governed by the applicable law of the State of California.

8. This Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such holders, but only: (i) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Authority; (ii) to cure, correct or supplement any ambiguous or defective provision contained herein; or (iii) in regard to questions arising hereunder as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the holders of the Series 2007A Authority Bonds, and that such amendment will not cause interest on the Series 2007A Authority Bonds to become subject to inclusion in gross income for purposes of federal income taxation.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

**LOS ANGELES COUNTY REGIONAL PARK
AND OPEN SPACE DISTRICT**

By: _____
Treasurer

**LOS ANGELES COUNTY PUBLIC WORKS
FINANCING AUTHORITY**

By: _____
Treasurer

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.

PRELIMINARY OFFICIAL STATEMENT DATED MARCH _____, 2007

NEW ISSUE — BOOK-ENTRY ONLY

RATINGS: Standard & Poor's: (Insured): __ (Underlying: __)
Moody's: (Insured): __ (Underlying: __)
Fitch: (Insured): __ (Underlying: __)
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.

\$ _____ *

**Los Angeles County Public Works Financing Authority
Refunding Revenue Bonds Series 2007A
(Los Angeles County Regional Park and Open Space District)**

Dated: Date of Delivery

Due: October 1, as shown on the inside cover page

The Series 2007A Authority Bonds are being issued by the Los Angeles County Public Works Financing Authority, a joint exercise of powers entity organized under the laws of the State of California (the "Authority"), pursuant to an Authority Master Indenture of Trust (the "Master Indenture") dated as of November 1, 1997 and an Authority Third Supplemental Indenture of Trust dated as of July 1, 2007 (the "Third Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Authority and the Auditor-Controller of the County of Los Angeles, as fiscal agent (the "Fiscal Agent"). The Series 2007A Authority Bonds are being issued to assist the Los Angeles County Regional Park and Open Space District (the "District") (i) to pay and redeem all of the Authority's outstanding Revenue Bonds, Series 1997A (Los Angeles County Regional Park and Open Space District) (the "Series 1997A Authority Bonds"), (ii) to fund the 2007A Reserve Account, and (iii) to pay for costs of issuance incurred in connection with the issuance of the Series 2007A Authority Bonds and the Series 2007A District Bonds (as defined below). See "PLAN OF REFUNDING," "THE SERIES 2007A AUTHORITY BONDS" and "ESTIMATED SOURCES AND USES OF FUNDS." The District shall levy and collect annual assessments on the approximately 2.2 million parcels within its boundaries, which are coterminous with the boundaries of the County of Los Angeles (the "County"), in an amount sufficient to provide for the debt service payments on the Series 2007A Authority Bonds, subject to a maximum annual assessment. See "SECURITY FOR THE SERIES 2007A AUTHORITY BONDS," Appendix A — "THE DISTRICT — Rate and Method of Assessment" and "— Excerpts of Engineer's Report," and Appendix C — "SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS."

The Series 2007A Authority Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2007A Authority Bonds are being sold on a forward delivery basis, and, when sold and delivered, will be delivered in fully registered form only, and 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 Series 2007A Authority Bonds. Ownership interests in the Series 2007A Authority Bonds may be purchased in book-entry form only. Principal of, premium, if any, and interest on the Series 2007A Authority Bonds will be paid by U.S. Bank National Association, as paying agent (the "Paying Agent"), to DTC or its nominee, which will in turn remit such payment to its Participants for subsequent disbursement to the beneficial owners of interests in the Series 2007A Authority Bonds. See Appendix E — "BOOK-ENTRY-ONLY SYSTEM." Interest on the Series 2007A Authority Bonds is payable on April 1 and October 1 of each year, commencing on October 1, 2007. See "THE SERIES 2007A AUTHORITY BONDS."

The Series 2007A Authority Bonds are subject to optional redemption as described herein. See "THE SERIES 2007A AUTHORITY BONDS — Redemption."

THE SERIES 2007A AUTHORITY BONDS ARE SPECIAL, LIMITED OBLIGATIONS PAYABLE SOLELY FROM CERTAIN PAYMENTS RECEIVED BY THE AUTHORITY FROM THE DISTRICT, WHICH INCLUDE PLEDGED ASSESSMENTS. NEITHER THE SERIES 2007A AUTHORITY BONDS NOR THE OBLIGATION OF THE DISTRICT TO MAKE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE AUTHORITY, THE COUNTY, THE DISTRICT, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION, OR A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY. THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF OR INTEREST ON THE SERIES 2007A AUTHORITY BONDS DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY FOR WHICH THE AUTHORITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a [Bond Insurance Policy] to be issued concurrently with the delivery of the Bonds by _____. See "BOND INSURANCE" herein and Appendix F — "SPECIMEN MUNICIPAL BOND INSURANCE POLICY" attached hereto.

[Insurer Logo]

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 giving particular attention to the matters discussed under “CERTAIN FORWARD DELIVERY CONSIDERATIONS.”

The Series 2007A Authority Bonds will be offered when, as and if issued, and received by the Underwriters, subject to the approval as to their legality by Squire, Sanders & Dempsey L.L.P., Los Angeles, California, Bond Counsel to the Authority, and certain other conditions. 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 District by the Los Angeles County Counsel. It is anticipated that the Series 2007A Authority Bonds will be available for delivery through the facilities of DTC in New York, New York on or about July 5, 2007.

UBS INVESTMENT BANK

BANC OF AMERICA SECURITIES LLC

Dated: March ____, 2007

* Preliminary, subject to change.

MATURITY SCHEDULE*

<u>Maturity Date</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP†</u>	<u>Maturity Date</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP†</u>
	\$	%	%			\$	%	%	

* Preliminary, subject to change.

† CUSIP data, copyright 2007, American Bankers Association. CUSIP data herein are set forth for convenience of reference only. The District and the Authority assume no responsibility for the accuracy of such data.

**Los Angeles County Public Works Financing Authority
Refunding Revenue Bonds Series 2007A
(Los Angeles County Regional Park and Open Space District)**

Board of Supervisors

Zev Yaroslavsky
Third District, Chairman

Gloria Molina
First District

Yvonne B. Burke
Second District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Sachi A. Hamai
*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

Los Angeles County Regional Park and Open Space District Official

Russ Guiney
Director, Department of Parks and Recreation

Fiscal Agent

Auditor-Controller of the County of Los Angeles

Paying Agent

U.S. Bank National Association

Financial Advisor

Public Resources Advisory Group

Bond Counsel

Squire, Sanders & Dempsey L.L.P.

Verification Agent

Causey Demgen & Moore Inc.

No dealer, broker, salesperson or other person has been authorized by the Authority, the County, the District or the Underwriters to give any information or to make any representations other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority, the District, the County or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2007A Authority Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2007A Authority Bonds. Statements contained in this Official Statement which involve estimates, 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 official sources and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority, the District or the County since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2007A Authority Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2007A AUTHORITY BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2007A AUTHORITY BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

Other than with respect to information concerning _____ (the "Bond Insurer") contained under the caption "BOND INSURANCE" and Appendix F — "SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein, none of the information in this Official Statement has been supplied or verified by the Bond Insurer and the Bond Insurer makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Series 2007A Authority Bonds; or (iii) the tax exempt status of the interest on the Series 2007A Authority Bonds.

**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS
IN THIS OFFICIAL STATEMENT**

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “intend,” “projection” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information in Appendix A—“THE DISTRICT.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES 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. THE DISTRICT AND THE AUTHORITY ARE NOT OBLIGATED TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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\$ _____ *

**Los Angeles County Public Works Financing Authority
Refunding Revenue Bonds Series 2007A
(Los Angeles County Regional Park and Open Space District)**

INTRODUCTION

The following introduction presents a brief description of certain information in connection with the Series 2007A Authority Bonds and is qualified in its entirety by reference to the entire Official Statement and the documents summarized or described herein. References to, and summaries of, provisions of the Constitution and the laws of the State of California and any documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions. Capitalized terms used in this Official Statement and not defined elsewhere herein have the meanings given such terms under the applicable indenture. See Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS - DEFINITIONS OF CERTAIN TERMS.”

General Description

This Official Statement, including the cover page, the inside cover page and attached Appendices (the “Official Statement”), provides certain information concerning the issuance by the Los Angeles County Public Works Financing Authority, a joint exercise of powers entity organized under the laws of the State of California (the “Authority”) of its Refunding Revenue Bonds, Series 2007A (Los Angeles County Regional Park and Open Space District) (the “Series 2007A Authority Bonds”) in the aggregate principal amount of \$ _____*. The Series 2007A Authority Bonds will be issued and delivered pursuant to an Authority Master Indenture of Trust dated as of November 1, 1997, as amended (the “Master Indenture”) and an Authority Third Supplemental Indenture of Trust dated as of July 1, 2007 (the “Third Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each by and between the Authority and the Auditor-Controller of the County of Los Angeles, as fiscal agent (the “Fiscal Agent”).

The Series 2007A Authority Bonds are being issued to assist the Los Angeles County Regional Park and Open Space District (the “District”) (i) to pay and redeem all of the Authority’s outstanding Revenue Bonds, Series 1997A (Los Angeles County Regional Park and Open Space District) (the “Series 1997A Authority Bonds”) originally issued pursuant to the Master Indenture and a First Supplemental Indenture of Trust, dated as of November 1, 1997 (the “Prior Indenture”), (ii) to fund the 2007A Reserve Account, and (iii) pay for costs of issuance incurred in connection with the issuance of the Series 2007A Authority Bonds and the Series 2007A District Bonds (as defined below). See “PLAN OF REFUNDING,” “THE SERIES 2007A AUTHORITY BONDS” and “ESTIMATED SOURCES AND USES OF FUNDS.”

It is anticipated that the Series 2007A Authority Bonds will not be issued and delivered until July 5, 2007. See “CERTAIN FORWARD DELIVERY CONSIDERATIONS.”

General Terms of the Series 2007A Authority Bonds

The Series 2007A Authority Bonds will mature on the dates and in the principal amounts as set forth on the inside cover page of this Official Statement. Interest on the Series 2007A Authority Bonds is payable on April 1 and October 1, commencing on October 1, 2007, computed at the rates set forth on the

* Preliminary; subject to change.

inside cover page of this Official Statement on the basis of a 360-day year comprised of twelve 30-day months, until the maturity thereof (the “Interest Payment Dates”). The Series 2007A Authority Bonds will be issuable in denominations of \$5,000 or any integral multiple thereof. The Series 2007A Authority Bonds are subject to redemption prior to maturity. See “THE SERIES 2007A AUTHORITY BONDS.”

Bond Insurance

The scheduled payment of principal of and interest on [Specify particular maturities if not all maturities of the 2007A Bonds will be insured] the Series 2007A Authority Bonds will be guaranteed under an insurance policy (the “Bond Insurance Policy”) to be issued concurrently with the delivery of the Insured Bonds by _____. See “BOND INSURANCE” and “Appendix G—SPECIMEN MUNICIPAL BOND INSURANCE POLICY.” See also “CERTAIN FORWARD DELIVERY CONSIDERATIONS—Bond Insurance Policy.”

Book-Entry-Only

The Series 2007A Authority Bonds will be issued in fully registered form only and, when issued and 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 the depository of the Series 2007A Authority Bonds and all payments due on the Series 2007A Authority Bonds will be made to DTC or its nominee. Ownership interests in the Series 2007A Authority Bonds may be purchased in book-entry form only. See Appendix F — “BOOK-ENTRY-ONLY SYSTEM.”

Source of Payment for the Series 2007A Authority Bonds and the Series 2007A District Bonds

The Series 2007A Authority Bonds are payable from and secured by, among other moneys, Pledged Assessments (as defined below) received by the District and payable with respect to the \$_____ * aggregate principal amount of Los Angeles County Regional Park and Open Space District Limited Obligation Improvement Bonds, Series 2007A (the “Series 2007A District Bonds”) which are being purchased by the Authority simultaneously with the delivery of its Series 2007A Authority Bonds. See “SECURITY FOR THE SERIES 2007A AUTHORITY BONDS.”

The Authority has previously issued its Refunding Revenue Bonds Series, 2005A (Los Angeles County Regional Park and Open Space District) (the “Series 2005A Authority Bonds”). See “-- Existing Parity Obligations” below. The Series 2007A Authority Bonds, the Series 2005A Authority Bonds, and any additional bonds which may be issued under the Master Indenture are collectively referred to herein as the “Authority Bonds.”

The District’s boundaries are coterminous with the boundaries of the County of Los Angeles (the “County”), encompassing 4,083 square miles and containing approximately 2.2 million parcels. The District was formed and the levy of the maximum annual initial assessment within the District was established at \$9.39 per benefit point (the “Initial Assessment”) pursuant to an official act of the County Board of Supervisors as set forth in its Order of March 17, 1992 (the “1992 Order”). The Initial Assessment was approved by 63.9% of voters within the County voting on the matter on November 3, 1992. The 1992 Order was amended by a resolution of the County Board of Supervisors adopted on June 18, 1996 (the “Resolution”) to establish the levy of an additional maximum annual assessment at \$5.07 per benefit point (the “Additional Assessment” and, together with the Initial Assessment, the “Assessment”). The Additional Assessment was approved by 65.1% of voters within the County voting

* Preliminary; subject to change.

on the matter on November 5, 1996. The 1992 Order, as amended by the Resolution (the “Order”) provides that a minimum of 80% (but not more than 85%) of all proceeds of annual Assessments collected by the District shall be used for capital outlay projects, including, but not limited to, the acquisition and improvement of real property and the servicing of bonds, notes or other evidences of indebtedness issued by the District. Pursuant to the Order, the Initial Assessment and the Additional Assessment shall be levied for a period of twenty-two (22) years beginning with the fiscal year in which such assessment was first levied and collected by the District, subject to a maximum annual assessment. See “SECURITY FOR THE SERIES 2007A AUTHORITY BONDS,” and Appendix A — “THE DISTRICT — Rate and Method of Assessment” and “— Excerpts of Engineer’s Report.”

Under the provisions of the District Master Indenture of Trust, dated as of November 1, 1997, as amended (the “District Master Indenture”), a District Second Supplemental Indenture of Trust, dated as of February 1, 2005 (the “District Second Supplemental Indenture”) and a District Third Supplemental Indenture of Trust, dated as of July 1, 2007 (the “District Third Supplemental Indenture” and, together with the District Master Indenture and the District Second Supplemental Indenture, the “District Indenture”), each by and between the District and the Fiscal Agent, all Assessments and the proceeds of any foreclosure proceedings attributable thereto, less the amounts deducted and set aside for service, maintenance and administrative expenses in accordance with the Order (the “Pledged Assessments”), are pledged to payment of principal of, premium, if any, and interest on the Series 2007A District Bonds, the Los Angeles County Regional Park and Open Space District Limited Obligation Improvement Bonds, Series 2005A (the “Series 2005A District Bonds”), and any additional bonds which may be issued under the District Master Indenture (the Series 2007A District Bonds together with the Series 2005A District Bonds, are referred to herein as the “District Bonds”). Pursuant to applicable law and the Order, the annual Assessments shall include an amount sufficient to provide for annual debt service on the Series 2005A Authority Bonds and the Series 2007A Authority Bonds, subject to a maximum annual assessment, and shall be included on the regular County tax bills for parcels of property against which there are assessments. See “SECURITY FOR THE SERIES 2007A AUTHORITY BONDS,” Appendix A — “THE DISTRICT — Rate and Method of Assessment” and “— Excerpts of Engineer’s Report” and Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS — The District Master Indenture.” Under the District Master Indenture, the District covenants that, unless otherwise required by applicable law, the District shall not take, or cause to be taken, any action that will result in the reduction of the amount of the levy of Pledged Assessments with respect to any Fiscal Year below an aggregate amount equal to 1.15 times the Maximum Annual Debt Service on all Outstanding District Bonds and any District Bonds that the District reasonably expects to be issued during the then-present Fiscal Year. See Appendix A — “THE DISTRICT” and Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS — The District Master Indenture.”

The proceeds of any additional Authority Bonds hereafter issued will be applied to purchase additional District Bonds hereafter issued by the District in accordance with the Order and under and pursuant to the District Indenture. The District Bonds, including the Series 2007A District Bonds, are secured on a parity basis by a first lien and charge on and pledge of Pledged Assessments. Additional series of Authority Bonds may be issued under and pursuant to the provisions of the Master Indenture as is deemed appropriate by the Authority and the District to provide funds, through the purchase of additional District Bonds, to assist the District to finance capital outlay projects of the District, including, but not limited to, the acquisition and improvement of real property and the servicing of bonds, notes or other evidences of indebtedness issued by the District. The Series 2007A Authority Bonds, the Series 2005A Authority Bonds and such additional Authority Bonds issued from time to time in accordance with the Master Indenture and any supplemental indenture shall have an equal lien and charge upon the Pledged Revenues. See “SECURITY FOR THE SERIES 2007A AUTHORITY BONDS — Additional

Bonds” and Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS - The Master Indenture.”

Reserve Account

A reserve account (the “2007A Reserve Account”) will be established within the Los Angeles County Regional Park and Open Space District Limited Obligation Improvement Bonds Reserve Fund (the “Reserve Fund”) held under the District Indenture in order to secure the payment of principal of and interest on the District Bonds. The Reserve Fund will be funded to equal the Reserve Requirement which is defined as an amount equal, as of any date of calculation, to the least of (i) 10% of the original principal amount of the District Bonds, (ii) 125% of the average amount of principal and interest becoming due and payable on the District Bonds during each full Fiscal Year after the date of calculation, or (iii) the greatest amount of principal and interest becoming due and payable on all District Bonds in any six calendar month period after the date of calculation. [The initial deposit to the 2007A Reserve Account will be made from the transfer of amounts previously on deposit in the 1997A Reserve Account.] See “ESTIMATED SOURCES AND USES OF FUNDS.” If on any interest payment date for the Series 2007A District Bonds the amounts on deposit under the District Indenture to pay the principal of and interest due on the Series 2007A District Bonds are insufficient therefor, amounts in the 2007A Reserve Account shall be applied to make up such deficiencies. Deposits are required to be made to the 2007A Reserve Account to restore any deficiency therein from Pledged Assessments and Investment Earnings to the extent required under the District Indenture. See “SECURITY FOR THE SERIES 2007A AUTHORITY BONDS — Reserve Account” and Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS — The District Master Indenture — District Pledged Revenues and Funds — Reserve Fund; 2007A Reserve Account.”

Bondholder’s Risks; Forward Delivery Bond Purchase Agreement; Delayed Delivery

The delivery of the Series 2007A Authority Bonds is subject to satisfaction of certain conditions, and purchase of the Series 2007A Authority Bonds involves certain investment risks, which are discussed throughout this Official Statement. Accordingly, each prospective purchaser of the Series 2007A Authority Bonds should make an independent evaluation of all of the information presented in this Official Statement, including the information under the caption “CERTAIN FORWARD DELIVERY CONSIDERATIONS” in order to make an informed investment decision.

Existing Parity Obligations

The Authority has issued \$181,220,000 principal amount of its Series 2005A Authority Bonds, of which \$177,715,000 are currently outstanding. The proceeds of the Series 2005A Authority Bonds were used to purchase, and are payable from payments of principal of and interest on, the Series 2005A District Bonds. The 2005A Authority Bonds and the 2005A District Bonds were issued to refund a portion of the Series 1997A Authority Bonds. The Series 2005A District Bonds and the Series 2007A District Bonds are secured by and payable from the “Pledged Revenues” as defined in the District Indenture. The debt service requirements of the District Bonds, after the payment and redemption of the 1997A Authority Bonds, are set forth in the following table.

**DISTRICT BONDS
DEBT SERVICE SCHEDULE**

<u>Period Ending</u>	<u>2005A District Bonds</u>			<u>2007A District Bonds</u>			<u>Total</u>
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	
10/1/2007	-	4,377,975.00	4,377,975.00				
4/1/2008	-	4,377,975.00	4,377,975.00				
10/1/2008	15,190,000.00	4,377,975.00	19,567,975.00				
4/1/2009	-	4,028,225.00	4,028,225.00				
10/1/2009	15,885,000.00	4,028,225.00	19,913,225.00				
4/1/2010	-	3,654,350.00	3,654,350.00				
10/1/2010	16,635,000.00	3,654,350.00	20,289,350.00				
4/1/2011	-	3,277,693.75	3,277,693.75				
10/1/2011	17,385,000.00	3,277,693.75	20,662,693.75				
4/1/2012	-	2,858,068.75	2,858,068.75				
10/1/2012	18,230,000.00	2,858,068.75	21,088,068.75				
4/1/2013	-	2,402,318.75	2,402,318.75				
10/1/2013	19,140,000.00	2,402,318.75	21,542,318.75				
4/1/2014	-	1,923,818.75	1,923,818.75				
10/1/2014	20,095,000.00	1,923,818.75	22,018,818.75				
4/1/2015	-	1,421,443.75	1,421,443.75				
10/1/2015	21,100,000.00	1,421,443.75	22,521,443.75				
4/1/2016	-	893,943.75	893,943.75				
10/1/2016	7,870,000.00	893,943.75	8,763,943.75				
4/1/2017	-	687,356.25	687,356.25				
10/1/2017	8,285,000.00	687,356.25	8,972,356.25				
4/1/2018	-	469,875.00	469,875.00				
10/1/2018	8,720,000.00	469,875.00	9,189,875.00				
4/1/2019	-	240,975.00	240,975.00				
10/1/2019	9,180,000.00	240,975.00	9,420,975.00				
Totals:	177,715,000.00	56,850,062.50	234,565,062.50				

Additional Bonds

Under the Master Indenture, the Authority may issue additional Authority Bonds for the purpose of refunding bonds previously issued by the Authority and assisting the District with the financing of additional capital outlay projects and grants of the District set forth in the Order through the purchase of additional District Bonds. Under the District Indenture, the District may issue such additional District Bonds on a parity with the Outstanding District Bonds so long as, among other things, there shall first be delivered to the Fiscal Agent a certificate of the County certifying that, based upon a review of the books and records maintained by the District for each fiscal year, the product of (i) the total number of benefit points in the District as of the last day of the Fiscal Year ended next prior to the date on which such District Bonds are to be issued times (ii) 80% of the maximum dollar amount per benefit point at which

Assessments are authorized to be levied in each Fiscal Year thereafter during which District Bonds are scheduled to be outstanding times (iii) the percentage, as certified by the Auditor-Controller of the County, of the County's secured property tax levy for such prior Fiscal Year actually collected during such prior Fiscal Year, equals at least 1.15 times the Maximum Annual Debt Service in any Fiscal Year thereafter on all District Bonds to be Outstanding immediately subsequent to the issuance of the additional District Bonds. Under the District Indenture, the District may issue refunding bonds on a parity with outstanding District Bonds without meeting the test set forth above so long as a certificate of the County is delivered showing that the Annual Debt Service in each year on the refunding bonds of the District will not exceed the Annual Debt Service in each year that would have been payable with respect to the refunded bonds of the District had the refunding bonds of the District not been issued. See "SECURITY FOR THE SERIES 2007A AUTHORITY BONDS" and Appendix C — "SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS — The District Master Indenture."

The District does not currently plan to issue additional obligations (other than refunding obligations) payable on a parity with the Series 2005A Bonds and the Series 2007A Bonds.

At the time of issuance of the Series 2007A District Bonds, the County will certify that the requirements to the issuance of the Series 2007A Authority Bonds and Series 2007A District Bonds have been met.

The Authority

The Authority is a joint exercise of powers entity formed by agreement pursuant to Articles 1 through 4, Chapter 5, Division 7, Title 1 of the California Government Code. For additional information regarding the Authority see "THE AUTHORITY."

The District

The District is duly organized and existing under the laws of the State of California (the "State"), pursuant to Division 5 of the California Public Resources Code and the Order. The District's boundaries are coterminous with the boundaries of the County. The District covers 4,083 square miles and includes approximately 2.2 million parcels. See "THE DISTRICT" and Appendix A — "THE DISTRICT."

Limited Obligation

THE SERIES 2007A AUTHORITY BONDS ARE SPECIAL, LIMITED OBLIGATIONS PAYABLE SOLELY FROM CERTAIN PAYMENTS RECEIVED BY THE AUTHORITY FROM THE DISTRICT, WHICH INCLUDE PLEDGED ASSESSMENTS. NEITHER THE SERIES 2007A AUTHORITY BONDS NOR THE SERIES 2007A DISTRICT BONDS CONSTITUTES AN INDEBTEDNESS OF THE AUTHORITY, THE COUNTY, THE DISTRICT, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION, OR A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY. THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF OR INTEREST ON THE SERIES 2007A AUTHORITY BONDS DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY FOR WHICH THE AUTHORITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

Continuing Disclosure

The District has covenanted in the District Indenture to provide, or cause to be provided, to each nationally recognized municipal securities information repository and any public or private repository or entity designated by the State as a state repository and any public or private repository for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission certain annual financial information and operating data of the type set forth herein including, but not limited to, its Audited Financial Statements and, in a timely manner, notice of certain material events. See “Continuing Disclosure” for a description of the specific nature of the annual report and notices of material events and a summary description of the terms of the disclosure undertaking pursuant to which such reports and notices are to be made. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. The District has never failed to comply with said Rule regarding the filing of annual reports or notices of material events. The County has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.

The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Series 2007A Authority Bonds and the Authority will not provide any such information. The Authority shall have no liability to the holders of the Series 2007A Authority Bonds with respect to the disclosure obligations undertaken by the District.

CERTAIN FORWARD DELIVERY CONSIDERATIONS

General

The Authority and the District have entered into a forward delivery bond purchase agreement (the “Bond Purchase Agreement”) for the Series 2007A Authority Bonds with UBS Securities LLC, as representative (the “Representative”) of itself and the several underwriters named therein (collectively, the “Underwriters”). Subject to the terms of the Bond Purchase Agreement, the Authority expects to issue and deliver the Series 2007A Authority Bonds on or about July 5, 2007, or on such later date as is mutually agreed upon by the Authority, the District and the Representative (the “Delivery Date”).

The following is a description of certain provisions of the Bond Purchase Agreement. The following description is not to be considered a full statement of the terms of the Bond Purchase Agreement and accordingly is qualified by reference thereto and is subject to the full text thereof.

Settlement

The issuance of the Series 2007A Authority Bonds and the Underwriters’ obligations under the Bond Purchase Agreement to purchase, accept delivery of and pay for the Series 2007A Authority Bonds on the Delivery Date are conditioned upon the Authority’s and the District’s performance of their respective obligations thereunder, including, without limitation, the delivery of an opinion, dated the Delivery Date, of Bond Counsel, substantially in the form and to the effect as set forth in “Appendix E -- FORM OF BOND COUNSEL APPROVING OPINION” to this Official Statement, together with a reliance letter from Bond Counsel addressed to the Underwriters, and the delivery of written evidence satisfactory to the Representative that, as of the Delivery Date, Moody’s Investors Service (“Moody’s”), Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies (“S&P”) and Fitch Ratings (“Fitch”) have each issued insured ratings on the Series 2007A Authority Bonds, and that such ratings are in full force and effect as of the Delivery Date. See “RATINGS” herein. The issuance of the Series 2007A Authority Bonds is further contingent upon the delivery of certain certificates and legal

opinions, and the satisfaction of other conditions as of the Delivery Date. Events which may prevent those conditions from being satisfied include, among others:

(a) the Authority or the District fails to comply with all of the conditions to Settlement (defined below) set forth in the Bond Purchase Agreement, except any such condition waived by the Representative in accordance with the Bond Purchase Agreement;

(b) there is a Change in Law (defined below);

(c) Legislative Action (defined below) has occurred relating to the federal taxation of interest received on obligations of the general character of the Series 2007A Authority Bonds, which, in the opinion of Bond Counsel has, or will have, the effect of such interest being subject to inclusion in gross income for purposes of federal income taxation (except to the extent such interest is intended to be includable in gross income) or such interest being subject to inclusion in State personal income taxation;

(d) As a result of any reason other than Legislative Action, Bond Counsel cannot issue an opinion to the effect that (i) interest on the Series 2007A Authority Bonds is excluded from gross income for federal income tax purposes, (ii) interest on the Series 2007A Authority Bonds is not a specific preference item for purposes of the federal alternative minimum tax, and (iii) interest on the Series 2007A Authority Bonds is exempt from State personal income taxation;

(e) legislation is enacted, or actively considered for enactment with an effective date prior to Settlement, or a decision by a court of the United States is rendered, the effect of which, in the judgment of the Representative, is that the Series 2007A Authority Bonds or the Authority Indenture or the District Indenture, as the case may be, are not exempt from the registration, qualification or other requirements of the Federal Securities Act of 1933 (as the same shall from time to time be supplemented or amended, the "33 Act") or the Federal Securities Exchange Act of 1934 (as the same shall from time to time be supplemented or amended, the "34 Act") (excepting compliance with Rule 15c2-12) , Federal Trust Indenture Act of 1939 (as the same shall from time to time be supplemented or amended, the "39 Act");

(f) a stop order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter is issued or made or any other event occurs, the effect of which, in the judgment of the Representative or the Authority and the District, is that the issuance, offering, or sale of the Series 2007A Authority Bonds, or the entry into the District Documents or the Authority Documents as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the federal securities laws, including the 33 Act, the 34 Act, and the 39 Act;

(g) there shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, the effect of which on the financial markets of the United States being such as, in the judgment of the Representative, would make it impracticable for the Underwriters to market the Series 2007A Authority Bonds or to enforce contracts for the sale of the Series 2007A Authority Bonds;

(h) there shall have occurred a declaration of a general banking moratorium by any authority of the United States or the States of New York or California;

(i) an event of default has occurred and is continuing, technical or otherwise, under the Authority Indenture or the District Indenture;

(j) the Bond Insurance Policy is not delivered and in effect at Settlement;

(k) Additional restrictions not in force as of the date of this Forward Delivery Agreement are imposed upon trading in securities generally by any governmental authority or by any securities exchange that would, in the judgment of the Representative, materially adversely affect the market for the Bonds.

For purposes of the foregoing, “Change in Law” means any Legislative Action (defined below) which, in any such case, would, (i) as to the Underwriters, prohibit (or have the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) the Underwriters from underwriting the Bonds as provided herein or selling the Series 2007A Authority Bonds or beneficial ownership interests therein to the public as contemplated by the Official Statement, (ii) as to the Authority or the District, would make the issuance, sale or delivery of the Series 2007A Authority Bonds or the District Bonds illegal (or have the retroactive effect of making such issuance, sale or delivery illegal, if enacted, adopted, passed or finalized) or (iii) result in Bond Counsel being unable to give its approving opinion on the date of Settlement to the effect that interest on the Series 2007A Authority Bonds is excluded from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax and is exempt from State personal income taxes.

For purposes of the foregoing, the term “Legislative Action” means (i) an amendment to the Constitution of the United States of America (“United States”) or of the State, or to any federal, state or local legislation, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in rules, regulations or other pronouncements or interpretations by federal or state agencies, (ii) any legislation (A) enacted by the Congress of the United States or (B) introduced therein or recommended to Congress for passage, by press release, or other form of notice or otherwise, by the President of the United States, the United States Treasury Department, the Internal Revenue Service, or by the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives or (C) presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the Joint Committee on Taxation of the United States Congress or (D) favorably reported for passage to either House of the Congress by any Committee of such House or by a Conference Committee of both Houses to which such legislation has been referred for consideration (if such enacted, introduced or recommended legislation has a proposed effective date which is on or before the Closing Date or the Settlement Date (hereinafter defined); (iii) any law, rule or regulation proposed or enacted by any governmental body (including the State), department or agency (if such proposed or enacted law, rule or regulation has a proposed effective date which is on or before the Closing Date or the Settlement Date) or (iv) any decision of any court or administrative body of the United States or any ruling or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other authority of the United States.

For purposes of the foregoing, the term “Settlement” means the acceptance by the Underwriters of delivery of the Series 2007A Authority Bonds on the Delivery Date and the payment of the purchase price therefore by wire transfer in immediately available funds to the U.S. Bank National Association, as paying agent (the “Paying Agent”).

The Representative has advised the Authority that the Series 2007A Authority Bonds will be sold only to investors who execute the Delayed Delivery Contract in substantially the form included in Appendix H attached hereto. The Delayed Delivery Contract restricts the ability of purchasers of the Series 2007A Authority Bonds to transfer their interests in the Series 2007A Authority Bonds prior to the Delivery Date, and no representation is made that any such transfer will be permitted. The proposed form of Delayed Delivery Contract is attached as Appendix H at the request and for the convenience of the Underwriters. Neither the Authority nor the District will be a party to the Delayed Delivery Contracts and neither the Authority nor the District is in any way responsible for the performance thereof or for any

representations or warranties contained therein. The rights and obligations under the Bond Purchase Agreement are not conditioned or dependent upon the performance of any Delayed Delivery Contract.

Additional Risks Related to the Delayed Delivery Period

During the Delayed Delivery Period, certain information contained in this Official Statement could change in a material respect. Any changes in such information will not permit the Underwriters to terminate the Bond Purchase Agreement unless the change reflects an event described under “--Settlement” above. In addition to the risks set forth above, purchasers of the Series 2007-A Bonds are subject to certain additional risks, some of which are described below.

Ratings Risk

The ratings assigned to the Series 2007A Bonds are based on the ratings assigned to the Bond Insurer’s claims paying ability by Moody’s, S&P, and Fitch. See “RATINGS” herein. No assurances can be given that the ratings assigned to the Series 2007A Authority Bonds on the Delivery Date will not be different from those currently assigned to long-term debt obligations insured by the Bond Insurer. Issuance of the Series 2007A Authority Bonds and the Underwriters’ obligations under the Bond Purchase Agreement are not conditioned upon the assignment of any particular insured or underlying ratings for the Series 2007A Authority Bonds or the maintenance of the initial ratings of the Series 2007A Authority Bonds.

Secondary Market Risk

The Underwriters are not obligated to make a secondary market in the Series 2007A Authority Bonds and no assurances can be given that a secondary market will exist for the Series 2007A Authority Bonds during the Delayed Delivery Period. Purchasers of the Series 2007A Authority Bonds should assume that the Series 2007A Authority Bonds will be illiquid throughout the Delayed Delivery Period.

Market Value Risk

The market value of the Series 2007A Authority Bonds as of the Delivery Date may be affected by a variety of factors including, without limitation, general market conditions, the ratings then assigned to the Series 2007A Authority Bonds, the financial condition and business operations of the Authority or the District or the Bond Insurer and federal, state and local income tax and other laws. The market value of the Series 2007A Authority Bonds as of the Delivery Date could therefore be higher or lower than the price to be paid by the initial purchasers of the Series 2007A Authority Bonds and that difference could be substantial. Neither the Authority nor the District nor the Underwriters make any representation as to the expected market price of the Series 2007A Authority Bonds as of the Delivery Date. Further, no assurance can be given that the introduction or enactment of any future legislation will not affect the market price for the Series 2007A Authority Bonds as of the Delivery Date or thereafter or not have a materially adverse impact on any secondary market for the Series 2007A Authority Bonds.

Tax Law Risk

Subject to the additional conditions of settlement described under “—Settlement” above, the Bond Purchase Agreement obligates the Authority to deliver and the Underwriters to acquire the Series 2007A Authority Bonds if the Authority delivers an opinion of Bond Counsel substantially in the form and to the effect as set forth in “APPENDIX E—FORM OF BOND COUNSEL APPROVING OPINION” to this Official Statement. During the Delayed Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, promulgated or interpreted that might prevent

Bond Counsel from rendering its opinion or otherwise affect the substance of such opinion. Notwithstanding that the enactment of new legislation, new court decisions or the promulgation of new regulations or rulings might diminish the value of, or otherwise affect, the exclusion of interest on the Series 2007A Authority Bonds for purposes of federal income taxation payable on “state or local bonds,” the Authority might be able to satisfy the requirements for the delivery of the Series 2007A Authority Bonds. In such event, the purchasers would be required to accept delivery of the Series 2007A Authority Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

Bond Insurance Policy

The Bond Insurer has issued a forward commitment to issue a financial guaranty insurance policy pursuant to which the Bond Insurer will agree, upon the terms and conditions to be set forth therein, to issue on the Delivery Date, the Bond Insurance Policy to insure the scheduled payment of principal and interest on the Series 2007A Authority Bonds. No assurance is made that such conditions will be satisfied and that the Bond Insurance Policy will be delivered by the Bond Insurer. In the event the Bond Insurance Policy is not delivered by the Bond Insurer, the Series 2007A Authority Bonds will not be issued. See “BOND INSURANCE.”

Termination of Bond Purchase Agreement

The Representative, on behalf of the Underwriters, may terminate the Bond Purchase Agreement by notification to the Authority and the District at any time on or prior to the Delivery Date if any of the events described above in items (a) through (k) under “—Settlement” occurs.

PLAN OF REFUNDING

The proceeds of the Series 2007A Authority Bonds will be applied (together with other moneys) (i) to pay and redeem all of the outstanding 1997A Authority Bonds, (ii) to fund the 2007A Reserve Account, and (iii) to pay for costs of issuance incurred in connection with the issuance of the Series 2007A Authority Bonds and the Series 2007A District Bonds. The Series 1997A Authority Bonds were issued to advance refund the outstanding principal amount of the Authority’s Revenue Bonds, Series 1994A (Los Angeles County Regional Park and Open Space District) (the “Series 1994A Authority Bonds”), and to assist the District in financing the acquisition, restoration, improvement and preservation of beach, park, wildlife and open space resources within the District (the “Projects”). See “THE SERIES 2007A AUTHORITY BONDS” and “ESTIMATED SOURCES AND USES OF FUNDS.” The proceeds of the sale of the Series 2007A Authority Bonds to be applied to pay and redeem the Series 1997A Authority Bonds, together with other amounts, will be deposited into an Escrow Fund pursuant to an Escrow Agreement dated as of July 1, 2007 (the “Escrow Agreement”) by and between the Authority and U.S. Bank National Association, as escrow holder (the “Escrow Holder”), which amounts, together with amounts transferred from certain funds held under the District Indenture, and amounts transferred from the funds and accounts of the District, will be invested pursuant to the Escrow Agreement (the “Escrow Securities”).

The deposit to the Escrow Fund will initially be in an amount sufficient, without regard to interest or other earnings on the Escrow Securities, to fully prepay and refund all of the outstanding 1997A Authority Bonds. The Authority may direct the Escrow Holder to reinvest the amounts held under the Escrow Agreement so as to provide an amount which, together with interest and other earnings on the Escrow Securities, will be sufficient to pay and redeem all of the outstanding 1997A Authority Bonds. Prior to the Delivery Date, the sufficiency of the amounts held under the Escrow Agreement to pay and redeem all of the outstanding will be verified by the Verification Agent. See “VERIFICATION” herein.

The Series 2007A Authority Bonds are being issued to pay and redeem the following Series 1997A Authority Bonds as set forth in the following table (such bonds, together with the Series 1997A Authority Bonds maturing on October 1, 2007, the redemption of which will be accomplished with a deposit of District funds under the Escrow Agreement, the “Refunded Bonds”).

**Refunded Bonds
1997A Authority Revenue Bonds**

<u>Maturity Date (October 1)</u>	<u>CUSIP*</u>	<u>Principal</u>	<u>Date of Redemption (October 1)</u>	<u>Price</u>
2008	544738GL5	\$ 8,480,000	2007	101%
2009	544738GM3	8,950,000	2007	101%
2010	544738GN1	9,440,000	2007	101%
2011	544738GP6	9,960,000	2007	101%
2012	544738GQ4	10,505,000	2007	101%
2013	544738GS0	8,005,000	2007	101%
2013	544738GR2	3,080,000	2007	101%
2016	544738GT8	28,940,000	2007	101%
2019	544738GU5	<u>16,530,000</u>	2007	101%
TOTAL		\$103,890,000		

* CUSIP data, copyright 2007, American Bankers Association. CUSIP data herein are set forth for convenience of reference only. The District and the Authority assume no responsibility for the accuracy of such data.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds are estimated to be as follows:

Sources of Funds:

Principal Amount of Series 2007A Authority Bonds	
Net Original Issue Premium	
Amounts held under the District Indenture ⁽¹⁾	
District contribution.....	
Total Sources	

Uses of Funds:

Escrow Fund ⁽²⁾	
2007A Reserve Account	
Costs of Issuance ⁽³⁾	
Total Uses	

(1) Represents moneys released from certain accounts under the District Indenture.
(2) Escrow Fund sizing may change prior to the Delivery Date as described in “PLAN OF REFUNDING” above.
(3) Includes amounts for legal fees, Paying Agent fees, financial advisory fees, rating agency fees, printing costs, Underwriters’ discount, bond insurance premium and other costs.

THE SERIES 2007A AUTHORITY BONDS

General

The Series 2007A Authority Bonds will mature on the dates and in the principal amounts, and the interest thereon shall be computed at the rates, all as set forth on the inside cover page of this Official Statement. Interest on the Series 2007A Authority Bonds is payable on April 1 and October 1 of each year, commencing on October 1, 2007, computed on the basis of a 360-day year comprised of twelve 30-day months, until the maturity thereof (the "Interest Payment Dates"). Ownership interests in the Series 2007A Authority Bonds may be purchased in denominations of \$5,000 or any integral multiple thereof in book-entry form only. Principal of and interest on the Series 2007A Authority Bonds are payable by the Paying Agent, to DTC, which is obligated in turn to remit such principal and interest to DTC Participants for subsequent disbursement to Beneficial Owners of the Series 2007A Authority Bonds, as described below. See Appendix F — "BOOK-ENTRY-ONLY SYSTEM."

Redemption

The Series 2007A Authority Bonds are subject to optional redemption in whole or in part on any date on or after October 1, 20____, at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the date of redemption.

BOND INSURANCE

TO COME

SECURITY FOR THE SERIES 2007A AUTHORITY BONDS

Pledge of Assessments

The Series 2007A Authority Bonds are payable from and secured by, among other moneys, Pledged Assessments received by the District and payable with respect to the Series 2007A District Bonds which are being purchased by the Authority simultaneously with the delivery of its Series 2007A Authority Bonds. See "INTRODUCTION" — Source of Payment for the Series 2007A Authority Bonds and Series 2007A District Bonds." Pursuant to Section 5506.9 of the Public Resources Code and the Order, in each of the first 20 years after the date an assessment is levied and collected, at least 80% (but not more than 85%) of all proceeds of Assessments collected by the District shall be used for capital outlay projects, including, but not limited to, the acquisition and improvement of real property and the servicing of bonds, notes or other evidences of indebtedness issued by the District. Pursuant to the Order, on an annual basis, not less than 15% (nor more than 20% as determined by the County Board of Supervisors) of all proceeds of Assessments collected by the District shall be set aside to be used only to maintain and service capital outlay projects funded with Assessments or proceeds of bonds, notes or other evidences of indebtedness issued by the District and not more than 5% of all proceeds of Assessments collected by the District may be used for costs of administration of the District. Under the District Indenture, all Assessments and the proceeds of any foreclosure proceedings attributable thereto, less the amounts deducted and set aside for service, maintenance and administrative expenses, are pledged to payment of principal of, premium, if any, and interest on the District Bonds on a parity basis, including

the Series 2007A District Bonds (the “Pledged Assessments”). Pursuant to applicable law and the Order, the annual Assessments shall include an amount sufficient to provide for annual debt service on all outstanding Authority Bonds, including the Series 2007A Authority Bonds, subject to a maximum annual assessment, and shall be included on the regular County tax bills for parcels of property against which there are Assessments. See Appendix A — “THE DISTRICT — Rate and Method of Assessment” and “— Excerpts of Engineer’s Report” and Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS — The District Master Indenture.”

The District’s historic debt service coverage with respect to the Assessments and a summary of Projected Debt Service Coverage available to pay debt service on the Series 2007A Authority Bonds are set forth in Appendix A — “THE DISTRICT — Historical Debt Service Coverage” and “— Assessment Projection.” A summary statement of the District’s collections and delinquencies for fiscal years 2001-02 through 2005-06 with respect to the collection of the Assessments is set forth in Appendix A — “THE DISTRICT — Annual Assessment.”

The District has no obligation to institute judicial foreclosure proceedings in the event of a delinquency by any particular property owner in the payments of Assessments, but has covenanted to take such actions with respect to such delinquencies as are consistent with the policy of the County regarding delinquent property taxes generally. Assessments constitute fixed liens on the parcels assessed within the District and do not constitute personal indebtedness of the respective owners of such lots and parcels. Accordingly, in the event of delinquency, proceedings may be conducted only against the real property securing the delinquent Assessment. Under the District Master Indenture, the District covenants that, unless otherwise required by applicable law, the District shall not take, or cause to be taken, any action that will result in the reduction of the amount of the levy of Pledged Assessments with respect to any Fiscal Year below an aggregate amount equal to 1.15 times the Maximum Annual Debt Service on all Outstanding District Bonds and any District Bonds that the District reasonably expects to be issued during the then-present Fiscal Year. See Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS — The District Master Indenture” and Appendix A — “THE DISTRICT.”

Limited Obligation

The Series 2007A Authority Bonds are special, limited obligations of the Authority payable solely from certain payments received by the Authority from the District, which include Pledged Assessments, and certain funds and accounts held under the Indenture. Under the Indenture, payments of principal of, premium, if any, and interest on the Series 2007A District Bonds constitute “Pledged Revenues” with respect to the Series 2007A Authority Bonds. The District Bonds are limited obligations of the District payable from and secured principally by the Pledged Assessments and also all moneys deposited and held in the funds and accounts established under the District Indenture, and all interest, profits and other income received from the investment of the Pledged Assessments. Neither the Series 2007A Authority Bonds nor the Series 2007A District Bonds constitutes an indebtedness of the Authority, the County, the District, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation, or a pledge of the faith and credit of the County. The obligation of the Authority to pay principal of or interest on the Series 2007A Authority Bonds does not constitute an obligation of the Authority for which the Authority is obligated to levy or pledge any form of taxation or for which the Authority has levied or pledged any form of taxation. The Authority has no taxing power. See Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS — The Master Indenture.”

Reserve Account

The 2007A Reserve Account will be established within the Reserve Fund held under the District Indenture in an amount equal, as of any date of calculation, to the least of (i) 10% of the original principal amount of the District Bonds, (ii) 125% of the average amount of principal and interest becoming due and payable on District Bonds during each full Fiscal Year after the date of calculation, or (iii) the greatest amount of principal and interest becoming due and payable on all District Bonds in any six calendar month period after the date of calculation. The initial deposit to the 2007A Reserve Account will be made from amounts available to the District under the Prior Indenture. See “ESTIMATED SOURCES AND USES OF FUNDS.” If on any interest payment date with respect to the Series 2007A District Bonds the amounts on deposit in the District Indenture to pay the principal of and interest due on the Series 2007A District Bonds are insufficient therefor, amounts in the 2007A Reserve Account shall be applied to make up such deficiencies. Deposits are required to be made to the 2007A Reserve Account to restore any deficiency therein from Pledged Assessments and Investment Earnings to the extent required under the District Indenture. See Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS — The District Master Indenture — District Pledged Revenues and Funds — Reserve Fund; 2007A Reserve Account.”

At the option of the District, amounts required to be held in the 2007A Reserve Account may be initially provided or substituted, in whole or in part, by the deposit with the Fiscal Agent of a Reserve Fund Credit Policy in a stated amount equal to the amounts to be initially provided or so substituted, *provided* that prior to any substitution of such amounts held in the 2007A Reserve Account, the Rating Agencies shall have been notified of such proposed substitution and the substitution shall not result in a downgrading or withdrawal of any rating of any Authority Bonds or District Bonds then in effect by the Rating Agencies. See Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS — The District Master Indenture — District Pledged Revenues and Funds — Reserve Fund; 2007A Reserve Account.”

Additional Bonds

Under the Master Indenture, the Authority may issue additional Authority Bonds for the purpose of refunding bonds previously issued by the Authority and of assisting the District with the financing of additional capital outlay projects and grants of the District set forth in the Order through the purchase of additional District Bonds. Under the District Indenture, the District may issue such additional District Bonds on a parity with the Outstanding District Bonds so long as, among other things, there shall first be delivered to the Fiscal Agent a certificate of the County certifying that, based upon a review of the books and records maintained by the District for each fiscal year, the product of (i) the total number of benefit points in the District as of the last day of the Fiscal Year ended next prior to the date on which such District Bonds are to be issued times (ii) 80% of the maximum dollar amount per benefit point at which Assessments are authorized to be levied in each Fiscal Year thereafter during which District Bonds are scheduled to be outstanding times (iii) the percentage, as certified by the Auditor-Controller of the County, of the County’s secured property tax levy for such prior Fiscal Year actually collected during such prior Fiscal Year, equals at least 1.15 times the Maximum Annual Debt Service in any Fiscal Year thereafter on all District Bonds to be Outstanding immediately subsequent to the issuance of the additional District Bonds. Under the District Indenture, the District may issue refunding bonds on a parity with outstanding District Bonds without meeting the test set forth above so long as a certificate of the County is delivered showing that the Annual Debt Service in each year on the refunding bonds of the District will not exceed the Annual Debt Service in each year that would have been payable with respect to the refunded bonds of the District had the refunding bonds of the District not been issued. See Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS — The District Master Indenture.”

At the time of issuance of the Series 2007A District Bonds, the County will certify that the requirements to the issuance of the Series 2007A Authority Bonds and Series 2007A District Bonds have been met.

Existing Parity Obligations

The Authority has issued \$181,220,000 principal amount of its Series 2005A Authority Bonds, of which \$177,715,000 are currently outstanding. The proceeds of the Series 2005A Authority Bonds were used to purchase, and are payable from payments of principal of and interest on, the Series 2005A District Bonds. The 2005A Authority Bonds and the 2005A District Bonds were issued to refund a portion of the Series 1997A Authority Bonds. The Series 2005A District Bonds and the Series 2007A District Bonds are secured by and payable on a parity basis from the “Pledged Revenues” as defined in the District Indenture. The District does not currently plan to issue additional obligations (other than refunding obligations) payable on a parity with the Series 2005A Bonds and the Series 2007A Bonds.

Investment of Funds and Accounts

Pursuant to the Order, Assessments shall be deposited by the Fiscal Agent into the Assessment Revenue Fund. Such funds are generally deposited into the County Treasury to the credit of the proper fund of the District and invested in accordance with County investment policies. See Appendix D — “THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS.” Pursuant to the Authority Indenture, moneys held by the Fiscal Agent in any fund or account under such indenture shall be invested in Permitted Investments pending application as provided therein. See Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS — The District Master Indenture.”

CERTAIN RISK FACTORS

This Official Statement discusses many matters any one of which may have an impact on the security for the Series 2007A Authority Bonds and the Series 2007A District Bonds. This section highlights certain risks inherent in the transaction, but is not, and is not intended to be, a complete list or discussion of the risks associated with this transaction.

General

Pledged Assessments securing the District Bonds are determined annually based on the size and use of each parcel. A change in land use or improvements of property in the District caused by economic factors beyond the District’s and the Authority’s control, such as the complete or partial destruction of such property caused by, among other unforeseen events, an earthquake, other natural disaster or civil unrest, or the exemption of a property from taxation by reason of a transfer in ownership by a non-taxable entity such as the federal government or another public agency, could cause a reduction in the Pledged Assessments securing the District Bonds. Such reduction of Assessments could have an adverse impact on the District’s ability to make timely payments of principal and interest on the District Bonds to the Authority and, accordingly, the Authority’s ability to pay principal of and interest to holders of the Series 2007A Authority Bonds. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the District’s ability to make timely debt service payments to the Authority, and so effect the security of the Series 2007A Authority Bonds. The Authority has no power to levy and collect property taxes. See Appendix A — “THE DISTRICT.”

Legislation or initiative measures impacting property, property tax allocation or the rate or rates of assessment may affect the security of the Series 2007A Authority Bonds. The implementation of any constitutional or legislative property tax decrease could reduce the Assessments, and accordingly, could

have an adverse impact on the ability of the District to pay debt service on the District Bonds secured by the Pledged Assessments. There is no assurance that the California electorate or Legislature will not at some future time approve additional limitations which could adversely affect the security of the District Bonds.

Timing of Foreclosures

The District has no obligation to institute judicial foreclosure proceedings in the event of a delinquency by any particular property owner in the payments of Assessments, but has covenanted to take such actions with respect to such delinquencies as are consistent with the policy of the County regarding delinquent property taxes generally. Assessments are levied and collected with the County's general tax levy. Accordingly, the District anticipates collection and delinquency rates equivalent with the County's general tax levy. The County anticipates, based on current practice, that it will, on behalf of the District, foreclose any unpaid Assessment with delinquent general *ad valorem* taxes after the fifth year of delinquency. During the past five years, delinquency rates have ranged from a high of 3.49% in Fiscal Year 2001-02 to a low of 2.94% in Fiscal Year 2003-04. Revenue projections contained in this Official Statement have assumed the Fiscal Year 2005-06 delinquency rate of 3.10%, and a ten percent redemption penalty fee as well as an average annual delinquency interest rate of 9% and the County's existing assumptions regarding delinquency recovery rates of 91% over 5 years based on a "sliding scale" of 45% recovery for year one, 22% for year two, 11% for year three, 9% for year four, and 4% for year five. The actual County delinquency interest rate is 1.5% per month (or 18% annualized). A 9% delinquency interest rate assumption is premised on straight-line collections through the fiscal year. Thus, delinquency interest rates are 9% for collections of past due assessments during the first year, 18% for the second year, 27% for the third year, 36% for the fourth year and 45% for the fifth year.

Proposition 218

An initiative measure commonly referred to as the "Right to Vote on Taxes Act" or Proposition 218 ("Proposition 218") was approved by the voters of the State of California at the November 5, 1996 general election. Proposition 218 added Article XIIC ("Article XIIC") and Article XIID to the California constitution. According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges."

Among other things, Section 3 of Article XIII states that ". . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

"Section 3 of Article XIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution."

Accordingly, although the matter is not free from doubt, it is likely that Proposition 218 has not conferred on the voters the power to repeal or reduce the Assessments if such reduction would interfere with the timely retirement of the Series 2007A Authority Bonds.

Proposition 218 was construed by the California Supreme Court in a decision rendered on July 24, 2006 in *Bighorn-Desert View Water Agency v. Virjil (Kelley)* ("Bighorn"). In *Bighorn* the Supreme

Court expressly declined to decide whether the initiative power is free of all limitations and whether the initiative power is subject to the statutory provision requiring that water service charges be set at a level that will pay debt service on bonded debt and operating expenses. Such initiative power could be subject to the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution. However, no assurance can be given that the voters within the District will not, in the future, approve an initiative which reduces or repeals the Assessment.

The Authority and the District are unable to predict whether and to what extent Proposition 218 may be judicially determined to be consistent with the United States Constitution or how its terms will be interpreted and applied by the courts. The Assessment is not subject to the procedures for imposing assessments under Proposition 218 because it was approved by a majority vote of the electorate prior to the effective date of Proposition 218. However, Proposition 218 purports to permit local initiative measures which could subject the Assessments to reduction, amendment or repeal. This initiative power is not limited by the terms of Proposition 218 and, absent the application of other legal authority, could result in a local initiative measure to retroactively reduce or repeal the Assessment. Such other legal authority includes Government Code Section 5854 discussed above and the prohibition of impairment of contracts under the contract clause of the United States Constitution. Other than any impact resulting from the exercise of this initiative power, presently neither the Authority nor the District believes that Proposition 218 will have any effect on the Assessment or the Series 2007A Authority Bonds.

Future Initiatives

Proposition 218 was adopted as a ballot measure that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the County or local districts, including the District, to increase revenues or to increase appropriations which may affect the District's revenues or its ability to expend its revenues.

No Acceleration Provisions

The Series 2007A Authority Bonds do not contain a provision allowing for the acceleration of either the Series 2007A Authority Bonds or the Series 2007A District Bonds in the event of a payment default or other default under the terms of the Series 2007A Authority Bonds or the Indenture.

Funds Invested in the County Treasury

On January 24, 1996, the United States Bankruptcy Court for the Central District of California held in the case of *County of Orange v. Merrill Lynch* that a State statute providing for a priority of distribution of property held in trust conflicted with, and was preempted by, federal bankruptcy law. In that case, the court addressed the priority of the disposition of moneys held in a county investment pool upon bankruptcy of the county and held that a state statute purporting to create a priority secured lien on a portion of such moneys was ineffective unless such moneys could be traced. Following payment of the Assessments, such funds may be invested in the name of the Fiscal Agent for a period of time in the County Treasury. See Appendix D — "THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS." In the event of a petition for the adjustment of County debts under Chapter 9 of the Federal Bankruptcy Code, a court might hold that the Bondowners do not have a valid and/or prior lien on the Assessments where such amounts are deposited in the County Treasury and may not provide the Bondowners with a priority interest in such amounts. In that circumstance, unless the Bondowners could "trace" the funds that have been deposited in the County Treasury, the Bondowners would be unsecured (rather than secured) creditors of the County. There can be no assurance that the Bondowners could successfully so "trace" the Assessments.

Parity Obligations

The Assessment and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on parity with all special taxes and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes regardless of when they are imposed upon the same property. The District, however, has no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property within the District. Such additional indebtedness, if issued, would be required to satisfy applicable statutory requirements with respect to the issuance of such indebtedness. Further, the landowners within the District may, without the consent or knowledge of the District, petition other public agencies to issue public indebtedness secured by special taxes or assessments. Any such special taxes or assessments will have a lien on such property on parity with the Assessment. Accordingly, the liens on the property within the District could increase materially without any corresponding increase in the value of the property within the District and thereby reduce the ratio that exists at the time the bonds are issued between the value of the property and the debt secured by the taxes and assessments thereon. Further, the imposition of additional indebtedness could reduce the willingness and the ability of the property owners within the District to pay the Assessments when due. See Appendix A — “THE DISTRICT — Overlapping Debt” herein.

Limitations on Remedies

The enforceability of the rights and remedies of the holders of the Series 2007A Authority Bonds and the Fiscal Agent, and the obligations incurred by the District as described herein, may be subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the federal government of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the holders of the Series 2007A Authority Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitations, or modifications of their rights.

THE AUTHORITY

The Authority is a public agency duly organized and existing pursuant to a Joint Exercise of Powers Agreement (the “JPA Agreement”) between the Los Angeles County Flood Control District and the County dated May 18, 1993, as amended by a Certificate of Amendment dated April 26, 1994 and a Certificate of Amendment dated October 22, 1996 to, among other things, include the District as a member. The Authority is statutorily authorized by Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and is empowered under the JPA Agreement to issue its bonds for the purposes described herein. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of the members of the Authority, or any of them.

The Authority is administered by the members of the Board of Supervisors of the County acting *ex-officio* as the Board of Directors of the Authority. The Chair of the Board of Supervisors of the County, the Executive Officer-Clerk of the Board of Supervisors of the County, the Treasurer and Tax Collector of the County and the Auditor-Controller of the County shall act *ex-officio* as, respectively, the Chair, Secretary, Treasurer and Auditor-Controller of the Authority as provided in the JPA Agreement and pursuant to the California Government Code. All deputies or assistants of officers of the County

shall be *ex-officio* deputies or assistants of such officers in their respective capacities as officers *ex-officio* of the Authority.

THE DISTRICT

The District was formed and the Assessments are levied pursuant to Sections 5538.9 and 5539.9 of the California Public Resources Code, the Order and the Landscaping and Lighting Act of 1972 (Sections 22500 *et seq.* of the California Streets and Highways Code). The District is governed by the County Board of Supervisors acting *ex-officio* as the Board of Directors of the District. The District's day-to-day operations are administered by the County Parks and Recreation Department (the "Department"). The District was established to improve the preservation of beaches, parks and wildlands, the construction, renovation and improvement of new and existing recreational facilities and the restoration of rivers, streams and trails in the County. The District's boundaries are coterminous with those of the County, encompass 4,083 square miles and contain approximately 2.2 million parcels. A full review of this Official Statement, including Appendix A — "THE DISTRICT," should be made by potential purchasers of the Series 2007A Authority Bonds.

TAX MATTERS

In the opinion of Squire, Sanders & Dempsey L.L.P., Los Angeles, California, Bond Counsel, under existing law, (i) interest on the Series 2007A Authority 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 Series 2007A Authority 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 G - "FORM OF BOND COUNSEL APPROVING OPINION." Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2007A Authority 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 District to be contained in the transcript of proceedings for the Series 2007A Authority Bonds and that are intended to evidence and assure the foregoing, including that the Series 2007A Authority 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 opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2007A Authority Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

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 District may cause the interest on the Series 2007A Authority 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 Series 2007A Authority Bonds. The Authority and the District have each covenanted to take the actions required of it for the interest on the Series 2007A Authority 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 Series 2007A Authority Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. In addition, interest on the Series 2007A Authority 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 Series 2007A Authority Bonds. Bond Counsel will express no opinion regarding those consequences.

Purchasers of the Series 2007A Authority 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.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix G - "FORM OF BOND COUNSEL APPROVING OPINION."

CERTAIN LEGAL MATTERS

Squire, Sanders & Dempsey L.L.P., Los Angeles, California, Bond Counsel, will render its legal opinion with respect to the Series 2007A Authority Bonds substantially in the form set forth in Appendix E -- "FORM OF BOND COUNSEL APPROVING OPINION" attached hereto. At the time of delivery of the Series 2007A Authority Bonds, Bond Counsel will also render its legal opinion with respect to the Series 2007A District Bonds. Certain legal matters will be passed upon by for the Underwriters by their counsel Hawkins Delafield & Wood LLP., Los Angeles, California, and for the Authority and the District by the County Counsel of the County of Los Angeles.

VERIFICATION

Causey Demgen & Moore Inc., a firm of independent certified public accountants, will verify the mathematical accuracy of computations relating to the adequacy of the Escrow Securities and the interest thereon and any initial cash deposit to the escrow fund to pay when due the scheduled payments of principal of, interest and redemption price on the Series 1997A Authority Bonds on October 1, 2007.

FINANCIAL ADVISOR

Public Resources Advisory Group served as Financial Advisor in connection with the issuance of the Series 2007A Authority Bonds and the Series 2007A District Bonds. The Financial Advisor has not

been engaged, nor have they undertaken, to make an independent verification of the accuracy, completeness or fairness of the information contained in this Official Statement.

LITIGATION

According to the Authority and the District, there is no litigation for which service of process has been completed, or, to the best knowledge of the Authority and the District, otherwise pending or threatened, concerning the validity of the Series 2007A Authority Bonds or the Series 2007A District Bonds, the pledge of the Pledged Revenues, the Pledged Assessments or the validity of the Assessments, or challenging any action taken by the Authority or the District in connection with the authorization of the Indenture, the District Indenture, or any other document relating to the Series 2007A Authority Bonds or the Series 2007A District Bonds to which the Authority or the District is or is to become a party or the performance by the Authority or the District of any of their respective obligations under any of the foregoing.

RATINGS

Moody's Investors Service ("Moody's"), Standard & Poor's Ratings Services ("S&P") and Fitch Ratings ("Fitch") have assigned their municipal bond ratings of "Aaa", "AAA" and "AAA", respectively, to the Insured Bonds based on the understanding that the Insurer will deliver the Municipal Bond Insurance Policy upon delivery of the Insured Bonds. Moody's, S&P, and Fitch have also assigned underlying ratings to the Bonds (without regard to the Bond Insurance Policy), of "____," "____." and "____," respectively. No assurance can be given, however, that such ratings will be assigned or that such ratings, if assigned, will not be different from the ratings currently assigned to long-term debt obligations insured under other municipal bond insurance policies by the Bond Insurer. See "CERTAIN FORWARD DELIVERY CONSIDERATIONS."

Such ratings reflect only the view of such organizations and an explanation of the significance of such ratings may be obtained from them as follows: Moody's Investors Service, 99 Church St., New York, New York 10007, (212) 553-0300; Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041, (212) 438-2124; Fitch Ratings, One State Street Plaza, New York, New York 10004, (212) 908-0500. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, if in the judgment of such rating agencies circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2007A Authority Bonds.

UNDERWRITING

The Series 2007A Authority Bonds are being purchased by the Underwriters listed on the cover page hereof (the "Underwriters"). The Underwriters have agreed to purchase the Series 2007A Authority Bonds at a price of \$_____ (which represents the aggregate principal amount of the Series 2007A Authority Bonds, [plus original issue premium of \$_____,] less Underwriters' discount of \$_____). The contract of purchase pursuant to which the Series 2007A Authority Bonds are being purchased by the Underwriters provides that the Underwriters will purchase all of the Series 2007A Authority Bonds if any are purchased. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions as set forth in the Bond Purchase Agreement. See "CERTAIN FORWARD DELIVERY CONSIDERATIONS."

The Underwriters may offer and sell the Series 2007A Authority Bonds to certain dealers and others at prices different from the prices stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriters.

CONTINUING DISCLOSURE

The District has covenanted in the District Indenture for the benefit of holders of the Series 2007A Authority Bonds to provide, or cause to be provided no later than 210 days after the end of each fiscal year, commencing with the Fiscal Year ending June 30, 2007, to (i) each Nationally Recognized Municipal Securities Information Repository (a “National Repository”), and (ii) to the appropriate state information repository for the State of California, if any (a “State Repository”) certain “annual financial information” as described in Securities and Exchange Commission Rule 15c2—12 under the Exchange Act (the “Rule”) with respect to the District relating to the immediately preceding Fiscal Year of the District, which annual financial information shall generally contain information relating to (a) the receipts, expenditures and financial obligations of the District, generally as set forth in tabular form in Appendix A — “THE DISTRICT” under the captions “Budget,” “General Fund Revenues and Expenditures,” and “Rate and Method of Assessment,” (b) historical receipts and expenditures of the District, including but not limited to the financial and statistical information set forth in tabular form in Appendix A — “THE DISTRICT” under the captions “Historical Debt Service Coverage,” and “Assessment Levies and Collections,” (c) the delinquencies in payments of Assessments, including but not limited to the financial and statistical information set forth in tabular form in Appendix A — “THE DISTRICT” under the caption “Annual Assessment,” (d) the information set forth in Appendix D — “THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS,” and (e) the audited financial statements of the District for the immediately preceding Fiscal Year prepared in accordance with generally accepted accounting principles, if available. In addition, the District has agreed to provide, or cause to be provided, to each National Repository or the Municipal Securities Rulemaking Board (the “MSRB”) and a State Repository, in a timely manner notice of the following “Listed Events” if determined by the District 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 or failure to perform by any credit provider; (6) adverse tax opinions or events affecting the tax—exempt status of the Series 2007A Authority Bonds; (7) modifications to rights of holders of the Series 2007A Authority Bonds; (8) Series 2007A Authority Bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2007A Authority Bonds; and (11) rating changes. In addition, the District covenants in a timely manner, to provide or cause to be provided to each National Repository or to the MSRB, and to the appropriate State Repository, if any, notice of the failure of the District to provide annual financial information on or before 210 days after the end of each fiscal year.

These covenants have been made in order to assist the Underwriters in complying with SEC Rule 15c2—12(b)(5). The District has never failed to comply with said Rule regarding the filing of annual reports or notices of material events. The County has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events. The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Series 2007A Authority Bonds and the Authority will not provide any such information. The Authority shall have no liability to the holders of the Series 2007A Authority Bonds with respect to the disclosure obligation undertaken by the District.

The District’s obligations under the Master District Indenture with respect to continuing disclosure shall terminate upon payment in full of all of the District Bonds. If such termination occurs

prior to the final maturity of the District Bonds, the District shall give notice of such termination in the same manner as for a Listed Event.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of interests in the Series 2007A Authority Bonds. Quotations and summaries and explanations of the Series 2007A Authority Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements of their provisions.

The Authority and the District regularly prepare a variety of annual reports, including audits, budgets and related documents. Any owner of a Series 2007A Authority Bond may obtain a copy of any such report as they become available or request additional information from the Authority at the address set forth below.

The preparation and distribution of this Official Statement have been authorized by the Authority and the District. Additional information regarding this Official Statement may be obtained by contacting:

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

APPENDIX A
THE DISTRICT

THE DISTRICT

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THE DISTRICT

Description of the District. The District was formed and the annual Assessment is levied pursuant to Sections 5538.9 and 5539.9 of the California Public Resources Code, the Order (as defined below) and the Landscaping and Lighting Act of 1972 (Sections 22500 *et seq.* of the California Streets and Highways Code). On November 3, 1992, the District was established in accordance with Section 5539.9 of the California Public Resources Code and the Initial Assessment (as defined below) was approved by a majority of the voters voting on the Safe Neighborhood Parks proposition of 1992. The District was established to improve the preservation of beaches, parks and wildlands; the construction, renovation and improvement of new and existing recreational facilities; and the restoration of rivers, streams and trails in the County. The District's boundaries are coterminous with those of the County, encompass 4,083 square miles and contain approximately 2.2 million parcels.

Pursuant to the Order (as defined below) and applicable law, the District is governed by the County Board of Supervisors acting *ex-officio* as the Board of Directors of the District. The District's day-to-day operations are administered by the County Department of Parks and Recreation (the "Department"). The Department is responsible for the administration and funding of the District's programs and operations. In this capacity, the Department has coordinated the levy of the Assessment as well as the establishment of its accounting and budgetary systems. The Department has developed policies and procedures governing the application for and allocation of funds for Specified Projects, Competitive Grant Projects, and Per-Parcel Discretionary Projects.

Description and Purpose of the Assessments. The District's primary revenue source is the Assessments which are levied annually on each of the approximately 2.2 million parcels within the District's boundaries, except for uninhabited agricultural lands, cemeteries, utilities and other exempt parcels. The District was formed and the levy of the maximum annual initial assessment within the District was established at \$9.39 per benefit point (the "Initial Assessment") pursuant to an official act of the County Board of Supervisors as set forth in its Order of March 17, 1992 (the "1992 Order"). The Initial Assessment was approved by 63.9% of voters within the County voting on the matter on November 3, 1992. The 1992 Order was amended by a resolution of the County Board of Supervisors adopted on June 18, 1996 (the "Resolution") to establish the levy of an additional maximum annual assessment at \$5.07 per benefit point (the "Additional Assessment" and, together with the Initial Assessment, the "Assessment"). The Additional Assessment was approved by 65.1% of voters within the County voting on the matter on November 5, 1996. The Resolution supplements the 1992 Order to provide for additional capital outlay projects, including, but not limited to, the acquisition and improvement of real property to benefit the District comparable to those adopted in the 1992 Order. However, the Resolution amended the 1992 Order and the Initial Assessment "to the extent and with the effect that the portion of any vacant parcel of land, and the vacant portion of any partially improved parcel of land, in excess of two and one-half acres (2.5) shall not be assessed." To clarify any inconsistencies between the 1992 Order and the Resolution, the Resolution provides that the method of assessment with respect to both the Initial Assessment and the Additional Assessment be identical in all respects; any such discrepancies, differences or variations in the method of assessment shall be resolved in favor of the Final Engineer's Report as hereinafter defined with respect to the Additional Assessment. Finally, the Resolution "capped" the Assessment at \$14.46 per benefit point per year. See "Rate and Method of Assessment." The 1992 Order, as amended by the Resolution (the "Order") provides that a minimum of 80% (but not more than 85%) of all proceeds of annual Assessments collected by the District shall be used for capital outlay projects, including, but not limited to, the acquisition and improvement of real property and the servicing of bonds, notes or other evidences of indebtedness issued by the District.

Pursuant to the Order, the Initial Assessment and the Additional Assessment are levied for a period of twenty-two (22) years beginning with the fiscal year in which such assessment, respectively,

was first levied and collected by the District, subject to a maximum annual assessment per benefit point. See “Rate and Method of Assessment” and “Excerpts of Engineer’s Report” below. The Initial Assessment was first levied in Fiscal Year 1993-94 and the Additional Assessment was first levied and collected in Fiscal Year 1997-98. With respect to Fiscal Year 2005-06, approximately \$79.805 million of Initial and Additional Assessments were collected. See “Rate and Method of Assessment,” “Historical Debt Service Coverage” and “Projected Debt Service Coverage” below.

Proceeds of the annual Assessments will be used as follows: (i) a minimum of 80% shall be used either to directly pay the costs of Projects authorized pursuant to the Order or to pay debt service on bonds, notes or other evidence of indebtedness issued therefor, (ii) not less than 15% (nor more than 20% as determined by the County Board of Supervisors) of all proceeds of Assessments levied and collected by the District shall be set aside to pay costs of maintaining and servicing Projects funded either with assessments or with proceeds of bonds, notes or other evidences of indebtedness issued by the District and for other purposes set forth in the Order, and (iii) no more than 5% shall be available for the payment of actual administrative costs associated with carrying out the purposes of the Order by the District. These annual Assessments (exclusive of the amounts retained by the County for its expenses in administering the District and the amounts set aside in accordance with the Order in the servicing and maintenance fund established pursuant to the Order, which amounts are retained by the County and the District, respectively) are to be paid first into the Debt Service Fund held under the District Indenture to the extent necessary to make scheduled debt service payments on the Outstanding District Bonds. Only after meeting the debt service requirement can the balance of the 80% be used to pay the costs of projects.

Budget. The District’s budget and accounting systems have been structured in accordance with the revenue flow and accounting requirements provided in the Order. Assessment revenues and interest earnings will initially be deposited into the District’s Assessment Revenue Fund and distributed in the following manner:

- A minimum of 80% of the Assessments will be used first for the payment of debt service, and thereafter for the payment of direct, capitalized costs incurred on approved Projects;
- Not less than 15% (nor more than 20% as determined by the County Board of Supervisors) of all proceeds of Assessments levied and collected by the District will be used for the maintenance and servicing of completed Projects; and
- Up to 5% of the Assessments will be used to pay for the District’s ongoing administrative expenses.

Separate accounts have been established within the Project Funds established under the District Indenture to account for each project and funded by bond proceeds separate from those funded by assessments to assist in the monitoring of the District and the Authority’s program expenditures and the calculation of rebate liabilities. Financial statements on the District’s operations and transactions are prepared annually and audited by an independent auditor. The District’s Final Fiscal Year 2005-06 Budget and the District’s Fiscal Year 2006-07 Budget are summarized below:

TABLE 1

**LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT
Comparison of Fiscal Year 2005-06 Final Budget vs. Adopted 2006-07 Budget**

	Final 2005-06 <u>Budget (1)</u>	Adopted 2006-07 <u>Budget (2)</u>	Change From <u>2005-06</u>
REQUIREMENTS			
Project Funding			
Assessment Grant	\$ 94,921,000	\$ 74,126,000	\$(20,795,000)
Bond Funded Projects	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	\$ 94,921,000	\$ 74,126,000	(20,795,000)
Administration	\$ 4,769,000	\$4,819,000	50,000
Project Maintenance	64,805,000	66,912,000	2,107,000
Other Financing Uses/Designations	166,017,000	201,083,000	35,066,000
Bond Requirements:			
Debt Service	41,131,000	37,496,000	(3,635,000)
Cost of Issuance	<u>3,000</u>	<u>0</u>	<u>(3,000)</u>
TOTAL REQUIREMENTS	<u>\$371,646,000</u>	<u>\$384,436,000</u>	<u>\$12,790,000</u>
AVAILABLE FUNDS			
Benefit Assessment	\$ 78,010,000	\$ 78,236,000	\$ 226,000
Fund Balance	153,841,000	153,929,000	88,000
Cancellation of Reserve/Designations	27,282,000	43,061,000	15,779,000
Bond Proceeds	0	0	0
Premium/Accrued Interest on Bonds	0	0	0
Operating Transfers	0	101,050,000	(6,774,000)
Residual Equity Transfers	107,824,000	0	0
Use of Money and Property	<u>4,689,000</u>	<u>8,160,000</u>	<u>3,471,000</u>
TOTAL AVAILABLE FUNDS	<u>\$371,646,000</u>	<u>\$384,436,000</u>	<u>\$12,790,000</u>

(1) Reflects the Fiscal Year 2005-06 District Budget adopted by the Board of Supervisors on June 20, 2005 and subsequently adjusted on September 20, 2005 and September 26, 2006.

(2) Reflects the Fiscal Year 2006-07 District Budget adopted by the Board of Supervisors on June 26, 2006 and subsequently adjusted on September 26, 2006.

Source: Los Angeles County Regional Park and Open Space District and CAO Budget Status Report.

General Fund Revenues and Expenditures

The District's Audited General Fund Revenues and Expenditures for the Fiscal Years ended June 30, 2003, 2004, 2005, and 2006 are summarized below:

TABLE 2

**LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT
COMBINED STATEMENT OF
GENERAL FUND REVENUES AND EXPENDITURES
Fiscal Years Ended June 30, 2003, 2004, 2005, and 2006
(Dollars in thousands)**

	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006
REVENUES				
Charges for Services	\$78,433	\$78,875	\$79,907	\$78,580
Investment Income	10,219	3,578	5,755	10,391
Net change in fair value of investments	-	(695)	-	-
Miscellaneous	1,240	214	-	1,202
TOTAL REVENUES	\$89,892	\$81,972	\$85,662	\$90,173
EXPENDITURES				
Services and Supplies	\$ 4,369	\$ 4,760	\$ 1,194	\$ 2,042
Park Improvements	41,921	39,505	31,636	31,136
Maintenance and servicing costs	13,439	12,316	15,552	12,266
TOTAL EXPENDITURES	\$59,729	\$56,581	\$48,382	\$45,444
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$30,163	\$25,391	\$37,280	\$44,729
OTHER FINANCING SOURCES (USES):				
Operating transfers to other funds ⁽¹⁾	\$(38,632)	\$(38,888)	\$(37,053)	\$(37,443)
Operating transfers from other funds	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources	\$(38,632)	\$(38,888)	\$(37,053)	\$(37,443)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ (8,469)	\$(13,497)	\$ 227	\$ 7,286
PRIOR YEAR FUND BALANCE	\$260,451	\$252,072	\$238,575	\$238,802
FUND BALANCES (June 30)	\$252,072	\$238,575	\$238,802	\$246,088

¹ Amount includes other Financing Sources (Uses).

Sources: Los Angeles County Regional Park and Open Space District Independent Auditor's Report and Financial Statements for the Fiscal Years Ended June 30, 2003, 2004, 2005, and 2006.

Administrative Expense. The County is responsible for providing all necessary employees to the District for performing District functions. The Order provides that the County shall be reimbursed from the Parks Fund for actual costs of administration of the District. Accordingly, the District has no salaries and employee benefit expenditures or supplies inventory but is nevertheless obligated to reimburse the County for these expenses. The Order generally provides that during the first 20 years after the date an Assessment is levied and collected not less than 80% of the proceeds of such Assessments are to be used for capital outlay projects including the payment of debt service on bonds issued under the Order, and the Order further provides that not more than 5% of the proceeds of Assessments levied are available for payment of administrative expense. Therefore, all employee costs relating to the District functions, including pension costs and post retirement health care costs of such employees, are paid from funds other than those pledged to pay debt service on bonds, including the District Bonds, issued under the Order.

Post-Employment Health Care Benefits. The employee expense that the County can pass through to the District as described in the preceding paragraph includes post-employment healthcare benefits. The Governmental Accounting Standards Board (“GASB”) has issued two statements that address other postemployment benefits (OPEB), which are defined to include post retirement health care benefits. GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes financial reporting standards for OPEBs in a manner similar to those currently in effect for pension benefits. GASB 43 is focused on the entity that administers such benefits on behalf of the County (currently the Los Angeles County Employees Retirement Association, or “LACERA”) and requires an actuarial valuation to determine the funded status of benefits accrued. LACERA intends to comply with GASB 43 by the fiscal year ending June 30, 2007, as required under GASB 43. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes financial reporting standards designed to measure, recognize, and disclose OPEB costs. Currently, OPEBs are accounted for by the County on a pay-as-you-go basis, which does not require the accrual of costs associated with future OPEB payments. GASB 45 is focused on the County’s financial statements and related note disclosures and is intended to associate the costs of the OPEB with the periods in which employee services are rendered in exchange for the OPEB. OPEB costs would become measurable on an accrual basis of accounting and actuarially determined contribution rates would be prescribed for funding such costs. The core requirement of GASB 45 is that at least biennially an actuarial analysis must be prepared with respect to projected benefits (“Plan Liabilities”), which aggregate amount would be measured against the actuarially determined value of the related assets (the “Plan Assets”). To the extent that Plan Liabilities exceeded Plan Assets, the difference would be amortized over a period which could be up to 30 years. The method of financial reporting for OPEB costs would be similar to that used for pension plan normal costs and the unfunded accrued actuarial liability (“UAAL”) thereof. The County intends to comply with the provisions of GASB 45 by no later than the fiscal year ending June 30, 2008, as required under the provisions of GASB 45.

Rate and Method of Assessment. The rate and method of apportionment for use in levying the Assessment for various categories of property is as set forth in the Final Engineer’s Report for County of Los Angeles Landscaping and Lighting District No. 92-1, Additional Assessment Changes and Modifications, which was adopted by the Board on June 18, 1996 (as amended, the “Final Engineer’s Report”). Pursuant to the Final Engineer’s Report, the level of each Assessment is based on the size and use of each parcel and the resulting benefit each parcel will receive from the proposed Projects. The estimation of such benefit is quantified in benefit points. The annual rate of each Assessment may not exceed \$9.39 per benefit point (pursuant to the 1992 Order and Initial Assessment) and \$5.07 per benefit point (pursuant to the Order and Additional Assessment). The Assessment for any parcel will consequently equal the annual rate determined by the Board of Supervisors multiplied by the number of benefit points applicable to each parcel. The 2006-07 Assessment for a single family residence on a median sized parcel is \$19.28 (based on 1.333 benefit points). Excerpts of the Final Engineer’s Report are set forth below under the caption “Excerpts of Engineer’s Report.”

The overall level of the District’s Assessment will increase as parcels are subdivided and vacant property is developed. Properties owned by public agencies, such as cities, the County, the State or the federal government, will not be assessed except when such property is not devoted to a public use. Rights-of-way owned by utilities, railroad operating rights-of-way, uninhabited agricultural lands, cemeteries and certain other properties are also exempt from the Assessments. Individuals who qualify for the California Property Tax Postponement Program (Section 20581 *et seq.* of the California Revenue and Taxation Code), which generally provides for the postponement of certain payments by individuals 62 years of age or older of property taxes attributable to residential dwellings, may also qualify for postponement of payment of Assessments levied by the District.

In the event of any allegation of errors of Assessment, including circumstances that do not precisely fit the intent of the Order, such alleged errors are reported to a committee appointed by the County Board of Supervisors. The function and authority of this committee is to recommend corrections or adjustments that are consistent with the concept, intent and parameters of the Order and the District's program of levying and collecting the Assessment. Unless the committee's proposed corrections and adjustments are appealed to the County Board of Supervisors, they are incorporated into the Assessment roll.

The Assessments actually levied for the current year, by the type of land use, are comprised as follows:

TABLE 3
ASSESSMENT LEVY BY TYPE OF LAND USE
For the 2006-07 Annual Assessment

Land use	Total Assessment		Percentage of
	Levy	Benefit Points	Total Assessment Levies
Residential	\$56,155,657	3,883,517.064	71.63%
Commercial	20,044,797	1,386,223.885	25.57
Institutional	1,349,485	93,325.362	1.72
Recreational	848,728	58,694.871	1.08
Miscellaneous*	(1,587)	(109.774)	(0.00)
TOTALS	\$78,397,079	5,421,651.408	100.00%

Source: Los Angeles County Regional Park and Open Space District

* Includes enrollment losses.

No single taxpayer is responsible for more than 0.1% of the annual Assessment. In the aggregate, the top 30 taxpayers in the County account for less than 1% of the 2006-07 Annual Assessment.

Annual Assessment. The Assessment is collected in semi-annual installments on the County's tax roll on which general taxes on real property are collected. Each Assessment is payable and becomes delinquent at the same time and bears the same rate of penalty and interest after delinquency as do general property taxes in the County, and the property upon which each Assessment is levied is subject to the same provisions for sale and redemption as are properties for nonpayment of such taxes. Taxpayers are obligated to pay the total of general and specific tax levies appearing on County tax bills; partial payments of the total tax levy are applied *pro rata* among all individual taxes appearing on the tax bill. The District has covenanted in the District Master Indenture that, unless otherwise required by applicable law, it shall not take, or cause to be taken, any action that would result in the reduction in the amount of the levy of Pledged Assessments with respect to any Fiscal Year below an aggregate amount equal to 1.15 times the Maximum Annual Debt Service on all Outstanding District Bonds and any District Bonds that the District reasonably expects to issue during the then present Fiscal Year.

Pursuant to the District Master Indenture, the District shall not directly or indirectly extend or defer the payment of any Pledged Assessments if, following such extension or deferral, the value of the Pledged Assessments not subject to such extension or deferral would be less than 1.15 times the Maximum Annual Debt Service on all Outstanding District Bonds theretofore issued. This restriction does not, however, limit the District's ability to defer Assessments pursuant to Section 170 and 1994-5 of the California Revenue and Taxation Code and Chapter 4.64 of the Los Angeles County Code. See

Appendix C - "SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS - The District Master Indenture - Covenants of the District."

The District has no obligation to institute judicial foreclosure proceedings in the event of a delinquency by any particular property owner in the payments of Assessments, but has covenanted to take such actions with respect to such delinquencies as are consistent with the policy of the County regarding delinquent property taxes generally. Assessments are levied and collected with the County's general tax levy. Accordingly, the District anticipates collection and delinquency rates equivalent with the County's general tax levy. The County anticipates, based on current practice, that it will, on behalf of the District, foreclose any unpaid Assessment with delinquent general, *ad valorem* taxes after the fifth year of delinquency. During the past five years, delinquency rates have ranged from a high of 3.49% in Fiscal Year 2001-02 to a low of 2.94% in Fiscal Year 2003-04. Revenue projections contained in this Official Statement have assumed the Fiscal Year 2005-06 delinquency rate of 3.10%, and a ten percent redemption penalty fee as well as an average annual delinquency interest rate of 9% and the County's existing assumptions regarding delinquency recovery rates of 91% over 5 years based on a "sliding scale" of 45% recovery for year one, 22% for year two, 11% for year three, 9% for year four, and 4% for year five. The actual County delinquency interest rate is 1.5% per month (or 18% annualized). A 9% delinquency interest rate assumption is premised on straight line collections through the fiscal year. Thus, delinquency interest rates are 9% for collections of past due assessments during the first year, 18% for the second year, 27% for the third year, 36% for the fourth year and 45% for the fifth year.

The following table provides a summary statement of the District's Assessment levies and collections for Fiscal Years 2001-02 through 2005-06 with respect to the collection of Assessments which were applied to debt service on the Outstanding District Bonds.

TABLE 4

**LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT
SUMMARY OF ASSESSMENT LEVIES AND COLLECTIONS
FISCAL YEARS 2001-02 THROUGH 2005-06
(Unaudited)**

Year	Total Current Assessment Levy	Total Current Assessment Collections	Current Delinquent Assessments	Ratio of Delinquency To Current Assessments Levy
2001-02	\$77,240,823	\$74,544,114	\$2,696,709	3.49%
2002-03	77,571,254	75,032,289	2,538,965	3.27
2003-04	78,281,288	75,976,919	2,304,369	2.94
2004-05	78,232,791	79,029,391	2,370,425	3.03
2005-06	78,377,175	78,602,795	2,433,102	3.10

Source: Los Angeles County Auditor-Controller's Tax Apportionment Ledger for the Secured Roll.

Assessments constitute fixed liens on the parcels assessed within the District and do not constitute personal indebtedness of the respective owners of such lots and parcels. Accordingly, in the event of delinquency, proceedings may be conducted only against the real property securing the delinquent Assessment. The District has no obligation to institute judicial foreclosure proceedings in the event of a delinquency by any particular property owner in the payments of Assessments, but has covenanted to take such actions with respect to such delinquencies as are consistent with the policy of the County regarding

delinquent property taxes generally. Under the District Master Indenture, the District has covenanted that, unless otherwise required by applicable law, the District shall not take, or cause to be taken, any action that will result in the reduction of the amount of the levy of Pledged Assessments with respect to any Fiscal Year below an aggregate amount equal to 1.15 times the Maximum Annual Debt Service on all Outstanding District Bonds and any District Bonds that the District reasonably expects to be issued during the then-present Fiscal Year. See Appendix C - "SUMMARY OF LEGAL DOCUMENTS - The District Master Indenture."

Historical Debt Service Coverage. The following tables provide a summary statement of the District's collection of Assessments and historic debt service coverage with respect to the Assessments collected which were applied to debt service on the Outstanding District Bonds.

TABLE 5

**SUMMARY ASSESSMENT COLLECTIONS
Fiscal Year 2001-02 to Fiscal Year 2005-06**

Fiscal Year	Base Assessments	Less: Appeals	Less: Delinquencies	Collection of Prior Delinquencies	Penalties and Interest	Assessment Adjustments	Total Collected Assessments⁽¹⁾
2001-02	\$77,597,000	-\$356,000	-\$2,697,000	\$2,792,000	\$826,000	-\$731,000	\$77,431,000
2002-03	77,816,000	-245,000	-2,539,000	2,785,000	925,000	-398,000	78,344,000
2003-04	77,900,000	-381,000	-2,304,000	2,962,000	1,269,000	-636,000	78,810,000
2004-05	78,233,000	-165,000	-2,370,000	3,041,000	1,125,000	380,000	80,244,000
2005-06	78,378,000	-287,000	-2,433,000	2,943,000	1,203,000	1,000	79,805,000

(1) Includes penalties and interest. May not add due to rounding.
Source: Los Angeles County Regional Park and Open Space District.

TABLE 6

HISTORICAL DEBT SERVICE COVERAGE

Year	Assessment Revenues	Maintenance & Servicing (15%)	Administration (5%)	"Pledged Assessments" (Debt Service/ Capital Outlay)	District Bonds Annual Debt Service	Annual Coverage Ratio
2001-02	\$77,431,000	\$11,615,000	\$3,872,000	\$61,944,000	\$39,227,000	1.58
2002-03	78,344,000	11,752,000	3,917,000	62,675,000	39,227,000	1.60
2003-04	78,810,000	11,822,000	3,941,000	63,047,000	39,229,000	1.61
2004-05	80,244,000	12,037,000	4,012,000	64,195,000	38,385,000	1.67
2005-06	79,805,000	11,971,000	3,990,000	63,844,000	38,073,000	1.68

Source: Los Angeles County Regional Park and Open Space District.

Projected Debt Service Coverage. Estimated Assessments available to pay debt service on the Series 2007A District Bonds, and accordingly, the Series 2007A Authority Bonds, are based upon certain assumptions with regard to the land use, level of development and improvements and percentage of

Assessments collected, the amount available for investment and the interest rate at which funds are invested. See "Assessment Projection" below. In order to estimate the total revenues available to pay debt service on the Series 2007A District Bonds, the District has made certain assumptions with regard to the land use, level of development and improvement valuations and percentage of Assessments collected, the amount available for investment and the interest rate at which funds are invested. The District's revenue projection set forth in the table below is based on an Initial Assessment of approximately \$51.0 million in accordance with the 1992 Order and an Additional Assessment of approximately \$27.5 million starting in Fiscal Year 2006-07 in accordance with the Resolution with projections through Fiscal Year 2018-19, and incorporates the following assumptions: (1) future benefit point growth of 0.32% per year for residential properties and future benefit point decline of 0.19% per year for commercial/industrial properties with growth and decline based on annual historic compounding, of the respective categories of properties, for the period between Fiscal Year 1996-97 through Fiscal Year 2005-06; (2) an annual investment earnings rate of 1.25% per annum; and (3) a 3.04% per annum delinquency rate with a recovery rate of 91% over a five year period. The District believes these assumptions to be reasonable, but to the extent the Assessment collected or the amount of funds available for investment or the interest rate at which funds are invested are less than the District's assumptions, the total Assessment available to pay debt service on the Series 2007A District Bonds and any other outstanding District Bonds may be less than projected.

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TABLE 7

**SUMMARY REVENUE PROJECTION
Fiscal Year 2007-08 to Fiscal Year 2018-19**

Fiscal Year	Base Assessments	Less: Appeals	Parcel Enrollment Losses	Gross Assessments	Less: Delinquencies	Collection of Prior Delinquencies	Penalties and Interest	Total Available Assessments
2007-08								
2008-09								
2009-10								
2010-11								
2011-12								
2012-13								
2013-14								
2014-15								
2015-16								
2016-17								
2017-18								
2018-19								

Source: Public Resources Advisory Group, financial consultant to the District.

The following table illustrates the use of Assessments in accordance with the Order and the annual coverage ratio of available Assessments to estimated debt service payments on the Series 2007A District Bonds and other Outstanding District Bonds.

TABLE 8
PROJECTED DEBT SERVICE COVERAGE

Year	Assessment Revenues	Maintenance & Servicing (15%)	Administration (5%)	“Pledged Assessments”	2005A District Bonds Annual Debt Service	1997A District Bonds Annual Debt Service	Series 2007A District Bonds Annual Debt Service	Total District Bonds Annual Debt Service	Annual Coverage Ratio
2007									
2008									
2009									
2010									
2011									
2012									
2013									
2014									
2015									
2016									
2017									
2018									
2019									

Source: Public Resources Advisory Group, financial consultant to the District.

Excerpts of Engineer's Report. The following are summary excerpts from the Final Engineer's Report, as amended June 18, 1996, Section V, "Rate and Method of Assessment." Such excerpts are not to be considered a full description of the text of the Final Engineer's Report.

General. The Landscaping and Lighting Act of 1972 provides that assessments may be apportioned by any formula or method which fairly distributes the assessment among all assessable lots or parcels in proportion to the estimated benefits to be received by each lot or parcel from the improvements.

Benefit to Property from Park and Recreation Facilities. Studies in a number of communities, including counties and cities throughout the United States, have indicated that recreation areas and facilities, if well maintained and wisely administered, have caused a marked increase in property values of parcels in the community. Consequently, such recreation and park facilities have proved a potent factor in maintaining a sound economic condition and a high standard of livability in the community. These studies confirm the opinion long held by planning authorities as to the economic value of open space in a community.

Property values in a community are increased when public infrastructure such as parks, open space and recreation facilities are in place, improved, operable, safe, clean and maintained. Facilities that are unsafe or destroyed by the elements or vandalism decrease surrounding property values. Park and recreation facilities are less likely to attract crime if they are well lit, clean and maintained. Clean and safe parks increase public safety, help to reduce crime and enhance the overall quality of life and desirability of an area. Property values in an area also increase when there is an increase in the number of parks, recreation centers, trail systems, sports facilities and open space areas. Conversely, property values decrease when park and recreation facilities are in disrepair, old, unsafe, unclean and unusable.

The improvements to be funded by the District are acquisition, development, improvement and restoration projects for park, recreation, community centers, museum, beach and open space purposes. These improvement projects include: regional facilities which benefit the entire District; regional facilities which benefit large areas of the District; and neighborhood facilities which benefit smaller, local areas of the District. The improvements are distributed between these different categories of regional use to ensure that all areas of the District will benefit. Funds for improvements are also distributed throughout all geographic areas of the District, and between all of the cities and the unincorporated areas of the County.

Specific criteria were established to identify regional park and recreation projects throughout the County which would benefit all areas of the District. Each specific project was required to be environmentally sound, regionally significant and strongly supported; each project also had to show documentation of regional significance and regional use. The regional significance of each project was required to be documented through:

- evidence that the project is a significant natural resource;
- letters or studies documenting the regional use of the proposed project by surrounding communities;
- evidence that the project is or will be made available or advertised on a regional basis; and
- evidence that the project is the only one of its kind in the surrounding region.

All eighty-eight incorporated cities located in the District were contacted by the Department and over seventy cities in the District, county departments, civic leaders and citizen organizations participated in the process to identify specific regional park, recreation and open space projects. All of the specific improvements (Projects, as defined herein) meet the established criteria and hundreds of letters were received documenting the regional significance of the specific improvement projects located within cities.

Regional projects, by their definition, are of area-wide benefit; therefore, the regional facilities in the County cumulatively benefit all properties within the District. As described above, the local projects are distributed throughout the proposed District and are of regional significance. The acquisition, improvement, and restoration of both local and regional parks, beaches and open space lands and recreation facilities are distributed throughout the proposed District and therefore are of direct and specific benefit to all parcels within the District. All areas benefit equally from the proposed improvements with benefit to parcels varying with their land use.

Benefit Points. To establish the benefit to the individual parcels with their varying land uses a benefit point system is used. Each parcel is assigned benefit points in proportion to the benefit the property receives. The number of points are then divided into the annual revenue requirement necessary to fund the proposed parks, recreation areas and open space improvements to determine the dollar value of benefit for each point. Since the number of benefit points for each parcel has been established, the benefit obligation for each parcel is established and thus the amount of assessment for each parcel is established.

Land Value Benefit. In order to fairly allocate benefit from the proposed improvements to parcels throughout the District, it is necessary to address the benefits to land and to land use. The benefit received by land varies as land varies in size. It was found that larger parcels benefit more than smaller parcels. The benefit point system is based on establishing separately the benefit for each of two elements, land value and land use. To facilitate this procedure, the median single-family home is used as a standard to which all other properties are related. The median single-family home in the County is located on a lot of approximately 1/7 of an acre in areas with the relative valuation between the home and the lot being 75% and 25% respectively. This relative valuation is based upon the opinion of professional appraisers, appraising current market property values for real estate in Southern California. The land value portion typically ranges from 20 to 30 percent; the Final Engineer's Report used approximately 25 percent. This evaluation is based upon current market values, not on assessed values which are skewed by the impact of Proposition 13.

The lot, therefore, has 1/3 the value of the improvement ($.25 \div .75$). Assigning one benefit point to a house as the standard and using the 1/3 ratio, the lot would then represent 1/3 benefit point, see the discussion on "Land Use (Improvement) Benefits" below where one benefit point is assigned to a single-family house. As stated above, the median single-family home is located on a lot of approximately 1/7 of an acre; therefore, the median density for single-family residential property in the County is 7 units per acre, thus the benefit point for the typical acre occupied by single-family homes would be $7 \times 1/3$, or 2.33 benefit points per acre. This 2.33 benefit points per acre is used as the basis for assessing the land value benefit to all assessable parcels within the District.

Land Use (Improvement) Benefit. That portion of the benefit that is associated with land use or improvement value will, of course, vary with the type of land use. This benefit for land use is condensed and segregated into three categories below, and each category is assigned

portions of a benefit point (BP) relative to the percentage of improvement value it provides (see discussion under “Benefit to Property from Park and Recreation Facilities” above).

- 1) Economic Value: The increase to improved property value due to increased economic activity and health, expanded employment opportunities and increased capacity to draw business, home buyers, renters, tourists, etc., to the District .50BP
- 2) Environmental Quality: The increase to improved property value due to the improved quality of air, water, visual aesthetics, attractiveness of the District as a place to live and work, etc. .25BP
- 3) Recreation Enhancement: The increase to improved property value due to the availability of useable and safe parks, beaches, and recreation facilities. .25BP

Land use is designated and classified in accordance with the Los Angeles County Assessor’s use codes as of the date of the Final Engineer’s Report. Benefits to land uses vary; therefore, the above factors are assigned to each land use classification.

Single-Family Residence. A single-family residence receives all three of the above benefits, therefore 1.0 BP is assigned to each single-family residence. The land upon which the home is located receives a separate benefit which is 2.33 times the acreage of the lot upon which the home is situated. The benefit to a typical single-family residence is the summation of these two, i.e., one plus 2.33 times the area of the parcel in acres.

To assess land use benefit equitably, it is necessary to relate the different parcel classifications to each other. Using one benefit point for a single-family residential unit, all other uses are related to this land use.

Multiple-Residential and Mobile Home. Multiple-residential and mobile home land use equivalencies are reduced by multiplying the number of home units on each parcel by .75 and .50, respectively, due to the relative population density of these types of dwelling units compared to the typical density of single-family units. Studies have consistently shown that an apartment unit impacts infrastructure approximately 75% as much as a single family residence, and mobile homes impact infrastructure approximately 50% (Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition, 1991. Metcalf and Eddy, Wastewater Engineering Treatment Disposal Reuse, Third Edition, 1991). The reduced impact on park and recreational facility use by residents of multiple-residential and mobile homes results in a lesser enhancement per unit to property values. Therefore, the Economic Value, Environmental Quality, and Recreation Enhancement benefit points for multiple-residential and mobile homes have been uniformly reduced to 75% and 50%, respectively.

The benefit points assigned to a multiple-residential or a mobile home parcel for the Land Use (Improvement Value) portion of the assessment are calculated based on the number of house units and the appropriate benefit point per house unit. The benefit points for multi-residential (.75) are multiplied by the number of dwelling units on the parcel to determine the total Land Use (Improvement Value) benefit points for the parcel. The total Land Use (Improvement Value) benefit points for a mobile home parcel is calculated by multiplying the benefit point per home unit (.50) by the number of units on the parcel. The benefit points for the land value portion of the assessment are calculated by multiplying the land area in acres by 2.33 benefit points per acre.

These two amounts are then added together to obtain the total number of benefit points for the parcel.

Commercial/industrial - Other. For determining the land use benefit points to be assigned for properties in commercial/industrial use, these properties are first related to the basic single-family unit. The median home in the District has a lot size of approximately 1/7 of an acre, therefore the typical single-family residential density is seven dwelling units per acre. All properties that are developed for commercial/industrial are thus assigned seven benefit points per acre for the land use portion of the parcel. Each land use category of commercial/industrial property is then evaluated as to whether or not the three components of the land use benefit point (i.e., Economic Value, Environmental Quality and Recreation Enhancement) applies to the particular land use category.

Commercial/industrial properties that have been found to receive the same benefits as residential properties from increased economic activity and health, expanded employment opportunities and increased capacity to attract business as residential properties receive .50 BP for Economic Value, as do residential properties. Certain commercial/industrial properties, such as warehouses, storage facilities and mineral processing, mining and petroleum facilities, receive no economic benefit because these properties receive negligible benefit, if any, from park and recreation improvements. All commercial/industrial properties benefit from increased environmental quality as a result of the improvements; therefore, all commercial/industrial properties are assigned a factor of .25 BP for Environmental Quality. Those properties which are used by or which serve people are benefited by improved and increased park and recreational facilities; these properties are assigned a factor of .25 BP for Recreational Enhancement.

Additionally, a higher level of use for commercial/industrial property is identified when a structural improvement has multiple stories or occupies a greater percentage of the parcel than that which is the norm. To account for this, the benefit points for the property use is multiplied by a number which is proportional to the intensity of the structural improvements contained on the property.

The typical coverage of commercial/industrial parcel with a structure is 33%. Using this as the standard, the square footage of a structural improvement on a parcel, as this value is set forth in the Los Angeles County Assessor's records or as determined through appeal, is divided by one-third of the area of the parcel in square feet. The number then becomes proportional to the intensity of development on the parcel and represents an equivalent number of stories that may be found on a parcel. For the purpose of identifying this factor, it is set forth as "equivalent stories" in the benefit point equation. A minimum of one "equivalent story" will be applied to any improved (non-vacant) commercial/industrial property.

A paved lot which is used exclusively for parking and which does not have a structural improvement on the parcel will be assigned one equivalent story.

When a commercial/industrial building and a parking lot structure are located on one parcel, the improved square footage of the parking structure will be added to the improved square footage of the commercial/industrial building, resulting in the total improved square footage used to calculate equivalent stories.

Vacant Property. Vacant property has no Land Use Benefits associated with it. Even if a vacant parcel is designated as commercial/industrial or residential, it receives no additional

benefits because of its designation as there are no improvements constructed upon it; therefore, vacant property receives only Land Value Benefit of 2.33 benefit points per acre.

The Land Value benefit received by property varies as the property varies in size. However, there is a decreasing marginal utility to the benefit vacant land receives from parks, recreation facilities and open space that results in a benefit limit to larger vacant parcels. As vacant parcels increase in size, the vacant portion of a larger parcel functionally serves as open space. Consequently, as a basis for this limitation, a vacant parcel will not be assigned more benefit points than the total benefit points assigned to an acre of median single-family residence parcels. As vacant parcels increase in size beyond 2.5 acres, the marginal benefit they receive from park improvements is negligible. Therefore the portion of any vacant parcel in excess of 2.5 acres shall not be subject to the assessment. The maximum benefit points that will be assigned to a vacant parcel is 5.83 (2.33 BP's x 2.5 acres).

This finding modifies and amends the finding stated in the 1992 Engineer's Report that vacant parcels up to 5 acres benefited. To the extent that present conclusions are inconsistent with previous findings, present findings are regarded as more accurately reflecting the benefits received.

In addition, the unused portion of any partially improved single parcel that is in excess of 2.5 acres will not be assessed. Such parcels that are partially improved will often appear on the Assessor's roll as improved. Those parcels that are found to be partially improved after review will have their assessments revised per this report.

Exempt Properties. Several land uses were determined to be exempt from the assessment because they either do not benefit from the proposed improvements or they have restricted uses that would not be in the public interest to acquire in the event of foreclosure. Examples are common areas, open spaces, green belts, sliver parcels, and public properties. Also exempt by law, are parcels designed as uninhabited and non-vacant agricultural and timber property.

Modifications. It is recognized, that when dealing with the millions of parcels that will be part of this Assessment District, using the information on the Los Angeles County Assessor's Roll as the primary source for the assessment formula may lead to some errors and some circumstances that do not precisely fit the intent of this program.

Where such circumstances are discovered, either by the persons administering this program, or by the owners of the properties affected, such circumstances shall be reported to a committee appointed by the Board of Supervisors. The function and the authority of the committee will be to recommend such corrections or adjustments with such proposed changes being consistent with the concept, intent and parameters of the District's program of levying and collecting the Assessments. Unless such proposed changes are appealed to the Board of Supervisors, they will be incorporated into the assessment roll.

The total assessment to be levied on each parcel shall be the annual assessment per parcel times the number of years over which assessment will be levied. The annual assessment for each parcel shall remain in effect until the characteristics which affect the property's benefit points are updated, at which time the assessment for that parcel will be recalculated.

Financial Reports and Certifications. The District is required to prepare annual financial statements, which are audited by independent certified public accountants. Certain information contained in this Official Statement was obtained from such reports. In addition, the District is required to report

quarterly to the Board of Supervisors the status of allocations, commitments and payments to Projects. The District's audited financial statements for the year ended June 30, 2006 are set forth herein. See "Appendix B -- AUDITED FINANCIAL STATEMENTS OF THE DISTRICT."

Overlapping Debt. The District contains numerous municipalities, school districts, and special purpose districts which have issued general obligation bonded indebtedness, which is set forth on the statement below. Some of the indebtedness may be payable from self-supporting enterprises of revenue sources other than property taxation. Revenue bonds, tax allocation bonds and special assessment bonds are not included in this statement; lease revenue obligations payable from general fund or equivalent sources are included in this statement.

TABLE 9

**DIRECT AND OVERLAPPING DEBT
LOS ANGELES COUNTY**

TO COME

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS

The following are summaries of certain provisions contained in the Authority Master Indenture and the District Master Indenture. Such summaries are not to be considered full descriptions of the underlying documents. In addition to the below summaries, certain terms of such documents are described elsewhere in this Official Statement.

APPENDIX D

THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS

The Treasurer and Tax Collector (the Treasurer) of Los Angeles County has the delegated authority to invest funds on deposit in the County Treasury (the Treasury Pool). As of June 30, 2006, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

<u>Local Agency</u>	<u>Invested Funds (in billions)</u>
County of Los Angeles and Special Districts	\$ 6.642
Schools and Community Colleges	8.099
Independent Public Agencies	<u>1.329</u>
Total	\$16.070

Of these entities, the involuntary participants accounted for approximately 91.73%, and all discretionary participants accounted for 8.27% of the total Treasury pool.

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer's prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on February 3, 2004, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer prepares a monthly Report of Investments (the Investment Report) summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors for formal action to approve it. According to the Investment Report dated July 27, 2006, the June 30, 2006 book value of the Treasury Pool was approximately \$16.070 billion and the corresponding market value was approximately \$16.033 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer's Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances daily. They also review each investment trade for accuracy and compliance with the Board adopted Investment Policy. The County Auditor Controller's Office performs similar cash and investment reconciliations on a quarterly basis and regularly reviews investment transactions for conformance with the approved policies. Additionally, the County's outside independent auditor annually accounts for all investments.

The Treasury Pool is highly liquid. As of June 30, 2006 approximately 46.29% of the pool investments mature within 60 days, with an average of 250.87 days to maturity for the entire portfolio. The following table identifies the types of securities held by the Treasury Pool as of June 30, 2006.

<u>Type of Investment</u>	<u>% of Pool</u>
U.S. Government and Agency Obligations	50.56
Certificates of Deposit	17.95
Commercial Paper	26.44
Bankers Acceptances	0.00
Municipal Obligations	0.06
Corporate Notes & Deposit Notes	4.96
Asset Backed Instruments	0.00
Repurchase Agreements	0.00
Other	0.03

Effective January 1, 1996, Section 27131 of the Government Code requires all counties investing surplus funds to establish a County Treasury Oversight Committee. On January 16, 1996, the Board of Supervisors approved the establishment of the County Treasury Oversight Committee and subsequently confirmed the five Committee members nominated by the Treasurer in accordance with that Section. The Committee, which meets quarterly, is required to review and monitor for compliance the investment policies prepared by the Treasurer.

APPENDIX E

FORM OF BOND COUNSEL APPROVING OPINION

Upon the delivery of the Series 2007A Authority Bonds, Squire, Sanders & Dempsey L.L.P., Bond Counsel, proposes to issue its approving opinion in substantially the following form:

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

Book-Entry-Only System

General. The Series 2007A Authority Bonds will be available in book-entry form only in the principal amount of \$5,000 and any integral multiples thereof. Purchasers of beneficial ownership interests in the Series 2007A Authority Bonds will not receive certificates representing their interests in the Series 2007A Authority Bonds purchased. The Underwriters will confirm original issuance purchases with statements containing certain terms of the Series 2007A Authority Bonds purchased.

The following information concerning the Depository Trust Company, New York, New York (“DTC”) and DTC’s book-entry system has been obtained from sources the Authority, the District and the Underwriters believe to be reliable; however, the Authority, the District and the Underwriters take no responsibility as to the accuracy or completeness thereof. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

DTC will act as securities depository for the Series 2007A Authority Bonds. The Series 2007A Authority Bonds will be issued as fully-registered bonds 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 bond will be issued for each maturity of the Series 2007A Authority Bonds as set forth on the inside cover hereof, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument 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 (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 Series 2007A Authority Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2007A Authority Bonds on DTC’s records.

The ownership interest of each actual purchaser of each Series 2007A Authority Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2007A Authority 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 Series 2007A Authority Bonds, except as specifically provided in the Indenture, or in the event that use of the book-entry system for the Series 2007A Authority Bonds is discontinued.

To facilitate subsequent transfers, all Series 2007A Authority Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2007A Authority Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2007A Authority Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2007A Authority 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.

Such Direct Participants and the persons for whom they acquire interests in the Series 2007A Authority Bonds as nominees will not receive certificated Series 2007A Authority Bonds, but each such Direct Participant will receive a credit balance in the records of DTC in the amount of such Direct Participant’s interest in the Series 2007A Authority Bonds, which will be confirmed in accordance with DTC’s standard procedures. Each such person for whom a Direct Participant acquires an interest in the Series 2007A Authority Bonds, as nominee, may desire to make arrangements with such Direct Participant to receive a credit balance in the records of such Direct Participant, and may desire to make arrangements with such Direct Participant to have notices of redemption or all other communications of the Authority to DTC which may affect such persons forwarded in writing by such Direct Participant and to have notifications made of all payments of interest and principal of his beneficial interest. NONE OF THE AUTHORITY, THE DISTRICT, THE COUNTY, THE PAYING AGENT OR THE FISCAL AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2007A AUTHORITY BONDS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT; THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF, INTEREST ON OR REDEMPTION PRICE OF THE SERIES 2007A AUTHORITY BONDS; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO OWNERS UNDER THE INDENTURE; THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2007A AUTHORITY BONDS; OR ANY OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2007A AUTHORITY BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OR HOLDERS OF THE SERIES 2007A AUTHORITY BONDS (OTHER THAN UNDER THE CAPTION “TAX EXEMPTION”) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2007A AUTHORITY BONDS.

DTC may discontinue providing its services as securities depository with respect to the Series 2007A Authority Bonds at any time by giving reasonable notice to the Authority or the Paying Agent.

Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered as described in the Indenture. The Beneficial Owner, upon registration of bonds in the Beneficial Owner's name, will become the registered owner of the Series 2007A Authority Bonds.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificated Series 2007A Authority Bonds will be printed and delivered to DTC.

The Authority, the County, the District and the Fiscal Agent will recognize DTC or its nominee as the sole and exclusive owner of the Series 2007A Authority Bonds registered in its name for all purposes, including notices and voting, under the Indenture, registering the transfer of the Series 2007A Authority Bonds, or other action to be taken by registered owners and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. Conveyances 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 standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct Participant or Indirect Participant, and not of DTC, the Paying Agent, the Fiscal Agent, the Authority, the County or the District, subject to any statutory and regulatory requirements as may be in effect from time to time.

Payments of principal of, premium, if any, and interest on the Series 2007A Authority Bonds will be made to Cede & Co., as registered owner of the Series 2007A Authority Bonds 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 Fiscal Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments of principal of, premium, if any, and interest by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Fiscal Agent, 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 to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Fiscal Agent, 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.

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

APPENDIX H
FORM OF DELAYED DELIVERY CONTRACT