*** NOTE: TO RETURN TO THIS PAGE, CLICK ON THE COUNTY SEAL ***

CLICK HERE FOR CEO's REPORT DATED SEPTEMBER 10, 2009

CLICK HERE FOR CEO's REPORT DATED JULY 28, 2010

CLICK HERE FOR CEO's REPORT DATED JANUARY 26, 2010

CLICK HERE FOR CEO's REPORT DATED NOVEMBER 3, 2010

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

September 10, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

PRESERVING ARRA FUNDING FOR MLK MULTI-SERVICE AMBULATORY CARE CENTER (ITEM NO. 62-B, AGENDA OF SEPTEMBER 8, 2009)

On September 8, 2009, your Board instructed my office and the Department of Public Works to provide a report on the actions the Board must take to ensure the design of the proposed new Martin Luther King Jr. Multi-service Ambulatory Care Center (MACC) is complete in time for the County to fully qualify for American Reinvestment and Recovery Act Funds (ARRA) to fund the project construction.

It is necessary for the County to issue ARRA bonds no later than December 30, 2010 to secure the necessary funding for the project. Based on an analysis performed by the Department of Public Works, the environmental impact analysis must begin immediately and project design must begin no later than December 1, 2009, resulting in a contractor selection by October 31, 2010 to allow for the timely issuance of the bonds. A complete milestone schedule is attached for your review.

If you have any questions regarding the schedule, your staff may contact Jan Takata at (213) 974-1360.

WTF:DL
DJT:SW:zu

Attachment

c: Executive Officer, Board of Supervisors
County Counsel
Department of Public Works

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Martin Luther King Jr. Medical Center
Milestone Date Projections
9/3/2009

Task	Board Approved Baseline	Delayed with UC Regents Approval in Mid November 2009 ** See Note 1 Below	Delayed with UC Regents Approval in Mid Jan 2010 ** See Note 2 Below	Proposed Including IPT Learning Curve & Early Budget for MACC ** See Note 3 Below
PROJECT 1				
Make Ready				
Jurisdictional Approval	2/26/2010	9/18/2010	11/31/2010	11/31/2010
Construction Bid & Award (JOC)	4/30/2010	11/21/2010	1/31/2011	1/31/2011
Construction Substantial Completion	7/30/2010	2/13/2011	4/28/2011	4/28/2011
Hospital				
Design Completion	6/30/2010	1/15/2011	3/31/2011	3/31/2011
Jurisdictional Approval	9/30/2010	4/14/2011	6/31/2011	6/31/2011
Construction Bid & Award (D-B-B)	9/30/2010	4/14/2011	6/31/2011	6/31/2011
Substantial Completion	6/12/2012	12/28/2012	3/14/2013	3/14/2013
Acceptance	8/31/2012	3/14/2013	5/28/2013	5/28/2013
Move-In	10/31/2012	5/15/2013	7/30/2013	7/30/2013
Project 2 - MACC				
EIR Start Date				10/1/2009
Project Design Start Date				12/1/2009
Accelerated Scoping Design				7/31/2010
D-B Pre-Qual (Part A)				6/30/2010
D-B Proposals/Selection (Part B-1)				**10/31/2010**
D-B Negotiations (Part B-2)				12/30/2010
CEO - Bonding in Place				**12/30/2010**
EIR Complete				10/31/2010
Award D-B Agreement				1/31/2011
Scoping Design	6/30/2010	1/15/2011	3/30/2011	7/31/2010
Award D-B	12/31/2010	7/15/2011	9/30/2011	1/31/2011
Construction Substantial Completion	3/29/2013	10/12/2013	12/30/2013	4/30/2013
Acceptance	9/30/2013	4/17/2014	6/30/2014	10/30/2013
Move-In	12/31/2013	7/18/2014	9/30/2014	1/30/2014

NOTES:

(1) Current with A/E RFP - Assumes UC Regent approval by mid November of 2009 and A/E Award by the first of December 09 Includes 3.5 Mo for delay & 3 Mo for A/E Ramp-up (baseline from approved Board action 8/18/09 - plus ~6.5 mo.)

(2) Delayed with UC Regents Approval in Mid January 10 - Assumes UC Regents appproval by Mid January 2010, and Board Action by Mid February of 2010. Includes 6 Mo for delay & 3 Mo for A/E Ramp-up(baseline plus ~9mo)

(3) Proposed Including IPT Learning Curve & Early Budget for MACC - Assumes:

- CEQA/EIR will not be complete before budget number is finalized;
- Best case of EIR completion of 10/31/10 is based on 10/01/09 start date;
- Project Construction Budget will be derived from Scoping Estimates and D-B Proposals;
- Final negotiations with D-B cannot be finalized until EIR and Scoping Docs are completed;
- Final scope of Project 2 will need to be established prior to project design completion on Project 1 (not ideal - need to finalize shared services);
- **CEO can use cost proposals received from D-B proposers on 10/31/2010 for completing Bond process;**
- Current TPCE does not account for additional DPW and Scoping Arch Labor for accelerated Scoping Process;
- **This scenario assumes a very optimistic assumption for the EIR duration.**

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July 28, 2010

TO: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: William T Fujioka
Chief Executive Officer

STATUS MEMORANDUM REGARDING AMERICAN RECOVERY AND REINVESTMENT ACT PROJECT FINANCING MECHANISMS

This is to provide your Board with a status update on the capital project financing mechanisms authorized under the American Recovery and Reinvestment Act (Recovery Act) and potential issues that may compromise the County's ability to realize the full financial benefits that were initially anticipated under these programs.

Currently, we are well-positioned to fully utilize the allocations of Qualified Energy Conservation Bonds (Energy Bonds) and Recovery Zone Economic Development Bonds that the County is authorized to issue under the Recovery Act. With respect to the Recovery Zone Facility Bonds (Facility Bonds), we are finalizing recommendations on feasible projects for your approval. Based on the project proposals we have received for the Facility Bonds, however, it appears that the full $271.5 million allocation made available to the County will not be utilized. We will be presenting project recommendations to your Board for the Energy Bonds and Facility Bonds programs on August 10, 2010.

The ability of state and local governments to issue Build America Bonds (BABs) in the future has been severely compromised by recent developments at the federal level. The deletion of a proposed extension of the issuance deadline for BABs from the recently enacted unemployment benefit extension caused a severe disruption in liquidity of the BABs market and has impaired the feasibility of future BABs issues. As a result, the County's ability to utilize BABs to the degree previously anticipated is now questionable.

The Chief Executive Office (CEO) is developing alternative financing plans, in close collaboration with the Treasurer's office, and will present recommendations for financing projects we were previously planning to finance with BABs to your Board, at the end of September, 2010.

Background

On February 17, 2009, President Obama signed the Recovery Act into law and enacted a $787 billion stimulus program, which included the BABs, an expansion of the Energy Bond program and Recovery Zone Bonds. The intent of the Recovery Act and these financing programs was to promote economic growth through the provision of unique financing incentives for state and local capital improvements. The BABs and Recovery Zone programs require the issuance of bonds by December 31, 2010.

Current Program Status

Qualified Energy Conservation Bonds

Qualified Energy Conservation Bonds are taxable bonds that can be issued by state or local governments to finance public capital improvements that will reduce energy consumption by 20 percent in governmental buildings or expand the use of renewable energy sources and other alternatives to fossil fuel technologies. The County is authorized to issue $39,018,000 in Energy Bonds. Legislation was approved in early 2010 that resulted in a direct federal subsidy of 70 percent of interest costs on the bonds. The bonds are not subject to an issuance deadline.

On January 26, 2010, your Board affirmed the County's intent to fully utilize its $39,018,000 Energy Bond allocation. Subsequent to your Board's approval, we have worked with the Chief Information Office (CIO) and Internal Services Department (ISD) to identify suitable locations for solar photovoltaic panel installations, based upon solar potential, system size (larger systems are more cost efficient due to economies of scale), and on-site electricity usage, which exceeds the electricity generated by the solar panel installation. Based on these criteria, the following projects will be recommended to your Board for financing under the Energy Bond Program. It is anticipated that together, these projects will result in the installation of approximately 6.0 megawatts of solar power.

Solar Installation Program: High Desert Campus – Solar Farm

The installation of a 2-megawatt, ground-mounted solar panel farm will be proposed at the County's High Desert Campus, located on vacant land between Mira Loma Detention Center and Challenger Probation Camp in the City of

Lancaster. The electricity generated by the proposed solar farm would be used by the County facilities on the campus and generate sufficient energy to offset a substantial share of their electricity costs. The project is also eligible for incentives from the California Solar Initiative, a State program which provides payment for solar electricity power. State incentives for solar energy electricity generation are estimated to cover approximately one-quarter of the project's costs. A Mitigated Negative Declaration is being prepared and should be completed in August. When factoring in bond issuance costs, a total of $15.0 million in authorization would be required for the project.

Solar Installation Program: Roof Installations on County Facilities

It will be recommended that the remaining $24.0 million in Energy Bond issuance authorization be committed to the installation of solar panels on the roofs of selected County facilities. We have identified a "short-list" of County facilities that present the best opportunities for County solar rooftop installations, a list of which is attached to this memorandum. It is conservatively estimated that the remaining Energy Bond allocation of $23.0 million will fund roof installations with a capacity of 4.5 megawatts. Potential sites are listed below, along with a projected system size to be installed at each site based on the conservative assumption of four megawatts of installed capacity.

Facility	Location	Potential Megawatts
Humphrey Comp. Health Center	Los Angeles	0.75
Sheriff STARS Training Center	Whittier	0.75
Nidorf Juvenile Hall	Sylmar	0.75
Los Padrinos Juvenile Hall	Downey	0.75
Palmdale Sheriff Station	Palmdale	0.3
LAC+USC Medical Center (General Hospital)	Los Angeles	0.3
Probation Camps Miller/Kilpatrick	Malibu	0.3
Century Regional Detention Center	Lynwood	0.3
El Monte Comprehensive Health Center	El Monte	0.3

My office is working with ISD to validate building conditions, such as roof profiles and conditions, as well as building energy data, and are budgeting project cost estimates. We are planning to present final cost and savings projections to your Board for approval, along with final financing recommendations that will be developed in collaboration with the Treasurer's office, by the end of December, 2010.

Solar Energy Generation Incentives

Owners of solar installations in Southern California Edison's service area can receive incentive payments under the California Solar Initiative program based on the amount of

power produced. These State incentives for solar energy electricity generation presently provide $0.19 per kilowatt hour (kWh) produced for the first five years.

Los Angeles Department of Water and Power (LADWP) service areas are not eligible to receive these incentives. LADWP does offer, however, a separate incentive program which provides a one-time incentive payment for anticipated electricity generation over a 20-year period. The incentive rates are $0.059 per kWh, or $0.11 per kWh if the County irrevocably gives up the rights to the Renewable Energy Credits from the installation to LADWP.

Recovery Zone Bonds

The Recovery Act also authorizes the issuance of two types of bonds for projects in Recovery Zones: Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds. Both types of bonds may be used, subject to certain restrictions, to finance capital expenditures that are made within designated "Recovery Zones", which are defined under the Recovery Act as any area designated by a jurisdiction as experiencing significant poverty, unemployment, rates of home foreclosures or general distress, economic distress related to military base closures, and any area currently designated as an Empowerment Zone or Renewal Community.

On January 26, 2010, your Board designated the entire County as its Recovery Zone, based upon an analysis of relevant US Census, Housing and Urban Development statistics and other socio-economic data.

Economic Development Bonds

Economic Development Bonds are taxable bonds with a Federal subsidy of bond interest payments. They are subject to the same private use restrictions applicable for tax-exempt bonds. Economic Development Bonds may be issued to finance expenditures made for purposes of promoting development or other economic activity in a designated Recovery Zone, including costs related to property, public infrastructure, public facility construction, or job training and education programs. The bonds are also subject to Davis-Bacon federal prevailing wage requirements. The Federal interest subsidy is set at 45 percent and under present law the bonds must be issued no later than December 31, 2010. The County received an allocation of $180,989,000 in Economic Development Bond authorization, which should be sufficient to finance approximately $150.0 million in project costs.

The January 26, 2010 Board report discussed the use of the County's $180,989,000 Economic Development Bond allocation toward financing project expenses associated with the design and construction of the Martin Luther King Jr. (MLK) Multi-Service Ambulatory Care Project (MACC). Since that time, our office has continued to monitor the progress and refinement of cost estimates on several projects to determine the most

appropriate project(s) to finance with these bonds. Such a determination is based on two primary factors:

- how closely a project's capitalized cost fits within the authorized allocation; and

- the lowest differential between the interest that is earned on bond proceeds expended during a project's construction and the interest that is accrued for the bondholder's benefit on the amount borrowed for the project's construction. This differential is often referred to as "negative carry".

Full or close to full utilization of the authorized Economic Development Bond allocation is crucial to optimizing their benefit to the County. The bond structures the County is permitted to utilize, however, generally require that projects be financed in whole by a single, rather than multiple bond issues. Bonds issued by the County, absent voter approval, must be secured by an underlying lease of the project and project site between the County and a qualified non-profit corporation or joint powers authority. Bondholders are granted a lien against the property as security against a potential bond payment default by the County. Any additional lien placed against a project and its site with respect to a second series of bonds must take a subordinate position to the lien of the initial bond series. Thus, the constraint of a single lien and bond series in financing an individual project or group of projects necessitates that projects be financed in their entirety by a single bond issue and ultimately requires a close alignment of project costs with the authorized allocation in order to optimize use of such allocation.

Negative carry is measure of a financing issue's cost to the County and a reflection of the issue's efficiency. The amount of negative carry directly impacts the amount of interest that must be capitalized during a project's construction period. In order to fund the negative carry, additional bonds must be issued, which in turn, increases repayment requirements. Likewise, a lower negative carry level will result in lower debt service costs to the County.

Recommended Projects for Financing with Economic Development Bonds

Based on our analysis of the anticipated project costs of the MLK MACC, Olive View Emergency Room/Tuberculosis Unit, Coroner Refurbishment and Expansion, and Patriotic Hall Refurbishment Projects, a package of the latter three projects with combined project costs of $149.0 million would utilize the authorized allocation more efficiently than the MLK MACC.

The project cost for the MLK MACC is being adjusted from $145.3 million downward to $127.3 million to reflect the transfer of the scope for the $18.0 million Ancillary Building to the Inpatient Tower Project, as required by the Office of Statewide Health Planning and Development and reported to your Board on July 1, 2010. The lack of a project or

projects with anticipated costs of $22.7 million and that are prepared for imminent financing will preclude use of the remaining Economic Development Bond allocation and makes the MLK MACC a less than optimal candidate for the Economic Development Bond allocation.

An analysis of the negative carry on the MLK MACC and the Olive View/Coroner/Patriotic Hall Projects also indicates that use of Economic Development Bonds on the latter three projects would result in a more efficient financing issue and lower debt service costs to the County. Based on an interest rate of 4.26 percent quoted by the Wall Street Journal on July 27, 2010 for long-term municipal bond issues and a three month reinvestment rate in Treasury securities of .16 percent, the negative carry on the latter three projects was estimated at $8.97 million over a 27 month construction period. The negative carry on the MLK MACC Project was estimated at $11.98 million over the same period. The variance in negative carry primarily reflects the scheduled completion of the Olive View Medical Center Emergency Room Project in September 2010, which results in no negative carry for the project.

Based on the results of this analysis, the CEO will now be recommending that the Recovery Zone Economic Development Bond allocation be utilized to finance the Olive View Emergency Room/Tuberculosis Unit, Coroner Refurbishment/Expansion, and Patriotic Hall Refurbishment Projects.

Facility Bonds

Recovery Zone Facility Bonds are tax-exempt, private activity bonds that will finance private, depreciable property related to new facility construction or the upgrade of existing facilities in a Recovery Zone. The County received an allocation of $271,484,000 in Facility Bond authorization, which under present law must be issued no later than December 31, 2010.

Similar to Industrial Development Bonds, Facility Bonds are a conduit financing mechanism that allows private borrowers to access lower interest rates that are generally available in the tax-exempt financing market. The Facility Bonds do not offer any Federal subsidy of interest payments.

Under the proposed program, the County would issue the Facility Bonds and loan the proceeds to a private or non-governmental entity for purposes of capital improvements within the Recovery Zone. The County would not be required to pledge any funds or guarantee repayment of the bonds. The private or non-governmental entity receiving the bond proceeds would be solely responsible for repayment of the bonds. As such, the creditworthiness and liquidity of the private borrower is critical to repayment of the bonds.

The aforementioned January 26, 2010 Recovery Zone designation that was approved by your Board permits the County to approve issuance of Facility Bonds for projects throughout the County. During 2009, businesses and other non-governmental entities contacted the County with interest in using Facility Bonds to finance projects with a value exceeding $1.0 billion, substantially greater than the County's allocation. Due to the level of expressed interest, we recommended that your Board state its intent to fully use its $271,484,000 Facility Bond allocation, which your Board affirmed on January 26, 2010.

The CEO subsequently worked with the Auditor-Controller and Treasurer-Tax Collector, Board deputies, and an outside financial consultant to further develop the qualifying criteria for the County's Facility Bond Program, focusing on credit worthiness, economic development potential and protecting the County from any credit risk. On June 30, 2010, the CEO released a Request for Proposals to interested parties with a submittal date of July 14, 2010. To minimize the County's exposure to the risk of default by the proposing firms, the CEO, based upon consultation with the Treasurer's and Auditor-Controller's offices, required proposing firms to provide either a Letter-of-Credit from a qualified bank supporting the requested bond issue or a commitment from a Qualified Institutional Bank to buy the Facility Bonds in a private placement structure. These requirements are consistent with the Conduit Financing Policy adopted by your Board in 2006 and with the Facility Bond credit requirements established by other counties throughout California.

To date, we have received nine proposals requesting the authorization to issue $239.7 million in Facility Bonds. Each of the proposals has been reviewed by staff from the CEO and the Treasurer's office for creditworthiness, potential economic development, and compliance with requirements established by the California Debt Limit Allocation Committee (CDLAC). None of the projects proposed, while worthy in terms of economic development, meet all the CDLAC requirements. The majority of the proposing firms have yet to conclude due diligence reviews by their proposed private placement buyers. CDLAC, however, is also requiring that your Board approve the projects for which the County intends to issue Facility Bonds by August 15, 2010. A list of the proposing firms is provided in Attachment I.

In response to this deadline and given that firms proposing have yet to complete credit reviews, we will be recommending that your Board approve the proposing firms for Facility Bond allocations, contingent upon the successful completion of their respective credit reviews by their proposed private placement buyers and compliance with CDLAC requirements prior to the August 15, 2010 deadline.

Action Required by California Debt Limit Allocation Committee

In order to utilize either type of Recovery Zone Bonds or the Energy Bonds, the State Treasurer's CDLAC has imposed a deadline of August 15, 2010 for local issuers to submit the following documentation in order to maintain access to bond allocations:

- Board of Supervisor approval of the projects to be financed through Facility Bonds by August 15, 2010;
- A Board-adopted Reimbursement Resolution for the approved projects;
- A legal opinion from bond counsel which states that the projects receiving allocation are eligible under the Federal guidelines; and
- A commitment letter outlining the bond sale structure pursuant to CDLAC Regulations.

Commitment letters are required for all Facility Bond applicants under the credit criteria employed for the Facility Bond Program. We will provide recommendations for project approval and the necessary reimbursement resolutions to your Board on your August 10, 2010 agenda and have coordinated with County Counsel to engage bond counsel to deliver the necessary legal memos.

Federal Government Failure to Extend Build America Bond Authorization

Build America Bonds

Build America Bonds are taxable bonds that can be issued by state or local governments to finance capital expenditures and certain issuance costs related to governmental, public purpose projects. Under ARRA, the Federal government has agreed to provide issuers of BABs a Federal subsidy of 35 percent of the interest payments to investors. There is no limit on the amount of BABs that may be issued. Under the original Recovery Act legislation, however, BABs must be issued no later than December 31, 2010.

A major portion of the capital financing plans has been assumed to use BABs. Should efforts by Congress to extend BAB authorizations continue to fail, the CEO, in collaboration with the Treasurer, have determined that the elimination of a continuing supply of the bonds will damage the underlying secondary market, reduce the ongoing liquidity of the bonds, and ultimately increase interest costs to the County.

- The reduction in liquidity for the bonds will cause yields to rise as investors seek to buffer the value of their bond investments from future interest rate swings. An

increase in yield at the initial offering is the only method available to them since the ongoing supply and the supporting secondary market has been eliminated which constricts, if not eliminates, their ability to sell their bonds in the future.

- We are working with the Treasurer to quantify the impact of non-extension of BABs on the pricing of BABs that are issued prior to the program's expiration on December 31, 2010.

If BABs lose their cost advantage against tax-exempt leasehold revenue bonds (i.e. the rise in bond yields in response to a reduction in liquidity exceeds the 35 percent interest cost reimbursement currently offered under the BAB Program), conventional tax-exempt bonds can still be issued to finance capital improvement projects, albeit at a higher cost.

We will provide updates on the BAB and impacts on the County's capital financing program as our analysis is completed, federal legislative actions occur, and the nature and level of any impacts are determined.

Should you have any questions regarding this issue, your staff may contact Jan Takata at (213) 974-1360.

WTF:BC:SK
DJT:PB:zu

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Treasurer and Tax Collector

Recovery Zone Facility Bond Applicant Borrowers

Applicant	Project	Location	District	Allocation Amount
Fairplex	Conference Center	Pomona	1	$ 24,255,000
Lowe Enterprises	Compton Downtown North Community Development	Compton	2	$ 46,000,000
Los Angeles Biomedical Resea	Campus development	Carson	4	$ 30,000,000
Wattstar Theater	Wattstar Cinema and Education Center	Los Angeles	2	$ 15,000,000
Five Chairs Development	623 La Peer Mixed Use Development	West Hollywood	3	$ 40,000,000
ACAT	Manufacturing equipment	Long Beach	4	$ 33,000,000
Lawry's	California Center @ Fairplex	Pomona	1	$ 25,000,000
Aszkenazy Development	Gateway San Fernando Office/ Project	San Fernando	3	$ 23,500,000
Urth Caffe'	Retail and commercial development	Pasadena	5	$ 3,000,000
	Total			**$ 239,755,000**
	Total County Allocation			***$ 271,484,000***
	Allocation Not Applied For			***$ 31,729,000***

Attachment I

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Fifth District

January 26, 2010

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:

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
RECOVERY ZONE DESIGNATION,
APPROVAL OF PRELIMINARY PLAN OF ISSUANCE
(ALL DISTRICTS AFFECTED) (3 VOTES)

SUBJECT

The recommended actions designate the County as a Recovery Zone under the Federal Bond Program and approve a preliminary plan for the County's Recovery Zone bond allocations.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt a resolution designating Los Angeles County as a Recovery Zone pursuant to the American Recovery and Reinvestment Act of 2009.

2. Approve a preliminary Plan of Issuance, under which the County:

   a. states its intent to utilize Recovery Zone Economic Development Bonds to finance the Martin Luther King Jr. Multi-Service Ambulatory Care Project;

   b. states its intent to fully utilize its Recovery Zone Facility Bond and Qualified Energy Conservation Bond allocations on qualified projects; and

c. commits to provide the California Debt Limit Allocation Committee with final project allocations for Recovery Zone Facility Bonds and Qualified Energy Conservation Bonds by August 15, 2010.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions will allow the County to maintain eligibility for allocations of Recovery Zone Bonds and Qualified Energy Conservation Bonds available under the American Recovery and Reinvestment Act of 2009 by designating the County as a Recovery Zone, pursuant to federal requirements, and approval of a preliminary Plan of Issuance required by the State Treasurer, which states the County's intent to utilize its allocations of Recovery Zone Bonds and Qualified Energy Conservation Bonds and outlines a plan for the determination of appropriate project allocations.

Background

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA), a $787 billion stimulus bill, which included provisions for Build America Bonds, Qualified Energy Conservation Bonds, and Recovery Zone Bonds. The intent of ARRA and these financing programs is to promote economic growth through the provision of unique financing incentives for state and local capital improvements.

Build America Bonds

Build America Bonds (BABs) are taxable bonds that can be issued by state or local governments to finance capital expenditures and certain issuance costs related to governmental, public purpose projects. Under ARRA, the Federal government has agreed to provide issuers of BABs a Federal subsidy of 35 percent of the interest payments to investors. There is no limit on the amount of BABs that may be issued. The BABs, however, must be issued no later than December 31, 2010.

Qualified Energy Conservation Bonds

Qualified Energy Conservation Bonds (ECBs) are taxable bonds that can be issued by state or local governments to finance public capital improvements that will reduce energy consumption by 20 percent in governmental buildings or expand the use of renewable energy sources and other alternatives to fossil fuel technologies. ECBs may also be issued to finance green community programs, support research and public education programs, and fund private projects that reduce energy consumption or the use of fossil fuels. The County is authorized to issue $11,705,393 in ECBs for use on qualified private sector projects and $27,312,584 in ECBs for public, governmental projects.

Under ARRA, investors in the ECBs are to receive a tax credit, which would reduce the net interest cost to the County, as issuer. To date, a viable market for the tax credit, and by extension, the ECBs, has failed to materialize. As a result, we have been unable to determine the amount of the tax credit and the potential benefit to the County. It is unclear, at this time, if this component of the ARRA program will move forward.

Recovery Zone Bonds

The ARRA also authorizes the issuance of two types of bonds for projects in Recovery Zones: Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds. Both types of bonds may be used, subject to certain restrictions, to finance capital expenditures that are made within designated "Recovery Zones", which are defined under ARRA as any area designated by a jurisdiction as experiencing significant poverty, unemployment, rates of home foreclosures or general distress, economic distress related to military base closures, and any area currently designated as an Empowerment Zone or Renewal Community. Under ARRA, cities and counties with populations exceeding 100,000 that have experienced economic distress during the current recession generally received allocations for the Recovery Zone Bonds.

Economic Development Bonds

The Economic Development Bonds are similar to the BABs in that they are taxable bonds and provide a Federal subsidy of bond interest payments. They are also subject to the same private use restrictions applicable for tax-exempt bonds. Economic Development Bonds may be issued to finance expenditures made for purposes of promoting development or other economic activity in a Recovery Zone, including costs related to property, public infrastructure, public facility construction, or job training and education programs. The bonds are also subject to Davis-Bacon federal prevailing wage requirements. The Federal interest subsidy is set at 45 percent and the bonds must also be issued no later than December 31, 2010. The County received an allocation of $180,989,000 in Economic Development Bond authorization.

Facility Bonds

Facility Bonds are tax-exempt, private activity bonds that allow local governments receiving allocations to finance private, depreciable property related to new facility construction or the upgrade of existing facilities in a Recovery Zone. The County received an allocation of $271,484,000 in Facility Bond authorization, which must be issued no later than December 31, 2010.

Similar to Industrial Development Bonds, Facility Bonds are a conduit financing mechanism that allows private borrowers to access lower interest rates that are generally available in the tax-exempt financing market. The Facility Bonds do not offer any Federal subsidy of interest payments. The County would issue the Facility Bonds

and loan the proceeds to a private or non-governmental entity for purposes of capital improvements within the Recovery Zone. The County would not be required to pledge any funds or guarantee repayment of the Facility Bonds. The private or non-governmental entity receiving the proceeds from the bonds would be solely responsible for repayment of the bonds. As such, the creditworthiness and liquidity of the private borrower is critical to repayment of the bonds.

Recommended policies and criteria to ensure adequate credit protection for the County are being developed with the Treasurer and Tax Collector and Auditor-Controller and will be presented to your Board for consideration with other policies, procedures, and guidelines for the implementation of the ARRA financing program in the next month.

Designation of Recovery Zone

In order to utilize either type of Recovery Zone Bonds, the State Treasurer's California Debt Limit Allocation Committee (CDLAC) requires that your Board designate a Recovery Zone for the County by January 31, 2010. Pursuant to Internal Revenue Service Notice 2009-50 Section 5.06 concerning the Recovery Zone Bond Program, the County may make a designation of a recovery zone "in any reasonable manner as it shall determine in good faith in its discretion". Given the discretion afforded your Board and based upon our analysis of U.S. Census, Housing and Urban Development, and other socio-economic data, we are recommending that your Board designate the entire County as a Recovery Zone.

Our analysis entailed an examination of each census tract to determine if it met defined criteria for the Recovery Zone: poverty, foreclosure, unemployment, and general distress. If the census tract met the threshold for significance in one or more of these factors, it was coded as Recovery Zone. The threshold for each of the criteria is indicated below:

- **Poverty:** Measures of the percentage of the population below 100 percent of poverty level and the percentage below 200 percent of poverty level were used. Census tracts with at least 18 percent of residents below the poverty threshold for 2008 ($21,834 for a family of four), and those with greater than 40 percent of residents below the 200 percent of the poverty threshold ($43,668 for a family of four), were classified as directly meeting the Recovery Zone definition.

- **Foreclosure**: U.S. Housing and Urban Development (HUD) data measuring risk of foreclosure was analyzed. This data uses various factors, including loan, income and housing data to determine how susceptible an area is to suffer from foreclosures. HUD's Neighborhood Stabilization Program defines a score of 18 or higher (out of 20) as "high risk". A Foreclosure Risk score of 17 or higher was used for the Recovery Zone definition for general distress,

just below HUD's definition of high risk of foreclosure, in order to exclude the areas, which have experienced worsening conditions more recently than available data.

- **Unemployment**: The threshold for significant unemployment levels was having either a minimum level for 2008 unemployment of eight percent or an increase in unemployment during that year of at least two percent.

- **General Distress**: Census tracts with more than half of residents in 2008 in households with less than 80 percent of median County household income ($49,680) defined the threshold.

Based on our analysis, over 83 percent of all County census tracts have directly experienced significant levels of poverty, unemployment, home foreclosures, or general distress: The remaining areas of the County are all within the average job commute time of 31 minutes for workers in Los Angeles County. Attachment A displays a chart of the areas of the County which directly meet our classification of Recovery Zone. Areas which do not meet the Recovery Zone classification themselves are within ten miles of areas that do, when forest/wilderness areas, which are largely unpopulated and development-restricted (shown in green on the chart), are excluded.

Given the proximity of these remaining areas to the areas that strictly meet the Recovery Zone criteria and the high probability that economic conditions in both areas have a reciprocal impact on each other, we are recommending that all areas in the County be included in the designation of the County's Recovery Zone.

Preliminary Plan of Issuance

In addition to the designation of a Recovery Zone, CDLAC is also requiring jurisdictions with Recovery Zone and/or ECB allocations to submit a preliminary Plan of Issuance by January 31, 2010 in order to maintain eligibility to access Recovery Zone and ECB allocations. The intent of the preliminary Plan of Issuance is to provide assurance to CDLAC that jurisdictions will be able to fully utilize their allocations and entails a list of proposed projects, project costs, and schedules. Jurisdictions that CDLAC deems unable to fully utilize their allocations may be at risk of forfeiting their allocation to CDLAC for redistribution to other jurisdictions within the State.

As we have previously reported to your Board, we plan on financing the design and construction of the Martin Luther King Jr. Multi-Service Ambulatory Care Center (MLK MACC) through the County's allocation of Recovery Zone Economic Development Bonds. We have also received project proposals for over $1.1 billion in Recovery Zone Facility Bonds. While these projects meet the basic Facility Bond criteria, they have yet to be reviewed or prioritized with your Board and far exceed the County's allocation of $271.5 million.

With respect to the ECB allocation, we have identified approximately $30.0 million in potential governmental, renewable energy projects and nearly $700 million in potential private sector energy related projects. As is the case with the Facility Bond projects, these potential ECB projects have yet to be reviewed or prioritized with your Board and exceed the County's allocations of $27.3 million for governmental projects and $11.7 million in private sector projects.

We have advised CDLAC that the requests for County ARRA funding far exceeds the amount of bonds allocated to the County, as well as the need to fully assess the potential projects with your Board before committing to final project allocations. Under CDLAC's program guidelines, your Board is not required to commit to final project designations, allocations, and financing structured until August 15, 2010. The deadline for actual issuance of the Recovery Zone Bonds or ECBs is December 31, 2010.

Based on the excessive amount of project funding requests relative to the County's allocations and in recognition of the need to fully review and prioritize the Facility Bond and ECB project allocations with your Board, we are recommending approval of a preliminary Plan of Issuance that:

- States the County's intent to allocate the Recovery Zone Economic Development Bonds to the MLK MACC Project;
- states the County's intent, at this time, to fully utilize its Recovery Zone Facility Bond and ECB allocations; and
- commits the County to a final determination of project allocations for the Recovery Zone Facility Bonds and ECBs no later than CDLAC's deadline of August 15, 2010.

The recommended timetable will allow this Office adequate time to review and prioritize project allocations with your Board and comfortably meet CDLAC's August 15, 2010 deadline and the bond issuance deadline of December 31, 2010. It will also allow this Office to work with the Treasurer and Tax Collector, and Auditor-Controller to develop policies, procedures, and guidelines for the management and implementation of the County's ARRA financing program. Such policies and guidelines will be focused on safeguarding the County's fiscal position, while optimizing the program's benefits to the County. We will be returning to your Board with such policies and guidelines in the next month.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the County to meet the goal of Operational Effectiveness (Goal 1, Strategy 1). The recommended actions will help achieve this goal by promoting Fiscal Sustainability through sound, prudent, and transparent short and long-range fiscal policies that help ensure maintenance of critical, high priority County public services despite cyclical economic conditions.

FISCAL IMPACT/FINANCING

There is no fiscal impact associated with the designation of the County's Recovery Zone or the approval of the preliminary Plan of Issuance. The recommended actions do not commit your Board to any specific project allocation or expenditure, nor do they represent an approval by your Board for a future bond issue. Final project allocations are not required until August 15, 2010 and issuance of the ARRA bonds is not required until December 31, 2010. We will work with your Board to develop appropriate project allocations and with the Treasurer and Tax Collector to develop optimal financing recommendations prior to the required, respective deadlines.

It should be noted that a future issuance of BABs, Recovery Zone Economic Development Bonds, and ECBs by the County will increase the County debt load and increase debt service costs for the term of the bonds. To the extent that these bond types are used to finance County capital projects that would have otherwise used conventional tax-exempt financing, the County is expected to realize lower debt service costs resulting from the Federal interest subsidies these bonds offer.

Any Recovery Zone Facility Bonds the County issues will not increase the County's debt load or repayment of any additional debt service. Although the Facility Bonds would be issued under the County's name, the bonds would be solely an obligation of the private borrower.

Fiscal impacts relating to the costs of the program implementation will be addressed when we return to your Board with recommended Recovery Zone program policies and procedures in the next month.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

County Counsel has reviewed and approved the attached Resolution.

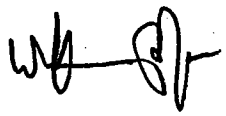
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The current actions will have no impact on current services.

CONCLUSION

Upon approval, please return one adopted copy of this letter to the Chief Executive Office, Capital Projects Division.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SK:DJT
PB:zu

Attachments

c: Executive Office, Board of Supervisors
Auditor-Controller
County Counsel
Treasurer and Tax Collector

LA County Recovery Zone (RZ)

Tract meets RZ Designation

RZ Area (forest/wilderness area)

RZ Area

Miles

0 7.5 15

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA, DESIGNATING LOS ANGELES COUNTY AS A RECOVERY ZONE PURSUANT TO THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

WHEREAS, Section 1401 of the American Recovery and Reinvestment Act of 2009, (the "Act"), added Sections 1400U-1 through 1400U-3 to the Internal Revenue Code of 1986, as amended (the "Code"), authorizing states, counties and large municipalities to issue Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds; and

WHEREAS, the County of Los Angeles, California (the "County") has received an allocation of Recovery Zone Economic Development Bonds in the amount of $180,989,000 and an allocation of Recovery Zone Facility Bonds in the amount of $271,484,000 pursuant to the Act; and

WHEREAS, the Recovery Zone Economic Development Bonds may be used to finance expenditures for "qualified economic development purposes," as defined in Section 1400U-2, for the purpose of promoting development or other economic activity in a recovery zone ("Recovery Zone"); and

WHEREAS, the Recovery Zone Facility Bonds may be used to finance "recovery zone property," as defined in Section 1400U-3, within a designated Recovery Zone; and

WHEREAS, Section 1400U-1 authorizes the County to designate a Recovery Zone for the purpose of issuing Recovery Zone Economic Development Bonds under Section 1400U-2 and for the purpose of issuing Recovery Zone Facility Bonds under Section 1400U-3; and

WHEREAS, a Recovery Zone, as defined in Section 1400U-1, means (1) any area designated by the issuer as having significant poverty, unemployment, rate of home foreclosure, or general distress, (2) any area designated by the issuer as economically distressed by reason of the closure or realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1900, and (3) any area for which a designation as an empowerment zone or renewal community is in effect (collectively, "Distress Conditions"); and

WHEREAS, the County evaluated the following available data with respect to census tracts (or citywide data where census tract data was unavailable) to identify census tracts within the geographic boundaries of the County that suffer from one or more Distress Conditions: (1) significant poverty levels, (2) risk of foreclosure, (3) number of residents with lower than 80% of the median income in the County, (4) elevated unemployment rates, and (5) significant increases of unemployment rates over time; and

WHEREAS, after a review of the County data, the County identified certain census tracts suffering from Distress Conditions; and

WHEREAS, the County defined the areas appropriate for Recovery Zone designation by giving consideration to average commuting distances from home to work within the County;

WHEREAS, the County concluded that, given general work commuting patterns within the County, areas within a fifteen (15) mile radius of any census tract suffering from Distress Conditions are also impacted by such Distress Conditions.

WHEREAS, based on the census tracts determined to suffer from Distress Conditions and the belief that impacts of the Distress Conditions extend to areas within 15 miles of each such census tract, the area appropriate for Recovery Zone designation comprises the entire geographic area of the County.

NOW THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Designation of County as Recovery Zone. That upon the findings and determinations of Distress Conditions throughout the County, this County Board hereby designates the entire geographic area of the County, as shown on the map attached as Exhibit A, as a Recovery Zone within the meaning of the Act.

SECTION 2. Designation Reasonable. That the County Board hereby declares that such designation has been made in good faith and in a reasonable manner.

SECTION 3. Effective Date. That this Resolution shall take effect immediately upon its passage.

SECTION 4. Administrative Actions. That the officers of the County are hereby authorized and directed to take all actions as may be required in furtherance of the designation of the recovery zone.

The foregoing resolution was, on the ___ day of _____, 2010, 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.

SACHI A. HAMAI,
Executive Officer-Clerk of the Board of
Supervisors of the County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:

ROBERT E. KALUNIAN,
Acting County Counsel

By: _____
Principal Deputy County Counsel

EXHIBIT A

LA County Recovery Zone (RZ)

Recovery Zone (Entire County)

Miles
0 7.5 15

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

November 3, 2010

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

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

Dear Supervisors and Directors:

**ISSUANCE AND SALE OF
LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
LEASE REVENUE BONDS (MULTIPLE CAPITAL PROJECTS I)
2010 SERIES A (TAX-EXEMPT) AND 2010 SERIES B (TAXABLE)
(ALL DISTRICTS) (4 VOTES)**

SUBJECT

The Chief Executive Officer and Treasurer and Tax Collector are seeking authorization to issue up to $850 million of lease revenue bonds to finance multiple capital projects in the areas of health services, public safety and general government. Proceeds from the sale of the bonds will be utilized to fund approximately $761 million of capital expenditures (including the redemption of tax-exempt commercial paper notes and reimbursement of preliminary project expenditures), provide for the payment of costs of issuance, and establish a debt service reserve fund.

The financing will be structured with a combination of tax-exempt lease revenue bonds, taxable Build America Bonds, and taxable Recovery Zone Economic Development Bonds. As has been the case with prior long-term debt financings, the final size of the issuance may be adjusted to reflect market conditions at the time of the sale and to ensure compliance with federal regulations for municipal borrowings. The size of the lease revenue bond issuance is currently estimated at $800 million.

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Intra-County Correspondence Sent Electronically Only

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the resolution authorizing: a) the issuance and sale of not to exceed $850 million in taxable and tax-exempt lease revenue bonds to finance multiple capital projects and to refund outstanding tax-exempt commercial paper notes; and b) the execution and delivery of various legal documents required to issue the bonds and complete the proposed transaction.

2. Ratify a public hearing on the financing held by the Treasurer and Tax Collector on October 7, 2010 in accordance with Section 6586.5 of the California Government Code.

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

1. Adopt the resolution authorizing: a) the issuance and sale of not to exceed $850 million in taxable and tax-exempt lease revenue bonds to finance multiple capital projects and to refund outstanding tax-exempt commercial paper notes; and b) the execution and delivery of various legal documents required to issue the bonds and complete the proposed transaction.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the above recommendations will authorize the issuance of the Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I) 2010 Series A and 2010 Series B (the "Bonds") and the execution and delivery of all related documents. The proceeds from the sale of the Bonds will be used to finance a total of seven capital projects (the "Projects"). Your Board has previously authorized each of these Projects to proceed and to be financed through the issuance of long-term bonds.

The proposed financing will include a combination of traditional tax-exempt bonds as well as taxable Build America Bonds (BABs) and taxable Recovery Zone Economic Development Bonds (RZEDBs). The BABs and RZEDBs were authorized pursuant to the American Recovery and Reinvestment Act of 2009 and provide for a direct-pay subsidy from the U.S. Treasury to the County. The amount of the subsidy is equal to 35 percent of the interest cost for the BABs and 45 percent of the interest cost for the RZEDBs.

Based upon discussion with the Chief Executive Officer (CEO), it is recommended that $761 million of capital expenditures be financed with bond proceeds. A summary of these project costs is provided in the following table:

Project	Reimbursed/New Project Costs	TECP Refunding	**Total Cost**
Harbor-UCLA Surgery/Emergency Room	$ 240,136,023	$ 82,063,977	**$ 322,200,000**
Hall of Justice Rehabilitation (1)	244,219,000	0	**244,219,000**
Bob Hope Patriotic Hall Improvements	39,756,493	4,875,507	**44,632,000**
Harbor-UCLA SB 1953 Seismic Retrofit	27,237,486	22,458,514	**49,696,000**
Olive View-UCLA Emergency Room	5,527,294	45,900,706	**51,428,000**
Coroner's Addition and Tenant Improvements	25,095,194	2,543,806	**27,639,000**
Olive View-UCLA SB 1953 Seismic Retrofit	4,188,370	16,997,630	**21,186,000**
	586,159,860	$ 174,840,140	**$ 761,000,000**

(1) Reflects an average of the submitted proposals. Final project cost will reflect final contract award to be approved in November, 2010.

As referenced above, approximately $174.8 million of bond proceeds will be used by the County to refund outstanding tax-exempt commercial paper (TECP) notes previously issued in relation to the Projects. The remaining $586.2 million of project fund deposits will be applied towards the reimbursement of prior year capital expenditures (approximately $18.5 million) and future capital expenditures (approximately $567.7 million).

The financing of the recommended $761.0 million in project costs reflects a cost of $244.2 million for the Hall of Justice Rehabilitation Project. This cost represents an average of the proposals submitted on October 12, 2010. The proposals are under review and analysis and recommendations for award of a contract will not be finalized until the end of October. In order to maintain the planned financing schedule, it is recommended that your Board authorize a maximum bond issuance of $850 million. The final bond size will be adjusted to reflect the final recommended contract amount for the Hall of Justice Rehabilitation Project. A more detailed description of the Projects in provided below.

Harbor-UCLA Medical Center Surgery/Emergency Room Replacement Project

The project was initially authorized by your Board in 1992 to meet the design submittal deadline under SB1732, which provided partial reimbursement of debt service payments on new acute care facilities. The current design of the facility was approved by your Board in October 2006 and entailed the construction of a new 190,300 square-foot facility with 16 surgical suites and an expanded emergency department. In

September 2009, your Board awarded a design-build agreement for the project and construction has since commenced. Completion is anticipated in March 2014.

To date, project costs have been funded with Tobacco Settlement funds, Health Services net County cost and through the County's tax-exempt commercial paper program. The proposed financing program will redeem the outstanding commercial paper with proceeds from the recommended long-term financing. Debt service payments under the long-term bonds are expected to be partially reimbursed by the State pursuant to SB1732 at a level equivalent to the hospital's MediCal reimbursement rate, which is approximately 50 percent.

Hall of Justice Rehabilitation Project

The project entails the completion of the rehabilitation of the historic Hall of Justice. The building was constructed in 1925 and its rehabilitation was initially authorized by your Board in July, 2004. To date, debris and hazardous materials have been removed and interior demolition activities have been completed. Restoration of the building's interior, building systems, and exterior as well as construction of a new 1,000 space parking structure and landscape and hardscape improvements remain to be completed.

In August 2010, proposals for the completion of the building's rehabilitation were solicited from design-build teams and developers. Proposals were submitted by seven design-build teams and five developers on October 12, 2010. Based upon a preliminary review of the submitted proposals, it is anticipated that the cost of the final option will not exceed $285 million and will likely be lower.

Final recommendations regarding the award of a design-build agreement or a lease-leaseback agreement with a developer will be presented to your Board in mid-November. We are planning to recommend that the rehabilitated building be occupied by Sheriff's, District Attorney's, and Public Defender's staff, which are currently housed in leased space. Cancellation of these current leases is anticipated to fully offset debt service payments on the bonds issued to finance the rehabilitation.

In order to avoid a delay to the proposed financing program, it is recommended that your Board authorize the issuance of bonds for this project based on an average of the submitted proposals of $244.2 million. The final amount of bonds issued for this project will be adjusted to reflect the final recommended contract amount prior to the pricing and sale of the bonds and reported to your Board.

Bob Hope Patriotic Hall General Improvements Project

The project entails the rehabilitation of Patriotic Hall, which was constructed in 1926 and has been placed on the State's Register of Historic Resources. It is also eligible for listing on the National Register of Historic Places. The rehabilitation effort includes

refurbishment of the 85,000 square-foot building's mechanical, electrical, heating, cooling, ventilation, plumbing, fire suppression, and telecommunications systems. The renovation also includes refurbishment of the building's gymnasium, auditorium, and commercial kitchen as well as accessibility improvements to restrooms and the adjacent surface parking lot.

The $44.6 million project was approved by your Board in April 2008 and is scheduled for completion in December 2012. Upon completion, the rehabilitated building will house the Department of Military and Veterans Affairs, veterans' groups, and other County departmental staff that provide support to veterans.

Harbor-UCLA Medical Center SB 1953 Seismic Retrofit Project

The project entails the seismic retrofit of the hospital's acute-care, inpatient building, and central plant to comply with the seismic requirements of SB1953. The $49.7 million project was initially approved by your Board in January 2002 and is scheduled for completion in June 2012. To date, project costs have been funded with prior year net County cost, Tobacco Settlement funds and through the County's tax-exempt commercial paper program.

Olive View-UCLA Medical Center Emergency Room Replacement Project

The project entails construction of a new 31,000 square-foot emergency room facility and tuberculosis isolation unit to alleviate overcrowding at the hospital's emergency department and reduce the number of emergency transfers to other hospitals. The $51.4 million project was approved by your Board in December 2004 and completion is anticipated in November 2010. To date, project costs have been funded with Tobacco Settlement funding, miscellaneous revenue held in trust for Olive View Medical Center improvements and through the County's tax-exempt commercial paper program.

Coroner's Crypt Building Addition and Tenant Improvements Renovation Project

The project entails the refurbishment of the heating, cooling, ventilation, plumbing, electrical, communication, and other building systems in the existing biological building and construction of a new, 4,900 square-foot crypt building. The $27.6 million project was approved by your Board in August 2006 and is scheduled for completion in cember 2012. The project's costs are currently funded through the County's tax-exempt commercial paper program.

Olive View-UCLA Medical Center SB 1953 Seismic Retrofit Project

The project entails the seismic retrofit of the hospital's acute-care, inpatient building, central plant, and cooling tower to comply with the seismic requirements of SB1953. The $21.2 million project was initially approved by your Board in January 2002 and was

completed in November 2008. Project costs were funded with prior year net County cost, Tobacco Settlement funds and through the County's tax-exempt commercial paper program.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This action supports the County's Strategic Plan Goal of Operational Effectiveness (Goal 1), by promoting fiscal sustainability through the use of cost-effective financing for the construction of essential County infrastructure.

FISCAL IMPACT/FINANCING

It is estimated that approximately $800 million of lease revenue bonds will need to be issued in order to finance the cost of the Projects. In addition to the $761 million of capital expenditures, bond proceeds will also be used to finance a debt service reserve fund and pay for costs of issuance. It is the recommendation of the Treasurer that the Bonds be issued with a final maturity that is not to exceed 30 years.

Proposed Bond Structure

As referenced previously, the Bonds will be issued using a combination of traditional tax-exempt debt, taxable BABs, and the County's full $180,989,000 allocation of RZEDBs. The ability to issue BABs and RZEDBs will provide a significant financial benefit to the County in the form of lower debt service costs over the life of the Bonds. Because of the direct-pay federal subsidy from the U.S. Treasury, the County can expect to recognize (in the current market) interest cost savings of approximately $125 million over the 30-year term of the bonds. These savings have been calculated by an independent financial advisor to the County and reflect the additional cost that would have been incurred if BABs and RZEDBs were not an option for the County. The total amount of debt service over the 30-year period is estimated to be approximately $1.45 billion.

In structuring the individual maturities for the Bonds, it is recommended that the County employ a level-debt service approach. With an estimated par amount of $800 million, a level-debt service structure will result in annual principal and interest payments of approximately $50 million. These annual debt service costs are calculated net of the federal subsidy associated with the issuance of taxable BABs and RZEDBs. The County will receive its subsidy from the U.S. Treasury on a semi-annual basis and these receipts will be used to offset the gross debt service cost of the Bonds.

Principal Deferral

In recognition of the near-term budgetary challenges facing the County, it is recommended that the commencement of principal repayment be deferred for four

years. Deferral of principal payments can provide near-term debt relief of approximately $14 million on an annual basis allowing the County's property tax base to stabilize and begin recovery prior to principal repayment. Our current projections reflect stabilization of the County's property tax base in 2012 with growth resuming at an annual rate of 1 percent in 2013. Based on such a growth rate, the County General Fund would realize approximately $36.2 million in additional property tax revenue each year. Under the proposed principal deferral, principal payments would commence in 2014-15 and could be funded by an estimated $72.4 million in property tax growth.

The deferral will also allow the County to begin realizing savings in maintenance, utility, and leasing costs prior to the commencement of principal repayment. Upon completion of the projects recommended for financing, it is estimated that the County will realize $82.3 million in maintenance and utility savings over the 30-year term of the bonds. Additional savings of $600.1 million are estimated over the 30-year bond term due to the cancellation of existing leases in favor of occupying the renovated Hall of Justice.

The four-year deferral of principal payments, however, are offset by future increases to debt service and increase the long-term principal and interest obligations of the County. The budgetary impact to the County is estimated at $35 million over the life of the Bonds.

Current Market Conditions

The timing of the proposed bond sale is very favorable to the County due to historically low interest rates in the long-term bond market. It is the objective of the Treasurer to enter the bond market soon after your Board's approval and to price the Bonds during the week of November 8, 2010. Given the pending expiration of both BABs and RZEDBs on December 31, 2010, it is essential that the County enter the capital markets as early as possible. The forward calendar of pending bond sales indicates that November and December will be periods of significantly increased supply as issuers rush to issue BABs prior to the December 31st deadline. The State is, in fact, planning a multi-billion dollar offering of long-term bonds beginning the week of November 15. In order for the County to secure the most favorable interest rates, the Bonds will need to be issued in advance of the pending flood of new municipal bond issuance.

Estimated Borrowing Costs

The resolutions being presented to your Board require that the Bonds be issued at a true interest cost that is not to exceed 6 percent. Given the current interest rate environment, it is anticipated that actual borrowing costs will be significantly lower and could result in a true interest cost to the County of less than 4.5 percent. In addition to the potential benefit of low interest rates, the County's overall cost of borrowing will also be positively impacted by the fee structure that has been negotiated with the underwriter for the Bonds. Following a competitive selection process that was managed by the

Treasurer, Bank of America Merrill Lynch (BAML) was selected as the lead underwriter for this transaction. The underwriter fees that have been agreed to by BAML are believed to be the lowest of any taxable BABs financing yet completed in the United States. Compared to a national average of $6.00/$1,000 bond, the Treasurer has secured an average takedown of just $3.50/$1,000 bond. The resulting savings from this fee structure are estimated to be greater than $2.0 million.

FACTS AND PROVISIONS/ LEGAL REQUIREMENTS

Build America Bonds

The American Recovery and Reinvestment Act (ARRA) was signed into law by President Obama on February 17, 2009 and provided for the issuance of the following three types of BABs as taxable governmental bonds: 1) Tax credit BABs with a federal tax credit to the investor equal to 35 percent of the coupon interest payable on the bonds; 2) Direct-pay BABs with a federal subsidy to the issuer equal to 35% of the coupon interest payable on the bonds; and 3) Direct-pay RZEDBs (a type of BAB) with a federal subsidy to the issuer equal to 45 percent of the coupon interest payable on the bonds. The BABs program as established by ARRA has proven to be enormously popular since its inception and now accounts for an estimated 30 percent of the overall municipal debt market. The benefit of BABs to local governments has been in the form of lower interest costs relative to traditional tax-exempt debt and the ability to reach a new investor base in the taxable market.

Underwriter Costs and Other Risk Factors

The BABs program enacted by the federal government provides a unique opportunity for the County as it embarks on a major capital infrastructure program. Before proceeding with any BABs issuance, however, it has been imperative that both the Treasurer and CEO review all potential risks associated with this new borrowing program. One of the principal concerns of both departments has been the cost of hiring an underwriter to market and sell the County's BABs and RZEDBs. Many articles in the press have rightly observed that Wall Street firms have charged inflated fees for BABs underwriting and justified these fees based on the "newness" of the product being offered.

On June 22, 2010, your Board directed the CEO to investigate whether BABs contain any hidden or unforeseen costs. On August, 2, 2010, based upon discussions with the Treasurer, the CEO reported that underwriting fees for early BAB issues exceeded the average fees applied to tax-exempt bond issues by $2.00 to $2.50 for each $1,000 in bonds. That spread declined to less than $1.00/$1,000 bond during 2010.

With respect to the proposed Multiple Capital Projects I financing, the Treasurer's competitive Request for Proposals process amongst the senior managers in its

underwriter pool resulted in securing the lowest fees yet witnessed for a BABs financing. The takedown of $3.50/$1,000 bond is not only lower than the national average of $6.00/$1,000 bond for taxable municipal debt, but it is also well below the national average for tax-exempt municipal debt.

In addition to the potential for higher underwriter costs, two noteworthy risks of any BABs financing are the possibility for offsets to the federal direct-pay subsidy and the increased likelihood of an audit by the Internal Revenue Service (IRS). In addressing the first of these issues, the Treasurer has been advised that only 0.85 percent of all BABs subsidies have thus far been offset by a claim from the U.S. Treasury. In each of these instances, the cause for the offset was an outstanding tax liability (e.g., employment tax) that had not been addressed by the local government issuer.

The Treasurer has since consulted with the Office of the Auditor-Controller and determined that the County does not currently have any outstanding tax penalties owed to the federal government and should not be at risk of a reduced subsidy payment. With respect to the potential for increased audit exposure, the IRS released a letter on July 2, 2010 stating that BABs would be treated in the same manner as tax-exempt bonds and that the heightened audit risk was "unfounded." This statement served to refute prior exclamations that as many as 50 percent of all BABs financing might be subjected to an IRS audit.

Lease Revenue Structure and Pledged Asset

The legal structure that will be employed to issue the Bonds is that of a lease-leaseback agreement between the County and the Los Angeles County Public Works Financing Authority (the "Authority"). The asset that has been selected as security for this transaction is the new LAC+USC Medical Center (the "Medical Center"), which has an appraised value of approximately $1 billion. Pursuant to the bond documents, the County will lease the Medical Center to the Authority and the Authority will then leaseback the Medical Center to the County. The base rental payments that are made by the County to the Authority will be used to pay debt service on the Bonds. As required by State Law, the Authority will be the issuer of the Bonds.

The use of the Medical Center as security for the Bonds is predicated on its essentiality to the County, its high seismic standards, and its recent construction date. Each of these considerations is viewed as a credit positive by investors and will serve to improve the marketing of the Bonds. The one negative factor associated with the Medical Center is a pre-existing lien that was established in connection with the receipt of Federal Emergency Management Agency (FEMA) grants and which is currently being administered by the State of California. Should this FEMA lien emerge as a concern to investors, the Treasurer and CEO will consider utilizing one or more alternative assets as security for the lease structure.

One of the principal challenges associated with the County's proposed debt issuance is the fact that taxable bond investors are generally unfamiliar with California lease revenue bonds. The County's proposed issuance of $800 million of bonds (approximately $675 million of which will be taxable) is expected to be the largest lease transaction sold in the U.S. taxable bond market since BABs and RZEDBs were first introduced in mid-2009. Should the County be unable to place the entire $800 million of Bonds with investors, a smaller issuance will be evaluated and the County may elect to fund a portion of the project costs with a future issuance of tax-exempt commercial paper notes. The economic impact of such a decision is expected to be neutral to the County.

Financing Team

Given the complexity of the current transaction, the Treasurer is recommending that the sale of the Bonds be conducted on a negotiated basis. In addition to BAML serving as the lead underwriter for this financing, the Treasurer is also recommending that Wells Fargo and Barclays Capital participate as co-senior managers. It is anticipated that two or more additional underwriters will also be selected to serve as co-managers once the final details of the marketing effort have been determined. The firm of Public Resources Advisory Group has been selected from your Board's approved pool of financial advisors and will act in that capacity on this transaction. Bond counsel for the financing will be Orrick, Herrington & Sutcliffe L.L.P.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The issuance and sale of the Bonds will help ensure the completion of essential capital improvement projects in the areas of health services, public safety and general government.

CONCLUSION

Upon approval of the attached resolutions, it is requested that the Executive Officer of the Board return two originally executed copies to the Chief Executive Office and Treasurer and Tax Collector.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

Respectfully submitted,

MARK J. SALADINO
Treasurer and Tax Collector

WTF:MJS:BC
DJT:GB:zu

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Public Works
Treasurer and Tax Collector

K:2010Word/Fam/CP/LRB Board letter_TTC 110310

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AUTHORIZING THE EXECUTION AND DELIVERY BY THE COUNTY OF A SITE LEASE, A SUBLEASE, AN INDENTURE, ONE OR MORE BOND PURCHASE AGREEMENTS AND A CONTINUING DISCLOSURE CERTIFICATE IN CONNECTION WITH THE ISSUANCE OF LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY LEASE REVENUE BONDS, IN ONE OR MORE SERIES OR SUBSERIES, APPROVING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE AMOUNT OF NOT TO EXCEED $850,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, pursuant to an Amended and Restated Trust Agreement, dated as of April 1, 2010, by and between the Los Angeles County Capital Asset Leasing Corporation (the "Corporation") and Deutsche Bank National Trust Company, as trustee, the Corporation has issued its Lease Revenue Commercial Paper Notes (the "Commercial Paper Notes") from time to time for, among other purposes, the financing of capital projects of the County of Los Angeles (the "County"), including the interim financing of a portion of the capital improvement projects described on Exhibit A attached hereto and incorporated herein (collectively, the "Project"); and

WHEREAS, in order to secure the payment of the Commercial Paper Notes, the Corporation and the County entered into an Amended and Restated Sublease, dated as of April 1, 2010; and

WHEREAS, the County desires to provide long-term financing for all or a portion of such portion of the Project by refinancing a portion of the Commercial Paper Notes; and

WHEREAS, the County desires to provide long-term financing for the other portions of the Project; and

WHEREAS, in order to refinance and/or finance the Project, the County will lease certain real property owned by the County, including the improvements thereto, known as the Los Angeles County-USC Medical Center (the "Property"), to the Los Angeles County Public Works Financing Authority (the "Authority") pursuant to a Master Site Lease (the "Site Lease"), and sublease the Property back from the Authority pursuant to a Master Sublease (the "Sublease"); and

WHEREAS, in order to provide the funds necessary to refinance and/or finance the Project, the Authority and the County desire to provide for the issuance of Los Angeles County Public Works Financing Authority Lease Revenue Bonds, in one or more series or subseries (collectively, the "Series 2010 Bonds"), in the aggregate principal amount of not to exceed $850,000,000, pursuant to a Master Indenture (the "Indenture"), by and among the Authority, the County and U.S. Bank National Association, as trustee (the "Trustee"), payable from the base

rental payments to be made by the County pursuant to the Sublease and the other assets pledged therefor under the Indenture; and

WHEREAS, all rights to receive such base rental payments will be assigned without recourse by the Authority to the Trustee pursuant to the Indenture; and

WHEREAS, the Series 2010 Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 *et seq.* of the California Government Code (the "Act"); and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") added Section 54AA to the Internal Revenue Code of 1986 (the "Code"), authorizing state and local governments, at their option, to issue a new debt instrument known as "Build America Bonds" ("Build America Bonds") as federally taxable governmental bonds with federal subsidies for a portion of their borrowing costs; and

WHEREAS, the Board of Supervisors of the County (the "Board of Supervisors") has deemed it necessary and desirable to issue and sell all or a portion of the Series 2010 Bonds as Build America Bonds if it is determined by the Treasurer and Tax Collector of the County or any authorized deputy thereof (collectively, the "County Treasurer") and the Treasurer of the Authority to be in the best interest of the County and the Authority; and

WHEREAS, the Recovery Act also authorizes another new debt instrument, in Sections 1400U-1 and 1400U-2 of the Code, known as "Recovery Zone Economic Development Bonds" ("Recovery Zone Economic Development Bonds"), also as federally taxable governmental bonds with federal subsidies for a portion of their borrowing costs; and

WHEREAS, the Recovery Act limits the dollar volume of Recovery Zone Economic Development Bonds that may be issued in 2009 and 2010 to $10 billion, of which the County was allocated $180,989,000; and

WHEREAS, the Board of Supervisors has deemed it necessary and desirable to issue and sell all or a portion of the Series 2010 Bonds, up to the amount of Recovery Zone Economic Development Bond allocation awarded to the County, as Recovery Zone Economic Development Bonds if it is determined by the County Treasurer and the Treasurer of the Authority to be in the best interest of the County and the Authority; and

WHEREAS, Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and on behalf of Barclays Capital Inc., Wells Fargo Bank, N.A. and such other co-underwriters as may be selected by the County Treasurer and the Treasurer of the Authority prior to the sale of the Series 2010 Bonds (collectively, the "Underwriters"), has submitted to the Authority and the County a proposal to purchase the Series 2010 Bonds in the form of a Bond Purchase Agreement (the "Bond Purchase Agreement"); and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell the Series 2010 Bonds, the underwriters thereof must have reasonably determined that the County has undertaken in a

written agreement or contract for the benefit of the holders of the Series 2010 Bonds to provide disclosure of certain financial information and certain material events on an ongoing basis; and

WHEREAS, in order to cause such requirement to be satisfied, the County desires to execute a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"); and

WHEREAS, a form of the Preliminary Official Statement (the "Preliminary Official Statement") to be distributed in connection with the public offering of the Series 2010 Bonds has been prepared; and

WHEREAS, the County is a member of the Authority and the Project is to be located within the boundaries of the County; and

WHEREAS, on October 7, 2010, the Office of the Treasurer and Tax Collector of the County held a public hearing on the financing of the Project in accordance with Section 6586.5 of the Act, which hearing was held at the Treasurer and Tax Collector Executive Conference Room, Room 432, located at the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California; and

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in the *Los Angeles Daily Commerce*, a newspaper of general circulation in the County; and

WHEREAS, the Board of Supervisors has been presented with the form of each document referred to herein relating to the actions contemplated hereby, and the Board of Supervisors has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such actions; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the County is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. All of the recitals herein contained are true and correct and the Board of Supervisors so finds.

Section 2. The Board of Supervisors, on behalf of the County, hereby finds that the use of the Act to assist the County in financing the Project will result in significant public benefits to the citizens of the County because it is expected that such use will provide demonstrable savings in effective interest rate costs.

Section 3. The form of the Site Lease, submitted to and on file with the Executive Officer-Clerk of the Board of Supervisors, is hereby approved, and the Chair of the Board of Supervisors, and such other member of the Board of Supervisors as the Chair may designate, the County Treasurer, and such other officer or employee of the County as the County Treasurer may designate (collectively, the "Authorized Officers"), are each hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Site Lease in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form of the Sublease, submitted to and on file with the Executive Officer-Clerk of the Board of Supervisors, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Sublease in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the principal portions of the base rental payments payable under the Sublease shall not exceed $850,000,000, the term of the Sublease shall not exceed 30 years (provided that such term may be extended as provided therein) and the true interest cost applicable to the interest portions of the base rental payments (net of any federal subsidies expected to be received with respect to any Series 2010 Bonds issued as Build America Bonds and/or Recovery Zone Economic Development Bonds) shall not exceed 6.0% per annum.

Section 5. The form of Indenture, submitted to and on file with the Executive Officer-Clerk of the Board of Supervisors, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Indenture in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate principal amount of the Series 2010 Bonds shall not exceed $850,000,000, the final maturity date of the Series 2010 Bonds shall be no later than the date which is 30 years from the date of the Series 2010 Bonds and the true interest cost applicable to the Series 2010 Bonds (net of any federal subsidies expected to be received with respect to any Series 2010 Bonds issued as Build America Bonds and/or Recovery Zone Economic Development Bonds) shall not exceed 6.0% per annum.

Section 6. The issuance of not to exceed $850,000,000 aggregate principal amount of Series 2010 Bonds, in one or more series or subseries, all or a portion of which may, if it is determined by the County Treasurer and the Treasurer of the Authority to be in the best interest of the County and the Authority, be designated as Build America Bonds and/or Recovery Zone Economic Development Bonds (up to the amount of Recovery Zone Economic Development Bond allocation awarded to the County), or any combination thereof, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby approved.

Section 7. The form of Bond Purchase Agreement, submitted to and on file with the Executive Officer-Clerk of the Board of Supervisors, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the

County, to execute and deliver one or more Bond Purchase Agreements in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the underwriters' discount for the sale of the Series 2010 Bonds with respect to each applicable Bond Purchase Agreement shall not exceed 0.50% of the aggregate principal amount of the Series 2010 Bonds subject to such Bond Purchase Agreement. The County Treasurer is hereby authorized for and on behalf of the County to select additional co-underwriters from the County's underwriter pool as the County Treasurer determines to be in the best interest of the County, such determination to be conclusively evidenced by the inclusion of any such co-underwriter as an underwriter under the applicable Bond Purchase Agreement and the execution and delivery of such Bond Purchase Agreement by an Authorized Officer.

Section 8. The form of Continuing Disclosure Certificate, submitted to and on file with the Executive Officer-Clerk of the Board of Supervisors, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The form of Preliminary Official Statement, submitted to and on file with the Executive Officer-Clerk of the Board of Supervisors, with such changes therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Series 2010 Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the County that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 10. The preparation and delivery of an Official Statement, and its use by the Underwriters in connection with the offering and sale of the Series 2010 Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the County, to execute the final Official Statement and any amendment or supplement thereto and thereupon to cause the final Official Statement and any such amendment or supplement to be delivered to the Underwriters.

Section 11. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 12. All actions heretofore taken by the officers, employees and agents of the County with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 13. This Resolution shall take effect from and after its date of adoption by a four-fifths vote of the Board of Supervisors.

The foregoing Resolution was on the ____ day of _____, 2010, 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 the Board so acts.

SACHI A. HAMAI, Executive Officer-
Clerk of the Board of Supervisors of the
County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: _____
Principal Deputy County Counsel

EXHIBIT A

DESCRIPTION OF THE PROJECT

The proceeds of the Series 2010 Bonds may finance the following projects:

1. Coroner Crypt Building Addition and Improvements Renovation Project. Project includes renovation of the old coroner administration building, construction of a new crypt addition, and tenant improvements to the existing 1104A Biological Building to properly separate hazardous and non hazardous areas and allocate more space for autopsy, laboratory and forensic support functions.

2. Bob Hope Patriotic Hall General Improvements Project. Project includes refurbishment or replacement of the building's mechanical, electrical, heating, ventilation and air conditioning, plumbing, fire suppression and telecommunications systems. Office and meeting/conference room spaces will also be renovated and American with Disabilities Act upgrades made.

3. Olive View - UCLA Medical Center Emergency Room Replacement and Tuberculosis Isolation Unit Project. Project includes the design and construction of a new emergency room space to accommodate current and future emergency services needs and a tuberculosis isolation unit.

4. Olive View - UCLA Medical Center Senate Bill 1953 Seismic Retrofit Project. Project includes seismic upgrades to structural and nonstructural systems in existing inpatient facilities to comply with the requirements of Senate Bill 1953.

5. Harbor - UCLA Medical Center Surgery/Emergency Room Replacement Project. Project includes the design and construction of an approximate 190,000 square foot addition to replace the existing emergency and surgical suites, and central sterile facilities; a new 540-stall parking structure; upgrades to the existing Emergency Power Station; and a permanent Helistop.

6. Harbor - UCLA Medical Center Senate Bill 1953 Seismic Retrofit Project. Project includes seismic upgrades to structural and nonstructural systems in existing inpatient facilities to comply with the requirements of Senate Bill 1953.

7. Hall of Justice Rehabilitation. Rehabilitation of the approximately 500,000 square foot Hall of Justice building including replacement of building systems and construction of tenant improvements to provide use as office space to tenant departments, and construction of a new, approximately 1,000-stall parking garage.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF A SITE LEASE, A SUBLEASE, AN INDENTURE AND ONE OR MORE BOND PURCHASE AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY LEASE REVENUE BONDS, IN ONE OR MORE SERIES OR SUBSERIES, APPROVING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE AMOUNT OF NOT TO EXCEED $850,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to an Amended and Restated Trust Agreement, dated as of April 1, 2010, by and between the Los Angeles County Capital Asset Leasing Corporation (the "Corporation") and Deutsche Bank National Trust Company, as trustee, the Corporation has issued its Lease Revenue Commercial Paper Notes (the "Commercial Paper Notes") from time to time for, among other purposes, the financing of capital projects of the County of Los Angeles (the "County"), including the interim financing of a portion of the capital improvement projects described on Exhibit A attached hereto and incorporated herein (collectively, the "Project"); and

WHEREAS, in order to secure the payment of the Commercial Paper Notes, the Corporation and the County entered into an Amended and Restated Sublease, dated as of April 1, 2010; and

WHEREAS, the County desires to provide long-term financing for all or a portion of such portion of the Project by refinancing a portion of the Commercial Paper Notes; and

WHEREAS, the County desires to provide long-term financing for the other portions of the Project; and

WHEREAS, in order to refinance and/or finance the Project, the County will lease certain real property owned by the County, including the improvements thereto, known as the Los Angeles County-USC Medical Center (the "Property"), to the Los Angeles County Public Works Financing Authority (the "Authority") pursuant to a Master Site Lease (the "Site Lease"), and sublease the Property back from the Authority pursuant to a Master Sublease (the "Sublease"); and

WHEREAS, in order to provide the funds necessary to refinance and/or finance the Project, the Authority and the County desire to provide for the issuance of Los Angeles County Public Works Financing Authority Lease Revenue Bonds, in one or more series or subseries (collectively, the "Series 2010 Bonds"), in the aggregate principal amount of not to exceed $850,000,000, pursuant to a Master Indenture (the "Indenture"), by and among the Authority, the County and U.S. Bank National Association, as trustee (the "Trustee"), payable from the base

rental payments to be made by the County pursuant to the Sublease and the other assets pledged therefor under the Indenture; and

WHEREAS, all rights to receive such base rental payments will be assigned without recourse by the Authority to the Trustee pursuant to the Indenture; and

WHEREAS, the Series 2010 Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 *et seq.* of the California Government Code (the "Act"); and

WHEREAS, the Board of Directors of the Authority (the "Board of Directors") has determined that securing the timely payment of the principal of and interest on the Series 2010 Bonds by obtaining municipal bond insurance policy with respect thereto could be economically advantageous to the Authority; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") added Section 54AA to the Internal Revenue Code of 1986 (the "Code"), authorizing state and local governments, at their option, to issue a new debt instrument known as "Build America Bonds" ("Build America Bonds") as federally taxable governmental bonds with federal subsidies for a portion of their borrowing costs; and

WHEREAS, the Board of Directors has deemed it necessary and desirable to issue and sell all or a portion of the Series 2010 Bonds as Build America Bonds if it is determined by the Treasurer and Tax Collector of the County or any authorized deputy thereof (collectively, the "County Treasurer") and the Treasurer of the Authority to be in the best interest of the County and the Authority; and

WHEREAS, the Recovery Act also authorizes another new debt instrument, in Sections 1400U-1 and 1400U-2 of the Code, known as "Recovery Zone Economic Development Bonds" ("Recovery Zone Economic Development Bonds"), also as federally taxable governmental bonds with federal subsidies for a portion of their borrowing costs; and

WHEREAS, the Recovery Act limits the dollar volume of Recovery Zone Economic Development Bonds that may be issued in 2009 and 2010 to $10 billion, of which the County was allocated $180,989,000; and

WHEREAS, the Board of Directors has deemed it necessary and desirable to issue and sell all or a portion of the Series 2010 Bonds, up to the amount of Recovery Zone Economic Development Bond allocation awarded to the County, as Recovery Zone Economic Development Bonds if it is determined by the County Treasurer and the Treasurer of the Authority to be in the best interest of the County and the Authority; and

WHEREAS, Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and on behalf of Barclays Capital Inc., Wells Fargo Bank, N.A. and such other co-underwriters as may be selected by the County Treasurer and the Treasurer of the Authority prior to the sale of the Series 2010 Bonds (collectively, the "Underwriters"), has submitted to the Authority and the

County a proposal to purchase the Series 2010 Bonds in the form of a Bond Purchase Agreement (the "Bond Purchase Agreement"); and

WHEREAS, a form of the Preliminary Official Statement (the "Preliminary Official Statement") to be distributed in connection with the public offering of the Series 2010 Bonds has been prepared; and

WHEREAS, the County is a member of the Authority and the Project is to be located within the boundaries of the County; and

WHEREAS, on October 7, 2010, the Office of the Treasurer and Tax Collector of the County held a public hearing on the financing of the Project in accordance with Section 6586.5 of the Act, which hearing was held at the Treasurer and Tax Collector Executive Conference Room, Room 432, located at the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California; and

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in the *Los Angeles Daily Commerce*, a newspaper of general circulation in the County; and

WHEREAS, the Board of Directors has been presented with the form of each document referred to herein relating to the actions contemplated hereby, and the Board of Directors has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such actions; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Los Angeles County Public Works Financing Authority, as follows:

Section 1. All of the recitals herein contained are true and correct and the Board of Directors so finds.

Section 2. The form of the Site Lease, submitted to and on file with the Secretary of the Authority, is hereby approved, and the Chairman of the Board of Directors of the Authority, and such other member of the Board of Directors as the Chairman may designate, the Treasurer of the Authority, and such other officers of the Authority as the Treasurer of the Authority may designate (collectively, the "Authorized Officers"), are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Site Lease in substantially said form, with such changes therein as the Authorized Officer executing the same

may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The form of the Sublease, submitted to and on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Sublease in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the principal portions of the base rental payments payable under the Sublease shall not exceed $850,000,000, the term of the Sublease shall not exceed 30 years (provided that such term may be extended as provided therein) and the true interest cost applicable to the interest portions of the base rental payments (net of any federal subsidies expected to be received with respect to any Series 2010 Bonds issued as Build America Bonds and/or Recovery Zone Economic Development Bonds) shall not exceed 6.0% per annum.

Section 4. Subject to the provisions of Section 5 hereof, the issuance of the Series 2010 Bonds, in one or more series or subseries, in an aggregate principal amount of not to exceed $850,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The Series 2010 Bonds, all or a portion of which may, if it is determined by the County Treasurer and the Treasurer of the Authority to be in the best interest of the County and the Authority, be designated as Build America Bonds and/or Recovery Zone Economic Development Bonds (up to the amount of Recovery Zone Economic Development Bond allocation awarded to the County), or any combination thereof, shall be dated, shall bear interest at the rates, shall mature on the date or dates, shall be subject to call and redemption, shall be issued in the form and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution. The Board of Directors hereby finds and determines that, pursuant to Section 5903 of the California Government Code, the interest payable on the Series 2010 Bonds designated as Build America Bonds and/or Recovery Zone Economic Development Bonds, or any combination thereof, will be subject to federal income taxation under the Code in existence on the date of issuance of the Series 2010 Bonds so designated.

Section 5. The form of Indenture, submitted to and on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate principal amount of the Series 2010 Bonds shall not exceed $850,000,000, the final maturity date of the Series 2010 Bonds shall be no later than the date which is 30 years from the date of the Series 2010 Bonds and the true interest cost applicable to the Series 2010 Bonds (net of any federal subsidies expected to be received with respect to any Series 2010 Bonds issued as Build America Bonds and/or Recovery Zone Economic Development Bonds) shall not exceed 6.0% per annum.

Section 6. The form of Bond Purchase Agreement, submitted to and on file with the Secretary of the Board of Directors, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver one or more Bond Purchase Agreements in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the underwriters' discount for the sale of the Series 2010 Bonds with respect to each applicable Bond Purchase Agreement shall not exceed 0.50% of the aggregate principal amount of the Series 2010 Bonds subject to such Bond Purchase Agreement. The Treasurer of the Authority is hereby authorized for and on behalf of the Authority to select additional co-underwriters from the County's underwriter pool as the Treasurer of the Authority determines to be in the best interest of the Authority, such determination to be conclusively evidenced by the inclusion of any such co-underwriter as an underwriter under the applicable Bond Purchase Agreement and the execution and delivery of such Bond Purchase Agreement by an Authorized Officer.

Section 7. The form of Preliminary Official Statement, submitted to and on file with the Secretary of the Board of Directors, with such changes therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Series 2010 Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 8. The preparation and delivery of an Official Statement, and its use by the Underwriters in connection with the offering and sale of the Series 2010 Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute the final Official Statement and any amendment or supplement thereto and thereupon to cause the final Official Statement and any such amendment or supplement to be delivered to the Underwriters.

Section 9. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, without limitation, applying for, and negotiating the terms of, municipal bond insurance (and any contract for such insurance) for all or a portion of the Series 2010 Bonds if such insurance is determined to be in the best interests of the Authority and the present value cost of such insurance is less than the present value of the estimated interest savings with respect to such Series 2010 Bonds.

Section 10. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 11. This Resolution shall take effect from and after its date of adoption.

The foregoing Resolution was on the ____ day of _____, 2010, adopted by the Board of Directors of the Los Angeles County Public Works Financing Authority.

SACHI A. HAMAI, Secretary of the Board
of Directors of the Los Angeles County
Public Works Financing Authority

By: _____
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: _____
Principal Deputy County Counsel

EXHIBIT A

DESCRIPTION OF THE PROJECT

The proceeds of the Series 2010 Bonds may finance the following projects:

1. Coroner Crypt Building Addition and Improvements Renovation Project. Project includes renovation of the old coroner administration building, construction of a new crypt addition, and tenant improvements to the existing 1104A Biological Building to properly separate hazardous and non hazardous areas and allocate more space for autopsy, laboratory and forensic support functions.

2. Bob Hope Patriotic Hall General Improvements Project. Project includes refurbishment or replacement of the building's mechanical, electrical, heating, ventilation and air conditioning, plumbing, fire suppression and telecommunications systems. Office and meeting/conference room spaces will also be renovated and American with Disabilities Act upgrades made.

3. Olive View - UCLA Medical Center Emergency Room Replacement and Tuberculosis Isolation Unit Project. Project includes the design and construction of a new emergency room space to accommodate current and future emergency services needs and a tuberculosis isolation unit.

4. Olive View - UCLA Medical Center Senate Bill 1953 Seismic Retrofit Project. Project includes seismic upgrades to structural and nonstructural systems in existing inpatient facilities to comply with the requirements of Senate Bill 1953.

5. Harbor - UCLA Medical Center Surgery/Emergency Room Replacement Project. Project includes the design and construction of an approximate 190,000 square foot addition to replace the existing emergency and surgical suites, and central sterile facilities; a new 540-stall parking structure; upgrades to the existing Emergency Power Station; and a permanent Helistop.

6. Harbor - UCLA Medical Center Senate Bill 1953 Seismic Retrofit Project. Project includes seismic upgrades to structural and nonstructural systems in existing inpatient facilities to comply with the requirements of Senate Bill 1953.

7. Hall of Justice Rehabilitation. Rehabilitation of the approximately 500,000 square foot Hall of Justice building including replacement of building systems and construction of tenant improvements to provide use as office space to tenant departments, and construction of a new, approximately 1,000-stall parking garage.

TO BE RECORDED AND WHEN RECORDED RETURN TO:
Orrick, Herrington & Sutcliffe LLP
777 South Figueroa Street, 32nd Floor
Los Angeles, California 90017
Attention: Donald S. Field, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

MASTER SITE LEASE

by and between

COUNTY OF LOS ANGELES

and

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

Dated as of _____ 1, 2010

MASTER SITE LEASE

THIS MASTER SITE LEASE (this "Site Lease"), executed and entered into as of _____ 1, 2010, is by and between the COUNTY OF LOS ANGELES (the "County"), a political subdivision of the State of California, as lessor, and the LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY (the "Authority"), a joint powers authority organized and existing under the laws of the State of California, as lessee.

RECITALS

WHEREAS, pursuant to an Amended and Restated Trust Agreement, dated as of April 1, 2010, by and between the Los Angeles County Capital Asset Leasing Corporation (the "Corporation") and Deutsche Bank National Trust Company, as trustee, the Corporation has issued its Lease Revenue Commercial Paper Notes (the "Commercial Paper Notes") from time to time for, among other purposes, the financing of capital projects of the County, including the interim financing of a portion of the capital improvement projects (collectively, the "Project") described on Exhibit F to the Indenture (as such term is defined below); and

WHEREAS, in order to secure the payment of the Commercial Paper Notes, the Corporation and the County entered into an Amended and Restated Sublease, dated as of April 1, 2010; and

WHEREAS, the County desires to provide long-term financing for all or a portion of such portion of the Project by refinancing a portion of the Commercial Paper Notes; and

WHEREAS, the County desires to provide long-term financing for the other portions of the Project; and

WHEREAS, in order to refinance and finance the Project, the County will lease certain real property, and the improvements thereto (the "Property"), to the Authority pursuant to this Site Lease, and the County will sublease the Property back from the Authority pursuant to a Master Sublease, dated the date hereof (the "Sublease"); and

WHEREAS, the Property is more particularly described in Exhibit A hereto; and

WHEREAS, in order to provide the funds necessary to refinance and finance the Project, the Authority and the County desire to provide for the issuance of Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series A (Tax-Exempt) (the "Series 2010A Bonds"), in the aggregate principal amount of $_____, Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series B (Build America Bonds/Recovery Zone Economic Development Bonds) (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Series 2010 Bonds"), in the aggregate principal amount of $_____, pursuant to a Master Indenture (the "Indenture"), by and among the Authority, the County and U.S. Bank National Association, as trustee (the "Trustee"), payable from the base rental payments to be made by the County pursuant to the Sublease and the other assets pledged therefor under the Indenture; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into

of this Site Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Site Lease;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Except as otherwise defined herein, or unless the context clearly otherwise requires, words and phrases defined in Article I of the Sublease shall have the same meanings in this Site Lease.

ARTICLE II

LEASE OF THE PROPERTY; RENTAL

Section 2.01. Lease of Property. The County hereby leases to the Authority, and the Authority hereby leases from the County, for the benefit of the Owners of the Bonds, the Property, subject only to Permitted Encumbrances, to have and to hold for the term of this Site Lease.

Section 2.02. Rental. The Authority shall pay to the County as and for rental of the Property hereunder, the sum of not to exceed $_____ (the "Site Lease Payment"). The Site Lease Payment shall be paid from the proceeds of the Series 2010 Bonds; provided, however, that in the event the available proceeds of the Series 2010 Bonds are not sufficient to enable the Authority to pay such amount in full, the remaining amount of the Site Lease Payment shall be reduced to an amount equal to the amount of such available proceeds.

The County shall deposit the Site Lease Payment in one or more separate funds or accounts to be held and administered for the purpose of financing the Project. The Authority and the County hereby find and determine that the amount of the Site Lease Payment does not exceed the fair market value of the leasehold interest in the Property which is conveyed hereunder by the County to the Authority. No other amounts of rental shall be due and payable by the Authority for the use and occupancy of the Property under this Site Lease.

ARTICLE III

QUIET ENJOYMENT

The parties intend that the Property will be leased back to the County pursuant to the Sublease for the term thereof. It is further intended that, to the extent provided herein and in the Sublease, if an event of default occurs under the Sublease, the Authority, or its assignee, will have the right, for the then remaining term of this Site Lease to (a) take possession of the Property, (b) if it deems it appropriate, cause an appraisal of the Property and a study of the then reasonable use thereof to be undertaken, and (c) relet the Property. Subject to any rights the

County may have under the Sublease (in the absence of an event of default) to possession and enjoyment of the Property, the County hereby covenants and agrees that it will not take any action to prevent the Authority from having quiet and peaceable possession and enjoyment of the Property during the term hereof and will, at the request of the Authority and at the County's cost, to the extent that it may lawfully do so, join in any legal action in which the Authority asserts its right to such possession and enjoyment.

ARTICLE IV

SPECIAL COVENANTS AND PROVISIONS

Section 4.01. Waste. The Authority agrees that at all times that it is in possession of the Property, it will not commit, suffer or permit any waste on the Property, and that it will not willfully or knowingly use or permit the use of the Property for any illegal purpose or act.

Section 4.02. Further Assurances and Corrective Instruments. The County and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Site Lease, the Indenture and the Sublease.

Section 4.03. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Authority shall be solely liabilities of the Authority as a joint powers authority, and the County hereby releases each and every director, officer and employee of the Authority of and from any personal or individual liability under this Site Lease. No director, officer or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Site Lease to the County or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

All liabilities under this Site Lease on the part of the County shall be solely liabilities of the County as a governmental entity, and the Authority hereby releases each and every member, officer and employee of the County of and from any personal or individual liability under this Site Lease. No member, officer or employee of the County shall at any time or under any circumstances be individually or personally liable under this Site Lease to the Authority or to any other party whomsoever for anything done or omitted to be done by the County hereunder.

Section 4.04. Taxes. The County covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Property.

Section 4.05. Right of Entry. The County reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time to inspect the same.

Section 4.06. Representations of the County. The County represents and warrants to the Authority, the Trustee [and the Insurer] as follows:

(a) the County has the full power and authority to enter into, to execute and to deliver this Site Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Site Lease;

(b) except for Permitted Encumbrances, the Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the use of the Property for governmental purposes as contemplated by the County;

(c) all taxes, assessments or impositions of any kind with respect to the Property, except current taxes, have been paid in full; and

(d) the Property is necessary to the County in order for the County to perform its governmental functions.

Section 4.07. Representations of the Authority. The Authority represents and warrants to the County, the Trustee [and the Insurer] that the Authority has the full power and authority to enter into, to execute and to deliver this Site Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution and delivery of this Site Lease.

ARTICLE V

ASSIGNMENT, SELLING AND SUBLEASING

Section 5.01. Assignment, Selling and Subleasing. This Site Lease may be assigned or sold, and the Property may be subleased, as a whole or in part, by the Authority [with the consent of the Insurer, or at the direction of the Insurer], without the necessity of obtaining the consent of the County, if an event of default occurs under the Sublease. The Authority shall, within 30 days after such an assignment, sale or sublease, furnish or cause to be furnished to the County a true and correct copy of such assignment, sublease or sale, as the case may be.

The Authority shall assign all of its rights hereunder to the Trustee appointed pursuant to the Indenture.

Section 5.02. Restrictions on County. The County agrees that, except with respect to Permitted Encumbrances, it will not mortgage, sell, encumber, assign, transfer or convey the Property or any portion thereof during the term of this Site Lease.

ARTICLE VI

IMPROVEMENTS

Title to all improvements made on the Property during the term hereof shall vest in the County.

ARTICLE VII

TERM; TERMINATION

Section 7.01. Term. The term of this Site Lease shall commence as of the date of commencement of the term of the Sublease and shall remain in full force and effect from such date to and including August 1, 20__, unless such term is extended or sooner terminated as hereinafter provided.

Section 7.02. Extension; Early Termination. If, on August 1, 20__, the Bonds shall not be fully paid, or provision therefor made in accordance with Article IX of the Indenture, or the Indenture shall not be discharged by its terms, or if the Rental Payments payable under the Sublease shall have been abated at any time, then the term of this Site Lease shall be automatically extended until the date upon which all Bonds shall be fully paid, or provision therefor made in accordance with Article IX of the Indenture, and the Indenture shall be discharged by its terms, except that the term of this Site Lease shall in no event be extended more than ten years. If, prior to August 1, 20__, all Bonds shall be fully paid, or provisions therefor made in accordance with Article IX of the Indenture, and the Indenture shall be discharged by its terms, the term of this Site Lease shall end simultaneously therewith.

Section 7.03. Action on Default. In each and every case upon the occurrence and during the continuance of a default by the Authority hereunder, the County shall have all the rights and remedies permitted by law, except the County, to the extent permitted by law, waives any and all rights to terminate this Site Lease.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the County, the Authority and their respective successors and assigns.

Section 8.02. Severability. In the event any provision of this Site Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.03. Amendments; Substitution and Release. This Site Lease may be amended, changed, modified, altered or terminated only in accordance with the provisions of the Sublease. The County shall have the right to substitute alternate real property for the Property or to release portions of the Property as provided in the Sublease.

Section 8.04. Assignment; Third-Party Beneficiaries. The Authority and County acknowledge that the Authority has assigned its right, title and interest in and to this Site Lease to the Trustee pursuant to the Indenture. The County consents to such assignment. The County consents to the Indenture and acknowledges and agrees to the rights of the Trustee as set forth therein. As a material inducement to the Trustee [and the Insurer], the Authority and the County agree that the Trustee [and the Insurer] shall be third party beneficiaries to this Site Lease.

Section 8.05. **Execution in Counterparts**. This Site Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.06. **Applicable Law**. This Site Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 8.07. **Captions**. The captions or headings in this Site Lease are for convenience only and in no way define or limit the scope or intent of any provision of this Site Lease.

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

COUNTY OF LOS ANGELES

By: _____

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

By: _____

EXHIBIT A

DESCRIPTION OF THE PROPERTY

All that real property situated in the County of Los Angeles, State of California, described as follows, and any improvements thereto:

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ [SEAL]

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ [SEAL]

MASTER SUBLEASE

by and between

COUNTY OF LOS ANGELES

and

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

Dated as of _____ 1, 2010

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MASTER SUBLEASE

THIS MASTER SUBLEASE (this "Sublease"), dated as of _____ 1, 2010, is by and between the COUNTY OF LOS ANGELES, a political subdivision of the State of California (the "County"), as lessee, and the LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority"), as lessor.

RECITALS

WHEREAS, pursuant to an Amended and Restated Trust Agreement, dated as of April 1, 2010, by and between the Los Angeles County Capital Asset Leasing Corporation (the "Corporation") and Deutsche Bank National Trust Company, as trustee, the Corporation has issued its Lease Revenue Commercial Paper Notes (the "Commercial Paper Notes") from time to time for, among other purposes, the financing of capital projects of the County, including the interim financing of a portion of the capital improvement projects (collectively, the "Project") described on Exhibit F to the Indenture (as such term is defined below); and

WHEREAS, in order to secure the payment of the Commercial Paper Notes, the Corporation and the County entered into an Amended and Restated Sublease, dated as of April 1, 2010; and

WHEREAS, the County desires to provide long-term financing for all or a portion of such portion of the Project by refinancing a portion of the Commercial Paper Notes; and

WHEREAS, the County desires to provide long-term financing for the other portions of the Project; and

WHEREAS, in order to refinance and finance the Project, the County is leasing certain real property, and the improvements thereto (the "Property"), to the Authority pursuant to a Master Site Lease, dated as of the date hereof (the "Site Lease"), and the County is subleasing the Property back from the Authority pursuant to this Sublease; and

WHEREAS, in order to provide the funds necessary to refinance and finance the Project, the Authority is issuing its Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series A (Tax-Exempt) (the "Series 2010A Bonds"), in the aggregate principal amount of $_____, and Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series B (Build America Bonds/Recovery Zone Economic Development Bonds) (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Series 2010 Bonds"), in the aggregate principal amount of $_____, pursuant to the Master Indenture, dated as of the date hereof (the "Indenture"), by and among the Authority, the County and U.S. Bank National Association, as Trustee, which bonds are payable from the base rental payments to be made by the County pursuant to this Sublease; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Sublease do exist, have happened and have been performed in regular and due time, form

and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Sublease;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Sublease and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

"Additional Rental Payments" means all amounts payable by the County as Additional Rental Payments pursuant to Section 3.02 hereof.

"Authority" means the Los Angeles County Public Works Financing Authority, a joint powers authority organized and existing under the laws of the State of California.

"Authority Event of Default" means an event described as such in Section 8.09.

"Base Rental Deposit Date" means the fifth Business Day next preceding each Interest Payment Date.

"Base Rental Payments" means all amounts payable to the Authority by the County as Base Rental Payments pursuant to Section 3.01 hereof.

"Closing Date" means _____, 2010.

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

"Event of Default" means an event described as such in Section 8.01.

"Indenture" means the Master Indenture, dated as of the date hereof, by and among the Authority, the County and the Trustee, as originally executed and as it may from time to time be amended or supplemented in accordance with the provisions thereof.

"Independent Insurance Consultant" means a nationally recognized independent actuary, insurance company or broker [acceptable to the Insurer] that has actuarial personnel experienced in the area of insurance for which the County is to be self-insured, as may from time to time be designated by the County.

[**"Insurance Policy"** means the insurance policy issued by the Insurer guaranteeing the scheduled payment of the principal of and interest on the Series 2010 Bonds when due.]

[**"Insurer"** means _____, or any successor thereto or assignee thereof.]

"Laws and Regulations" means, with respect to the Property, any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes,

conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Property.

"Net Proceeds" means any insurance proceeds or condemnation award paid with respect to any of the Property, which proceeds or award, after payment therefrom of all reasonable expenses incurred in the collection thereof, are in an amount greater than $50,000.

"OES Lien" means the existing lien encumbering the Property evidenced by the Statement Concerning Lien Encumbering Property, made as of December 27, 1999, by the County in favor of the Office of Emergency Services of the State of California, recorded as Document No. 99 2371514 of the Official Records of the County of Los Angeles.

"Permitted Encumbrances" means, with respect to the Property (a) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the County may, pursuant to provisions of Section 4.11 hereof, permit to remain unpaid, (b) this Sublease, (c) the Site Lease, (d) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law, (e) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date, (f) the OES Lien, and (g) easements, rights of way, mineral rights, drilling rights [and other rights, reservations, covenants, conditions or restrictions established following the Closing Date to which the Insurer consents in writing].

"Property" means the real property described in Exhibit A hereto, and any improvements thereto.

"Rental Payments" means, collectively, the Base Rental Payments and the Additional Rental Payments.

"Rental Period" means the period from the Closing Date through June 30, 2011 and, thereafter, the twelve-month period commencing on July 1 of each year during the term of this Sublease.

"Scheduled Termination Date" means August 1, 20__.

"Site Lease" means the Master Site Lease, dated as of the date hereof, by and between the County and the Authority, as originally executed and as it may from time to time be amended in accordance with the provisions thereof and hereof.

"Sublease" means this Master Sublease, as originally executed and as it may from time to time be amended in accordance with the provisions hereof.

"Trustee" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee under the Indenture substituted in its place as provided therein.

ARTICLE II

LEASE OF PROPERTY; TERM

Section 2.01. Lease of Property. (a) The Authority hereby leases to the County and the County hereby leases from the Authority the Property, on the terms and conditions hereinafter set forth, subject to all Permitted Encumbrances.

(b) The leasing of the Property by the County to the Authority pursuant to the Site Lease shall not effect or result in a merger of the County's leasehold estate in the Property as lessee under this Sublease and its fee estate in the Property as lessor under the Site Lease, and the Authority shall continue to have a leasehold estate in the Property pursuant to the Site Lease throughout the term thereof and hereof. This Sublease shall constitute a sublease with respect to the Property. The leasehold interest in the Property granted by the County to the Authority pursuant to the Site Lease is and shall be independent of this Sublease and this Sublease shall not be an assignment or surrender of the leasehold interest in the Property granted to the Authority under the Site Lease.

Section 2.02. Term; Occupancy. (a) The term of this Sublease shall commence on the Closing Date and shall end on the Scheduled Termination Date, unless such term is extended or sooner terminated as hereinafter provided. If, on the Scheduled Termination Date, all of the Bonds shall not be fully paid or deemed to have been paid in accordance with Article IX of the Indenture, or any Rental Payments shall remain due and payable or shall have been abated at any time, then the term of this Sublease shall be extended until the date upon which all of the Bonds shall be fully paid or deemed to have been paid in accordance with Article IX of the Indenture, and all Rental Payments due and payable shall have been paid in full; provided, however, that the term of this Sublease shall in no event be extended more than ten years beyond the Scheduled Termination Date. If, prior to the Scheduled Termination Date, all of the Bonds shall be fully paid or deemed to have been paid in accordance with Article IX of the Indenture, and all Rental Payments due and payable shall have been paid in full, the term of this Sublease shall end simultaneously therewith.

(b) The County shall take possession of the Property on the Closing Date.

ARTICLE III

RENTAL PAYMENTS

Section 3.01. Base Rental Payments. (a) *General.* The Rental Payments, including Base Rental Payments, for each Rental Period shall be paid by the County to the Authority for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during such Rental Period.

The obligation of the County to pay the Base Rental Payments does not constitute a debt of the County or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the County or the State of California is obligated to levy or pledge any form of taxation or for which the County or the State of California has levied or pledged any form of taxation.

(b) *Base Rental Payments.* Subject to the provisions of Section 3.06 hereof, the County shall, on each Base Rental Deposit Date, pay to the Authority a Base Rental Payment in an amount equal to the principal of, and interest on, the Bonds due and payable on the next succeeding Principal Payment Date or Interest Payment Date, as applicable, including any such principal due and payable by reason of mandatory sinking fund redemption of the Bonds; provided, however, that the amount of such Base Rental Payment shall be reduced by the amount, if any, available in the Payment Fund, the Principal Account or the Interest Account on such Base Rental Deposit Date to pay such principal of, or interest on, the Bonds.

(c) *Payments other than Regularly Scheduled Payments.* If the term of this Sublease shall have been extended pursuant to Section 2.02 hereof, the obligation of the County to pay Rental Payments shall continue to and including the Base Rental Deposit Date preceding the date of termination of this Sublease (as so extended pursuant to Section 2.02 hereof). Upon such extension, the Base Rental Payments payable during such extended term shall[, subject to the approval of the Insurer,] be established so that such Base Rental Payments will in the aggregate be sufficient to pay the unpaid principal of, and interest accrued and to accrue on, the Bonds; provided, however, that the Rental Payments payable in any Rental Period shall not exceed the annual fair rental value of the Property.

Section 3.02. Additional Rental Payments. The County shall also pay, as Additional Rental Payments, such amounts as shall be required for the payment of the following:

(a) all taxes and assessments of any type or nature charged to the Authority or the County or affecting the Property or the respective interests or estates of the Authority or the County therein;

(b) all reasonable administrative costs of the Authority relating to the Property including, but without limiting the generality of the foregoing, salaries, wages, fees and expenses payable by the Authority under the Indenture, fees of auditors, accountants, attorneys or engineers, and all other necessary and reasonable administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to

comply with the terms of the Indenture or this Sublease or to defend the Authority and its members, officers, agents and employees;

(c) insurance premiums for all insurance required pursuant to Article V hereof;

(d) any amounts with respect to the Bonds required to be rebated to the federal government in accordance with section 148(f) of the Code; and

(e) all other payments required to be paid by the County under the provisions of this Sublease or the Indenture[, including amounts payable to the Insurer].

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

Section 3.03. Fair Rental Value. The parties hereto have agreed and determined that the Rental Payments are not in excess of the fair rental value of the Property.

Section 3.04. Payment Provisions. Each installment of Base Rental Payments payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Authority at the Principal Office of the Trustee, or such other place or entity as the Authority shall designate. Notwithstanding any dispute between the Authority and the County, the County shall make all Rental Payments when due without deduction or offset of any kind and shall not withhold any Rental Payments pending the final resolution of such dispute. In the event of a determination that the County was not liable for said Rental Payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent Rental Payments due hereunder or refunded at the time of such determination.

Section 3.05. Appropriations Covenant. The County covenants to take such action as may be necessary to include all Rental Payments due hereunder in its annual budgets and to make necessary annual appropriations for all such Rental Payments. The covenants on the part of the County contained in this Section shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform such covenants.

Section 3.06. Rental Abatement. Except as otherwise specifically provided in this Section, during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the County's right to use and occupy any portion of the Property, Rental Payments shall be abated proportionately, and the County waives the benefits of California Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate this Sublease by virtue of any such interference, and this Sublease shall continue in full force and effect. The amount of such abatement shall be agreed upon by the County and the Authority. The County

and the Authority shall provide the Trustee [and the Insurer] with a certificate setting forth the amount of such abatement and the basis therefor. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction of the Property, ending with the substantial completion of the work of repair or replacement of the Property, or the portion thereof so damaged or destroyed, and the term of this Sublease shall be extended as provided in Section 2.02 hereof; provided, however, that such term shall in no event be extended more than ten years beyond the Scheduled Termination Date.

Notwithstanding the foregoing, to the extent that moneys are available for the payment of Rental Payments in any of the funds and accounts established under the Indenture, Rental Payments shall not be abated as provided above but, rather, shall be payable by the County as a special obligation payable solely from said funds and accounts.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES; COVENANTS AND AGREEMENTS

Section 4.01. Power and Authority of the County. The County represents and warrants to the Authority [and the Insurer] that (a) the County has the full power and authority to enter into, to execute and to deliver this Sublease, the Site Lease and the Indenture, and to perform all of its duties and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Sublease, the Site Lease and the Indenture, and (b) the Property is zoned for use for governmental related facilities.

Section 4.02. Power and Authority of the Authority. The Authority represents and warrants to the County [and the Insurer] that the Authority has the full power and authority to enter into, to execute and to deliver this Sublease, the Site Lease and the Indenture, and to perform all of its duties and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Sublease, the Site Lease and the Indenture.

Section 4.03. Net-Net-Net Lease. This Sublease shall be, and shall be deemed and construed to be, a "net-net-net lease" and the Rental Payments shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever and notwithstanding any dispute between the County and the Authority.

Section 4.04. Disclaimer of Warranties. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROPERTY, OR WARRANTY WITH RESPECT THERETO. THE COUNTY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF ANY PORTION OF THE PROPERTY OR A DEALER THEREIN, THAT THE COUNTY LEASES THE PROPERTY AS IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE COUNTY.

Section 4.05. Quiet Enjoyment. So long as no Event of Default shall have occurred and be continuing, the County shall at all times during the term of this Sublease peaceably and quietly have, hold and enjoy the Property without suit, trouble or hindrance from the Authority.

Section 4.06. Right of Entry. The Authority shall have the right to enter upon and to examine and inspect the Property during reasonable business hours (and in emergencies at all times) for any purpose connected with the Authority's rights or obligations under this Sublease, and for all other lawful purposes.

Section 4.07. Use of the Property; Covenant with respect to OES Lien. (a) The County shall not use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Sublease. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Property) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Property; provided, however, that the County may contest in

good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Authority, adversely affect the estate of the Authority in and to any of the Property or its interest or rights under this Sublease.

(b) Unless the County shall have substituted alternate real property for the Property, as constituted on the effective date of this Sublease, pursuant to Section 7.02 hereof, so long as the OES Lien is effective, the County shall not take any action, or fail to take any action, if such action or failure to take such action would cause a "change in function" or a "change in status" of the Property, within the meaning of the provisions of the OES Lien, to occur.

Section 4.08. Maintenance and Utilities. As part of the consideration for rental of the Property, all improvement, repair and maintenance of the Property shall be the responsibility of the County, and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the County. In exchange for the Rental Payments, the Authority agrees to provide only the Property.

Section 4.09. Additions to Property. Subject to Section 4.12 hereof, the County and any sublessee shall, at its own expense, have the right to make additions, modifications and improvements to the Property. To the extent that the removal of such additions, modifications or improvements would not cause material damage to the Property, such additions, modifications and improvements shall remain the sole property of the County or such sublessee, and neither the Authority nor the Trustee shall have any interest therein. Such additions, modifications and improvements shall not in any way damage the Property or cause it to be used for purposes other than those authorized under the provisions of state and federal law, and the Property, upon completion of any addition, modification or improvement made pursuant to this Section, shall be of a value which is at least equal to the value of the Property immediately prior to the making of such addition, modification or improvement.

Section 4.10. Installation of County's Equipment. The County and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the County or such sublessee, and neither the Authority nor the Trustee shall have any interest therein. The County or such sublessee may remove or modify such equipment or other personal property at any time, provided that such party shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items, and the Property, upon completion of any installation, modification or removal made pursuant to this Section, shall be of a value which is at least equal to the value of the Property immediately prior to the making of such installation, modification or removal. Nothing in this Sublease shall prevent the County or any sublessee from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

Section 4.11. Taxes. The County shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Authority or the County or affecting the Property or the respective interests or estates therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as and when the same become due.

Upon notice to [the Insurer,] the Authority and the Trustee, the County or any sublessee may, at the County's or such sublessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless [the Insurer,] the Authority or the Trustee shall notify the County or such sublessee that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Authority in the Property will be materially endangered or the Property, or any part thereof, will be subject to loss or forfeiture, in which event the County or such sublessee shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to [the Insurer,] the Authority and the Trustee.

Section 4.12. Liens. In the event the County shall at any time during the term of this Sublease cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Property, the County shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon or about the Property and which may be secured by a mechanics', materialmen's or other lien against the Property or the Authority's interest therein, and shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the County desires to contest any such lien, it may do so as long as such contest is in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the County shall forthwith pay and discharge said judgment.

Section 4.13. Compliance with Law, Regulations, Etc. The County represents and warrants that, after due inquiry, it has no knowledge and has not given or received any written notice indicating that the Property or the use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates any Laws and Regulations.

Section 4.14. No Condemnation. The County shall not exercise the power of condemnation with respect to the Property. If for any reason the foregoing covenant shall be held by a court of competent jurisdiction to be unenforceable and the County condemns the Property or if the County breaches such covenant, the County agrees that the value of the County's leasehold estate hereunder in the Property shall be not less than the greater of (a) the amount sufficient to redeem the Bonds pursuant to the Indenture if the Bonds are then subject to redemption, or (b) the amount sufficient to defease the Bonds to the first available redemption date in accordance with the Indenture if the Bonds are not then subject to redemption.

Section 4.15. Authority's Purpose. So long as any Bonds are Outstanding, the Authority shall not engage in any activities inconsistent with the purposes for which the Authority is organized, as set forth in the agreement pursuant to which the Authority was created.

ARTICLE V

INSURANCE

Section 5.01. Public Liability and Property Damage Insurance; Workers' Compensation Insurance. (a) The County shall maintain or cause to be maintained, throughout the term of this Sublease, a standard comprehensive general liability insurance policy or policies in protection of the County, the Authority and their respective members, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or ownership of the Property. Said policy or policies shall provide coverage in the minimum liability limits of $1,000,000 for personal injury to or death of each person and $3,000,000 for personal injury to or deaths of two or more persons in a single accident or event, and in a minimum amount of $500,000 for damage to property (subject to a deductible clause of not to exceed $100,000) resulting from a single accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the County, and may be maintained in whole or in part in the form of self-insurance by the County, provided that such self-insurance complies with the provisions of Section 5.03 hereof. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid.

(b) The County shall maintain or cause to be maintained, throughout the term of this Sublease, workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the California Labor Code, or any act enacted as an amendment or supplement thereto or, in lieu thereof, such workers' compensation insurance to cover all persons employed by the County in connection with the Property and to cover full liability for compensation under any such act. The insurance required under this subsection may be maintained in whole or in part in the form of self-insurance, provided that such self-insurance complies with the provisions of Section 5.03 hereof.

(c) The County shall maintain or cause to be maintained casualty insurance insuring the Property against fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake) to the full insurable value of the Property, subject to a $100,000 loss deductible provision[, unless some other deductible is acceptable to the Insurer]. Full insurable value shall be evaluated at least every five years by an Independent Insurance Consultant or the County's Risk Manager and shall not be less than the aggregate principal amount of the Outstanding Bonds. The insurance required under this subsection may be maintained in whole or in part in the form of self-insurance, provided that such self-insurance complies with the provisions of Section 5.03 hereof.

(d) The County shall maintain rental interruption insurance to cover the Authority's loss, total or partial, of Base Rental Payments resulting from the loss, total or partial, of the use of any part of the Property as a result of any of the hazards required to be covered pursuant to

subsection (c) of this Section in an amount not less than an amount equal to two times Maximum Annual Debt Service. The insurance required under this subsection may not be maintained in whole or in part in the form of self-insurance.

(e) The insurance required by this Section shall be provided by insurers rated "A" or better by S&P[, unless the Insurer shall, in writing, approve an insurer with a lower rating].

Section 5.02. Additional Insurance Provision; Form of Policies. The County shall pay or cause to be paid when due the premiums for all insurance policies required by Section 5.01 hereof. All such policies shall provide that the Trustee [and the Insurer] shall be given 30 days notice of the expiration thereof, any intended cancellation thereof or any reduction in the coverage provided thereby. The Trustee shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee[; provided, however, that the Trustee shall not agree to any adjustment, compromise or settlement without the Insurer's written consent].

The County shall, following receipt of a written request of the Trustee, cause to be delivered to the Trustee [and the Insurer] on or before August 15 of each year, commencing August 15, 2011, a schedule of the insurance policies being maintained in accordance herewith and a Written Certificate of the County stating that such policies are in full force and effect and that the County is in full compliance with the requirements of this Article. [The County shall, upon request of the Insurer, deliver to the Insurer certificates or duplicate originals or certified copies of each insurance policy described in such schedule.] The Trustee shall be entitled to rely upon said Written Certificate of the County as to the County's compliance with this Article. [Neither] the Trustee [nor the Insurer] shall be responsible for the sufficiency of the coverage or the amounts of such policies.

Section 5.03. Self-Insurance. Insurance provided through a California joint powers authority of which the County is a member or with which the County contracts for insurance shall be deemed to be self-insurance for purposes hereof. Any self-insurance maintained by the County pursuant to this Article shall be approved in writing by an Independent Insurance Consultant or the County's Risk Manager.

Section 5.04. Title Insurance. The County shall provide, at its own expense, one or more CLTA title insurance policies for the Property, [in form acceptable to the Insurer,] in the aggregate amount of not less than the aggregate principal amount of the Bonds. Said policy or policies shall insure (a) the fee interest of the County in the Property, (b) the Authority's ground leasehold estate in the Property under the Site Lease, and (c) the County's leasehold estate hereunder in the Property, subject only to Permitted Encumbrances; provided, however, that one or more of said estates may be insured through an endorsement to such policy or policies. All Net Proceeds received under said policy or policies shall be deposited with the Trustee and applied as provided in Section 5.02 of the Indenture. So long as any of the Bonds remain Outstanding, each policy of title insurance obtained pursuant hereto or required hereby shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Owners.

ARTICLE VI

EMINENT DOMAIN; RIGHT TO REDEEM

Section 6.01. Eminent Domain. If all of the Property (or portions thereof such that the remainder is not usable for public purposes by the County) shall be taken under the power of eminent domain, the term hereof shall cease as of the day that possession shall be so taken. If less than all of the Property shall be taken under the power of eminent domain and the remainder is usable for public purposes by the County at the time of such taking, then this Sublease shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the Rental Payments in accordance with the provisions of Section 3.06 hereof. So long as any Bonds shall be Outstanding, any award made in eminent domain proceedings for the taking of the Property, or any portion thereof, shall be paid to the Trustee and applied to the redemption of Bonds as provided in Sections 3.01 and 5.01 of the Indenture. Any such award made after all of the Bonds, and all other amounts due under the Indenture and hereunder, have been fully paid, shall be paid to the County.

Section 6.02. Right to Redeem Bonds. (a) The County shall have the right to cause the Bonds to be redeemed pursuant to, and in accordance with the provisions of, Section 3.02 of the Indenture by providing the Trustee with funds sufficient for such purpose (which funds may be derived by the County from any source) and giving notice of the County's exercise of such right as provided in subsection (b) of this Section.

(b) In order to exercise its right to cause Bonds to be redeemed pursuant to subsection (a) of this Section, the County shall give written notice to the Trustee of its intention to exercise such right, specifying the date on which such redemption shall be made, which date shall be not less than 45 days from the date such notice is given (unless otherwise agreed by the Trustee), and specifying the Series, maturities and amounts of Bonds to be redeemed.

(c) The County shall have the right to cause Bonds to be deemed to have been paid pursuant to, and in accordance with the provisions of, Section 9.02 of the Indenture by providing the Trustee with funds sufficient for such purpose (which funds may be derived by the County from any source) and providing and delivering, or causing to be provided and delivered the other items required pursuant to said Section 9.02 to be provided or delivered in connection with such deemed payment.

ARTICLE VII

ASSIGNMENT AND SUBLETTING; SUBSTITUTION OR RELEASE; TITLE

Section 7.01. Assignment and Subleasing. Neither this Sublease nor any interest of the County hereunder shall be sold, mortgaged, pledged, assigned, or transferred by the County by voluntary act or by operation of law or otherwise; provided, however, that the Property may be subleased in whole or in part by the County, but only subject to the following conditions, which are hereby made conditions precedent to any such sublease:

(a) [the Insurer shall have consented in writing to such sublease;]

(b) this Sublease and the obligation of the County to make all Rental Payments hereunder shall remain the primary obligation of the County;

(c) the County shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of such sublease;

(d) no such sublease by the County shall cause the Property to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State of California;

(e) any sublease of the Property by the County shall explicitly provide that such sublease is subject to all rights of the Authority under this Sublease; and

(f) the County shall have filed or caused to be filed with the Authority and the Trustee an Opinion of Counsel to the effect that such sublease will not, in and of itself, cause the interest on Tax-Exempt Bonds to be included in gross income for federal income tax purposes.

Section 7.02. Substitution or Release of the Property. Subject to the provisions of this Section, the County shall have the right to substitute alternate real property for any portion of the Property or to release a portion of the Property from this Sublease. All costs and expenses incurred in connection with any such substitution or release shall be borne by the County. Notwithstanding any substitution or release pursuant to this Section, there shall be no reduction in or abatement of the Base Rental Payments due from the County hereunder as a result of such substitution or release. Any such substitution or release of any portion of the Property shall be subject to the following conditions, which are hereby made conditions precedent to such substitution or release:

(a) [the Insurer shall have consented in writing to such substitution or release;]

(b) a qualified employee of the County or an independent certified real estate appraiser selected by the County shall have found (and shall have delivered a certificate to the Trustee [and the Insurer] setting forth its findings) that (i) the sum of Base Rental Payments plus Additional Rental Payments due under the Sublease in any Rental Period

is not in excess of the annual fair rental value of the Property, as constituted after such substitution or release, and (ii) the Property, as constituted after such substitution or release, has a useful life equal to or greater than the maximum remaining term of this Sublease (including extensions thereof under Section 2.02 hereof);

(c) the County shall have obtained or caused to be obtained a CLTA title insurance policy or policies with respect to any substituted property in the amount of the fair market value of such substituted property (which fair market value shall have been determined by a qualified employee of the County or an independent certified real estate appraiser), of the type and with the endorsements described in Section 5.04 hereof;

(d) the County shall have filed or caused to be filed with the Trustee an Opinion of Counsel to the effect that such substitution or release will not, in and of itself, cause the interest on Tax-Exempt Bonds to be included in gross income for federal income tax purposes;

(e) the County shall have given, or shall have made arrangements for the giving of, any notice of the occurrence of such substitution or release required to be given pursuant to paragraph (x) of subsection (a) of Section 5 of the Continuing Disclosure Certificate;

(f) the County, the Authority and the Trustee shall have executed, and the County shall have caused to be recorded with the county recorder of the county in which the Property is located, any document necessary to reconvey to the County the portion of the Property being substituted or released and to include any substituted real property in the description of the Property contained herein and in the Site Lease; and

(g) the County shall have certified to the Trustee [and the Insurer] that the substituted real property is essential for performing the County's governmental functions.

[Notwithstanding the foregoing, the Insurer may waive any of the conditions contained in subsections (b), (c) and (g) of this Section.]

Section 7.03. Title to Property. Upon the termination or expiration of this Sublease (other than as provided in Section 8.02 hereof), and the first date upon which no Bonds are any longer Outstanding, all right, title and interest in and to the Property shall vest in the County. Upon any such termination or expiration, the Authority shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default. The occurrence, from time to time, of any one or more of the following events shall constitute an Event of Default under this Sublease:

(a) the failure of the County to pay any Rental Payment payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence in this Sublease;

(b) the failure by the County to observe and perform any of the other covenants, agreements or conditions on its part in this Sublease contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the County by the Trustee, the Authority[, the Insurer] or the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that if, in the reasonable opinion of the County, the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the County within such 30 day period and the County shall thereafter diligently and in good faith cure such failure in a reasonable period of time, provided, further, however, that the period of time for such cure shall not exceed 90 days without the prior written consent of the Authority [and the Insurer];

(c) except as otherwise expressly permitted by this Sublease, the assignment or transfer, either voluntarily or by operation of law or otherwise, of the County's interest in this Sublease or any part thereof without the written consent of the Authority [and the Insurer];

(d) the abandonment of the Property by the County; or

(e) the commencement by the County of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

[In determining whether a default has occurred under paragraph (a), above, no effect shall be given to payments made under the Insurance Policy.]

Section 8.02. Action on Default. (a) [Subject to the provisions of Section 8.08 hereof,] in each and every case during the continuance of an Event of Default hereunder, the Authority shall have the right, without terminating this Sublease or the County's right to possession of the Property, to collect each installment of Rental Payments as the same become due and enforce any other terms or provisions hereof to be kept or performed by the County, regardless of whether or not the County has abandoned the Property. The County shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the County and to pay the full amount of the Rental Payments to the end of the term of this Sublease; and further agrees to pay said Rental Payments punctually at the same time and in the same manner as hereinabove provided for the payment of Rental Payments hereunder, notwithstanding the fact that the Authority may have received in previous years or may receive

thereafter in subsequent years Rental Payments in excess of the Rental Payments herein specified.

(b) **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS SUBLEASE, THE AUTHORITY EXPRESSLY WAIVES ANY RIGHT TO TERMINATE THIS SUBLEASE OR THE COUNTY'S RIGHT TO POSSESSION OF THE PROPERTY HEREUNDER REGARDLESS OF WHETHER OR NOT THE COUNTY HAS ABANDONED THE PROPERTY, AND THE AUTHORITY EXPRESSLY WAIVES ANY RIGHT OF ENTRY OR RE-ENTRY TO TAKE POSSESSION OF AND/OR RE-LET THE PROPERTY.** Without limiting the generality of the foregoing, the Authority expressly waives the right to receive any amount from the County pursuant to California Civil Code Section 1951.2(a)(3).

Section 8.03. Other Remedies. In addition to the other remedies provided for in Section 8.02 hereof and subject to the provisions of subsection (b) of Section 8.02 hereof, during the continuance of an Event of Default hereunder, the Authority shall be entitled to proceed to protect and enforce the rights vested in the Authority by this Sublease or by law. The provisions of this Sublease and the duties of the County and of its board, officers or employees shall be enforceable by the Authority by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing and subject to the provisions of subsection (b) of Section 8.02 [and Section 8.08] hereof, the Authority shall have the right to bring the following actions:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the County or any board member, officer or employee thereof, and to compel the County or any such board member, officer or employee to perform or carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Authority; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the County and its board, officers and employees to account as if it or they were the trustee or trustees of an express trust.

Section 8.04. No Acceleration. Notwithstanding anything to the contrary contained in this Sublease, the Authority shall have no right to accelerate Rental Payments upon the occurrence or continuance of a default or an Event of Default hereunder.

Section 8.05. Remedies Not Exclusive. Subject to the provisions of subsection (b) of Section 8.02 hereof, no remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law. If any statute or rule of law validly shall limit the remedies given to the Authority hereunder, the Authority nevertheless shall, subject to the provisions of

subsection (b) of Section 8.02 hereof, be entitled to whatever remedies are allowable under any statute or rule of law.

Section 8.06. Waiver. No delay or omission of the Authority to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, and every power and remedy given by this Sublease to the Authority may be exercised from time to time and as often as may be deemed expedient. A waiver of a particular default or Event of Default shall not be deemed to be a waiver of any other default or Event of Default or of the same default or Event of Default subsequently occurring. The acceptance of Rental Payments hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Sublease.

Section 8.07. Attorney's Fees. In the event the Authority shall prevail in any action brought to enforce any of the terms and provisions of this Sublease, the County agrees to pay a reasonable amount as and for attorney's fees incurred by the Authority in attempting to enforce any of the remedies available to the Authority hereunder.

Section 8.08. Insurer Rights. [Notwithstanding anything to the contrary contained in this Sublease, so long as no Insurer Default shall have occurred and be continuing, no remedy shall be exercised hereunder without the prior written consent of the Insurer and the Insurer shall have the right to direct the exercise of any remedy hereunder.]

Section 8.09. Authority Event of Default; Action on Authority Event of Default. The failure by the Authority to observe and perform any covenants, agreements or conditions on its part in this Sublease contained, including under Section 4.05 and Section 4.15, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Authority, the Trustee [and the Insurer], by the County, shall constitute an Authority Event of Default under this Sublease; provided, however, [that if the Authority shall fail to correct such failure within such 60 day period, the Insurer shall have 90 additional days to correct such failure on behalf of the Authority prior to such failure constituting an Authority Event of Default; and, provided further] that if, in the reasonable opinion of the Authority [or the Insurer, as applicable,] the failure stated in the notice can be corrected, but not within such 60 or 90 day period, such failure shall not constitute an Authority Event of Default if corrective action is instituted by the Authority [and/or the Insurer] within such 60 or 90 day period and the Authority [and/or the Insurer, as applicable,] shall thereafter diligently and in good faith cure such failure in a reasonable period of time. In each and every case upon the occurrence and during the continuance of an Authority Event of Default by the Authority hereunder, the County shall have all the rights and remedies permitted by law.

ARTICLE IX

AMENDMENTS

Section 9.01. Amendments. (a) This Sublease and the Site Lease, and the rights and obligations of the County and the Authority hereunder and thereunder, may be amended at any time by an amendment hereto or thereto, which shall become binding upon execution by the County and the Authority, but only with the prior written consent of [the Insurer (so long as no Insurer Default shall have occurred and be continuing) and] the Owners of a majority of the aggregate principal amount of Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 11.06 of the Indenture. No such amendment shall (i) extend the payment date of any Base Rental Payment or reduce the amount of any Base Rental Payment without the prior written consent of the Owner of each Bond so affected, (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required for any amendment of this Sublease or the Site Lease to become binding without the prior written consent of the Owners of all the Bonds then Outstanding, or (iii) amend this Section without the prior written consent of the Owners of all the Bonds then Outstanding.

(b) This Sublease and the Site Lease, and the rights and obligations of the County and the Authority hereunder and thereunder, may also be amended at any time by an amendment hereto or thereto, which shall become binding upon execution by the County and the Authority, with [the written consent of the Insurer (so long as no Insurer Default shall have occurred and be continuing), but] without the written consents of any Owners, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the County or the Authority herein or therein contained other covenants and agreements thereafter to be observed, or to surrender any right or power herein or therein reserved to or conferred upon the County or the Authority;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in herein or therein or in regard to questions arising hereunder or thereunder which the County or the Authority may deem desirable or necessary and not inconsistent herewith;

(iii) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of Section 2.04 and Section 2.05 of the Indenture;

(iv) to provide for the substitution or release of a portion of the Property in accordance with the provisions of Section 7.02 hereof;

(v) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of interest on Tax-Exempt Bonds or maintain any federal interest subsidies expected to be received with respect to any Bonds; or

(vi) to make such other changes herein or therein as the County or the Authority may deem desirable or necessary, and which shall not materially adversely affect the interests of [the Insurer or] the Owners.

(c) [The Insurer shall be provided with a full original transcript of all proceedings relating to the amendment of this Sublease or the Site Lease pursuant to this Section.]

ARTICLE X

MISCELLANEOUS

Section 10.01. Authority Not Liable. The Authority and its directors, officers, agents and employees, shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Property. To the extent permitted by law, the County shall, at its expense, indemnify and hold the Authority and its directors, officers, agents and employees harmless against and from any and all claims by or on behalf of any Person arising from the acquisition, construction, occupation, use, operation, maintenance, possession, conduct or management of any work done in or about the Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Property or the occupancy or use thereof, but excepting the negligence or willful misconduct of the persons or entity seeking indemnity. In no event shall the Authority be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Sublease or the County's use of the Property.

Section 10.02. Assignment to Trustee; Effect. The parties hereto understand and agree that, upon the execution and delivery of the Indenture (which is occurring simultaneously with the execution and delivery hereof), all right, title and interest of the Authority in and to this Sublease will be sold, assigned and transferred to the Trustee for the benefit of the Owners of the Bonds. The County hereby consents to such sale, assignment and transfer. Upon the execution and delivery of the Indenture, references in the operative provisions hereof to the Authority shall be deemed to be references to the Trustee, as assignee of the Authority.

Section 10.03. Gender and References; Article and Section Headings. The singular form of any word used herein, including the terms defined in Section 1.01 hereof, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders. The headings or titles of the several Articles and Sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. Unless the context otherwise clearly requires, all references herein to "Articles," "Sections," subsections or clauses are to the corresponding Articles, Sections, subsections or clauses hereof, and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Sublease as a whole and not to any particular Article, Section, subsection or clause hereof.

Section 10.04. Validity and Severability. If for any reason any one or more of the agreements, covenants or terms of this Sublease shall be held by a court of competent jurisdiction to be void, voidable or unenforceable by the County or by the Authority, all of the remaining agreements, covenants and terms hereof shall nonetheless continue in full force and effect. If for any reason it is held by such a court that any agreement, covenant or term of this Sublease required to be observed or performed by the County, including the covenant to pay Rental Payments, is unenforceable for the full term hereof, then and in such event this Sublease is and shall be deemed to be a lease from year to year under which the Rental Payments are to be paid by the County annually in consideration of the right of the County to possess, occupy and

use the Property, and all of the other agreements, covenants and terms of this Sublease, except to the extent that such agreements, covenants and terms are contrary to or inconsistent with such holding, shall remain in full force and effect.

Section 10.05. California Law. THIS SUBLEASE SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 10.06. Notices. All written notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the County:
County of Los Angeles
Treasurer and Tax Collector
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 432
Los Angeles, California 90012
Attention: Public Finance

If to the Authority:
Los Angeles County Public Works
Financing Authority
c/o County of Los Angeles
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 432
Los Angeles, California 90012
Attention: Treasurer

If to the Trustee:
U.S. Bank National Association

_____, California _____
Attention: Corporate Trust Services

[If to the Insurer:
_____

Attention: _____
Re: Policy No. _____

In each case in which notice or other communication refers to an Event of Default hereunder, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel of the Insurer and shall be marked to indicate "URGENT MATERIAL ENCLOSED."]

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by registered or certified mail, return receipt

requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, or (d) if given by any other means, upon delivery at the address specified in this Section.

Section 10.07. Rights of Insurer; Third-Party Beneficiary. [So long as no Insurer Default shall have occurred and be continuing, the Insurer shall at all times be deemed the sole Owner of the Outstanding Series 2010 Bonds for the purposes of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Series 2010 Bonds are entitled to take hereunder or under the Site Lease, including but not limited to approval of or consent to any amendment of this Sublease or the Site Lease which requires the consent or approval of the Owners of a majority of the principal amount of the Bonds then Outstanding; provided, however, that the Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Series 2010 Bonds with respect to any amendment of this Sublease or the Site Lease which seeks to amend this Sublease or the Site Lease for the purposes set forth in clause (i), (ii) or (iii) of subsection (a) of Section 9.01 hereof. The Insurer is a third-party beneficiary of this Sublease.]

Section 10.08. Execution in Counterparts. This Sublease may be simultaneously executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

COUNTY OF LOS ANGELES

By: _____

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

By: _____

EXHIBIT A

DESCRIPTION OF THE PROPERTY

All that real property situated in the County of Los Angeles, State of California, described as follows, and any improvements thereto:

MASTER INDENTURE

by and among

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

and

COUNTY OF LOS ANGELES

and

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

Dated as of _____ 1, 2010

Relating to
Los Angeles County Public Works Financing Authority
Lease Revenue Bonds

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MASTER INDENTURE

THIS MASTER INDENTURE (this "Indenture"), dated as of _____ 1, 2010, is by and among the LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority"), the COUNTY OF LOS ANGELES, a political subdivision of the State of California (the "County"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (the "Trustee").

WITNESSETH:

WHEREAS, pursuant to an Amended and Restated Trust Agreement, dated as of April 1, 2010, by and between the Los Angeles County Capital Asset Leasing Corporation (the "Corporation") and Deutsche Bank National Trust Company, as trustee, the Corporation has issued its Lease Revenue Commercial Paper Notes (the "Commercial Paper Notes") from time to time for, among other purposes, the financing of capital projects of the County, including the interim financing of a portion of the capital improvement projects (collectively, the "Project") described on Exhibit F attached hereto (as such term is defined below); and

WHEREAS, in order to secure the payment of the Commercial Paper Notes, the Corporation and the County entered into an Amended and Restated Sublease, dated as of April 1, 2010; and

WHEREAS, the County desires to provide long-term financing for all or a portion of such portion of the Project by refinancing a portion of the Commercial Paper Notes; and

WHEREAS, the County desires to provide long-term financing for the other portions of the Project; and

WHEREAS, in order to refinance and finance the Project, the County is leasing certain real property, and the improvements thereto (the "Property"), to the Authority pursuant to a Master Site Lease, dated as of the date hereof (the "Site Lease"), and the County is subleasing the Property back from the Authority pursuant to a Master Sublease, dated as of the date hereof (the "Sublease"); and

WHEREAS, in order to provide the funds necessary to refinance and finance the Project, the Authority and the County desire to provide for the issuance of Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series A (Tax-Exempt) (the "Series 2010A Bonds"), in the aggregate principal amount of $_____, and Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series B (Build America Bonds/Recovery Zone Economic Development Bonds) (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Series 2010 Bonds"), in the aggregate principal amount of $_____, payable from the base rental payments (the "Base Rental Payments") to be made by the County pursuant to the Sublease; and

WHEREAS, the Authority and the County desire to provide for the issuance of additional bonds (the "Additional Bonds") payable from the Base Rental Payments on a parity

with the Series 2010 Bonds (the Series 2010 Bonds and any such Additional Bonds being collectively referred to as the "Bonds"); and

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

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

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Indenture do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and premium, if any, and interest on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority and the County do hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Sublease.

"Act" means the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 *et seq.* of the California Government Code.

"Additional Bonds" means Bonds other than Series 2010 Bonds issued hereunder in accordance with the provisions of Sections 2.04 and 2.05 hereof.

"Additional Rental Payments" means all amounts payable by the County as Additional Rental Payments pursuant to Section 3.02 of the Sublease.

"Annual Debt Service" means, for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the scheduled principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year); provided, however, that, in connection with the calculation of the Reserve Requirement, including any calculation of Average Annual Debt Service and/or Maximum Annual Debt Service in connection therewith, the interest due on the Outstanding Bonds in each Bond Year shall be net of any subsidy expected to be received from the United States with respect to such Bonds or the interest thereon (whether or not such subsidy is to be paid to the Trustee).

"Authority" means the Los Angeles County Public Works Financing Authority, a joint powers authority organized and existing under the laws of the State of California.

"Authorized Authority Representative" means any member of the Board of Directors of the Authority or the Treasurer of the Authority, and any other Person authorized by the Board of Directors of the Authority or the Treasurer of the Authority to act on behalf of the Authority under or with respect to this Indenture.

"Authorized County Representative" means the Treasurer and Tax Collector of the County or any authorized deputy thereof, and any other Person authorized by the Board of Supervisors of the County or the Treasurer and Tax Collector of the County to act on behalf of the County under or with respect to this Indenture.

"Authorized Denominations" means, with respect to the Bonds, $5,000 and any integral multiple thereof.

"Average Annual Debt Service" means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

"Base Rental Payments" means all amounts payable to the Authority by the County as Base Rental Payments pursuant to Section 3.01 of the Sublease.

"Beneficial Owners" means those individuals, partnerships, corporations or other entities for whom the Participants have caused the Depository to hold Book-Entry Bonds.

"Bond Year" means each twelve-month period beginning on July 1 in each year and extending to the next succeeding June 30, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on June 30, 2011.

"Bonds" means the Los Angeles County Public Works Financing Authority Lease Revenue Bonds issued hereunder, and includes the Series 2010 Bonds and any Additional Bonds.

"Book-Entry Bonds" means the Bonds of a Series registered in the name of the nominee of DTC, or any successor securities depository for such Series of Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.10 hereof.

"Business Day" means a day other than (a) Saturday or Sunday, (b) a day on which banking institutions in the city or cities in which the Office of the Trustee is located are authorized or required by law to be closed, and (c) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed.

"Cede & Co." means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to Book-Entry Bonds.

"Closing Date" means the date upon which the Series 2010 Bonds are delivered to the Original Purchaser, being _____, 2010.

"Code" means the Internal Revenue Code of 1986.

"Commercial Paper Note Issuing and Paying Agent" means Deutsche Bank National Trust Company, as issuing and paying agent under the Commercial Paper Trust Agreement pursuant to the Commercial Paper Note Issuing and Paying Agent Agreement.

"Commercial Paper Note Issuing and Paying Agent Agreement" means the Amended and Restated Issuing and Paying Agent Agreement, dated as of April 1, 2010, by and between the Los Angeles County Capital Asset Leasing Corporation and Deutsche Bank National Trust Company, as issuing and paying agent, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

"Commercial Paper Note Trust Agreement" means the Amended and Restated Trust Agreement, dated as of April 1, 2010, by and between the Los Angeles County Capital Asset Leasing Corporation and Deutsche Bank National Trust Company, as trustee, pursuant to which the Refunded Commercial Paper Notes were issued, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

"Comparable Treasury Issue" means the United States Treasury security selected by the Independent Banking Institution as having a maturity comparable to the remaining term to maturity of the Series 2010B Bond being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series 2010B Bond being redeemed.

"Comparable Treasury Price" means, with respect to any date on which a Series 2010B Bond or portion thereof is being redeemed, either (a) the average of five Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (b) if the Independent Banking Institution is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Independent Banking Institution, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Independent Banking Institution, at 5:00 p.m. New York City time on any Business Day that falls not less than three Business Days nor more than 45 calendar days immediately preceding the applicable date fixed for redemption.

"Comparable Treasury Yield" means the yield which represents the weekly average yield to maturity for the preceding week appearing in the most recently published statistical release designated "H.15(519) Selected Interest Rates" under the heading "Treasury Constant Maturities," or any successor publication selected by the Independent Banking Institution that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Series 2010B Bond being redeemed. The Comparable Treasury Yield will be determined as of any Business Day that falls not less than three Business Days nor more than 45 calendar days immediately preceding the applicable date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Series 2010B Bond being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Series 2010B Bond being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series 2010B Bond being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) at the Comparable Treasury Price as of the date fixed for redemption.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate, dated the Closing Date, of the County, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

"Costs of Issuance" means all the costs of issuing and delivering the Bonds, including, but not limited to, all printing and document preparation expenses in connection with this Indenture, the Sublease, the Site Lease, the Bonds and any preliminary official statement and final official statement pertaining to the Bonds, rating agency fees, CUSIP Service Bureau charges, market study fees, financial advisory fees, legal fees and expenses of counsel with respect to the financing of the Project, initial fees and expenses of the administrator of the financing of the Project, the initial fees and expenses of the Trustee and its counsel, [and the premium for the Insurance Policy and] any premium for a municipal bond insurance policy insuring payments of debt service on Additional Bonds, and other fees and expenses incurred in connection with the issuance and delivery of the Bonds or the implementation of the financing of the Project, to the extent such fees and expenses are approved by the County.

"Costs of Issuance Fund" means the fund by that name established pursuant to Section 4.03 hereof.

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

"Defeasance Securities" means (a) non-callable direct obligations of the United States of America ("United States Treasury Obligations"), (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Treasury Obligations 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 United States Treasury Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, (c) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (d) [subject to the prior written consent of the Insurer,] securities eligible for "AAA" defeasance under then existing criteria of S&P or Moody's, or any combination thereof.

"Depository" means the securities depository acting as Depository pursuant to Section 2.10 hereof.

"DTC" means The Depository Trust Company, New York, New York and its successors.

"Fitch" means Fitch, Inc., its successors and assigns, except that if such corporation shall no longer perform the function of a securities rating agency for any reason, the term "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority and approved by the Trustee [and the Insurer].

"Indenture" means this Indenture, by and among the Authority, the County and the Trustee, as originally executed and as it may from time to time be amended or supplemented in accordance with the provisions hereof.

"Independent Banking Institution" means an investment banking institution of national standing which is a primary United States government securities dealer designated by the County (which may be one of the Participating Underwriters). If the County fails to appoint an Independent Banking Institution at least 30 days prior to the date fixed for redemption, or if the Independent Banking Institution appointed by the County is unwilling or unable to determine the

Comparable Treasury Yield, the Comparable Treasury Yield will be determined by an Independent Banking Institution designated by the Trustee.

[**"Insolvency Proceeding"** means any proceeding commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law.]

[**"Insurance Policy"** means the insurance policy issued by the Insurer guaranteeing the scheduled payment of the principal of and interest on the Series 2010 Bonds when due.]

[**"Insurer"** means _____, or any successor thereto or assignee thereof.]

[**"Insurer Default"** means (a) the Insurer shall be in payment default under the Insurance Policy and such failure shall continue for three Business Days, (b) any material provision of the Insurance Policy shall be held to be invalid by a final, non-appealable order of a court of competent jurisdiction, or the validity or enforceability thereof shall be contested by the Insurer, or (c) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Insurer under Article 16 of the Insurance Law of the State of New York, or any successor provision thereto, and such proceeding is not terminated for a period of 90 consecutive days or such court enters an order granting the relief sought in such proceeding.]

[**"Insurer's Fiscal Agent"** means a fiscal agent appointed by the Insurer for purposes of, and in accordance with the terms contained in, the Insurance Policy.]

"Interest Account" means the account by that name within the Payment Fund established pursuant to Section 4.04 hereof.

"Interest Payment Date" means each February 1 and August 1, commencing [August 1, 2011], so long as any Bonds remain Outstanding.

"Lease Revenues" means all Base Rental Payments payable by the County pursuant to the Sublease, including any prepayments thereof, any Net Proceeds and any amounts received by the Trustee as a result of or in connection with the Trustee's pursuit of remedies under the Sublease upon a Sublease Default Event.

"Letter of Representations" means the letter of the Authority delivered to and accepted by the Depository on or prior to the delivery of the Bonds as Book-Entry Bonds setting forth the basis on which the Depository serves as depository for such Book-Entry Bonds, as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute Depository.

"Make-Whole Premium" means, with respect to any Series 2010B Bond to be redeemed, an amount calculated by an Independent Banking Institution equal to the positive difference, if any, between:

(a) the sum of the present values, calculated as of the date fixed for redemption of:

(i) each interest payment that, but for the redemption, would have been payable on the Series 2010B Bond or portion thereof being redeemed on each regularly scheduled Interest Payment Date occurring after the date fixed for redemption through the maturity date of such Series 2010B Bond (excluding any accrued interest for the period prior to the date fixed for redemption); plus

(ii) the principal amount that, but for such redemption, would have been payable on the maturity date (or applicable mandatory sinking fund redemption date or dates) of the Series 2010B Bond or portion thereof being redeemed; minus

(b) the principal amount of the Series 2010B Bond or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (a) above will be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve (12) 30-day months) at a discount rate equal to the Comparable Treasury Yield, plus (1) with respect to a Series 2010B Bond redeemed pursuant to Section 3.02(b), ____ basis points, or (2) with respect to a Series 2010B Bond redeemed pursuant to Section 3.02(c), ____ basis points.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, except that if such corporation shall no longer perform the function of a securities rating agency for any reason, the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority and approved by the Trustee [and the Insurer].

"Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.10 hereof.

"Office of the Trustee" means the principal corporate trust office of the Trustee in _____, California, or such other office as may be specified to the Authority and the County in writing.

"Opinion of Counsel" means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the Authority and satisfactory to and approved by the Trustee.

"Original Purchaser" means Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and on behalf of Barclays Capital Inc., Wells Fargo Bank, N.A., _____ and _____, the original purchasers of the Series 2010 Bonds from the Authority.

"Outstanding" means, when used as of any particular time with reference to Bonds, subject to the provisions of [Section 10.01(c) and] Section 11.06 hereof, all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except (a)

Bonds previously canceled by the Trustee or delivered to the Trustee for cancellation, (b) Bonds paid or deemed to have been paid within the meaning of Section 9.02 hereof, and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

"Owner" means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Book-Entry Bonds as securities depository.

"Payment Fund" means the fund by that name established in accordance with Section 4.04 hereof.

"Permitted Investments" is defined in Exhibit C attached hereto.

"Person" means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

[**"Policy Payments Account"** means the account by that name established pursuant to subsection (c) of Section 10.02 hereof.]

"Principal Account" means the account by that name within the Payment Fund established pursuant to Section 4.04 hereof.

"Principal Payment Date" means a date on which the principal of the Bonds becomes due and payable, either as a result of the maturity thereof or by mandatory sinking fund redemption.

"Project" means capital improvement projects described in Exhibit F hereto and the acquisition, construction, improvement, rehabilitation or replacement of other facilities the County deems a priority.

"Project Costs" means all costs of acquiring, constructing and installing the Project, including but not limited to:

(a) all costs which the County shall be required to pay to a seller or any other Person under the terms of any contract or contracts for the purchase of any portion of the Project;

(b) all costs which the County shall be required to pay a contractor or any other Person for the acquisition, construction and installation of any portion of the Project;

(c) obligations of the County incurred for services (including obligations payable to the County for actual out-of-pocket expenses of the County) in connection with the acquisition, construction and installation of the Project, including reimbursement to the County for all advances and payments made in connection with the Project prior to or after issuance of the Bonds;

(d) the actual out-of-pocket costs of the County for test borings, surveys, estimates and preliminary investigations therefor, as well as for the performance of all other duties required by or consequent to the proper acquisition, construction and installation of the Project, including administrative expenses under the Sublease and hereunder relating to the acquisition, construction and installation of the Project;

(e) Costs of Issuance, to the extent amounts for the payment thereof are not available in the Costs of Issuance Fund; and

(f) any sums required to reimburse the Authority or the County for advances made by the Authority or the County for any of the above items or for any other costs incurred and for work done by the Authority or the County which are properly chargeable to the Project.

"Project Fund" means the fund by that name established pursuant to Section 4.02 hereof.

"Rebate Fund" means the fund by that name established pursuant to Section 4.07 hereof.

"Rebate Requirement" has the meaning ascribed thereto in the Tax Certificate.

"Record Date" means the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

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

"Reference Treasury Dealer" means a primary United States Government securities dealer in the United States appointed by the County and reasonably acceptable to the Independent Banking Institution (which may be one of the Participating Underwriters). If the County fails to select the Reference Treasury Dealers within a reasonable period of time, the Trustee will select the Reference Treasury Dealers in consultation with the County.

"Refunded Commercial Paper Notes" means (a) the $_____ aggregate principal amount of Los Angeles County Capital Asset Leasing Corporation Lease Revenue Commercial Paper Notes Series __ (Tax-Exempt) issued on _____, 2010 and maturing on _____, 2010, (b) the $_____ aggregate principal amount of Los Angeles County Capital Asset Leasing Corporation Lease Revenue Commercial Paper Notes Series __ (Tax-Exempt) issued on _____, 2010 and maturing on _____, 2010, (c) the $_____ aggregate principal amount of Los Angeles County Capital Asset Leasing Corporation Lease Revenue Commercial Paper Notes Series __ (Tax-Exempt) issued on _____, 2010 and maturing on _____,

2010, and the $_____ aggregate principal amount of Los Angeles County Capital Asset Leasing Corporation Lease Revenue Commercial Paper Notes Series __ (Tax-Exempt) issued on _____, 2010 and maturing on _____, 2010.

"Registration Books" means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.08 hereof.

"Rental Payments" means, collectively, the Base Rental Payments and the Additional Rental Payments.

"Rental Period" means the period from the Closing Date through June 30, 2011 and, thereafter, the twelve-month period commencing on July 1 of each year during the term of the Sublease.

"Reserve Fund" means the fund by that name established pursuant to Section 4.06 hereof.

"Reserve Requirement" means, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such entity shall no longer perform the functions of a securities rating agency for any reason, the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority and approved by the Trustee and the Insurer.

"Series" means the each initial series of Bonds executed, authenticated and delivered on the date of initial issuance of the Bonds and identified pursuant to this Indenture as the Series 2010A Bonds and the Series 2010B Bonds, and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate Series of Bonds.

"Series 2010 Bonds" means the Series 2010A Bonds and the Series 2010B Bonds.

"Series 2010A Bonds" means the Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series A (Tax-Exempt), issued hereunder.

"Series 2010B Bonds" means the Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series B (Build America Bonds/Recovery Zone Economic Development Bonds), issued hereunder.

"Site Lease" means the Site Lease, dated as of the date hereof, by and between the County and the Authority, as originally executed and as it may from time to time be amended in accordance with the provisions thereof and of the Sublease.

"Sublease" means the Sublease, dated as of the date hereof, by and between the County and the Authority, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

"Sublease Default Event" means an event of default pursuant to and as described in Section 8.01 of the Sublease.

"Supplemental Indenture" means any supplemental indenture amendatory of or supplemental to this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Tax Certificate" means, as applicable, the Tax Certificate executed by the Authority and the County at the time of issuance of the Series 2010A Bonds and the Tax Certificate executed by the Authority and the County at the time of issuance of the Series 2010B Bonds, relating to the requirements of Section 148 of the Code, each as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, including interest on the Series 2010A Bonds, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

"Tax Law Change" means legislation has been enacted by the Congress of the United States or passed by either House of the Congress, or a decision has been rendered by a court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement has been made by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, the effect of which, as reasonably determined by the County, would be to suspend, reduce or terminate the timely payment from the United States Treasury to the County with respect to the Series 2010B Bonds, or to state or local government issuers generally with respect to obligations of the general character of the Series 2010B Bonds, pursuant to Section 54AA or 6431 of the Code or pursuant to Section 1400U-2 or 6431 of the Code, of an amount equal to at least, with respect to the portion of the Series 2010B Bonds designated as Build America Bonds under Section 54AA of the Code, 35% of the interest due thereon on each interest payment date, or with respect to the portion of the Series 2010B Bonds designated as Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code, 45% of the interest due thereon on each interest payment date (the "Subsidy Payments"); provided, that any such suspension, reduction or termination of the Subsidy Payments is not due to a failure by the County to comply with the requirements under the Code to receive such Subsidy Payments.

"Trustee" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee hereunder substituted in its place as provided herein.

"Verification Report" means, with respect to the deemed payment of Bonds pursuant to clause (ii)(B) of subsection (a) of Section 9.02 hereof, a report of a nationally recognized certified public accountant, or firm of such accountants, verifying that the Defeasance Securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of clause (ii)(B) of subsection (a) of Section 9.02 hereof.

"Written Certificate of the Authority" means a written certificate signed in the name of the Authority by an Authorized Representative of the Authority. Any such certificate may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

"Written Certificate of the County" means a written certificate signed in the name of the County by an Authorized Representative of the County. Any such certificate may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

"Written Request of the Authority" means a written request signed in the name of the Authority by an Authorized Representative of the Authority. Any such request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

"Written Request of the County" means a written request signed in the name of the County by an Authorized Representative of the County. Any such request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

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

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. The Authority hereby authorizes the issuance of the Bonds under and subject to the terms of this Indenture, the Act and other applicable laws of the State of California. The Bonds may consist of one or more Series of varying denominations, dates, maturities, interest rates and other provisions, subject to the provisions and conditions contained herein. The Bonds shall be designated generally as the "Los Angeles County Public Works Financing Authority Lease Revenue Bonds," each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds.

The Bonds shall be special obligations of the Authority, payable solely from the Lease Revenues and the other assets pledged therefor hereunder. Neither the faith and credit nor the taxing power of the Authority, the County or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

Notwithstanding anything to the contrary contained herein, if, as a result of the limitations contained in Section 3.06 of the Sublease, Base Rental Payments cannot be paid by the County in an amount sufficient to pay the principal of, or interest on, the Bonds otherwise payable on any date, such principal or interest shall be deemed not to be payable on such date, the nonpayment thereof on such date shall not constitute a default or an Event of Default under this Indenture and such principal or interest shall become payable on the date on which such Base Rental Payments becomes payable under and pursuant to the Sublease.

Section 2.02. Terms of Series 2010 Bonds. (a) The Series 2010A Bonds shall be designated "Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series A (Tax-Exempt)." The aggregate principal amount of Series 2010A Bonds that may be issued and Outstanding under this Indenture shall not exceed $_____, except as may be otherwise provided in Section 2.11 hereof.

(b) The Series 2010A Bonds shall be issued in fully registered form without coupons in Authorized Denominations. The Series 2010A Bonds shall be dated as of the Closing Date, shall be in the aggregate principal amount of $_____, shall mature on August 1 of each year and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum as follows:

Maturity Date (August 1)	Principal Amount	Interest Rate

(c) The Series 2010B Bonds shall be designated "Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series B (Build America Bonds/Recovery Zone Economic Development Bonds)." The aggregate principal amount of Series 2010B Bonds that may be issued and Outstanding under this Indenture shall not exceed $_____, except as may be otherwise provided in Section 2.11 hereof.

(d) The Series 2010B Bonds shall be issued in fully registered form without coupons in Authorized Denominations. The Series 2010B Bonds shall be dated as of the Closing Date, shall be in the aggregate principal amount of $_____, shall mature on August 1 of each year and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum as follows:

Maturity Date (August 1)	Principal Amount	Interest Rate

(e) [BAB/RZEDB designation language to be added]

(f) Interest on the Series 2010 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2010 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a Series 2010 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or (iii) interest on any Series 2010 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest shall be paid in lawful money of the United States on each Interest Payment Date. Except as otherwise provided in the Letter of Representations, interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Series 2010 Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date; provided, however, that, in the case of an Owner of $1,000,000 or more in aggregate principal amount of Series 2010 Bonds, upon the written request of such Owner to the Trustee, received at least ten days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the following Interest Payment Date. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee.

(g) The principal of and premium, if any, on the Series 2010 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

(h) The Series 2010A Bonds shall be in substantially the form set forth in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby. The Series 2010B Bonds shall be in substantially the form set forth in Exhibit B hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Section 2.03. Issuance of Series 2010 Bonds; Application of Proceeds. (a) The Authority may, at any time, execute the Series 2010 Bonds and deliver the same to the Trustee. The Trustee shall authenticate the Series 2010 Bonds and deliver the Series 2010 Bonds to the Original Purchaser upon receipt of a Written Request of the Authority and upon receipt of the purchase price therefor.

(b) On the Closing Date, the proceeds of the sale of the Series 2010 Bonds received by the Trustee, $_____, shall be deposited by the Trustee as follows:

(i) the Trustee shall deposit the amount of $_____ in the Costs of Issuance Fund;

(ii) the Trustee shall deposit the amount of $_____ in the Reserve Fund;

(iii) the Trustee shall deposit the amount of $_____ in the Series 2010A Subaccount of the Series 2010 Coroner Addition and Improvements Renovation Account of the Project Fund;

(iv) the Trustee shall deposit the amount of $_____ in the Series 2010B Subaccount of the Series 2010 Coroner Addition and Improvements Renovation Account of the Project Fund;

(v) the Trustee shall deposit the amount of $_____ in the Series 2010A Subaccount of the Series 2010 Bob Hope Patriotic Hall Renovation General Improvements Account of the Project Fund;

(vi) the Trustee shall deposit the amount of $_____ in the Series 2010B Subaccount of the Series 2010 Bob Hope Patriotic Hall Renovation General Improvements Account of the Project Fund;

(vii) the Trustee shall deposit the amount of $_____ in the Series 2010A Subaccount of the Series 2010 Olive View - UCLA Medical Center ER/TB Unit Addition Account of the Project Fund;

(viii) the Trustee shall deposit the amount of $_____ in the Series 2010B Subaccount of the Series 2010 Olive View - UCLA Medical Center ER/TB Unit Addition Account of the Project Fund;

(ix) the Trustee shall deposit the amount of $_____ in the Series 2010A Subaccount of the Series 2010 Olive View - UCLA Medical Center Seismic Retrofit Account of the Project Fund;

(x) the Trustee shall deposit the amount of $_____ in the Series 2010B Subaccount of the Series 2010 Olive View - UCLA Medical Center Seismic Retrofit Account of the Project Fund;

(xi) the Trustee shall deposit the amount of $_____ in the Series 2010A Subaccount of the Series 2010 Harbor - UCLA Medical Center Surgery/Emergency Room Replacement Account of the Project Fund;

(xii) the Trustee shall deposit the amount of $_____ in the Series 2010B Subaccount of the Series 2010 Harbor - UCLA Medical Center Surgery/Emergency Room Replacement Account of the Project Fund;

(xiii) the Trustee shall deposit the amount of $_____ in the Series 2010A Subaccount of the Series 2010 Harbor - UCLA Medical Center Seismic Retrofit Account of the Project Fund;

(xiv) the Trustee shall deposit the amount of $_____ in the Series 2010B Subaccount of the Series 2010 Harbor - UCLA Medical Center Seismic Retrofit Account of the Project Fund;

(xv) the Trustee shall deposit the amount of $_____ in the Series 2010A Subaccount of the Series 2010 Hall of Justice Rehabilitation Account of the Project Fund;

(xvi) the Trustee shall deposit the amount of $_____ in the Series 2010B Subaccount of the Series 2010 Hall of Justice Rehabilitation Account of the Project Fund; and

(xvii) [the Trustee shall transfer to the Commercial Paper Note Issuing and Paying Agent the amount of $_____ to be deposited in the applicable subaccounts of the Bank Reimbursement Account within the Issuing and Paying Agent Fund (as such terms are defined in the Commercial Paper Note Trust Agreement) to be applied to reimburse the related letter of credit provider bank after the payment, at maturity, of the Refunded Commercial Paper Notes in accordance with the provisions of the Commercial Paper Note Trust Agreement.]

Section 2.04. <u>Conditions for the Issuance of Additional Bonds</u>. The Authority may at any time issue one or more Series of Additional Bonds (in addition to the Series 2010 Bonds) payable from Lease Revenues as provided herein on a parity with all other Bonds theretofore issued hereunder, but only subject to the following conditions, which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) neither the Authority nor the County shall be in default under this Indenture, the Sublease or the Site Lease;

(b) the issuance of such Additional Bonds shall have been authorized under and pursuant to the Act and under and pursuant hereto and shall have been provided for by a Supplemental Indenture which shall specify the following:

(i) the purposes for which such Additional Bonds are to be issued; provided, that the proceeds of the sale of such Additional Bonds shall be applied only for one or more of the following purposes: (A) providing funds to pay costs of County facilities (including capitalized interest), (B) providing funds to refund any Bonds issued hereunder or other obligations of the County, (C) providing funds to pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds, and (D) providing funds to make any deposit to the Reserve Fund required pursuant to paragraph (c) below;

(ii) the principal amount and designation of such Series of Additional Bonds and the denomination or denominations of the Additional Bonds, which shall be Authorized Denominations;

(iii) that such Additional Bonds shall be payable as to interest on the Interest Payment Dates, except that the first installment of interest may be payable on either February 1 or August 1;

(iv) the date, the maturity date or dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional

Bonds; provided, that (A) the serial Bonds of such Series of Additional Bonds shall be payable as to principal annually on August 1 of each year in which principal falls due, and the term Bonds of such Series of Additional Bonds shall have annual mandatory sinking fund redemptions on August 1, (B) all Additional Bonds of a Series of like maturity shall be identical in all respects, except as to number or denomination, and (C) serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(v) the redemption premiums and terms, if any, for such Additional Bonds;

(vi) the form of such Additional Bonds; and

(vii) such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof;

(c) upon the issuance of such Additional Bonds, the amount on deposit in the Reserve Fund shall be at least equal to the Reserve Requirement; and

(d) upon the issuance of such Additional Bonds, the sum of Base Rental Payments, including any increase in the Base Rental Payments as a result of the issuance of such Additional Bonds, plus Additional Rental Payments, in any Rental Period shall not be in excess of the annual fair rental value of the Property after taking into account the use of the proceeds of such Additional Bonds (evidence of the satisfaction of such condition shall be made by a Written Certificate of the County).

Section 2.05. Procedure for the Issuance of Additional Bonds. Whenever the Authority and the County shall determine to authorize the issuance of any Additional Bonds, the Authority, the County and the Trustee shall enter into a Supplemental Indenture satisfying the conditions of Section 2.04 hereof. Before such Additional Bonds shall be issued, the Authority and the County shall file or cause to be filed with the Trustee the following:

(a) an Opinion of Counsel setting forth (i) that counsel rendering such opinion has examined the Supplemental Indenture, the amendment to the Sublease, if any, and the amendment to the Site Lease, if any, (ii) that the issuance of the Additional Bonds has been duly authorized by the Authority, (iii) that the execution and delivery of the Supplemental Indenture and, if any, the amendments to the Sublease and the Site Lease have been duly authorized, executed and delivered by the Authority and the County, (iv) that upon execution and delivery of such Supplemental Indenture and any such amendments to the Sublease and the Site Lease, this Indenture, as amended and supplemented by such Supplemental Indenture, and, if so amended, the Sublease and the Site Lease, as amended by such amendments, will be valid and binding obligations of the Authority and the County, and (v) that the execution and delivery of the Supplemental Indenture and, if any, the amendments to the Sublease and the Site Lease, in and of

themselves, do not adversely affect the exclusion from gross income for federal income tax purposes of interest on Outstanding Tax-Exempt Bonds;

(b) a Written Certificate of the Authority that the requirements of Section 2.04 hereof have been met;

(c) a Written Certificate of the County that the requirements of Section 2.04 hereof have been met, which shall include a certification as to the fair rental value of the Property, after giving effect to any amendments to the Sublease and the Site Lease entered into in connection with the issuance of the Additional Bonds and taking into account the use of proceeds of such Additional Bonds;

(d) [the written consent of the Insurer to the execution and delivery of such Supplemental Indenture and the issuance of such Additional Bonds;]

(e) certified copies of the resolutions of the Board of Directors of the Authority and the Board of Supervisors of the County authorizing the execution and delivery of the Supplemental Indenture and, if any, the amendments to the Sublease and the Site Lease;

(f) executed counterparts or duly authenticated copies of the Supplemental Indenture and, if any, the amendments to the Sublease and the Site Lease, with satisfactory evidence that any such amendments to the Sublease and the Site Lease have been duly recorded in the appropriate records of the county in which the Property is located;

(g) certified copies of the policies of insurance required by Section 5.01 of the Sublease or certificates thereof, which shall evidence that the amounts of the insurance required under subsections (c) and (d) of Section 5.01 of the Sublease have been increased, if applicable, to cover the amount of such Additional Bonds; and

(h) a CLTA title insurance policy or other appropriate form of policy in the amount of the Additional Bonds of the type and with the endorsements described in Section 5.04 of the Sublease.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's being satisfied from an examination of said instruments that all of the documents required by this Section have been delivered, the Trustee shall authenticate such Additional Bonds, and shall deliver such Additional Bonds to, or upon the request of, the Authority.

Section 2.06. Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of the Chairman of the Board of Directors of the Authority attested by the manual or facsimile signature of the Secretary of the Authority. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of such officers of the Authority who shall have signed or attested any of the Bonds shall cease to be such officers before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as

binding upon the Authority as though those who signed and attested the same had continued to be such officers, and also any Bonds may be signed and attested on behalf of the Authority by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the Authority although at the nominal date of such Bonds any such Person shall not have been such officer of the Authority.

Section 2.07. Authentication of Bonds. Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form as that set forth in Exhibit A and Exhibit B hereto for the Series 2010 Bonds, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.08. Registration Books. The Trustee shall keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be available for inspection and copying by the Authority, the County [and the Insurer]; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as herein provided.

Section 2.09. Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be obligated to make any transfer or exchange of Bonds of a Series pursuant to this Section during the period commencing on the date five days before the date of selection of Bonds of such Series for redemption and ending on the date of mailing notice of such redemption, or with respect to any Bonds of such Series selected for redemption.

Section 2.10. Book-Entry System. (a) Prior to the issuance of a Series of Bonds, the Authority may provide that such Series of Bonds shall initially be issued as Book-Entry Bonds, and in such event, the Bonds of such Series for each maturity date shall be in the form of a separate single fully registered Bond (which may be typewritten). Upon initial issuance, the ownership of each such Bond of such Series shall be registered in the Registration Books in the name of the Nominee, as nominee of the Depository. The Series 2010 Bonds shall initially be issued as Book-Entry Bonds.

Payment of principal of, and interest and premium, if any, on, any Book-Entry Bond registered in the name of the Nominee shall be made on the applicable payment date by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of the Nominee. Such payments shall be made to the Nominee at the address which is, on the Record Date, shown for the Nominee in the Registration Books.

(b) With respect to Book-Entry Bonds, the Authority, the County and the Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which such a Participant holds an interest in such Book-Entry Bonds. Without limiting the immediately preceding sentence, the Authority, the County and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in Book-Entry Bonds, (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the Registration Books, of any notice with respect to Book- Entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in Book-Entry Bonds of a maturity to be redeemed in the event such Book-Entry Bonds are redeemed in part, (iv) the payment to any Participant or any other Person, other than an Owner as shown in the Registration Books, of any amount with respect to principal of, or premium, if any, or interest on Book-Entry Bonds, or (v) any consent given or other action taken by the Depository as Owner.

(c) The Authority, the County and the Trustee may treat and consider the Person in whose name each Book-Entry Bond is registered in the Registration Books as the absolute Owner of such Book-Entry Bond for the purpose of payment of principal of, and premium, if any, and interest on such Bond, for the purpose of selecting any Bonds, or portions thereof, to be redeemed, for the purpose of giving notices of redemption and other matters with respect to such Book-Entry Bond, for the purpose of registering transfers with respect to such Book-Entry Bond, for the purpose of obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and the Authority, the County and the Trustee shall not be affected by any notice to the contrary.

(d) In the event of a redemption of all or a portion of a Book-Entry Bond, the Depository, in its discretion, (i) may request the Trustee to authenticate and deliver a new Book-Entry Bond, or (ii) if DTC is the sole Owner of such Book-Entry Bond, shall make an appropriate notation on the Book-Entry Bond indicating the date and amounts of the reduction in principal thereof resulting from such redemption, except in the case of final payment, in which case such Book-Entry Bond must be presented to the Trustee prior to payment.

(e) The Trustee shall pay all principal of, and premium, if any, and interest on the Book-Entry Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State of California) the respective Owner, as shown in the Registration Books, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal of, and premium, if any, and interest on the Book-Entry Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Registration Books, shall receive an authenticated Book-Entry Bond. Upon delivery by the Depository to the Owners, the Authority, the County and the Trustee of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions

herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such nominee of the Depository.

(f) In order to qualify the Book-Entry Bonds for the Depository's book-entry system, the Authority shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the Authority, the County or the Trustee any obligation whatsoever with respect to Persons having interests in such Book-Entry Bonds other than the Owners, as shown on the Registration Books. Such Letter of Representations may provide the time, form, content and manner of transmission, of notices to the Depository. In addition to the execution and delivery of a Letter of Representations by the Authority, the Authority, the County and the Trustee shall take such other actions, not inconsistent with this Indenture, as are reasonably necessary to qualify Book-Entry Bonds for the Depository's book-entry program.

(g) In the event the Authority determines that it is in the best interests of the Beneficial Owners that they be able to obtain certificated Bonds and that such Bonds should therefore be made available and notifies the Depository and the Trustee of such determination, the Depository will notify the Participants of the availability through the Depository of certificated Bonds. In such event, the Trustee shall transfer and exchange certificated Bonds as requested by the Depository and any other Owners in appropriate amounts. In the event (i) the Depository determines not to continue to act as securities depository for Book-Entry Bonds, or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the Authority shall discontinue the Book-Entry system with the Depository. If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate, fully registered Bond of the appropriate Series for each maturity date of such Book-Entry Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Book-Entry Bonds shall no longer be restricted to being registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of Sections 2.09 and 2.11 hereof. Whenever the Depository requests the Authority to do so, the Authority shall cooperate with the Depository in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Book-Entry Bonds to any Participant having Book-Entry Bonds credited to its account with the Depository, and (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Book-Entry Bonds.

(h) Notwithstanding any other provision of this Indenture to the contrary, if DTC is the sole Owner of the Bonds of a Series, so long as any Book-Entry Bond of such Series is registered in the name of the Nominee, all payments of principal of, and premium, if any, and interest on such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by the Depository.

(i) In connection with any notice or other communication to be provided to Owners pursuant to this Indenture by the Authority, the County or the Trustee, with respect to any

consent or other action to be taken by Owners of Book-Entry Bonds, the Trustee shall establish a record date for such consent or other action and give the Depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Notice to the Depository shall be given only when DTC is the sole Owner of the Bonds of a Series.

Section 2.11. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like aggregate principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like aggregate principal amount in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond of a Series issued under the provisions of this Section in lieu of any Bond of such Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds of such Series secured by this Indenture.

Section 2.12. Temporary Bonds. The Bonds of a Series may be issued in temporary form exchangeable for definitive Bonds of such Series when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such Authorized Denominations as may be determined by the Authority, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds of a Series it shall execute and deliver definitive Bonds of such Series as promptly thereafter as practicable, and thereupon the temporary Bonds of such Series may be surrendered for cancellation at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of such Series and maturities in Authorized Denominations. Until so exchanged, the temporary Bonds of such Series shall be entitled to the same benefits under this Indenture as definitive Bonds of such Series authenticated and delivered hereunder.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Extraordinary Redemption. The Bonds shall be subject to redemption, in whole or in part, on any date, in Authorized Denominations, from and to the extent of any Net Proceeds (other than Net Proceeds of rental interruption insurance) received with respect to all or a portion of the Property and deposited by the Trustee in the Redemption Fund in accordance with the provisions hereof, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium.

Section 3.02. Optional Redemption. (a) The Series 2010A Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Series 2010A Bonds maturing on or after August 1, 20__, are subject to optional redemption prior to their respective stated maturity dates, on any date on or after August 1, 20__, in whole or in part, in Authorized Denominations, from (i) prepaid Base Rental Payments paid pursuant to subsection (a) of Section 6.02 of the Sublease, or (ii) any other source of available funds, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium.

(b) The Series 2010B Bonds are subject to optional redemption prior to their respective stated maturity dates, on any date, in whole or in part, in Authorized Denominations, from (i) prepaid Base Rental Payments paid pursuant to subsection (a) of Section 6.02 of the Sublease, or (ii) any other source of available funds, at a redemption price equal to the greater of: (1) the original issue price (but not less than 100%) of such principal amount of the Series 2010B Bonds to be redeemed; or (2) the principal amount thereof plus the Make-Whole Premium, together, in each case, with accrued interest, if any, to the date fixed for redemption.

(c) The Series 2010B Bonds are subject to optional redemption, upon the occurrence of a Tax Law Change, prior to their respective stated maturity dates, on any date, in whole or in part, in Authorized Denominations, from (i) prepaid Base Rental Payments paid pursuant to subsection (a) of Section 6.02 of the Sublease, or (ii) any other source of available funds, at a redemption price equal to the greater of: (1) the original issue price (but not less than 100%) of such principal amount of the Series 2010B Bonds to be redeemed; or (2) the principal amount thereof plus the Make-Whole Premium, together, in each case, with accrued interest, if any, to the date fixed for redemption.

Section 3.03. Mandatory Sinking Fund Redemption. (a) The Series 2010A Bonds maturing August 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on August 1 in each year, commencing August 1, 20__, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
(Maturity)	

If some but not all of the Series 2010A Bonds maturing on August 1, 20__ are redeemed pursuant to Section 3.01 hereof, the principal amount of Series 2010A Bonds maturing on August 1, 20__ to be redeemed pursuant to this Section shall be reduced by the aggregate principal amount of the Series 2010A Bonds maturing on August 1, 20__ so redeemed pursuant to Section 3.01 hereof, such reduction to be allocated among sinking fund redemption dates as nearly as practicable on a pro rata basis, in amounts equal to Authorized Denominations, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Authority and the County. If some but not all of the Series 2010A Bonds maturing on August 1, 20__ are redeemed pursuant to Section 3.02 hereof, the principal amount of Series 2010A Bonds maturing on August 1, 20__ to be redeemed pursuant to this Section shall be reduced by the aggregate principal amount of the Series 2010A Bonds maturing on August 1, 20__ so redeemed pursuant to Section 3.02 hereof, such reduction to be allocated among sinking fund redemption dates in Authorized Denominations, as designated by the County in a Written Certificate of the County.

(b) The Series 2010B Bonds maturing August 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on August 1 in each year, commencing August 1, 20__, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
(Maturity)	

If some but not all of the Series 2010B Bonds maturing on August 1, 20__ are redeemed pursuant to Section 3.01 hereof, the principal amount of Series 2010B Bonds maturing on August 1, 20__ to be redeemed pursuant to this Section shall be reduced by the aggregate principal amount of the Series 2010B Bonds maturing on August 1, 20__ so redeemed pursuant to Section 3.01 hereof, such reduction to be allocated among sinking fund redemption dates as nearly as practicable on a pro rata basis, in amounts equal to Authorized Denominations, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Authority and the County. If some but not all of the Series 2010B Bonds maturing on August 1, 20__ are redeemed pursuant to Section 3.02 hereof, the principal amount of Series 2010B Bonds maturing on August 1, 20__ to be redeemed pursuant to this Section shall be reduced by the

aggregate principal amount of the Series 2010B Bonds maturing on August 1, 20__ so redeemed pursuant to Section 3.02 hereof, such reduction to be allocated among sinking fund redemption dates as nearly as practicable on a pro rata basis, in amounts equal to Authorized Denominations, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Authority and the County.

Section 3.04. Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any redemption pursuant to Section 3.01 hereof, among maturities of all Series of Bonds on a pro rata basis as nearly as practicable, (b) with respect to any optional redemption of a Series of Series 2010 Bonds pursuant to Section 3.02(a), Section 3.02(b) or Section 3.02(c) hereof, among maturities as directed in a Written Certificate of the County, (c) with respect to Series 2010A Bonds with the same maturity, by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair, (d) with respect to Series 2010B Bonds with the same maturity, (i) if the Series 2010B Bonds are not Book-Entry Bonds, the Trustee shall select the Series 2010B Bonds of such maturity to be redeemed among the Owners of such Series 2010B Bonds on a pro rata basis as nearly as practicable, and (ii) if the Series 2010B Bonds are Book-Entry Bonds, the Trustee shall select the Series 2010B Bonds of such maturity to be redeemed on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Series 2010B Bonds are held in book-entry form, the selection for redemption of such Series 2010B Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2010B Bonds will be selected for redemption, in accordance with DTC procedures, by lot, and (e) with respect to any other redemption of Additional Bonds, as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued. It is the Authority's intent that the redemption allocations described in clause (d)(ii) made by DTC be made on a pro rata pass-through distribution of principal basis as set forth in clause (d)(ii). The Trustee shall promptly notify the Authority and the County in writing of the numbers of the Bonds so selected for redemption on such date. For purposes of such selection, any Bond may be redeemed in part in Authorized Denominations.

Section 3.05. Notice of Redemption. The Trustee on behalf of the Authority shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books at least 30 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole), and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption. With respect to any notice of any optional redemption of Bonds of a Series, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid within the meaning of Section 9.02 hereof, such notice shall state that such redemption is

conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

Section 3.06. Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same Series in Authorized Denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Section 3.07. Effect of Notice of Redemption. Notice having been mailed as aforesaid, and moneys for the redemption price, and the interest to the applicable date fixed for redemption, having been set aside, the Bonds shall become due and payable on said date and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the redemption price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the redemption price of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and destroyed.

ARTICLE IV

PLEDGE AND ASSIGNMENT; FUNDS AND ACCOUNTS

Section 4.01. Pledge and Assignment. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Lease Revenues and all amounts on deposit from time to time in the funds and accounts established hereunder (other than the Rebate Fund) are hereby pledged to the payment of the principal of and interest on the Bonds as provided herein, and the Lease Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding. Said pledge shall constitute a first lien on such assets.

In order to secure the pledge of the Lease Revenues contained in this Section, the Authority hereby sells, assigns and transfers to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the Owners, all of its right, title and interest in and to the Site Lease and the Sublease, including, without limitation, the right to receive Base Rental Payments and the right to exercise any remedies provided in the Sublease in the event of a default by the County thereunder; provided, however, that the Authority shall retain the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Sublease. The Trustee hereby accepts said assignment for the benefit of the Owners, subject to the provisions of this Indenture.

The Trustee shall be entitled to and shall receive all of the Base Rental Payments, and any Base Rental Payments collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as agent of the Trustee and shall forthwith be paid by the Authority to the Trustee.

Section 4.02. Project Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Project Fund." Within the Project Fund, the Trustee shall establish and maintain a separate account designated the "Series 2010 Coroner Addition and Improvements Renovation Account," a separate account designated the "Series 2010 Bob Hope Patriotic Hall Renovation General Improvements Account," a separate account designated the "Series 2010 Olive View - UCLA Medical Center ER/TB Unit Addition Account," a separate account designated the "Series 2010 Olive View - UCLA Medical Center Seismic Retrofit Account," a separate account designated the "Series 2010 Harbor - UCLA Medical Center Surgery/Emergency Room Replacement Account," a separate account designated the "Series 2010 Harbor - UCLA Medical Center Seismic Retrofit Account" and a separate account designated the "Series 2010 Hall of Justice Rehabilitation Account," and within each such account a separate subaccount designated the "Series 2010A Subaccount" and a separate subaccount designated the "Series 2010B Subaccount." On the Closing Date, the Trustee shall deposit in each subaccount or acccount of the Project Fund the amount required to be deposited therein pursuant to Section 2.03 hereof.

(b) The moneys in each account and subaccount within the Project Fund shall be used and withdrawn by the Trustee from time to time to pay Project Costs upon submission to the Trustee of a Written Request of the County substantially in the form attached hereto as Exhibit

D. Upon receipt of each such Written Request of the County, the Trustee shall pay the amount set forth in such Written Request of the County as directed by the terms thereof.

(c) Upon completion of the Project, the County shall file with the Trustee a Written Certificate of the County notifying the Trustee of such completion. Upon the filing of such Written Certificate of the County, all amounts remaining on deposit in the Project Fund shall be transferred to the Interest Account and used to pay interest on the Bonds in accordance with Section 4.04 hereof, and upon such transfer the Project Fund shall be closed.

(d) If the Project Fund has been closed in accordance with the provisions hereof, the Project Fund shall be reopened and reestablished by the Trustee in connection with the issuance of any Additional Bonds, if so provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued. There shall be deposited in the Project Fund the portion, if any, of the proceeds of the sale of any Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

Section 4.03. Costs of Issuance Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Costs of Issuance Fund." On the Closing Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to Section 2.03 hereof.

(b) The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay Costs of Issuance upon submission to the Trustee of a Written Request of the County substantially in the form attached hereto as Exhibit E. Upon receipt of each such Written Request of the County, the Trustee shall pay the amount set forth in such Written Request as directed by the terms thereof.

(c) On the date that is six months after the Closing Date, the Trustee shall transfer any amounts then remaining in the Costs of Issuance Fund to the Project Fund, and upon such transfer the Costs of Issuance Fund shall be closed.

(d) If the Costs of Issuance Fund has been closed in accordance with the provisions hereof, the Costs of Issuance Fund shall be reopened and reestablished by the Trustee in connection with the issuance of any Additional Bonds, if so provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued. There shall be deposited in the Costs of Issuance Fund the portion, if any, of the proceeds of the sale of any Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

Section 4.04. Payment Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Payment Fund." Within the Payment Fund, the Trustee shall establish and maintain a separate account designated the "Interest Account" and a separate account designated the "Principal Account."

(b) All Lease Revenues received by the Trustee shall be deposited by the Trustee in the Payment Fund; provided, however, that Net Proceeds, other than those constituting proceeds of rental interruption insurance received with respect to the Property, shall not be deposited in the Payment Fund but, rather, shall be applied as provided in Section 5.01 or Section 5.02 hereof,

as applicable. There shall additionally be deposited in the Payment Fund amounts transferred from the Reserve Fund pursuant to subsection (c) of Section 4.06 hereof. [The Insurance Policy shall be held by the Trustee and shall be deemed to be held in the Payment Fund.]

(c) The Trustee, on each Interest Payment Date, shall transfer from the Payment Fund to the Interest Account an amount equal to the interest on the Bonds coming due on such Interest Payment Date. Moneys in the Interest Account shall be withdrawn and used by the Trustee for the purpose of paying interest on the Bonds as and when due and payable.

(d) The Trustee, on each Principal Payment Date, shall transfer from the Payment Fund to the Principal Account an amount equal to the principal of the Bonds, including principal due and payable by reason of mandatory sinking fund redemption, coming due on such date. Moneys in the Principal Account shall be withdrawn and used by the Trustee for the purpose of paying principal of the Bonds, including principal due and payable by reason of mandatory sinking fund redemption, as and when due and payable.

Section 4.05. Redemption Fund. The Trustee shall establish and maintain a special fund designated the "Redemption Fund." The Trustee shall deposit in the Redemption Fund any amounts received from the County in connection with the County's exercise of its right pursuant to Section 6.02 of the Sublease to cause Bonds to be optionally redeemed. Additionally, the Trustee shall deposit in the Redemption Fund any amounts required to be deposited therein pursuant to Section 5.01 or Section 5.02 hereof. Amounts in the Redemption Fund shall be disbursed therefrom by the Trustee for the payment of the redemption price of, and accrued interest on, Bonds redeemed pursuant to Section 3.01 or Section 3.02 hereof.

Section 4.06. Reserve Fund. (a) The Trustee shall establish and maintain a special fund designated the "Reserve Fund." On the Closing Date, the Trustee shall deposit in the Reserve Fund the amount required to be deposited therein pursuant to Section 2.03 hereof. There shall additionally be deposited in the Reserve Fund, in connection with the issuance of Additional Bonds, the amount required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(b) In the event that, on the second Business Day prior to a date on which the Trustee is to transfer money from the Payment Fund to the Interest Account pursuant to subsection (c) of Section 4.04 hereof or to the Principal Account pursuant to subsection (d) of Section 4.04 hereof, amounts in the Payment Fund are insufficient for such purpose, the Trustee shall withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Payment Fund.

(c) In the event of any transfer from the Reserve Fund, the Trustee shall, within two Business Days thereafter, provide written notice to the Authority, the County [and the Insurer] of the amount and the date of such transfer or claim; provided, however, that such notice need not be provided if such transfer is made pursuant to subsection (e) or subsection (f) of this Section.

(d) If the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement, the first of Base Rental Payments thereafter received from the County under the Sublease and not needed to pay the principal of and interest on the Bonds on the next Interest

Payment Date or Principal Payment Date shall be used to increase the amount on deposit in the Reserve Fund so that the amount on deposit in the Reserve Fund shall equal the Reserve Requirement.

(e) If, as a result of the payment of principal of or interest on the Bonds, the Reserve Requirement is reduced, amounts on deposit in the Reserve Fund in excess of such reduced Reserve Requirement shall be transferred to the Payment Fund.

(f) On any date on which Bonds are defeased in accordance with Section 9.02 hereof, the Trustee shall, if so directed in a Written Request of the County, transfer any moneys in the Reserve Fund in excess of the Reserve Requirement resulting from such defeasance to the entity or fund so specified in such Written Request of the County, to be applied to such defeasance.

(g) Moneys, if any, on deposit in the Reserve Fund shall be withdrawn and applied by the Trustee for the final payments of principal of and interest on the Bonds.

Section 4.07. Rebate Fund. (a) The Trustee shall establish and maintain a special fund designated the "Rebate Fund." There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate, as specified in a Written Request of the Authority or a Written Request of the County. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Bonds pursuant to Article IX hereof or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority or the County, and shall have no liability or responsibility to enforce compliance by the Authority or the County with the terms of the Tax Certificate. The Trustee may conclusively rely upon the determinations, calculations and certifications of the Authority or the County required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the calculations of the Authority or the County.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and after payment of any amounts described in this Section, shall, upon receipt by the Trustee of a Written Request of the County, be withdrawn by the Trustee and remitted to the County.

Section 4.08. Investments. (a) Except as otherwise provided herein, any moneys held by the Trustee in the funds and accounts established hereunder shall be invested by the Trustee upon the Written Request of the County, received at least two Business Days prior to the investment date, only in Permitted Investments, and in the absence of such direction shall be invested by the Trustee in Permitted Investments described in clause [(6)] of the definition thereof. The Trustee may act as principal or agent in the acquisition or disposition of any such investment. The Trustee shall not be liable or responsible for any loss suffered in connection with any such investment made by it under the terms of and in accordance with this Section. The Trustee shall sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment of the funds so invested, and the

Trustee shall not be liable or responsible for any losses resulting from any such investment sold or presented for redemption. Permitted Investments that are registerable securities shall be registered in the name of the Trustee.

(b) Investments purchased with funds on deposit in the Payment Fund shall mature not later than the payment date immediately succeeding the investment. Investments purchased with funds on deposit in the Redemption Fund shall be invested in Permitted Investments described in clause [(1)(a)] of the definition thereof that mature on or prior to the redemption date on which such funds are to be applied to the redemption of Bonds. Investments purchased with funds on deposit in the Project Fund shall mature not later than the dates upon which such funds shall be needed to be expended for the payment of Project Costs. Notwithstanding anything to the contrary contained herein, investments purchased with funds on deposit in the Reserve Fund shall have an average aggregate weighted term to maturity of not greater than five years.

(c) Investments (except investment agreements) in any fund or account established hereunder shall be valued, exclusive of accrued interest (i) [as frequently as deemed necessary by the Insurer but] not less often than annually nor more often than monthly, and (ii) upon any draw upon the Reserve Fund. All investments of amounts deposited in any fund or account established hereunder shall be valued at the market value thereof.

(d) Any interest or profits received with respect to investments held in any of the funds or accounts established under this Indenture (other than the Reserve Fund) shall be retained therein. Any interest or profits received with respect to investments held in the Reserve Fund shall be, until the date the Written Certificate of the County required by subsection (c) of Section 4.02 hereof is filed with the Trustee, transferred to the Project Fund and, thereafter, shall be transferred to the Interest Account. Notwithstanding the foregoing, any such transfer or disbursement shall be made from the Reserve Fund only if and to the extent that, after such transfer, the amount on deposit in the Reserve Fund is at least equal to the Reserve Requirement.

(e) The Authority and the County acknowledges that to the extent that regulations of the Comptroller of the Currency grant the Authority or the County the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, to the extent permitted by law, the Authority and the County specifically waives receipt of such confirmations. The Trustee shall furnish the Authority and the County periodic transaction statements that include detail for all investment transactions made by the Trustee hereunder.

ARTICLE V

NET PROCEEDS AND TITLE INSURANCE; COVENANTS

Section 5.01. Application of Net Proceeds. If the Property or any portion thereof shall be damaged or destroyed, subject to the further requirements of this Section, the County shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the County elects not to repair or replace the Property or the affected portion thereof in accordance with the provisions hereof.

The Net Proceeds of any insurance (other than Net Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of any damage or destruction of the Property or a portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in a special account and made available for and, to the extent necessary, shall[, with the consent of the Insurer,] be applied to the cost of repair or replacement of the Property or the affected portion thereof upon receipt of a Written Request of the County, together with invoices therefor. Pending such application, such proceeds may, pursuant to a Written Request of the County, be invested by the Trustee in Permitted Investments that mature not later than such times as moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, the County shall, within 60 days of the occurrence of the event of damage or destruction, notify the Trustee in writing as to whether the County intends to replace or repair the Property or the portions of the Property which were damaged or destroyed. If the County does intend to replace or repair the Property or portions thereof, the County shall deposit with the Trustee the full amount of any insurance deductible to be credited to the special account referred to above.

If such damage, destruction or loss was such that there resulted a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments results from such damage or destruction pursuant to Section 3.06 of the Sublease, then the County shall[, with the consent or at the direction of the Insurer,] be required either to (a) apply sufficient funds from the insurance proceeds and other legally available funds to the replacement or repair of the Property or the portions thereof which have been damaged to the condition which existed prior to such damage or destruction, or (b) apply sufficient funds from the insurance proceeds and other legally available funds to the redemption, pursuant to Section 3.01 hereof (i) of all of the Outstanding Bonds, or (ii) of such portion of the Outstanding Bonds as shall result in the remaining, non-abated Base Rental Payments being sufficient to pay, as and when due, the principal of and interest on the Bonds that will remain Outstanding after such redemption. If the County is required to apply funds from the insurance proceeds and other legally available funds to the redemption of Bonds in accordance with clause (b) above, the County shall direct the Trustee, in a Written Request of the County, to transfer the funds to be applied to such redemption to the Redemption Fund and the Trustee shall transfer such funds to the Redemption Fund. Any proceeds of any insurance, including the proceeds of any self-insurance remaining after the portion of the Property which was damaged or destroyed is restored to and made available to the County in substantially the same condition and annual fair rental value as that which existed prior to the damage or destruction as required by clause (a)

above, or the redemption of Bonds as required by clause (b) above, in each case as evidenced by a Written Certificate of the County to such effect, shall be deposited in the Reserve Fund to the extent that the amount therein is less than the Reserve Requirement. If the County is not required to replace or repair the Property, or the affected portion thereof, as set forth in clause (a) above, or to use such amounts to redeem Bonds as set forth in clause (b) above, then such proceeds shall be deposited in the Reserve Fund to the extent that the amount therein is less than the Reserve Requirement. Any amounts not required to be so deposited into the Reserve Fund shall, [with the consent of the Insurer and] if there is first delivered to the Trustee a Written Certificate of the County to the effect that the annual fair rental value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, is at least equal to 100% of the maximum amount of Base Rental Payments becoming due under the Sublease in the then current Rental Period or any subsequent Rental Period and the fair replacement value of the Property after such damage or destruction is at least equal to the sum of the then unpaid principal components of Base Rental Payments, be paid to the County to be used for any lawful purpose.

The proceeds of any award in eminent domain shall be deposited by the Trustee in the Redemption Fund and applied to the redemption of Bonds pursuant to Section 3.01 hereof.

Section 5.02. Title Insurance. Net Proceeds of any policy of title insurance received by the Trustee in respect of the Property shall be applied and disbursed by the Trustee as follows:

(a) if the County determines that the title defect giving rise to such proceeds has not substantially interfered with its use and occupancy of the Property and will not result in an abatement of Rental Payments payable by the County under the Sublease, such proceeds shall[, with the written approval of the Insurer,] be remitted to the County and used for any lawful purpose thereof; or

(b) if the County determines that the title defect giving rise to such proceeds has substantially interfered with its use and occupancy of the Property and will result in an abatement in whole or in part of Rental Payments payable by the County under the Sublease, then the County shall, in a Written Request of the County, direct the Trustee to, and the Trustee shall[, with the written approval of the Insurer,] immediately deposit such proceeds in the Redemption Fund and such proceeds shall be applied to the redemption of Bonds in the manner provided in Section 3.01 hereof.

Section 5.03. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal of, and premium, if any, and interest on the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of the Base Rental Payments and other assets pledged for such payment as provided in this Indenture and received by the Authority or the Trustee.

Section 5.04. Compliance with Indenture. The Authority and the County shall faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in this Indenture required to be complied with, kept, observed and performed by them.

Section 5.05. Compliance with Site Lease and Sublease. The Authority and the County shall faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Site Lease and the Sublease required to be complied with, kept, observed and performed by them and, together with the Trustee, shall enforce the Site Lease and the Sublease against the other party thereto in accordance with their respective terms.

Section 5.06. Observance of Laws and Regulations. The Authority, the County and the Trustee shall faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 5.07. Other Liens. The County shall keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens (other than the OES Lien) of whatever nature or character, and free from any claim or liability which materially impairs the County in conducting its business or utilizing the Property, and the Trustee at its option (after first giving the County thirty days' written notice to comply therewith and failure of the County to so comply within such thirty-day period) may defend against any and all actions or proceedings, or may pay or[, with the consent of the Insurer,] compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the County from liability for or on account of any of its agreements and covenants contained herein, or from its obligation hereunder to perform such agreements and covenants. The Trustee shall have no liability with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

So long as any Bonds are Outstanding, none of the Trustee, the Authority or the County shall create or suffer to be created any pledge of or lien on the amounts on deposit in any of the funds or accounts created hereunder, other than the pledge and lien hereof.

The Authority and the Trustee shall not encumber the Property other than in accordance with the Site Lease, the Sublease and this Indenture.

Section 5.08. Prosecution and Defense of Suits. The County shall promptly, upon request of the Trustee[, the Insurer] or any Owner, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Property or any part thereof, whether now existing or hereafter developing, shall prosecute all actions, suits or other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee[, the Insurer] and every Owner harmless from all cost, damage, expense or loss, including attorneys' fees, which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 5.09. Accounting Records and Statements. The Trustee shall keep proper accounting records in which complete and correct entries shall be made of all transactions relating to the receipt, deposit and disbursement of the Lease Revenues, and such accounting records shall be available for inspection by the Authority and the County at reasonable hours and under reasonable conditions. The Trustee shall, upon written request, make copies of the foregoing available to [the Insurer and], at the Owner's expense, any Owner or its agent duly authorized in writing.

Section 5.10. Recordation. The County shall record, or cause to be recorded, with the appropriate county recorder, the Sublease and the Site Lease, or memoranda thereof, and a memorandum of the assignment of the County's right, title and interest in and to the Site Lease and the Sublease pursuant to Section 4.01 hereof.

Section 5.11. Tax Covenants. (a) Neither the Authority nor the County shall take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2010A Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, each of the Authority and the County shall comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Series 2010A Bonds.

(b) In the event that at any time the Authority or the County is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established hereunder, the Authority or the County shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Authority or the County shall provide to the Trustee an Opinion of Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2010A Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 5.12. Continuing Disclosure. The County shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the County to comply with the Continuing Disclosure Certificate shall not constitute an Event of Default hereunder; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate principal amount of Outstanding Series 2010 Bonds, shall) or any holder or Beneficial Owner of the Series 2010 Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.13. Notifications Required by the Act. If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds or withdraws funds from the Reserve Fund to pay principal and interest on the Bonds, the Trustee shall notify the

Authority in writing of such failure or withdrawal, as applicable, and, in accordance with Section 6599.1(c) of the Act, the Authority shall notify the California Debt and Investment Advisory Commission of such failure or withdrawal, as applicable, within 10 days of the failure or withdrawal, as applicable.

Section 5.14. Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee[, the Insurer] or any Owner, the Authority and the County shall promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee[, the Insurer] and the Owners all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them hereby or by the Site Lease or the Sublease.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.01. Events of Default. The occurrence, from time to time, of any one or more of the following events shall constitute an Event of Default under this Indenture:

(a) failure to pay any installment of principal of any Bond as and when the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise;

(b) failure to pay any installment of interest on any Bond as and when the same shall become due and payable;

(c) a Sublease Default Event shall have occurred and be continuing;

(d) failure by the Authority to observe and perform any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Authority by the Trustee, the County[, the Insurer] or the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that if, in the reasonable opinion of the Authority, the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Authority within such 30 day period and the Authority shall thereafter diligently and in good faith cure such failure in a reasonable period of time[, provided, further, however, that the period of time for such cure shall not exceed 90 days without the prior written consent of the Insurer];

(e) failure by the County to observe and perform any of the covenants, agreements or conditions on its part in this Indenture contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the County by the Trustee, the Authority[, the Insurer] or the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that if, in the reasonable opinion of the County, the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the County within such 30 day period and the County shall thereafter diligently and in good faith cure such failure in a reasonable period of time[, provided, further, however, that the period of time for such cure shall not exceed 60 days without the prior written consent of the Insurer]; or

(f) the Authority or the County shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 6.02. Action on Default. [In each and every case during the continuance of an Event of Default, the Trustee (a) may, with the prior written consent of the Insurer, at the direction of the Owners of not less than a majority of the aggregate principal amount of Bonds

then Outstanding, and (b) shall, so long as no Insurer Default shall have occurred and be continuing, at the direction of the Insurer, upon notice in writing to the Authority and the County, exercise any of the remedies granted to the Authority under the Sublease and, in addition, with the written consent or at the written direction of, the Insurer, take whatever action at law or in equity may appear necessary or desirable to protect and enforce any of the rights vested in the Trustee or the Owners by this Indenture or by the Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in Section 6.03 hereof.]

Section 6.03. Other Remedies of the Trustee. [Subject to the provisions of Section 6.02 hereof,] during the continuance of an Event of Default, the Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or the County or any member, director, officer or employee thereof, and to compel the Authority or the County or any such member, director, officer or employee to perform or carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein or in the Bonds;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee or the Owners; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the Authority or the County, or both, to account as if it or they were the trustee or trustees of an express trust.

Section 6.04. Remedies Not Exclusive. [Subject to the provisions of Section 6.02 hereof,] no remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.05. Application of Amounts After Default. If an Event of Default shall occur and be continuing, all Lease Revenues and any other funds thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) to the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) to the payment of all amounts then due for interest on the Bonds, ratably without preference or priority of any kind, according to the amounts of interest on such

Bonds due and payable, with interest on the overdue interest at the rate borne by the respective Bonds;

(c) to the payment of all amounts then due for principal of the Bonds, ratably without preference or priority of any kind, according to the amounts of principal of the Bonds due and payable, with interest on the overdue principal at the rate borne by the respective Bonds; and

(d) [to the extent not included in clause (b) or clause (c) above, to the payment of all amounts then due hereunder to the Insurer.]

Section 6.06. Power of Trustee to Enforce. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of this Indenture.

Section 6.07. Bond Owners Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder[, but only if, so long as no Insurer Default shall have occurred and be continuing, the Insurer has consented to such direction]; provided, however, that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and, provided, further, that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

Section 6.08. Limitation on Bond Owners' Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Act or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default, [(b) so long as no Insurer Default shall have occurred and be continuing, such Owner shall have obtained the Insurer's consent to such institution,] (c) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name, (d) such Owner or said Owners shall have tendered to the Trustee indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, and (e) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder or under law; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security

of this Indenture or the rights of any other Owners, or to enforce any right under the Bonds, this Indenture, the Act or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners, subject to the provisions of this Indenture.

Section 6.09. Termination of Proceedings. If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee[, the Insurer] or any Owner, then, subject to any such adverse determination, the Trustee[, the Insurer], such Owner, the Authority and the County shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken. In case any proceedings taken by the Trustee[, the Insurer] or any one or more Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee[, the Insurer] or any Owner, then in every such case the Trustee, [the Insurer,] such Owner, the Authority and the County, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Trustee, [the Insurer,] the Owners, the Authority and the County shall continue as though no such proceedings had been taken.

Section 6.10. No Waiver of Default. No delay or omission of the Trustee or of any Owner to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, and every power and remedy given by this Indenture to the Trustee or to the Owners may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VII

THE TRUSTEE

Section 7.01. Duties and Liabilities of Trustee. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default which has not been cured or waived, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

Section 7.02. Removal and Resignation of the Trustee. The Authority and the County may by an instrument in writing, remove the Trustee initially a party hereto and any successor thereto unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee initially a party hereto and any successor thereto if at any time (a) requested to do so by [the Insurer (so long as no Insurer Default shall have occurred and be continuing) or] by an instrument or concurrent instruments in writing signed by the Owners of a majority of the aggregate principal amount of the Bonds at the time Outstanding (or their attorneys duly authorized in writing), or (b) the Trustee shall cease to be eligible in accordance with the following sentence, and shall appoint a successor Trustee. The Trustee and any successor Trustee shall be a commercial bank with trust powers having a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000 (or be part of a bank holding company with a combined capital and surplus of at least $50,000,000) and subject to supervision or examination by federal or state authorities. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign by giving written notice of such resignation to the Authority and the County and by giving notice, by first class mail, postage prepaid, of such resignation to the Owners at their addresses appearing on the Registration Books. Upon receiving such notice of resignation, the Authority and the County shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event the Authority and the County do not appoint a successor Trustee within 30 days following receipt of such notice of resignation, the resigning Trustee may, at the expense of the County, petition the appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of a Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and the County and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, at the written request of the Authority, the County or of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other

things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth.

Any corporation, association or agency into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, provided that such entity meets the combined capital and surplus requirements of this Section, ipso facto, shall be and become successor trustee under this Indenture and vested with all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 7.03. Compensation and Indemnification of the Trustee. The County shall from time to time, subject to any written agreement then in effect with the Trustee, pay the Trustee reasonable compensation for all its services rendered hereunder and reimburse the Trustee for all its reasonable advances and expenditures (which shall not include "overhead expenses" except as such expenses are included as a component of the Trustee's stated annual fees) hereunder, including but not limited to advances to and reasonable fees and reasonable expenses of accountants, agents, appraisers, consultants or other experts, and counsel not directly employed by the Trustee but an attorney or firm of attorneys retained by the Trustee, employed by it in the exercise and performance of its rights and obligations hereunder; provided, however, that the Trustee shall not have any lien for such compensation or reimbursement against any moneys held by it in any of the funds or accounts established hereunder.

The County shall, to the extent permitted by law, indemnify and save the Trustee harmless against any liabilities, costs, claims or expenses, including those of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder and under any related documents, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its willful misconduct. The duty of the County to indemnify the Trustee shall survive the termination and discharge of this Indenture.

Section 7.04. Protection of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, telegram, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee security or indemnity, reasonably satisfactory to the Trustee, against the reasonable costs, expenses and liabilities which might be incurred by it in compliance with such request or

direction. Under no circumstances shall the Trustee request or be entitled to indemnification from the County for taking actions required by and in accordance with this Indenture, including, but not limited to, causing payments of principal of and interest on the Bonds to be made to the Owners thereof and carrying out redemptions of the Bonds in accordance with the terms hereof. The Trustee may consult with counsel, who may be counsel to the Authority or the County, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in good faith in accordance therewith.

The Trustee shall not be responsible for the sufficiency of the Bonds or the Sublease or for statements made in the preliminary or final official statement relating to the Bonds, or of the title to the Property.

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

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

The Trustee may buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority or the County, and may act as agent, depository or trustee for any committee or body of Owners or of owners of obligations of the Authority or the County as freely as if it were not the Trustee hereunder.

The Trustee may, to the extent reasonably necessary, execute any of the trusts or powers hereof and perform any rights and obligations required of it hereunder by or through agents, attorneys or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its rights and obligations hereunder, and the Trustee shall not be answerable for the negligence or misconduct of any such agent, attorney or receiver selected by it with reasonable care; provided, however, that in the event of any negligence or misconduct of any such attorney, agent or receiver, the Trustee shall diligently pursue all remedies of the Trustee against such agent, attorney or receiver. The Trustee shall not be liable for any error of judgment made by it in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be answerable for the exercise of any trusts or powers hereunder or for anything whatsoever in connection with the funds established hereunder, except only for its own willful misconduct, negligence or breach of an obligation hereunder.

The Trustee may, on behalf of the Owners, intervene in any judicial proceeding to which the Authority or the County is a party and which, in the opinion of the Trustee and its counsel, affects the Bonds or the security therefor, and shall do so if requested in writing by [the Insurer or] the Owners of at least 5% of the aggregate principal amount of Bonds then Outstanding, provided the Trustee shall have no duty to take such action unless it has been indemnified to its reasonable satisfaction against all risk or liability arising from such action.

ARTICLE VIII

SUPPLEMENTAL INDENTURES

Section 8.01. Supplemental Indentures. (a) This Indenture and the rights and obligations of the Authority, the County, the Trustee and the Owners hereunder may be modified or amended at any time by a Supplemental Indenture, which the Authority, the County and the Trustee may enter into when the prior written consents of [the Insurer (so long as no Insurer Default shall have occurred and be continuing) and] the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 11.06 hereof, are filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bond, reduce the amount of principal thereof or the rate of interest thereon, alter the redemption provisions with respect thereto [or diminish the security afforded by the Insurance Policy], without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, without the consent of the Owners of all of the Bonds then Outstanding, or (iii) permit the creation of any lien on the Lease Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture or deprive the Owners of the Bonds of the lien created by this Indenture on such Lease Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all Bonds then Outstanding, or (iv) amend this Section without the prior written consent of the Owners of all Bonds then Outstanding.

(b) This Indenture and the rights and obligations of the Authority, the County, the Trustee and the Owners hereunder may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority, the County and the Trustee may enter into [with the prior written consent of the Insurer (so long as no Insurer Default shall have occurred and be continuing), but] without the consent of any Owners for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority or the County in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority or the County;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Indenture or in regard to questions arising hereunder which the Authority or the County may deem desirable or necessary and not inconsistent herewith;

(iii) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of Section 2.04 and Section 2.05 hereof;

(iv) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of

interest on Tax-Exempt Bonds or maintain any federal interest subsidies expected to be received with respect to any Bonds; and

(v) for any other reason, provided such amendment or supplement does not adversely affect the rights or interests of [the Insurer or] the Owners; provided, however, that the Authority, the County and the Trustee may rely in entering into any such amendment or supplement upon an Opinion of Counsel stating that the requirements of this paragraph have been met with respect to such amendment or supplement.

(c) Promptly after the execution by the Authority, the County and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Authority or the County), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Section 8.02. Effect of Supplemental Indenture. Upon the execution and delivery of any Supplemental Indenture entered into pursuant to subsection (a) or (b) of Section 8.01 hereof, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the County, the Trustee and the Owners shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 8.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the effective date of any Supplemental Indenture pursuant to this Article may and, if the Authority or the County so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority, the County and the Trustee as to any modification or amendment provided for in such Supplemental Indenture and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date, and presentation of such Bond for such purpose at the Office of the Trustee, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority, the County and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date, and presentation of such Bond for such purpose at the Office of the Trustee, such a new Bond in equal principal amount of the same Series, interest rate and maturity shall be exchanged for such Owner's Bond so surrendered.

Section 8.04. Amendment of Particular Bonds. [Subject to the receipt of the prior written consent of the Insurer as provided in Section 8.01 hereof,] the provisions of this Article shall not prevent any Owner from accepting any amendment or modification as to any particular Bond owned by it, provided that due notation thereof is made on such Bond.

ARTICLE IX

DEFEASANCE

Section 9.01. Discharge of Indenture. (a) If (i) the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, and (ii) all other amounts due and payable hereunder and under the Sublease shall have been paid, then the Owners shall cease to be entitled to the pledge of the Lease Revenues and the other assets as provided herein, and all agreements, covenants and other obligations of the Authority and the County hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority and the County all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the County all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of subsection (a) of this Section, when any Bond shall have been paid and if, at the time of such payment, each of the Authority and the County shall have kept, performed and observed all of the covenants and promises in such Bonds and in this Indenture required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Bond and such Bond shall cease to be entitled to the pledge of the Lease Revenues and the other assets as provided herein, and all agreements, covenants and other obligations of the Authority and the County hereunder shall cease, terminate, become void and be completely discharged and satisfied as to such Bond.

(c) Notwithstanding the discharge and satisfaction of this Indenture or the discharge and satisfaction of this Indenture in respect of any Bond, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners of the Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the discharge and satisfaction of this Indenture, the provisions of Section 7.03 hereof relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Authority, the County and the Trustee.

Section 9.02. Bonds Deemed To Have Been Paid. (a) If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, such Bond shall be deemed to have been paid within the meaning and with the effect provided in Section 9.01 hereof. Any Outstanding Bond shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 9.01 hereof if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall

have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 3.05 hereof, notice of redemption of such Bond on said redemption date, said notice to be given in accordance with Section 3.05 hereof, (ii) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient, or (B) Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which shall be sufficient to pay when due the interest to become due on such Bond on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bond, and (iii) in the event such Bond is not by its terms subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owners of such Bond that the deposit required by clause (ii) above has been made with the Trustee and that such Bond is deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bond. Neither the money nor the Defeasance Securities deposited with the Trustee pursuant to this subsection in connection with the deemed payment of Bonds, nor principal or interest payments on any such Defeasance Securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for and pledged to, the payment of the principal of and, premium, if any, and interest on such Bonds.

(b) No Bond shall be deemed to have been paid pursuant to clause (ii)(B) of subsection (a) of this Section unless [(i) all amounts currently due to the Insurer under the Insurance Policy shall have been paid in full, and (ii)] the Authority or the County shall cause to be delivered (A) an executed copy of a Verification Report with respect to such deemed payment, addressed to the Authority, the County, the Trustee [and the Insurer], in form and in substance acceptable to the Authority, the County, the Trustee [and the Insurer], (B) a copy of the escrow agreement entered into in connection with the deposit pursuant to clause (ii)(B) of subsection (a) of this Section resulting in such deemed payment, which escrow agreement shall provide that no substitution of Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new Verification Report and no reinvestment of Defeasance Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (C) a copy of an Opinion of Counsel, dated the date of such deemed payment and addressed to the Authority, the County, the Trustee [and the Insurer], in form and in substance acceptable to the Authority, the County, the Trustee [and the Insurer], to the effect that such Bond has been paid within the meaning and with the effect expressed in this Indenture, and all agreements, covenants and other obligations of the Authority and the County hereunder as to such Bond have ceased, terminated, become void and been completely discharged and satisfied. [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.]

(c) The Trustee may seek and is entitled to rely upon (i) an Opinion of Counsel reasonably satisfactory to the Trustee to the effect that the conditions precedent to a deemed pursuant to clause (ii) of subsection (a) of this Section have been satisfied, and (ii) such other opinions, certifications and computations, as the Trustee may reasonably request, of accountants or other financial consultants concerning the matters described in subsection (b) of this Section.

Section 9.03. Unclaimed Moneys. Any moneys held by the Trustee in trust for the payment and discharge of the principal of, or premium or interest on, any Bonds which remain unclaimed for two years after the date when such principal, premium or interest has become payable, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such principal, premium or interest become payable, shall, at the Written Request of the Authority, be repaid by the Trustee to the County as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners of such Bonds shall look only to the County for the payment of such principal, premium or interest.

ARTICLE X

INSURANCE POLICY PROVISIONS

Section 10.01. Insurer To Be Deemed Owner; Rights of the Insurer; Payments by the Insurer; Notices. (a) [Notwithstanding any provision of this Indenture to the contrary, so long as no Insurer Default shall have occurred and be continuing, the Insurer shall at all times be deemed the sole Owner of the Outstanding Series 2010 Bonds for the purposes of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Series 2010 Bonds are entitled to take pursuant to Article IX hereof; provided, however, that the Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Series 2010 Bonds with respect to Supplemental Indenture which seeks to modify or amend this Indenture for the purposes set forth in clause (i), (ii), (iii) or (iv) of subsection (a) of Section 8.01 hereof.

(b) The rights granted to the Insurer under this Indenture, the Sublease or the Site Lease to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit of or on behalf of the Owners, nor does such action evidence any position of the Insurer, positive or negative, as to whether Owner consent is required in addition to consent of the Insurer.

(c) The Series 2010 Bonds paid by the Insurer under the Insurance Policy shall not be deemed to have been paid for purposes of this Indenture, the Sublease or the Site Lease and shall remain Outstanding and continue to be due and owing until paid by the Authority in accordance with this Indenture.

(d) Each of the Authority and the County covenants and agrees to take such action as is necessary from time to time to perfect or otherwise preserve under applicable law the priority of the pledge of Lease Revenues contained in Section 4.01 hereof.

(e) To the extent that the Insurer makes any payment of principal of or interest on a Series 2010 Bond, the Insurer shall, in accordance with the terms of the Insurance Policy, become subrogated to the rights of the Owner of such Series 2010 Bond receiving such payment. The obligations of the Authority with respect to such rights to which the Insurer has become subrogated shall survive the termination of the Site Lease and the Sublease.

(f) The County hereby agrees, to the extent permitted by law, to pay or reimburse the Insurer any and all charges, fees, costs and expenses which the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in this Indenture, the Sublease or the Site Lease, (ii) the pursuit of any remedies under this Indenture, the Sublease or the Site Lease, or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, this Indenture, the Sublease or the Site Lease whether or not executed or completed, (iv) the violation by the Authority or the County of any law, rule or regulation, or any judgment, order or decree applicable to it, or (v) any litigation or other dispute in connection with this Indenture, the Sublease or the Site Lease,

or the transactions contemplated hereby or thereby, other than amounts resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Indenture, the Sublease or the Site Lease.

(g) The application of funds realized upon an Event of Default shall be applied to payment of expenses of the Authority or the County or rebate only after the payment of debt service due and past due on the Bonds and, if necessary, replenishment of the Reserve Fund.

(h) The Insurer shall be entitled to pay principal of or interest on the Series 2010 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), whether or not the Insurer has received a Notice of Nonpayment (as such term is defined in the Insurance Policy) or a claim upon the Insurance Policy.

(i) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Series 2010 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.]

Section 10.02. Claims upon the Insurance Policy and Payments by and to the Insurer. (a) [If, on the _____ Business Day prior to the related Interest Payment Date or Principal Payment Date, there is not on deposit in the Payment Fund and the accounts therein, after making all transfers and deposits required hereunder, moneys sufficient to pay the principal of and interest on the Series 2010 Bonds due on such Interest Payment Date or Principal Payment Date, the Trustee shall give notice to the Insurer and to the Insurer's Fiscal Agent (if any) by telephone or telecopy of the amount of such deficiency by 12:00 (noon) New York City time on such Business Day. If, on the Business Day prior to such Interest Payment Date or Principal Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2010 Bonds due on such Interest Payment Date or Principal Payment Date, the Trustee 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 2010 Bonds and the amount required to pay principal of the Series 2010 Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent (if any) by 12:00 (noon) New York City time on such Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

(b) In the event the claim to be made is for a mandatory sinking fund redemption installment for the Series 2010 Bonds, upon receipt of the moneys due, the Trustee shall authenticate and deliver to affected Owners who surrender their Series 2010 Bonds a new Series 2010 Bond or Series 2010 Bonds in an aggregate principal amount equal to the unredeemed portion of the Series 2010 Bond surrendered. The Trustee shall designate any portion of payment of principal of Series 2010 Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption or maturity, on its books as a reduction in the principal amount of Series 2010 Bonds registered to the then current Owners, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2010 Bond to the Insurer, registered in the name of _____, in a principal amount equal to the amount of principal so paid (without

regard to Authorized Denominations); provided, however, that the Trustee's failure to so designate any payment or issue any replacement Series 2010 Bond shall have no effect on the amount of principal of or interest on Series 2010 Bonds payable by the Authority or on the subrogation rights of the Insurer.

(c) Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of the Owners of the Series 2010 Bonds designated the "Policy Payments Account," over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Owners of the Series 2010 Bonds and shall deposit 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 Trustee to Owners of the Series 2010 Bonds in the same manner as principal and interest payments are to be made with respect to the Series 2010 Bonds under the provisions hereof regarding payment of 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 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 2010 Bonds, interest on such principal of, and interest on, such Series 2010 Bonds shall accrue and be payable from the date of such payment at the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank or its successor at its principal office in the City of New York, as its prime or base lending rate, plus 3%, and (ii) the applicable rate of interest on the Series 2010 Bonds provided that in no event shall such rate exceed the maximum rate permissible under applicable usury or similar laws limiting interest rates.

(d) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following the Interest Payment Date or Principal Payment Date on which amounts therein have been disbursed shall be remitted to the Insurer.]

Section 10.03. Reporting Requirements. (a) [The County shall provide to the Insurer (i) within 215 days after the end of each fiscal year of the County, a Written Certificate of the County certifying that the County is not aware of any Event of Default or of any default hereunder or under the Sublease, (ii) within 215 days after the end of each fiscal year of the County, audited financial statements for such fiscal year, (iii) within 30 days after the approval thereof, each annual budget of the County, and, (iv) from time to time, such other information, data or reports as the Insurer may reasonably request.

(b) The Authority shall provide the Insurer with notice of any default hereunder or under the Sublease within five Business Days of obtaining knowledge thereof. The County shall provide the Insurer with notice of any default hereunder or under the Sublease within five Business Days of obtaining knowledge thereof.

(c) The Authority shall provide the Insurer with prior notice of the advance refunding or redemption of any of the Series 2010 Bonds, including the principal amount, maturities and CUSIP numbers thereof.

(d) The Authority shall provide the Insurer with notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto.

(e) Each of the Authority, the County and the Trustee agrees that it will, if it has actual knowledge thereof, promptly notify the Insurer of (i) the commencement of any Insolvency Proceeding by or against the Authority or the County, and (ii) the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of or interest on the Series 2010 Bonds.

(f) The Insurer shall be provided with a full original transcript of all proceedings relating to the execution of any Supplemental Indenture, amendment to the Sublease or amendment to the Site Lease or any waiver with respect to this Indenture, the Sublease or the Site Lease.

(g) The Trustee shall, at the time any report, notice or correspondence is delivered to Owners of the Series 2010 Bonds pursuant to the provisions hereof, deliver a copy of such report, notice or correspondence to the Insurer.

(h) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Bonds or the rights of the Owners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.]

ARTICLE XI

MISCELLANEOUS

Section 11.01. Benefits of Indenture Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any Person other than the Authority, the County, the Trustee[, the Insurer] and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term required herein to be observed or performed by or on behalf of the Authority or the County shall be for the sole and exclusive benefit of the Trustee[, the Insurer] and the Owners.

Section 11.02. Successor Deemed Included in all References to Predecessor. Whenever the Authority, the County or the Trustee, or any officer thereof, is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Authority, the County or the Trustee, or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the Authority, the County or the Trustee, or any officer thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 11.03. Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or its attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which such notary public or other officer purports to act that the Person signing such declaration, request or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

The ownership of any Bond and the amount, payment date, number and date of owning the same may be proved by the Registration Books.

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

Section 11.04. Waiver of Personal Liability. Notwithstanding anything contained herein to the contrary, no member, officer or employee of the Authority or the County shall be individually or personally liable for the payment of any moneys, including without limitation, the principal of or interest on the Bonds, but nothing contained herein shall relieve any member, officer or employee of the Authority or the County from the performance of any official duty provided by any applicable provisions of law, by the Sublease or hereby.

Section 11.05. Acquisition of Bonds by Authority or County. All Bonds acquired by the Authority or the County, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

Section 11.06. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Authority or the County, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the County, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the County. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 11.07. Money Held for Particular Bonds. The money held by the Trustee for the payment of the principal of or premium or interest on particular Bonds due on any date (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 9.03 hereof, but without any liability for interest thereon.

Section 11.08. Funds and Accounts. Any fund or account required to be established and maintained pursuant hereto by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund, but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners. The Trustee may establish such funds and accounts as it deems necessary to perform its obligations hereunder.

The Trustee may commingle any of the moneys held by it hereunder for investment purposes only; provided, however, that the Trustee shall account separately for the moneys in each fund or account established pursuant to this Indenture.

Section 11.09. Third-Party Beneficiary. [The Insurer is a third-party beneficiary of this Indenture.]

Section 11.10. Gender and References; Article and Section Headings. The singular form of any word used herein, including the terms defined in Section 1.01 hereof, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders. The headings or titles of the several Articles and Sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. Unless

the context otherwise clearly requires, all references herein to "Articles," "Sections," subsections or clauses are to the corresponding Articles, Sections, subsections or clauses hereof, and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, subsection or clause hereof.

Section 11.11. Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the Authority, the County or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void to the extent contrary to law and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them under any applicable provisions of law. The Authority, the County and the Trustee hereby declare that they would have executed this Indenture, and each and every Article, Section, paragraph, subsection, sentence, clause and phrase hereof and would have authorized the execution, authentication, issuance and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more Articles, Sections, paragraphs, subsections, sentences, clauses or phrases hereof or the application thereof to any Person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 11.12. California Law. This Indenture and the Bonds shall be construed and governed in accordance with the laws of the State of California.

Section 11.13. Notices. All written notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the County:	County of Los Angeles Treasurer and Tax Collector Kenneth Hahn Hall of Administration 500 West Temple Street, Room 432 Los Angeles, California 90012 Attention: Public Finance
If to the Authority:	Los Angeles County Public Works Financing Authority c/o County of Los Angeles Kenneth Hahn Hall of Administration 500 West Temple Street, Room 432 Los Angeles, California 90012 Attention: Treasurer

If to the Trustee: U.S. Bank National Association

_____, California
Attention: Corporate Trust Services

[If to the Insurer: _____

Attention: _____
Re: Policy No. _____

In each case in which notice or other communication to the Insurer 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 of the Insurer and shall be marked to indicate "URGENT MATERIAL ENCLOSED."]

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, or (d) if given by any other means, upon delivery at the address specified in this Section.

Section 11.14. Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture and, unless otherwise specifically provided in this Indenture, no interest shall accrue for the period from and after such nominal date.

Section 11.15. Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority has caused this Indenture to be signed in its name by its representative thereunto duly authorized, the County has caused this Indenture to be signed in its name by its representative thereunto duly authorized and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

By: _____

COUNTY OF LOS ANGELES

By: _____

U.S. BANK NATIONAL ASSOCIATION

By: _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2010A BOND

No. R- ***$***

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
LEASE REVENUE BOND (MULTIPLE CAPITAL PROJECTS I),
2010 SERIES A (TAX-EXEMPT)

MATURITY DATE	INTEREST RATE	DATED DATE	CUSIP NO.
August 1, 20__	___%	_____, 2010	

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: _____ DOLLARS

The Los Angeles County Public Works Financing Authority (the "Authority"), for value received, hereby promises to pay to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof, payable semiannually on February 1 and August 1 in each year, commencing _____ 1, 20__ (the "Interest Payment Dates"), until payment of such Principal Amount in full. This Bond is issued pursuant to the Master Indenture, dated as of _____ 1, 2010 (the "Indenture"), by and among the Authority, the County of Los Angeles (the "County") and U.S. Bank National Association, as trustee. Capitalized undefined terms used herein have the meanings ascribed thereto in the Indenture.

This Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date, whether or not such day is a business day, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to _____ 15, 20__, in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or duly provided for). The Principal Amount hereof is payable upon surrender hereof upon maturity at the principal corporate trust office of U.S. Bank National Association, as trustee, or any successor trustee under the Indenture (the "Trustee"), in _____, California, or such other office as may be specified to the Authority and the County by the Trustee in writing (the "Office of the Trustee"). Interest hereon is payable by check of the Trustee, mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of the Registered

Owner as it appears on the Registration Books of the Trustee as of the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date.

This Bond is one of a series of a duly authorized issue of bonds designated "Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series A (Tax-Exempt)" (the "Series 2010A Bonds") in the aggregate principal amount of $_____. The Series 2010A Bonds are issued pursuant to the Indenture, and this reference incorporates the Indenture herein. Simultaneously with the issuance of the Series 2010A Bonds, the Authority is issuing its Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series B (Build America Bonds/Recovery Zone Economic Development Bonds) (the "Series 2010B Bonds"), in the aggregate principal amount of $_____. The Series 2010A Bonds are on a parity with the Series 2010B Bonds. Pursuant to and as more particularly provided in the Indenture, Additional Bonds may be issued by the Authority payable from Lease Revenues as provided in the Indenture on a parity with the Series 2010A Bonds and the Series 2010B Bonds. The Series 2010A Bonds and the Series 2010B Bonds and any Additional Bonds are collectively referred to as the "Bonds." The Indenture is entered into, and this Bond is issued under, the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 *et seq.* of the California Government Code (the "Act") and the laws of the State of California.

Reference is hereby made to the Indenture and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Bonds, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights, duties and immunities of the Trustee, for the rights and remedies of the Owners of the Bonds with respect thereto and for the other agreements, conditions, covenants and terms upon which the Bonds are issued thereunder, to all of which provisions the Registered Owner by acceptance hereof, assents and agrees.

The Bonds are special obligations of the Authority, payable solely from the Lease Revenues and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the County or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds. The Lease Revenues consist of all Base Rental Payments payable by the County pursuant to the Master Sublease, dated as of _____ 1, 2010, by and between the County, as lessee, and the Authority, as lessor, (the "Sublease"), including any prepayments thereof, any Net Proceeds and any amounts received by the Trustee as a result of or in connection with the Trustee's pursuit of remedies under the Sublease upon a Sublease Default Event. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Lease Revenues and all amounts on deposit from time to time in the funds and accounts established under the Indenture (other than the Rebate Fund) are pledged to the payment of the principal of and interest on the Bonds as provided therein, and the Lease Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding. Said pledge constitutes a first lien on such assets. In order to secure such pledge of the Lease Revenues, the Authority has sold assigned and transferred to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the Owners, all of its right, title and interest in and to the Site Lease and the Sublease, including, without limitation, the right to receive Base Rental Payments and the right to exercise any remedies provided in the Sublease in the event of a

default by the County thereunder; provided, however, that the Authority has retained the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Sublease.

The Bonds are issuable as fully registered Bonds without coupons in Authorized Denominations ($5,000 or any integral multiple thereof).

The Series 2010A Bonds are subject to extraordinary, optional and mandatory redemption at the times, in the manner, at the redemption prices and upon notice as specified in the Indenture.

Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture may be amended or supplemented by the parties thereto.

The Indenture contains provisions permitting the Authority to make provision for the payment of interest on, and the principal and premium, if any, of any of the Bond so that such Bonds shall no longer be deemed to be outstanding under the terms of the Indenture.

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Authority has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of the Chairman of the Authority, attested by the manual or facsimile signature of the Secretary of the Authority, all as of the Dated Date identified above.

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

By: _____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2010A Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: _____

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.	Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B

FORM OF SERIES 2010B BOND

No. R- ***$***

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY LEASE REVENUE BOND (MULTIPLE CAPITAL PROJECTS I), 2010 SERIES B (BUILD AMERICA BONDS/RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

MATURITY DATE	INTEREST RATE	DATED DATE	CUSIP NO.
August 1, 20__	___%	_____, 2010	

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: _____ DOLLARS

The Los Angeles County Public Works Financing Authority (the "Authority"), for value received, hereby promises to pay to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof, payable semiannually on February 1 and August 1 in each year, commencing _____ 1, 20__ (the "Interest Payment Dates"), until payment of such Principal Amount in full. This Bond is issued pursuant to the Master Indenture, dated as of _____ 1, 2010 (the "Indenture"), by and among the Authority, the County of Los Angeles (the "County") and U.S. Bank National Association, as trustee. Capitalized undefined terms used herein have the meanings ascribed thereto in the Indenture.

This Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date, whether or not such day is a business day, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to _____ 15, 20__, in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or duly provided for). The Principal Amount hereof is payable upon surrender hereof upon maturity at the principal corporate trust office of U.S. Bank National Association, as trustee, or any successor trustee under the Indenture (the "Trustee"), in _____, California, or such other office as may be specified to the Authority and the County by the Trustee in writing (the "Office of the Trustee"). Interest hereon is payable by check of the Trustee, mailed by first class mail on

each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the Registration Books of the Trustee as of the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date.

This Bond is one of a series of a duly authorized issue of bonds designated "Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series B (Build America Bonds/Recovery Zone Economic Development Bonds)" (the "Series 2010B Bonds") in the aggregate principal amount of $_____. The Series 2010B Bonds are issued pursuant to the Indenture, and this reference incorporates the Indenture herein. Simultaneously with the issuance of the Series 2010B Bonds, the Authority is issuing its Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series A (Tax-Exempt)" (the "Series 2010A Bonds"), in the aggregate principal amount of $_____. The Series 2010B Bonds are on a parity with the Series 2010A Bonds. Pursuant to and as more particularly provided in the Indenture, Additional Bonds may be issued by the Authority payable from Lease Revenues as provided in the Indenture on a parity with the Series 2010A Bonds and the Series 2010B Bonds. The Series 2010A Bonds and the Series 2010B Bonds and any Additional Bonds are collectively referred to as the "Bonds." The Indenture is entered into, and this Bond is issued under, the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 *et seq.* of the California Government Code (the "Act") and the laws of the State of California.

Reference is hereby made to the Indenture and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Bonds, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights, duties and immunities of the Trustee, for the rights and remedies of the Owners of the Bonds with respect thereto and for the other agreements, conditions, covenants and terms upon which the Bonds are issued thereunder, to all of which provisions the Registered Owner by acceptance hereof, assents and agrees.

The Bonds are special obligations of the Authority, payable solely from the Lease Revenues and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the County or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds. The Lease Revenues consist of all Base Rental Payments payable by the County pursuant to the Master Sublease, dated as of _____ 1, 2010, by and between the County, as lessee, and the Authority, as lessor, (the "Sublease"), including any prepayments thereof, any Net Proceeds and any amounts received by the Trustee as a result of or in connection with the Trustee's pursuit of remedies under the Sublease upon a Sublease Default Event. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Lease Revenues and all amounts on deposit from time to time in the funds and accounts established under the Indenture (other than the Rebate Fund) are pledged to the payment of the principal of and interest on the Bonds as provided therein, and the Lease Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding. Said pledge constitutes a first lien on such assets. In order to secure such pledge of the Lease Revenues, the Authority has sold assigned and transferred to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the Owners, all of its right, title and interest in and to the Site Lease and the Sublease, including, without limitation, the right to receive Base Rental

Payments and the right to exercise any remedies provided in the Sublease in the event of a default by the County thereunder; provided, however, that the Authority has retained the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Sublease.

The Bonds are issuable as fully registered Bonds without coupons in Authorized Denominations ($5,000 or any integral multiple thereof).

The Series 2010B Bonds are subject to extraordinary, optional and mandatory redemption at the times, in the manner, at the redemption prices and upon notice as specified in the Indenture.

Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture may be amended or supplemented by the parties thereto.

The Indenture contains provisions permitting the Authority to make provision for the payment of interest on, and the principal and premium, if any, of any of the Bond so that such Bonds shall no longer be deemed to be outstanding under the terms of the Indenture.

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Authority has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of the Chairman of the Authority, attested by the manual or facsimile signature of the Secretary of the Authority, all as of the Dated Date identified above.

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

By: _____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2010B Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: _____

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

_____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT C

PERMITTED INVESTMENTS

"Permitted Investments" means any of the following to the extent then permitted by the general laws of the State of California applicable to investments by counties:

(1) (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above 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 government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively "United States Obligations"). These include, but are not necessarily limited to:

- U.S. Treasury obligations
  - All direct or fully guaranteed obligations
- Farmers Home Administration
  - Certificates of beneficial ownership
- General Services Administration
  - Participation certificates
- U.S. Maritime Administration
  - Guaranteed Title XI financing
- Small Business Administration
  - Guaranteed participation certificates
- Guaranteed pool certificates
- Government National Mortgage Association (GNMA)
  - GNMA-guaranteed mortgage-backed securities
  - GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development
  - Local authority bonds

(2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board ("FHLB"); (b) the Federal Home Loan Mortgage Corporation ("FHLMC"); (c) the Federal National Mortgage Association (FNMA); (d) Federal Farm Credit Bank ("FFCB"); (e) Government National Mortgage Association ("GNMA"); (f) Student Loan Marketing Association ("SLMA"); and (g) guaranteed portions of Small Business Administration ("SBA") notes.

(3) Commercial Paper having original maturities of not more than 270 days, payable in the United States of America and issued by corporations that are organized and operating in

the United States with total assets in excess of $500 million and having "A" or better rating for the issuer's long-term debt as provided by Moody's, S&P, or Fitch and "P-1", "A-1", "F1" or better rating for the issuer's short-term debt as provided by Moody's, S&P, or Fitch, respectively.

(4) The Los Angeles County Treasury Pool.

(5) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as "bankers' acceptances," having original maturities of not more than 180 days. The institution must have a minimum short-term debt rating of "A-1", "P-1", or "F1" by S&P, Moody's, or Fitch, respectively, and a long-term debt rating of no less than "A" by S&P, Moody's, or Fitch.

(6) Shares of beneficial interest issued by diversified management companies, known as money market funds, registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and whose fund has received the highest possible rating from S&P and at least one other Rating Agency.

(7) Negotiable certificates of deposit issued by a nationally- or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank, in each case which has, or which is a subsidiary of a parent company which has, obligations outstanding having a rating in the "A" category or better from S&P, Moody's, or Fitch.

(8) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(9) Repurchase agreements which have a maximum maturity of 30 days and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number (ii) above.

(10) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least "AA-" or "Aa3" by S&P or Moody's, respectively.

EXHIBIT D

FORM OF PROJECT FUND REQUISITION

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY LEASE REVENUE BONDS (MULTIPLE CAPITAL PROJECTS __)

WRITTEN REQUEST NO. __ FOR DISBURSEMENTS FROM PROJECT FUND

The undersigned hereby states and certifies:

(a) that the undersigned is the duly appointed, qualified and acting _____, of the County of Los Angeles, a political subdivision of the State of California (the "County"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(b) that U.S. Bank National Association, as trustee (the "Trustee"), is hereby requested to disburse from the Series 20____ Subaccount of the Series 20__ _____ Account of the Project Fund, established pursuant to the Master Indenture, dated as of _____ 1, 2010 (the "Indenture"), by and among the Los Angeles County Public Works Financing Authority, the County and the Trustee, to the payees set forth on Attachment I attached hereto and by this reference incorporated herein, the amount set forth on Attachment I opposite each such payee, for payment of such costs identified on said Attachment I;

(c) that each item of cost identified on Attachment I has been properly incurred and the amounts to be disbursed pursuant to this Written Request are for Project Costs properly chargeable by the County to the Series 20____ Subaccount of the Series 20__ _____ Account of the Project Fund, and no amounts to be disbursed pursuant to this Written Request have been the subject of a previous Written Request for disbursement from said subaccount; and

(d) that an invoice for each item of cost identified on Attachment I is attached hereto.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture.

Dated: _____

COUNTY OF LOS ANGELES

By: _____

ATTACHMENT I

PROJECT FUND DISBURSEMENTS

Payee Name and Address	Purpose of Obligation	Amount
		$

EXHIBIT E

FORM OF COSTS OF ISSUANCE FUND REQUISITION

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
LEASE REVENUE BONDS (MULTIPLE CAPITAL PROJECTS __)

WRITTEN REQUEST NO. __ FOR DISBURSEMENTS FROM COSTS OF ISSUANCE

The undersigned hereby states and certifies:

(a) that the undersigned is the duly appointed, qualified and acting _____ of the County of Los Angeles, a political subdivision of the State of California (the "County"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(e) that U.S. Bank National Association, as trustee (the "Trustee"), is hereby requested to disburse from the Costs of Issuance Fund, established pursuant to the Master Indenture, dated as of _____ 1, 2010 (the "Indenture"), by and among the Los Angeles County Public Works Financing Authority, the County and the Trustee, to the payees set forth on Attachment I attached hereto and by this reference incorporated herein, the amount set forth on Attachment I opposite each such payee, for payment of such costs identified on said Attachment I;

(c) that each item of cost identified on Attachment I has been properly incurred and the amounts to be disbursed pursuant to this Written Request are for Costs of Issuance properly chargeable to the Costs of Issuance Fund, and no amounts to be disbursed pursuant to this Written Request have been the subject of a previous Written Request for disbursement from said account; and

(d) that an invoice, for each item of cost identified on Attachment I is attached hereto.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture.

Dated: _____

COUNTY OF LOS ANGELES

By: _____

ATTACHMENT I

COST OF ISSUANCE FUND DISBURSEMENTS

Payee Name and Address	Purpose of Obligation	Amount

EXHIBIT F

DESCRIPTION OF THE PROJECT

The County plans to apply the proceeds of the Series 2010 Bonds to be deposited into the Project Fund established under the Indenture to certain capital improvement projects, collectively referred to as the "Project," as follows:

1. Coroner Crypt Building Addition and Improvements Renovation Project. Project includes renovation of the old coroner administration building, construction of a new crypt addition, and tenant improvements to the existing 1104A Biological Building to properly separate hazardous and non hazardous areas and allocate more space for autopsy, laboratory and forensic support functions.

2. Bob Hope Patriotic Hall General Improvements Project. Project includes refurbishment or replacement of the building's mechanical, electrical, heating, ventilation and air conditioning, plumbing, fire suppression and telecommunications systems. Office and meeting/conference room spaces will also be renovated and American with Disabilities Act upgrades made.

3. Olive View - UCLA Medical Center Emergency Room Replacement and Tuberculosis Isolation Unit Project. Project includes the design and construction of a new emergency room space to accommodate current and future emergency services needs and a tuberculosis isolation unit.

4. Olive View - UCLA Medical Center Senate Bill 1953 Seismic Retrofit Project. Project includes seismic upgrades to structural and nonstructural systems in existing inpatient facilities to comply with the requirements of Senate Bill 1953.

5. Harbor - UCLA Medical Center Surgery/Emergency Room Replacement Project. Project includes the design and construction of an approximate 190,000 square foot addition to replace the existing emergency and surgical suites, and central sterile facilities; a new 540-stall parking structure; upgrades to the existing Emergency Power Station; and a permanent Helistop.

6. Harbor - UCLA Medical Center Senate Bill 1953 Seismic Retrofit Project. Project includes seismic upgrades to structural and nonstructural systems in existing inpatient facilities to comply with the requirements of Senate Bill 1953.

7. Hall of Justice Rehabilitation. Rehabilitation of the approximately 500,000 square foot Hall of Justice building including replacement of building systems and construction of tenant improvements to provide use as office space to tenant departments, and construction of a new, approximately 1,000-stall parking garage.

HD&W Draft – 10/21/10

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

$[Series A Principal Amount]
Lease Revenue Bonds
(Multiple Capital Projects I), 2010 Series A
(Tax-Exempt)

$[Series B Principal Amount]
Lease Revenue Bonds
(Multiple Capital Projects I), 2010 Series B
(Build America Bonds/Recovery Zone Economic Development Bonds)

BOND PURCHASE AGREEMENT

October, __, 2010

Los Angeles County Public Works Financing Authority
Los Angeles, California

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

Ladies and Gentlemen:

The undersigned, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Representative (the "Representative") on behalf of itself and the other underwriters set forth on Exhibit A hereto (the "Underwriters"), offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the Los Angeles County Public Works Financing Authority (the "Authority") and the County of Los Angeles, a political subdivision of the State of California (the "County"), which, upon acceptance of this offer by the Authority and the County, will be binding upon the Authority, the County and the Underwriters. This offer made is subject to receipt by the Underwriters of the documents referred to in Section 9 hereof and to acceptance by the Authority and the County by execution and delivery of this Bond Purchase Agreement to the Underwriters at or prior to 8:00 P.M., California time, on the date first above written, and if not so accepted will be subject to withdrawal by the Underwriters upon notice delivered to the Authority and the County at any time prior to the acceptance hereof by the Authority and the County. Capitalized terms in this Bond Purchase Agreement that are not otherwise defined herein shall have the meanings given to such terms in the Indenture.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties, covenants and agreements hereinafter set forth, the Underwriters hereby agree to purchase from the Authority to offer to the public, and the Authority hereby agrees to cause, _____ a national bank association organized and existing under the laws of the United States of America, as Trustee ("the Trustee"), to deliver to the Underwriters for such purpose, all (but not less than all), in the manner provided herein, of the

Authority's $_____ aggregate principal amount of Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series A (Tax-Exempt) (the "Series 2010A Bonds") and $_____ aggregate principal amount of Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series B (Build America Bonds/Recovery Zone Economic Development Bonds, (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds"). The Series 2010 Bonds are being issued pursuant to the Master Indenture, dated as of November 1, 2010 (the "Indenture"), by and among the County, the Authority and [TRUSTEE], as trustee (the "Trustee).

The Series 2010 Bonds shall be delivered in fully registered form in denominations of $5,000 or any integral multiple thereof. The Series 2010 Bonds shall be dated their date of delivery and mature on the dates and in the principal amounts, and interest with respect thereto shall be computed at the rates, all as shown in Exhibit B. Interest on the Series 2010 Bonds will be payable semiannually each February 1 and August 1, commencing on August 1, 2011. The Series 2010 Bonds shall otherwise be as described in the Official Statement (as defined herein) with respect to the Series 2010 Bonds, dated October __, 2010 (as further defined below), and be subject to redemption as provided therein.

The aggregate purchase price of the Series 2010A Bonds shall be $_____ (representing the aggregate principal amount of the Series 2010A Bonds, plus a net original issue premium of $_____, and less an Underwriters' discount of $_____). The aggregate purchase price of the Series 2010B Bonds shall be $_____ (representing the aggregate principal amount of the Series 2010B Bonds, plus a net original issue premium of $_____, and less an Underwriters' discount of $_____).

The Authority acknowledges and agrees that the purchase and sale of the Series 2010 Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the County and the Underwriters and the Underwriters are acting solely as underwriters and principals in connection with the matters contemplated by and all communications under this Contract of Purchase, and are not acting as the agents or fiduciaries of the Authority and its advisors in connection with the matters contemplated by this Contract of Purchase. In connection with the purchase and sale of the Series 2010 Bonds, the Authority has consulted its own financial and other advisors to the extent it deems appropriate.

2. The Series 2010 Bonds. The Series 2010 Bonds shall be issued in accordance with Article 4, Chapter 5, Division 7, Title 1 (commencing with Section 6584) of the Government Code of the State of California (the "Act"), a Resolution of the Authority adopted on October __, 2010 (the "the Authority Resolution"), and a Resolution of the County adopted on October __, 2010 (the "County Resolution").

The Series 2010 Bonds are special obligations of the Authority that are secured and payable solely from Lease Revenues (as that term is defined in the Indenture), including Base Rental Payments (as that term is defined in the Indenture) payable by the County pursuant to that certain Master Sublease Agreement, dated as of November 1, 2010 (the "Sublease"), by and between the County and the Authority, relating to certain real properties and improvements located thereon (the "Property"), and the other assets pledged thereafter under the Indenture. In connection therewith, the County and the Authority have entered into a Master Site Lease, dated as of November 1, 2010(the "Site Lease"), providing for the lease of the Property by the County

to the Authority. Pursuant to the Indenture, the Authority will assign to the Trustee certain of its rights, title and interest in and to the Sublease.

3. Purpose of the Series 2010 Bonds. The proceeds of the Series 2010 Bonds will be used to finance and/or refinance certain capital improvement projects, including payment of Commercial Paper Notes (as defined in the Indenture) issued by the County to finance certain capital improvement projects, to fund a portion of the Reserve Fund for the Series 2010 Bonds and to pay certain costs of issuance incurred in connection with the issuance of the Series 2010 Bonds.

4. Offering. (a) It shall be a condition to the Authority's obligation to sell and issue the Series 2010 Bonds to the Underwriters and to the Underwriters' obligations to purchase, to accept delivery of and to pay for Series 2010 Bonds that the entire aggregate principal amount of the Series 2010 Bonds referred to in Section 1 shall be issued by the Authority and purchased, accepted and paid for by the Underwriters at the Closing (as defined herein). The Underwriters agree to make a bona fide public offering of all the Series 2010 Bonds, at prices not in excess of the initial public offering prices or yields for Series 2010 Bonds as set forth in the Official Statement (as herein defined); provided that the Series 2010 Bonds may be offered and sold to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriters, at prices lower than such public offering prices and may effect transactions that stabilize or maintain the market price of the Series 2010 Bonds. The County and the Authority hereby authorize the use by the Underwriters of this Bond Purchase Agreement, the Indenture, the Sublease, the Site Lease, the Authority Resolution, the County Resolution, the Disclosure Certificate and the Official Statement, and any supplements or amendments thereto, and the information contained in each of such documents, in connection with the public offering and sale of the Series 2010 Bonds (each as defined herein and, collectively, the "Legal Documents").

(b) The Underwriters agree as follows:

(i) to file, on or before the date of Closing, a copy of the Official Statement, including any supplements thereto, with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system; and

(ii) to take any and all actions necessary to comply with rules of the Securities & Exchange Commission and Municipal Securities Rulemaking Board which are applicable to the Underwriters governing the offering, sale and delivery of the Series 2010 Bonds to the ultimate purchasers.

5. Official Statement. Upon the Authority's and the County's acceptance of this offer, the Authority and the County shall be deemed to have ratified, approved and confirmed the Preliminary Official Statement dated November __, 2010 (together with any appendices thereto, any documents incorporated therein by reference and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement") with respect to the Series 2010 Bonds, in connection with the public offering and sale of the Series 2010 Bonds by the Underwriters. The Authority shall deliver to the Underwriters copies of the Official Statement in such quantities as the Underwriters shall reasonably request, dated the date hereof,

substantially in the form of the Preliminary Official Statement, with only such changes as shall have been accepted by the Representative (said document, including its cover page, inside cover page and appendices, as the same may be amended and supplemented in accordance with this Bond Purchase Agreement and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Official Statement"), approved for distribution pursuant to the Authority Resolution and the County Resolution. The Authority shall, as soon as practicable, but not later than seven (7) business days from the date hereof, deliver to the Underwriters such copies of the Official Statement and, in the event the date of Closing is less than seven (7) business days after the date hereof, upon request of the Representative, in sufficient time to accompany any confirmation requesting payment from any customers of any Underwriter and not later than three (3) business days prior to Closing; provided, however, that the failure of the County to comply with this clause (i) due to any circumstance outside of the control of the County shall not constitute cause for a failure of or refusal by the Underwriters to accept delivery of, or pay for, the Series 2010 Bonds.

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

(a) the County is, and will be on the date of Closing, a political subdivision of the State of California (the "State") organized and operating pursuant to the Constitution and laws of the State with the full power and authority to execute and deliver the Legal Documents to be executed by it and to own its properties and to carry on its business as presently conducted;

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

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

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

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

(f) to the best knowledge of the County, and except as disclosed in the Preliminary Official Statement and in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending in which service of process has been completed against the County or threatened against the County in any material respect affecting the existence of the County or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the adoption of the County Resolution or the payment of Base Rental Payments as required under the Sublease or in any way contesting or affecting the validity or enforceability of the Act or the Legal Documents or contesting the powers of the County or its authority to enter into, adopt or perform its obligations under any of the foregoing, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Legal Documents to be executed by the County or this Bond Purchase Agreement or that could have a material adverse impact upon the ability of the County to enter into or perform its obligations under such documents or that may result in any material adverse change in the business, properties, assets or the financial condition of the County or in any way contesting the existence or powers of the County;

(g) the County will furnish such information, execute such instruments and take such other actions in cooperation with the Representative as the Representative may reasonably request in order (i) to qualify the Series 2010 Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and (ii) to determine the eligibility of the Series 2010 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Series 2010 Bonds; provided, however, that in no event shall the County be required to qualify to do business or consent to service of process in any jurisdiction without its approval;

(h) the information contained in the Preliminary Official Statement was, as of the date thereof, and is, as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12")), and the information contained in the Official Statement will be, as of the Closing Date and the date which is 25 days following the End of the Underwriting Period, true and correct in all material respects and such information did not, does not and will not, as applicable, contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) if between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Series 2010 Bonds, an event occurs which might or would cause

the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the County will notify the Representative, and, if in the reasonable opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County shall cooperate with the Authority in preparing and furnishing to the Underwriters (at the expense of the Authority) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading; provided that, for the purposes of this subsection, between the date hereof and the date that is 25 days after the End of the Underwriting Period for the Series 2010 Bonds, the County will furnish such information with respect to itself as the Representative may from time to time reasonably request; provided, further, as used in this Bond Purchase Agreement, the term "End of the Underwriting Period" for the Series 2010 Bonds shall mean the earlier of (i) the Closing Date unless the County and the Authority shall have been notified in writing to the contrary by the Representative on or prior to said date or (ii) the date on which the End of the Underwriting Period for the Series 2010 Bonds has occurred under Rule 15c2-12, provided, however, that the County and the Authority may treat as the End of the Underwriting Period for the Series 2010 Bonds as the date specified as such in a notice from the Representative stating the date that is the End of the Underwriting Period;

(j) if the information contained in the Official Statement is amended or supplemented pursuant to the terms hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Series 2010 Bonds, the County will further amend or supplement the Official Statement so that the Official Statement, as supplemented or amended (including any financial and statistical data contained therein), will not contain any untrue statement of a material fact or omit to state a material fact necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading;

(k) except as may be required under blue sky or other securities laws of any state, no consent, approval, authorization or order of any State court or governmental body is required for the consummation by the County of the transactions contemplated by the Official Statement, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Series 2010 Bonds by the Underwriters;

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

(m) the financial statements of, and other financial information regarding, the County contained in the Official Statement fairly present the financial position and results of the

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

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

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

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

(a) the Authority is, and will be on the Closing Date, a joint exercise of powers authority duly organized and operating pursuant to Chapter 5, Division 7, Title 1 of the Government Code of the State with the full power and authority to issue the Series 2010 Bonds, execute and deliver the Legal Documents to be executed by it and own its properties and carry on its business as presently conducted;

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

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

(d) to the best knowledge of the Authority, the issuance of the Series 2010 Bonds and the execution and delivery of the Legal Documents by the Authority and compliance with the provisions on the Authority's part contained herein and therein, will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of

the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided in the Series 2010 Bonds or the Legal Documents executed by the Authority;

(e) to the best knowledge of the Authority, the Authority is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which breach or default would materially adversely affect the Authority's ability to issue the Series 2010 Bonds or enter into or perform its obligations under the Legal Documents to be executed by it, and, no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach or default;

(f) to the best knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending in which service of process has been completed against the Authority or threatened against the Authority in any material respect affecting the existence of the Authority or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the adoption of the Authority Resolution or the sale, execution or delivery of the Series 2010 Bonds or the payment of principal and interest on the Series 2010 Bonds or in any way contesting or affecting the validity or enforceability of the Series 2010 Bonds, the Legal Documents or contesting the powers of the Authority or its authority to enter into, adopt or perform its obligations under any of the foregoing, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Legal Documents to be executed by the Authority or this Bond Purchase Agreement or that could have a material adverse impact upon the ability of the Authority to issue the Series 2010 Bonds or enter into or perform its obligations under such documents or that may result in any material adverse change in the business, properties, assets or the financial condition of the Authority or in any way contesting the existence or powers of the Authority;

(g) the Authority will furnish such information, execute such instruments and take such other actions in cooperation with the Representative as the Representative may reasonably request in order (i) to qualify the Series 2010 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and (ii) to determine the eligibility of the Series 2010 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Series 2010 Bonds; provided, however, that in no event shall the Authority be required to qualify to do business or consent to service of process in any jurisdiction without its approval;

(h) the information contained in the Preliminary Official Statement was, as of the date thereof, and is, as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12), and the information contained in the Official Statement will be, as of the Closing Date and the date which is 25 days following the End of the Underwriting Period, true and correct in all material respects and such information did not, does not and will not, as applicable, contain any untrue or misleading statement of a material fact or omit to state any

material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) if between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Series 2010 Bonds, an event occurs which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the Authority will notify the Representative, and, if in the reasonable opinion of the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority shall forthwith prepare and furnish to the Underwriters (at the expense of the Authority) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading; provided that, for the purposes of this subsection, between the date hereof and the date that is 25 days after the End of the Underwriting Period for the Series 2010 Bonds, the Authority will furnish such information with respect to itself as the Representative may from time to time reasonably request;

(j) if the information contained in the Official Statement is amended or supplemented pursuant to the terms hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Series 2010 Bonds, the Authority will further amend or supplement the Official Statement so that the Official Statement, as supplemented or amended (including any financial and statistical data contained therein), will not contain any untrue statement of a material fact or omit to state a material fact necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading;

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

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

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

8. Closing. At 8:00 a.m., California time, on November__, 2010, or at such other date and time as shall have been mutually agreed upon by the Authority, the County and the Representative, the Authority will issue or cause to be issued to the Representative the Series 2010 Bonds in definite form duly executed and authenticated by the Trustee in book-entry form through the facilities of The Depository Trust Company, New York, New York ("DTC") as described below, or at such other place upon which the Representative, the Authority and the County may mutually agree, and the other documents hereinafter mentioned shall be delivered at the office of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California ("Bond Counsel"), or at such other place as shall have been mutually agreed upon by the Authority, the County and the Representative. The Representative will accept such issuance through the facilities of DTC and pay the purchase price of the Series 2010 Bonds as set forth in Section 1 hereof in federal or other immediately available funds. Subject to the terms and conditions hereof, the Representative will accept delivery of the Series 2010 Bonds and pay the purchase price thereof as set forth herein in federal or other immediately available funds (such delivery of and payment for the Series 2010 Bonds is herein called the "Closing"). The Series 2010 Bonds shall be prepared and delivered to the Representative on the date of Closing in the form of one certificate for each series, fully registered in the name of Cede & Co., as nominee of DTC.

9. Closing Conditions. The Underwriters have entered into this Bond Purchase Agreement in reliance upon the representations, warranties and agreements of the Authority and the County contained herein, the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority and the County of their respective obligations herein, both as of the date hereof and as of the date of Closing. Accordingly, the Underwriters' obligations under this Bond Purchase Agreement to purchase, accept issuance of, and pay for the Series 2010 Bonds shall be conditioned upon the performance by the Authority and the County of their obligations to be performed herein and the accuracy and delivery of the documents and instruments required to be delivered hereby at or prior to the Closing, and shall also be subject to the following additional conditions:

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

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

(c) at the time of the Closing, all official actions of the Authority and the County relating to the Legal Documents and the Series 2010 Bonds shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect from the date hereof except as may have been agreed to in writing by the Representative;

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

(e) at or prior to the time of Closing, the Representative shall receive the following documents, in each case reasonably satisfactory in form and substance to the Representative:

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

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

(iii) executed copies of the Legal Documents;

(iv) the unqualified approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, dated the date of Closing and addressed to the Authority and the County, substantially in the form set forth in Appendix F to the Official Statement, together with a letter of such counsel, dated the date of Closing and addressed to the Underwriters, to the effect that the foregoing approving legal opinion addressed to the Authority and the County may be relied upon by the Underwriters to the same extent as if such letter were addressed to them;

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

(A) this Bond Purchase Agreement and the Continuing Disclosure Certificate have been duly executed and delivered by, and constitute the valid and binding obligations of, the Authority in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to creditors' rights generally (provided that no opinion regarding the adequacy of the Continuing Disclosure Certificate for purposes of Rule 15c2-12 need be provided);

(B) the Series 2010 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(C) the statements contained in the Official Statement under the captions "INTRODUCTION – Security and Sources of Payment for the Series 2010 Bonds," THE SERIES 2010 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS," and "TAX MATTERS" and in APPENDIX C – "Summary of Principal Legal Documents," and APPENDIX F – "Form of Opinion of Bond Counsel," excluding any material that may be treated as included under such

captions by cross-reference, insofar as such statements expressly summarize certain provisions of the Series 2010 Bonds, the Site Lease, the Sublease and the Indenture and the form and content of said firm's final legal opinion, are accurate in all material respects;

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

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

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

(C) the Legal Documents to which the County is a party have been duly authorized, executed and delivered by the County, and, assuming due authorization, execution and delivery by the other respective parties thereto, constitute legal, valid and binding obligations of the County, enforceable against the County in accordance with their respective terms;

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

administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided in the Legal Documents executed by the County;

(E) to the best of County Counsel's knowledge, and except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending in which service of process has been completed against the County or threatened against the County affecting the corporate existence of the County or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the County's covenant to make the necessary annual appropriations for all such Base Rental Payments as required under the Sublease or contesting or affecting as to the County the validity or enforceability of the Act or the Legal Documents, or contesting the tax-exempt status of payment and interest as would be received by the Owners of the Series 2010A Bonds, or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or contesting the powers of the County or any authorization in connection with the adoption of the County Resolution, or the execution and delivery by the County of the Legal Documents to which the County is party wherein an unfavorable decision, ruling or finding which would materially adversely affect the validity or enforceability of the Act as to the County or the performance by the County of its obligations under and in connection with the Legal Documents to which the County is a party; and

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

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

(A) the Authority is a joint exercise of powers authority duly organized and operating pursuant to Chapter 5, Division 7, Title 1 of the Government Code of the State, and has full legal right, power and authority to execute and deliver, and to perform its obligations under the Legal Documents to which it is a party and the Series 2010 Bonds;

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

(C) the Legal Documents and the Series 2010 Bonds have been duly authorized, executed and delivered and issued, as applicable, by the Authority and, assuming due authorization, execution and delivery by the other respective parties thereto, constitute legal, valid and binding

obligations of the Authority, enforceable against the Authority in accordance with their respective terms;

(D) to the best of County Counsel's knowledge, the Authority is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which breach or default would materially adversely affect the Authority's ability to issue the Series 2010 Bonds or enter into or perform its obligations under the Legal Documents to be executed by it, and, to the best of County Counsel's knowledge, no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach or default; the issuance of the Series 2010 Bonds and the execution and delivery of the Legal Documents by the Authority and compliance with the provisions on the Authority's part contained herein and therein, will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument known to County Counsel after reasonable inquiry to which the Authority is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided in the Series 2010 Bonds or Legal Documents executed by the Authority; and the issuance of the Series 2010 Bonds and the execution and delivery of the Legal Documents, and compliance with the provisions on the Authority's part contained therein will not conflict with or constitute a material breach of or default under any constitutional provision, law, administrative regulation, judgment or decree or any provision of any loan agreement, indenture, bond, note, resolution, agreement or other instrument known to us after reasonable inquiry to which the Authority is a party or to which the Authority, the Property or the assets of the Authority is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the Property or assets of the Authority or under the terms of any such law, regulation or instrument, except as expressly provided by the Series 2010 Bonds (as set forth in the Indenture), the Authority Resolution, or the Bond Purchase Agreement; and

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

process has been completed against the Authority or threatened against the Authority affecting the corporate existence of the Authority or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the issuance or sale of the Series 2010 Bonds or the County's covenant to make the necessary annual appropriations for all the Base Rental Payments as required under the Sublease or contesting or affecting as to the Authority the validity or enforceability of the Act, the Series 2010 Bonds or the Legal Documents, or contesting the tax-exempt status of payment and interest as would be received by the Owners of the Series 2010A Bonds, or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or contesting the powers of the Authority or any authorization in connection with the issuance of the Series 2010 Bonds, the adoption of the Authority Resolution, or the execution and delivery by the Authority of the Series 2010 Bonds or the Legal Documents to which the Authority is a party wherein an unfavorable decision, ruling or finding which would materially adversely affect [the validity or enforceability of the Act as to] the Authority or the performance by the Authority of its obligations under and in connection with the Series 2010 Bonds or the Legal Documents;

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

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

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

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

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

(D) to the best knowledge of the County Representative, there does not exist any action, suit, proceeding or investigation pending in which service of process has been completed against the County, or

threatened against the County which if adversely determined, could materially adversely affect the financial position of the County; and

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

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

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

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

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

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

(x) a certificate of the Trustee dated the date of Closing to the effect that:

(A) the Trustee is duly organized and existing as a national banking association organized and existing under the laws of the United States of America, having the full power and authority to enter into and perform its duties under the Indenture and to authenticate and deliver the Series 2010 Bonds;

(B) the Trustee is duly authorized to enter into the Indenture, and, when the Indenture is duly authorized, executed and delivered by the other parties thereto, to deliver the Series 2010 Bonds to the Representative pursuant to the terms of the Indenture;

(C) the execution and delivery by the Trustee of the Indenture and the Series 2010 Bonds, and compliance with the terms thereof, will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or, to its best knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty or agreement is made by the Trustee with respect to any federal or state securities or blue sky laws or regulations);

(D) no authorization, approval, consent or order of any governmental agency or any other person is required for the valid authorization, execution and delivery of the Indenture by the Trustee or the delivery of the Series 2010 Bonds by the Trustee;

(E) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, that has been served on, or, to the best of the knowledge of the Trustee, threatened against or affecting the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Series 2010 Bonds or the Indenture, or contesting the powers of the Trustee or its authority to enter into and perform its obligations under any of the foregoing, or wherein an unfavorable decision, ruling or finding would adversely affect the Trustee or the transactions contemplated in connection with the delivery of the Series 2010 Bonds, or which, in any way, would adversely affect the validity of the Series 2010 Bonds or the Indenture or any agreement or instrument to which the Trustee is a party and which is used or contemplated for use in the Indenture, or the consummation of the transactions contemplated in connection with the issuance of the Series 2010 Bonds; and

(F) subject to the provisions of the Indenture, the Trustee will apply the proceeds from the Series 2010 Bonds to the purposes specified in the Indenture;

(xi) an opinion of counsel to the Trustee dated the date of Closing addressed to the County, the Authority and the Underwriters to the effect that:

(A) the Trustee is a national banking association organized and existing under the laws of the United States, having full power and being qualified to enter, accept and administer the trust created under the Indenture and to deliver the Series 2010 Bonds; and

(B) the Series 2010 Bonds have been duly delivered by the Trustee in accordance with the Indenture, and the Indenture has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery thereof by the other parties thereto,

constitutes the legal, valid and binding obligations of the Trustee enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(xii) an opinion of Hawkins Delafield & Wood LLP, Los Angeles, California, as counsel to the Underwriters, dated the date of Closing and addressed to the Underwriters in form reasonably satisfactory to the Representative;

(xiii) evidence of the existence and validity of a policy or policies of title insurance with respect to the Property;

(xiv) certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Indenture;

(xv) copies of the Authority Resolution certified by the Clerk of the Board of Directors of the Authority authorizing the execution and delivery of the Legal Documents to which the Authority is a party;

(xvi) copies of the County Resolution certified by the Clerk of the Board of Supervisors of the County authorizing the execution and delivery of the Legal Documents to which the County is a party;

(xvii) an executed copy of the Tax Certificate for the Series 2010A Bonds, and an executed copy of the Tax Certificate for the Series 2010B Bond, each in form and substance acceptable to Bond Counsel;

(xviii) evidence from Fitch, Moody's and S&P that the Series 2010 Bonds have been rated "___," "___" and "___," respectively, by such rating agencies; and

(xix) such additional legal opinions, certificates, instruments and other documents as Bond Counsel or the Underwriters may reasonably request to evidence compliance by the Trustee, the County and the Authority with legal requirements, the truth and accuracy, as of the time of Closing, of the representations contained herein and in the Official Statement, the lack of any material adverse litigation or proceeding and the due performance or satisfaction by the Trustee, the Authority and the County, at or prior to such time of all agreements the to be performed and all conditions then to be satisfied.

10. Termination. The Representative shall have the right to terminate in its discretion the Underwriters' obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Series 2010 Bonds by notifying the County or Authority of its election to do so if, after the execution hereof and prior to the Closing:

(a) Legislation shall be enacted by the Congress of the United States or favorably reported out for passage to either House of Congress by any committee of such House, or passed by either House of Congress, or a decision shall have been rendered by a court of the United States or the United States Tax Court, or a ruling shall have been made or a regulation

shall have been proposed or made by the Treasury Department of the United States or the Internal Revenue Service, with respect to the federal taxation of interest received on or evidenced by obligations of the general character of the Series 2010A Bonds, which, in the opinion of Bond Counsel has, or will have, the effect of making such interest subject to inclusion in gross income for purposes of federal income taxation, except to the extent such interest shall be includable in such gross income as of the date hereof;

(b) any action shall have been taken by the Securities and Exchange Commission or by a court which would require registration of any security under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended, in connection with the public offering of the Series 2010 Bonds, or any action shall have been taken by any court or by any government authority suspending the use of the Official Statement or any amendment or supplement thereto, or any proceeding for that purpose shall have been initiated or threatened in any such court or by any such authority;

(c) (i) the Constitution of the State shall be amended or an amendment shall qualify for the ballot, or (ii) legislation shall be enacted, or (iii) a decision shall have been rendered as to matters of State law, or (iv) any order, ruling or regulation shall have been issued or proposed by or on behalf of the State by an official, agency or department thereof, affecting the tax status of the County or Authority, its property or income, its bonds or notes (including the Series 2010 Bonds) or the interest thereon, which in the reasonable judgment of the Representative would make it impracticable to market the Series 2010 Bonds on the terms and in the manner contemplated in the Official Statement;

(d) (i) trading of any securities of the County or Authority shall have been suspended on any exchange or in any over-the-counter market, (ii) a general banking moratorium by Federal, New York or California authorities or a general suspension of trading on any national securities exchange shall have been declared or a material disruption in commercial banking or securities settlement or clearances services affecting the Series 2010 Bonds shall have occurred, or (iii) a national emergency or war or other crisis shall have been declared by the United States or there shall have occurred an outbreak or escalation in major military hostilities by the United States or any calamity relating to the effective operation of the government or the financial community in the United States which, in the case of any of the events specified in clauses (i) through (iii), either singly or together with any other such event, makes it, in the reasonable judgment of the Representative, impracticable to market the Series 2010 Bonds on the terms and in the manner contemplated in the Official Statement;,

(e) there shall have occurred any downgrading, or any notice shall have been given of any downgrading, in the rating accorded the Series 2010 Bonds by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Securities Act of 1933, as amended;

(f) the New York Stock Exchange or other national securities exchange, or any governmental authority shall have: (i) imposed additional material restrictions not in force as of the date hereof with respect to trading in the Series 2010 Bonds; or (ii) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers, which, in the case any of the events specified in clauses (i) or (ii), either singly or together with any other such event, makes it, in the reasonable

judgment of the Representative, impracticable to market the Series 2010 Bonds, including any supplements or amendments thereto;

(g) the purchase of and payment for the Series 2010 Bonds by the Underwriters, or the resale of the Series 2010 Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(h) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriters or pertaining to DTC) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the County refuses to permit the Official Statement to be supplemented to supply such statement or information.

11. Expenses. (a) The Underwriters shall be under no obligation to pay and the Authority and the County shall pay or cause to be paid the expenses incident to the performance of their obligations hereunder including, but not limited to, (i) the cost of preparation, printing and delivery of the Indenture, the Sublease, the Site Lease and the other Legal Documents; (ii) the costs of preparation, printing and delivery of the Preliminary Official Statement and the Official Statement and any supplements and amendments thereto; (iii) the cost of preparation and printing of the Series 2010 Bonds; (iv) the fees and disbursements of Bond Counsel and the County Counsel; (v) the fees and disbursements of Public Resources Advisory Group for its services as financial advisor to the Authority or the County; (vi) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Authority or the County; (vii) the fees, if any, for bond ratings; (viii) the fees and disbursements of the Verification Agent in connection with the certificate to be delivered pursuant to this Bond Purchase Agreement and (ix) the fees and disbursements of independent certified public accountants and any other independent auditor of the Authority or the County.

(b) The Underwriters shall pay only: (i) the cost of preparing the Blue Sky Memorandum; (ii) all advertising expenses and Blue Sky filing fees in connection with the public offering of the Series 2010 Bonds; (iii) the fees and disbursements of Hawkins Delafield & Wood LLP, as counsel to the Underwriters; (iv) all California Debt and Investment Advisory Commission fees, and (v) all other expenses incurred by the Underwriters in connection with the public offering of the Series 2010 Bonds, including the fees and disbursements of any other counsel retained by them.

12. Representations of Representative. The Representative represents and warrants to and agrees with the Authority and the County that it is authorized to take any action under this Bond Purchase Agreement required to be taken by and on behalf of the Underwriters and that this Bond Purchase Agreement is a binding contract of the Underwriters enforceable in accordance with its terms.

13. Notices. Any notice or other communication (other than the acceptance hereof as specified in the first paragraph hereof) to be given under this Bond Purchase Agreement may be given by delivering the same in writing to the County to:

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

to the Authority:

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

and to the Underwriters:

Merrill Lynch, Pierce, Fenner & Smith Incorporated
333 South Hope Street, Suite 2310
Los Angeles, California 90071
Attention: Frank Lauterbur

14. Parties in Interest; Survivability of Representations, Warranties and Agreements. This Bond Purchase Agreement is made solely for the benefit of the Authority, the County and the Underwriters and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Authority's and the County's representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) issuance of and payment for the Series 2010 Bonds pursuant to this Bond Purchase Agreement; and (iii) any termination of this Bond Purchase Agreement.

15. Governing Law. The laws of the State shall govern the validity, interpretation and performance of this Bond Purchase Agreement.

16. Entire Agreement. This Bond Purchase Agreement, when accepted by the Authority and the County in writing as heretofore specified, shall constitute the entire agreement among the Authority, the County and the Underwriters.

17. Headings. The headings of the paragraphs of this Bond Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

18. Effectiveness. This Bond Purchase Agreement shall become effective upon the execution of the acceptance hereof by an Authorized County Representative and an Authorized Authority Representative and shall be valid and enforceable at the time of such acceptance.

19. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, which together shall constitute one and the same instrument.

Very truly yours,

Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as
Representative, on behalf of itself and
Barclays Capital Inc.
Wells Fargo Bank, N.A.

By: _____
Name:
Authorized Officer

ACCEPTED:

This ___day of October, 2010

COUNTY OF LOS ANGELES, CALIFORNIA

By: _____
Mark J. Saladino
Treasurer and Tax Collector

LOS ANGELES COUNTY PUBLIC WORKS
FINANCING AUTHORITY

By: _____
Mark J. Saladino
Treasurer

Approved as to Form:

ANDREA SHERIDAN ORDIN
County Counsel

_____
Principal Deputy County Counsel

EXHIBIT A

UNDERWRITERS

Merrill Lynch, Pierce, Fenner & Smith, Incorporated

Barclays Capital Inc.

Wells Fargo Bank, N.A.

EXHIBIT B

MATURITY SCHEDULE

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

$[Series A Principal Amount]
Lease Revenue Bonds
(Multiple Capital Projects), 2010 Series A (Tax-Exempt)

Due (August 1)	Principal Amount	Interest Rate	Price or Yield	Due (August 1)	Principal Amount	Interest Rate	Price

$_____ _.___% Term Bonds due August 1, 20__ Price – ____%
$_____ _.___% Term Bonds due August 1, 20__ Price – ____%

$[Series B Principal Amount]
Lease Revenue Bonds
(Multiple Capital Projects), 2010 Series B
(Build America Bonds/Recovery Zone Economic Development Bonds)

Due (August 1)	Principal Amount	Interest Rate	Price or Yield	Due (August 1)	Principal Amount	Interest Rate	Price

$_____ _.___% Term Bonds due August 1, 20__ Price – ____%
$_____ _.___% Term Bonds due August 1, 20__ Price – ____%

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the County of Los Angeles (the "County") as of October 1, 2010 in connection with the issuance of the Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects), 2010 Series A (Tax-Exempt) (the "Series 2010A Bonds"), Lease Revenue Bonds (Multiple Capital Projects), 2010 Series B (Build America Bonds/Recovery Zone Economic Development Bonds (the "Series 2010B Bonds") and Lease Revenue Bonds (Disney Parking Refunding Project), 2010 Series C (Tax-Exempt) (the "Series 2010C Bonds" and, together with the Series 2010A Bonds and the Series 2010B Bonds, the "Series 2010 Bonds"). The Series 2010 Bonds are being issued pursuant to the Indenture, dated as of November 1, 2010 (the "Indenture"), by and among the County, the Los Angeles County Public Works Financing Authority (the "Authority") and [TRUSTEE], as trustee (the "Trustee"). The County hereby covenants and agrees as follows:

Section 1. Purpose of Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Owners and Beneficial Owners of the Series 2010 Bonds and in order to assist the Participating Underwriters in complying with the Rule (herein defined).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section, the following capitalized terms have the following meanings:

"Annual Report" means any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2010 Bonds (including persons holding Series 2010 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2010 Bonds for federal income tax purposes.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any person appointed in writing by the County to act as the County's agent in complying with the filing requirements of the Rule.

"EMMA System" shall mean the MSRB's Electronic Municipal Market Access system.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate.

"Participating Underwriter" means any of the original purchasers of the Series 2010 Bonds required to comply with the Rule in connection with the offer and sale of the Series 2010 Bonds.

"Rule" means Rule 15c2-12 adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, including any official interpretations thereof issued either before or after the effective date of this Disclosure Certificate which are applicable hereto.

Section 3. Provision of Annual Reports.

(a) The County shall, or shall cause the Dissemination Agent to, not later than February 1 in each year, commencing with the report for the County's fiscal year ended June 30, 2010, provide to the MSRB copies of an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the County's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under subsection 5(c).

(b) Not later than 15 Business Days prior to the date specified in subsection (a) above for providing an Annual Report to the MSRB, the County shall provide such Annual Report to the Dissemination Agent (if one has been appointed). If the County is unable to provide to the MSRB an Annual Report by the date specified in subsection (a) above, the County shall send a notice of this event to the MSRB.

(c) The Dissemination Agent (if one has been appointed) shall, if the Annual Report has been furnished to the Dissemination Agent, file a report with the County certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The County's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the County for the fiscal year most recently ended, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board and reporting standards as set forth by the State Controller in "State of California Accounting Standards and Procedures for Counties." If the County's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to subsection 3(a) of this Disclosure Certificate, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Series 2010 Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the financial statements, the following types of information will be provided in one or more reports:

(i) assessed valuations, tax levies and delinquencies for real property located in the County for the fiscal year of the County most recently ended;

(ii) summary financial information on revenues, expenditures and fund balances for the fiscal year of the County most recently ended;

(iii) summary financial information on the proposed and adopted budgets of the County for the current fiscal year and any changes in the adopted budget;

(iv) summary of aggregate annual debt obligations of the County as of the beginning of the current fiscal year;

(v) summary of annual outstanding principal obligations of the County as of the beginning of the current fiscal year; and

(vi) the ratio of the County's outstanding debt to total assessed valuations as of the most recently ended fiscal year of the County.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which have been submitted to the MSRB through its EMMA System.

The contents, presentation and format of the Annual Reports may be modified from time to time as determined in the judgment of the County to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the County or to reflect changes in the business, structure, operations, legal form of the County or any mergers, consolidations, acquisitions or dispositions made by or affecting the County; provided that any such modifications shall comply with the requirements of the Rule.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2010 Bonds, if material:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties of the County;

(iv) unscheduled draws on any credit enhancements reflecting financial difficulties of the County;

(v) substitution of any credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions or events affecting the tax status of the Series 2010 Bonds;

(vii) modifications to the rights of Owners of the Series 2010 Bonds;

(viii) bond calls other than scheduled sinking fund redemptions;

(ix) defeasances;

(x) release, substitution, or sale of property, if any, securing repayment of the Series 2010 Bonds; and

(xi) rating changes.

Certain of the foregoing events may not be applicable to the Series 2010 Bonds.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, the County shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the County determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the County shall promptly file, or cause to be filed, a notice of such occurrence with MSRB through its EMMA System. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) above need not be given under this subsection any earlier than when the notice, if any, of the underlying event is given to Owners of affected Series 2010 Bonds pursuant to the Indenture.

(d) Each notice of the occurrence of a Listed Event shall be so captioned and prominently state the title, date and CUSIP numbers of the Series 2010 Bonds or, with respect to a notice of the occurrence of a Listed Event relating to all issues of the County, the CUSIP number of the County.

Section 6. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2010 Bonds. If such termination occurs prior to the final maturity of the Series 2010 Bonds, the County shall give notice of such termination in the same manner as for a Listed Event under subsection 5(c).

Section 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing sixty days written notice to the County. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate. The initial Dissemination Agent is the County.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of subsection 3(a), Section 4, or subsection 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2010 Bonds, or the type of business conducted;

(b) The undertakings, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original execution and delivery of the Series 2010 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Series 2010 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners of the Series 2010 Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Series 2010 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the County shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under subsection 5(c), and (ii) the Annual Report for the year in which the change is

made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, including the information then contained in Appendix A to the County's official statements relating to debt issuances, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of the Series 2010 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Los Angeles or in a U.S. District Court in or nearest to Los Angeles County. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture with respect to the Series 2010 Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance, and no person or entity shall be entitled to recover monetary damages under this Disclosure Certificate.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the County agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2010 Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters, the Owners and Beneficial Owners from time to time of the Series 2010 Bonds, and shall create no rights in any other person or entity.

Section 13. Governing Law. This Disclosure Certificate shall be governed by the laws of the State of California and the federal securities laws.

Section 14. Transmission of Notices, Documents and Information. All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 15. Effective Date. This Disclosure Certificate shall be effective upon the issuance of the Series 2010 Bonds.

IN WITNESS WHEREOF, the County of Los Angeles has executed this Disclosure Certificate as of the date first set forth above.

COUNTY OF LOS ANGELES

By:_____
Mark J. Saladino,
Treasurer and Tax Collector

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 sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

HD&W – 10/21/10 Draft

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2010

NEW ISSUES – BOOK-ENTRY ONLY **RATINGS: See "RATINGS" herein.**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based on an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Bond Counsel is also of the opinion that interest on the Series 2010 Bonds is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2010A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. Bond Counsel further observes that interest on the Series 2010B Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2010 Bonds, including whether interest on the Series 2010A Bonds is included in adjusted current earnings when calculating corporate alternative minimum taxable income. See "TAX MATTERS" herein.

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

[County Seal]

$[Series A Principal Amount]*
Lease Revenue Bonds
(Multiple Capital Projects I), 2010 Series A
(Tax-Exempt)

$[Series B Principal Amount]*
Lease Revenue Bonds
(Multiple Capital Projects I), 2010 Series B
(Build America Bonds/Recovery Zone Economic Development Bonds)

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

The Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series A (Tax-Exempt) (the "Series 2010A Bonds") and Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series B (Build America Bonds/Recovery Zone Economic Development Bonds) (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds") are being issued pursuant to the Master Indenture, dated as of November 1, 2010 (the "Indenture"), by and among the County of Los Angeles, California (the "County"), the Los Angeles County Public Works Financing Authority (the "Authority") and U.S. Bank National Association, as trustee (the "Trustee"). Payment of principal of and interest and premium, if any, on the Series 2010 Bonds are payable from Base Rental Payments to be made by the County under the Master Sublease Agreement, dated as of November 1, 2010 (the "Sublease"), by and between the County and the Authority for the use of certain real property (the "Property") and the other assets pledged therefor under the Indenture. The County has covenanted under the Sublease to make all Base Rental Payments and Additional Rental Payments (collectively, the "Rental Payments") provided for therein, to include all such Rental Payments in its annual budgets and to make necessary annual appropriations for all such Rental Payments. The County's obligation to make Base Rental Payments is subject to abatement during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the County's right to use and occupy any portion of the Property. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS" herein.

The proceeds of the Series 2010 Bonds will be used to finance and/or refinance certain capital improvement projects described herein, including payment of Commercial Paper Notes (as described herein) issued by the County to finance certain capital improvement projects, to fund the Reserve Fund for the Series 2010 Bonds and to pay certain costs of issuance incurred in connection with the issuance of the Series 2010 Bonds. See "THE PROJECTS" and "ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2010 BONDS" herein.

The Series 2010 Bonds will be issued in denominations of $5,000 and any integral multiple thereof. The Series 2010 Bonds will be dated their date of delivery and are payable with respect to interest semiannually each February 1 and August 1, commencing on August 1, 2011. The Series 2010 Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2010 Bonds. Ownership interests in the Series 2010 Bonds may be purchased in book-entry form only. Principal of and interest and redemption premium, if any, on the Series 2010 Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Participants (defined herein) for subsequent disbursement to the Owners of the Series 2010 Bonds . See APPENDIX D – "Book-Entry Only System" attached hereto.

The Series 2010 Bonds are subject to redemption prior to maturity, as described herein. See "THE SERIES 2010 BONDS – Redemption of the Series 2010 Bonds" herein.

THE OBLIGATION OF THE COUNTY TO PAY THE BASE RENTAL PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE COUNTY OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE COUNTY OR THE STATE OF CALIFORNIA IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY OR THE STATE OF CALIFORNIA HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE SERIES 2010 BONDS SHALL BE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE LEASE REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE COUNTY OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE SERIES 2010 BONDS. THE AUTHORITY HAS NO TAXING POWER AND HAS NO OBLIGATION TO PAY BASE RENTAL PAYMENTS.

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.

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* Preliminary, subject to change.

The Series 2010 Bonds are offered when, as and if issued, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority and the County by County Counsel and for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, Los Angeles, California. It is anticipated that the Series 2010 Bonds will be available for delivery through the facilities of DTC in New York, New York on or about November __, 2010.

BofA Merrill Lynch

BARCLAYS CAPITAL **WELLS FARGO SECURITIES**

Dated: October __, 2010

MATURITY SCHEDULE

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

$[Series A Principal Amount]*
Lease Revenue Bonds
(Multiple Capital Projects I) 2010 Series A (Tax-Exempt)

(Base CUSIP†: 54473E)

Due (August 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP†	Due (August 1)	Principal Amount	Interest Rate	Price	CUSIP†

$_____ _._____% Term Bonds due August 1, 20__ Price – ____% CUSIP†:
$_____ _._____% Term Bonds due August 1, 20__ Price – ____% CUSIP†:

$[Series B Principal Amount]*
Lease Revenue Bonds
(Multiple Capital Projects I) 2010 Series B
(Build America Bonds/Recovery Zone Economic Development Bonds)

(Base CUSIP: 54473E)

Due (August 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP†	Due (August 1)	Principal Amount	Interest Rate	Price	CUSIP†

$_____ _._____% Term Bonds due August 1, 20__ Price – ____% CUSIP†:
$_____ _._____% Term Bonds due August 1, 20__ Price – ____% CUSIP†:

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* Preliminary, subject to change.

† Copyright, American Bankers Association. CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a Division of the McGraw-Hill Companies, Inc., and is set forth herein for convenience of reference only. The Authority, the County and the Underwriters do not assume responsibility for the accuracy of such data.

COUNTY OF LOS ANGELES

[SEAL]

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
LEASE REVENUE BONDS
Series 2010A and Series 2010B

Board of Supervisors

Gloria Molina
First District, Chair

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Sachi A. Hamai
Executive Officer-Clerk
Board of Supervisors

County Officials

William T Fujioka
Chief Executive Officer

Andrea Sheridan Ordin
County Counsel

Mark J. Saladino
Treasurer and Tax Collector

Wendy L. Watanabe
Auditor-Controller

Public Resources Advisory Group
Financial Advisor

U.S. Bank National Association
Trustee

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the County or the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2010 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2010 Bonds. Statements contained in this Official Statement which involve estimates, projections, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

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

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

IN CONNECTION WITH THE OFFERING OF THE SERIES 2010 BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2010 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2010 BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

$[Series A Principal Amount]*	**$[Series B Principal Amount]***
Lease Revenue Bonds	**Lease Revenue Bonds**
(Multiple Capital Projects I) 2010 Series A	**(Multiple Capital Projects I) 2010 Series B**
(Tax-Exempt)	**(Build America Bonds/Recovery Zone Economic Development Bonds)**

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Series 2010 Bonds being offered, and a brief description of the Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California (the "State") 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. All capitalized terms used in this Official Statement and not otherwise defined herein have the respective meanings assigned to them in the Indenture. See APPENDIX *C – "Summary of Principal Legal Documents" attached hereto.*

General

This Official Statement, including the cover page, the inside cover page and the appendices attached hereto (the "Official Statement"), provides certain information concerning the sale and issuance of the Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series A (Tax-Exempt) (the "Series 2010A Bonds") and Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series B (Build America Bonds/Recovery Zone Economic Development Bonds) (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds"). The Series 2010 Bonds are being issued pursuant to the Master Indenture, dated as of November 1, 2010 (the "Indenture"), by and among the County of Los Angeles, California (the "County"), the Los Angeles County Public Works Financing Authority (the "Authority") and U.S. Bank National Association, as trustee (the "Trustee").

The proceeds of the Series 2010 Bonds will be used to finance and/or refinance certain capital improvement projects described herein (collectively, the "Projects"), including payment of a portion of the Commercial Paper Notes (as defined herein), to fund the Reserve Fund for the Series 2010 Bonds and to pay certain costs of issuance incurred in connection with the issuance of the Series 2010 Bonds. See "THE PROJECTS" and "ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2010 BONDS" herein.

Terms of the Series 2010 Bonds

The Series 2010 Bonds will be issued in denominations of $5,000 and any integral multiple thereof (the "Authorized Denominations"). The Series 2010 Bonds will be dated their date of delivery and are payable with respect to interest semiannually each February 1 and August 1, commencing on August 1, 2011.

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* Preliminary, subject to change.

The Series 2010 Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Ownership interests in the Series 2010 Bonds may be purchased in book-entry form only. Principal of and interest on the Series 2010 Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Participants (defined herein) for subsequent disbursement to the Owners of the Series 2010 Bonds. See APPENDIX D – "Book-Entry Only System" attached hereto.

The Series 2010 Bonds are subject to redemption prior to maturity, as described herein. See "THE SERIES 2010 BONDS – Redemption of the Series 2010 Bonds" herein.

Security and Sources of Payment for the Series 2010 Bonds

The County will lease certain real property and the improvements located thereon, as more particularly described herein (the "Property"), to the Authority pursuant to a Master Site Lease, dated as of November 1, 2010 (the "Site Lease"), by and between the County and the Authority. The County will sublease the Property from the Authority pursuant to a Master Sublease, dated as of November 1, 2010 (the "Sublease"), by and between the County and the Authority. The Series 2010 Bonds shall be special obligations of the Authority, payable solely from the Lease Revenues, including the Base Rental Payments to be made by the County under the Sublease for the use of the Property, and the other assets pledged therefor under the Indenture as described herein. "Lease Revenues" is defined in the Indenture to mean all Base Rental Payments payable by the County pursuant to the Sublease, including any prepayments thereof, any Net Proceeds and any amounts received by the Trustee as a result of or in connection with the Trustee's pursuit of remedies under the Sublease upon a Sublease Default Event.

Base Rental Payments to be made by the County under the Sublease will be used to pay principal of and interest and premium, if any, on the Series 2010 Bonds when due. The Base Rental Payments are scheduled to be sufficient to pay principal of and interest on the Series 2010 Bonds when due. The County has covenanted under the Sublease to make all Base Rental Payments and Additional Rental Payments (collectively, the "Rental Payments") provided for therein, to include all such Rental Payments in its annual budgets and to make necessary annual appropriations for all such Rental Payments.

The County's obligation to pay Base Rental Payments is subject to abatement during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the County's right to use and occupy any portion of the Property. Failure of the County to pay Base Rental Payments during any such period shall not constitute a default under the Sublease, the Indenture or the Series 2010 Bonds.

The obligation of the County to pay the Base Rental Payments does not constitute a debt of the County or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the County or the State of California is obligated to levy or pledge any form of taxation or for which the County or the state of California has levied or pledged any form of taxation. The Series 2010 Bonds shall be special obligations of the Authority, payable solely from the Lease Revenues and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the County or the State of California, or any political subdivision thereof, is pledged to the payment of the Series 2010 Bonds. The Authority has no taxing power and has no obligation to pay Base Rental Payments. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS" herein and APPENDIX C – "Summary of Principal Legal Documents" attached hereto.

Reserve Fund

A reserve fund (the "Reserve Fund") will be established under the Indenture in order to secure the payment of principal of and interest on the Series 2010 Bonds and any Additional Bonds (collectively, the "Bonds") issued under the Indenture. The Reserve Fund will be funded in an amount sufficient to satisfy the Reserve Requirement, which is defined as an amount equal to, as of any date of calculation, the least of (a) 10% of the original principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service. The initial deposit to the Reserve Fund will be made from a portion of the proceeds of the Series 2010 Bonds. See "ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2010 BONDS" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS – Reserve Fund" herein.

Additional Bonds

Under the Indenture, the Authority may issue additional bonds (the "Additional Bonds") payable from Lease Revenues on a parity with all other Bonds theretofore issued under the Indenture, but only subject to satisfaction of certain conditions precedent, including, the filing with the Trustee, among other things, of (a) a certificate of the County to the effect that, upon the issuance of such Additional Bonds, the sum of Base Rental Payments, including any increase in the Base Rental Payments as a result of the issuance of such Additional Bonds, plus Additional Rental Payments, in any Rental Period, is not in excess of the annual fair rental value of the Property after taking into account the use of the proceeds of such Additional Bonds, and (b) a CLTA title insurance policy or other appropriate form of policy in the amount of the Additional Bonds of the type set forth in the Sublease. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS – Additional Bonds" herein and APPENDIX C — "Summary Principal Legal Documents – The Indenture - Additional Bonds" attached hereto.

The County

The County is located in the southern coastal portion of the State and covers 4,084 square miles. The County was established under an act of the State Legislature on February 18, 1850. It is the most populous county in the nation and is more populous than 43 states. The economy of the County is diversified and includes manufacturing, technology, world trade, financial services, motion picture and television production, and tourism. For additional economic, demographic and financial information with respect to the County, see APPENDIX A – "The County of Los Angeles Information Statement" and APPENDIX B – "The County of Los Angeles Audited Financial Statements for the Fiscal Year Ended June 30, 2009" attached hereto.

The Authority

The Authority was formed pursuant to a Joint Exercise of Powers Agreement, dated May 18, 1993 (as amended by a Certificate of Amendment dated April 26, 1994 and a Certificate of Amendment dated October 22, 1996, and as further amended from time to time, the "JPA Agreement"), to provide financial assistance from time to time to the County, the Los Angeles County Flood Control District, the Los Angeles County Regional Park and Open Space District, the Community Facilities District No. 2 (Rowland Heights Area) of the County of Los Angeles and any entity that becomes a party to the JPA Agreement in accordance with its terms. The Authority has previously issued obligations secured by certain revenues of and rental payments from certain contracting parties and may issue additional obligations in the future. These other obligations of the Authority are not secured by the Lease Revenues, and the Series 2010 Bonds are not secured by any other assets or property of the Authority other the Lease Revenues and the other assets pledged to the payment of the Series 2010 Bonds under the Indenture.

Designation of Series 2010B Bonds as "Build America Bonds" and "Recovery Zone Economic Development Bonds"

The County has designated a portion of the Series 2010B Bonds as "Build America Bonds" and a portion of the Series 2010B Bonds as "Recovery Zone Economic Development Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009. The interest with respect to the Series 2010B Bonds is not excluded from gross income for federal income tax purposes but is exempt from State of California personal income taxes. The County expects to receive periodic payments from the United States Treasury equal to 35% of the interest payable on the portion of the Series 2010B Bonds designated as Build America Bonds under the Code and 45% of the interest payable on the portion of the Series 2010B Bonds designated as Recovery Zone Economic Development Bonds under the Code. However, any such payments are not pledged under the Indenture and the County is not obligated to apply any such payments to pay any portion of Base Rental Payments. The County is obligated to pay Base Rental Payments notwithstanding a delay or failure to receive any such payments from the United States Treasury relating to the Series 2010B Bonds.

Continuing Disclosure

Pursuant to the Continuing Disclosure Certificate to be executed in connection with the issuance of the Series 2010 Bonds, the County has covenanted to provide, or cause to be provided, by not later than February 1 of each fiscal year, commencing on February 1, 2011, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system certain annual financial information and operating data and, in a timely manner, notice of certain material events. These covenants have been made in order to assist the Participating Underwriters of the Series 2010 Bonds in complying with the Rule15c2-12 (the "Rule") promulgated by the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE" herein and APPENDIX E – "Form of Continuing Disclosure Certificate" attached hereto. The County has never failed to comply in all material respects with any previous undertakings with regard to the Rule.

Forward-Looking Statements

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

THE PROJECTS

The proceeds of the Series 2010 Bonds will be used to finance and/or refinance the Projects, including payment of the Commercial Paper Notes, to fund the Reserve Fund for the Series 2010 Bonds and to pay certain costs of issuance incurred in connection with the issuance of the Series 2010 Bonds. None of the Projects are included in the Property which is the subject of the Site Lease and the Sublease and are not security for the Series 2010 Bonds. The following are summary descriptions of the Projects:

Harbor - UCLA Medical Center Surgery/Emergency Room Replacement Addition Project. The Harbor – UCLA Medical Center Surgery/Emergency Replacement Addition Project includes the design and construction of an approximate 190,000 square foot addition to replace the existing emergency and surgical suites, and central sterile facilities; a new 540-stall parking structure; upgrades to the existing Emergency Power Station; and a permanent Helistop. The estimated cost of this project is approximately $322 million.

Hall of Justice Rehabilitation. The Hall of Justice Rehabilitation project includes the rehabilitation of the approximately 500,000 square foot Hall of Justice building. The rehabilitation plan includes construction of tenant improvements to provide use as office space to tenant departments and construction of a new parking garage. The estimated cost of this project is approximately $244 million.

Bob Hope Patriotic Hall General Improvements Project. The Bob Hope Patriotic Hall General Improvements Project includes the refurbishing and replacement of the Bob Hope Patriotic Hall's mechanical, electrical, heating, ventilation and air conditioning, plumbing, fire suppression and telecommunications systems. This project also includes renovation of the Bob Hope Patriotic Hall's office and meeting and conference rooms and the construction of upgrades to this office in compliance with the Americans with Disabilities Act. The estimated cost of this project is approximately $45 million.

Harbor - UCLA Medical Center Seismic Retrofit Project. The Harbor – UCLA Medical Center Seismic Retrofit Project includes seismic upgrades of structural and nonstructural systems in existing in-patient facilities to comply with the requirements of State law known as "Senate Bill 1953". Senate Bill 1953 requires hospitals that have Structural Performance Category 1 (SPC-1) buildings (i.e., those that are considered hazardous and at risk of collapse or significant loss of life in the event of an earthquake) to be replaced or retrofitted to higher seismic safety standards by 2013, or later with an approved extension. The estimated cost of this project is $50 million.

Olive View - UCLA Medical Center Emergency Room Replacement Project and Tuberculosis Isolation Unit Project. The Olive View – UCLA Medical Center Emergency Room Replacement and Tuberculosis Isolation Unit Project includes the design and construction of a new 31,000 square feet emergency room space to accommodate current and projected needs for emergency services. Construction will also include a 10,000 square foot Tuberculosis Isolation Unit. The estimated cost of this project is approximately $51 million.

Coroner Crypt Building Addition and Improvements Renovation Project. The Coroner Crypt Building Addition and Improvements Renovation Project includes the renovation of the old administration building and the construction of a new crypt addition to the Coroner Crypt Building. This project also includes the construction of tenant improvements to the existing 1104A Biological Building in order to separate hazardous and non-hazardous areas and to allocate more space for autopsy, laboratory and forensic support functions. The estimated cost of this project is approximately $28 million.

Olive View - UCLA Medical Center Seismic Retrofit Project. The Olive View - UCLA Medical Center Seismic Retrofit Project includes seismic upgrades of structural and nonstructural systems in existing in-patient facilities to comply with the requirements of Senate Bill 1953. The estimated cost of this project is $21 million.

The Commercial Paper Notes to be refinanced with a portion of the proceeds of the Series 2010 Bonds consist of various series of Los Angeles County Capital Asset Leasing Corporation Lease Revenue Commercial Paper Notes (the "Commercial Paper Notes") issued pursuant to the Amended and Restated Trust Agreement, dated as of April 1, 2010, by and between the Los Angeles County Capital Asset Leasing Corporation and Deutsche Bank National Trust Company, as trustee. The Commercial Paper

Notes were issued to finance certain capital improvement projects, including providing interim financing for a portion of the Projects.

DESCRIPTION OF THE PROPERTY

The Property consists of the recently completed Los Angeles County+USC Medical Center (the "Medical Center"). The Medical Center is a 600-bed public teaching hospital located in the Boyle Heights neighborhood of the County. The Property is a 1.5 million-square-foot facility which includes an 8-story, 600-bed inpatient tower, a 7-story outpatient building, a 5-story diagnostic and treatment building, and an underground central utility plant. The inpatient tower and central utility plant are designed to remain operational following the maximum earthquake anticipated for the site. Construction of the Medical Center was completed and the Medical Center began operation in November, 2008. The total project budget for Medical Center was approximately $924 million, of which the County paid approximately $451 million. This is the largest capital project ever undertaken by the County.

The Medical Center is one of the largest public hospitals and medical training centers in the nation and is the largest single provider of healthcare in the County. The Medical Center provides a full spectrum of emergency, inpatient and outpatient services. The Medical Center provides healthcare services for the region's medically underserved, is classified as a Level I trauma center and tertiary care facility and treats a large percentage of the region's trauma victims. For the fiscal year ended June 30, 2010, the Medical Center had approximately 35,000 admissions, 520,000 outpatient visits and 450,000 Emergency Department visits.

The Medical Center is adjacent to the University of Southern California Health Sciences Campus, which includes the USC Keck School of Medicine, the USC School of Pharmacy, the USC University Hospital and the USC/Norris Comprehensive Cancer Center and Hospital. Some of the attending doctors at the Medical Center are faculty of the USC Keck School of Medicine. In addition, medical care is provided by approximately 900 medical residents.

The County currently has full use and possession of all of the Property. In connection with the construction of the Medical Center, the County received a grant (the "Grant") from the State of California (the "State") in the amount of approximately $473 million from funds made available by the Federal Emergency Management Agency ("FEMA") to fund a portion of the construction costs of the Medical Center. In connection therewith, the County provided the Office of Emergency Services of the State a lien encumbering the Medical Center (the "OES Lien") to secure the County's agreement to maintain the Medical Center's status as an acute care hospital facility. The OES Lien provides that the State may recover all or a portion of the amount of the Grant in the event there is a "Change in Function" or a "Change in Status" of the Medical Center. A "Change in Function" would occur if the Medical Center is no longer operated and maintained as an acute care inpatient hospital. A Change in Status would occur if the County sells, transfers, leases or otherwise disposes of a material amount of the Medical Center to a for profit entity or transfers control, responsibility or governance of a material amount of the assets or operations of the Medical Center to a for profit entity. The amount owed by the County in the event there is either a Change in Function or Change in Status of the Medical Facility is reduced based on a forty-year depreciation factor but such potential liability will terminate in November 2016, which date is eight years after the first license was issued to operate the Medical Center as an acute care hospital. Presently, if a Change in Status or a Change in Function were to occur, this amount would be approximately $450 million. In the event there is either a Change in Function or Change in Status of the Medical Facility prior to November 2016, unless waived by FEMA, the OES Lien could be foreclosed upon in accordance with State law and title to the Medical Center could be transferred or sold to another party. However, any such party, including the State, would be required to obtain a license to maintain the Medical Center in accordance with the provisions of the OES Lien.

The County is liable to repay a portion of the Grant only upon the occurrence of a Change in Status or a Change in Function. The full or partial loss of the Property from an insured or uninsured event does not constitute a Change in Function or a Change in Status. The casualty and other insurance required to be maintained under the Sublease is not available to the State to repay any amount due under the OES Lien. The Property is designed specifically to be operated as an acute care hospital facility and complies with the strict seismic state requirements for inpatient hospitals. The County has no intention to operate the facility other than as an acute care hospital facility. Under the Sublease, there is no right to relet the Property and use the Property for any other purpose than for which it is presently used. Under the Sublease, the County has agreed that, unless the County shall have substituted alternate real property for the Property in accordance with the provisions of the Sublease, so long as the OES Lien is effective, the County will not take any action or fail to take any action if such action or failure to take such action would cause a Change in Function or Change in Status of the Property within the meaning of the provisions of the OES Lien to occur. See APPENDIX C – "Summary of Principal Legal Documents – The Sublease – Use of the Property; Covenant with respect to OES Lien" attached hereto.

ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2010 BONDS

The proceeds of the Series 2010 Bonds are expected to be applied approximately as set forth below:

	Series 2010A Bonds	Series 2010B Bonds	Total
Sources of Funds:			
Principal Amount of the Bonds			
Net Original Issue Premium			
TOTAL SOURCES			
Uses of Funds:			
Payment of Commercial Paper Notes			
Project Fund			
Reserve Fund			
Costs of Issuance[1]			
TOTAL USES			

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

THE SERIES 2010 BONDS

The following is a summary of certain provisions of the Series 2010 Bonds. Reference is made to the Series 2010 Bonds for the complete text thereof and to the Indenture for a more detailed description of such provisions. The discussion herein is qualified by such reference.

General

The Series 2010 Bonds will be issued in denominations of $5,000 and any integral multiple thereof. The Series 2010 Bonds will be dated their date of delivery and are payable with respect to interest semiannually each February 1 and August 1, commencing on August 1, 2011.

The Series 2010 Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Series 2010 Bonds. Ownership interests in the Series 2010 Bonds may be purchased in book-entry form only. Principal of and interest and premium, if any, on the Series 2010 Bonds will be paid by the

Trustee to DTC or its nominee, which will in turn remit such payments to its Participants (defined herein) for subsequent disbursement to the Owners of the Series 2010 Bonds. See APPENDIX D – "Book-Entry Only System" attached hereto.

Redemption of the Series 2010 Bonds

Extraordinary Redemption of the Series 2010 Bonds. The Series 2010 Bonds shall be subject to redemption, in whole or in part, on any date, in denominations of $5,000 or any integral multiple thereof, from and to the extent of any Net Proceeds (other than Net Proceeds of rental interruption insurance) received with respect to all or a portion of the Property and deposited by the Trustee in the Redemption Fund in accordance with the provisions of the Indenture, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium.

Optional Redemption of the Series 2010A Bonds. The Series 2010A Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Series 2010A Bonds maturing on or after August 1, 20__, are subject to optional redemption prior to their respective stated maturity dates, on any date on or after August 1, 20__, in whole or in part, in denominations of $5,000 or any integral multiple thereof, from (i) prepaid Base Rental Payments paid pursuant to the Sublease, or (ii) any other source of available funds, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium.

Optional Redemption of the Series 2010B Bonds.

(A) The Series 2010B Bonds are subject to optional redemption prior to their respective stated maturity dates, on any date, in whole or in part, in denominations of $5,000 or any integral multiple thereof, from (i) prepaid Base Rental Payments paid pursuant to the Sublease, or (ii) any other source of available funds, at a redemption price equal to the greater of: (1) the original issue price (but not less than 100%) of such principal amount of the Series 2010B Bonds to be redeemed as set forth on the inside front cover hereof; or (2) the principal amount thereof plus the Make-Whole Premium, together, in each case, with accrued interest, if any, to the date fixed for redemption.

(B) The Series 2010B Bonds are subject to optional redemption, upon the occurrence of a Tax Law Change, prior to their respective stated maturity dates, on any date, in whole or in part, in denominations of $5,000 or any integral multiple thereof, from (i) prepaid Base Rental Payments paid pursuant to the Sublease, or (ii) any other source of available funds, at a redemption price equal to the greater of: (1) the original issue price (but not less than 100%) of such principal amount of the Series 2010B Bonds to be redeemed as set forth on the inside front cover page hereof; or (2) the principal amount thereof plus the Make-Whole Premium, together, in each case, with accrued interest, if any, to the date fixed for redemption.

"Comparable Treasury Issue" means the United States Treasury security selected by the Independent Banking Institution as having a maturity comparable to the remaining term to maturity of the Series 2010B Bond being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series 2010B Bond being redeemed.

"Comparable Treasury Price" means, with respect to any date on which a Series 2010B Bond or portion thereof is being redeemed, either (a) the average of five Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (b) if the Independent Banking Institution is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined

by the Independent Banking Institution, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Independent Banking Institution, at 5:00 p.m. New York City time on any Business Day that falls not less than three Business Days nor more than 45 calendar days immediately preceding the applicable date fixed for redemption.

"Comparable Treasury Yield" means the yield which represents the weekly average yield to maturity for the preceding week appearing in the most recently published statistical release designated "H.15(519) Selected Interest Rates" under the heading "Treasury Constant Maturities," or any successor publication selected by the Independent Banking Institution that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Series 2010B Bond being redeemed. The Comparable Treasury Yield will be determined as of any Business Day that falls not less than three Business Days nor more than 45 calendar days immediately preceding the applicable date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Series 2010B Bond being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Series 2010B Bond being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series 2010B Bond being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) at the Comparable Treasury Price as of the date fixed for redemption.

"Independent Banking Institution" means an investment banking institution of national standing which is a primary United States government securities dealer in the City of New York designated by the County (which may be one of the Participating Underwriters). If the County fails to appoint an Independent Banking Institution at least 30 days prior to the date fixed for redemption, or if the Independent Banking Institution appointed by the County is unwilling or unable to determine the Comparable Treasury Yield, the Comparable Treasury Yield will be determined by an Independent Banking Institution designated by the Trustee.

"Make-Whole Premium" means, with respect to any Series 2010B Bond to be redeemed, an amount calculated by an Independent Banking Institution equal to the positive difference, if any, between:

(a) the sum of the present values, calculated as of the date fixed for redemption of:

(i) each interest payment that, but for the redemption, would have been payable on the Series 2010B Bond or portion thereof being redeemed on each regularly scheduled Interest Payment Date occurring after the date fixed for redemption through the maturity date of such Series 2010B Bond (excluding any accrued interest for the period prior to the date fixed for redemption); plus

(ii) the principal amount that, but for such redemption, would have been payable on the maturity date (or applicable mandatory sinking fund redemption date or dates) of the Series 2010B Bond or portion thereof being redeemed; minus

(b) the principal amount of the Series 2010B Bond or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (a) above will be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve (12) 30-day months) at a discount rate equal to the Comparable Treasury Yield, plus (1) with respect to a Series 2010B Bond redeemed as described in paragraph (A) above, ___basis points, or (2) with respect to a Series 2010B Bond redeemed as described in paragraph (B) above, ____ basis points.

"Reference Treasury Dealer" means a primary United States Government securities dealer in the United States appointed by the County and reasonably acceptable to the Independent Banking Institution (which may be one of the Participating Underwriters). If the County fails to select the Reference Treasury Dealers within a reasonable period of time, the Trustee will select the Reference Treasury Dealers in consultation with the County.

"Tax Law Change" means legislation has been enacted by the Congress of the United States or passed by either House of the Congress, or a decision has been rendered by a court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement has been made by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, the effect of which, as reasonably determined by the County, would be to suspend, reduce or terminate the timely payment from the United States Treasury to the County with respect to the Series 2010B Bonds, or to state or local government issuers generally with respect to obligations of the general character of the Series 2010B Bonds, pursuant to Section 54AA or 6431 of the Code or pursuant to Section 1400U-2 or 6431 of the Code, of an amount equal to at least, with respect to the portion of the Series 2010B Bonds designated as Build America Bonds under Section 54AA of the Code, 35% of the interest due thereon on each interest payment date, or with respect to the portion of the Series 2010B Bonds designated as Recovery Zone Economic Development Bonds under Section 1400U-2of the Code, 45% of the interest due thereon on each interest payment date (the "Subsidy Payments"); provided, that any such suspension, reduction or termination of the Subsidy Payments is not due to a failure by the County to comply with the requirements under the Code to receive such Subsidy Payments.

Mandatory Sinking Fund Redemption of the Series 2010A Bonds. The Series 2010A Bonds maturing August 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on August 1 in each year, commencing August 1, 20__, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
(Maturity)	

If some but not all of the Series 2010A Bonds maturing on August 1, 20__ are redeemed pursuant to the extraordinary redemption provisions as described herein under the caption " – Extraordinary Redemption of the Series 2010 Bonds", the principal amount of Series 2010A Bonds maturing on August 1, 20__ to be redeemed pursuant to the mandatory sinking fund redemption provisions shall be reduced by the aggregate principal amount of the Series 2010A Bonds maturing on August 1, 20__ so redeemed pursuant to the extraordinary redemption provisions, such reduction to be allocated among sinking fund redemption dates as nearly as practicable on a pro rata basis, in amounts equal to Authorized Denominations, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Authority and the County. If some but not all of the Series 2010A Bonds maturing on August 1, 20__ are redeemed pursuant to the optional redemption provisions as described herein under the caption "-Optional Redemption of the Series 2010A Bonds", the principal amount of Series 2010A Bonds maturing on August 1, 20__ to be redeemed pursuant to the mandatory sinking fund redemption provisions shall be reduced by the aggregate principal amount of the Series 2010A Bonds maturing on August 1, 20__ so redeemed pursuant to the optional redemption provisions, such reduction to be allocated among sinking fund redemption dates in amounts equal to $5,000 and integral multiples thereof, as designated by the County.

Mandatory Sinking Fund Redemption of the Series 2010B Bonds. The Series 2010B Bonds maturing August 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on August 1 in each year, commencing August 1, 20__, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
(Maturity)	

If some but not all of the Series 2010B Bonds maturing on August 1, 20__ are redeemed pursuant to the extraordinary redemption provisions as described herein under the caption " – Extraordinary Redemption of the Series 2010 Bonds", the principal amount of Series 2010B Bonds maturing on August 1, 20__ to be redeemed pursuant to the mandatory sinking fund redemption provisions shall be reduced by the aggregate principal amount of the Series 2010B Bonds maturing on August 1, 20__ so redeemed pursuant to the extraordinary redemption provisions, such reduction to be allocated among sinking fund redemption dates as nearly as practicable on a pro rata basis, in amounts equal to Authorized Denominations, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Authority and the County. If some but not all of the Series 2010B Bonds maturing on August 1, 20__ are redeemed pursuant to the optional redemption provisions as described herein under the caption "- Optional Redemption of the Series 2010B Bonds", including optional redemption upon the occurrence of a Tax Law Change, the principal amount of Series 2010B Bonds maturing on August 1, 20__ to be redeemed pursuant to the mandatory sinking fund redemption provisions shall be reduced by the

aggregate principal amount of the Series 2010B Bonds maturing on August 1, 20__ so redeemed pursuant to the optional redemption provisions, such reduction to be allocated among sinking fund redemption dates as nearly as practicable on a pro rata basis, in amounts equal to $5,000 and integral multiples thereof, as determined by the Trustee.

Selection of Series 2010 Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any redemption described above under the caption " – Extraordinary Redemption" among maturities of all Series of Bonds on a pro rata basis as nearly as practicable, (b) with respect to any optional redemption of a Series of the Series 2010 Bonds, among maturities as directed by the County, (c) with respect to Series 2010A Bonds with the same maturity, by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair, and (d) with respect to Series 2010B Bonds with the same maturity, (i) if the Series 2010B Bonds are not Book-Entry Bonds, the Trustee shall select the Series 2010B Bonds of such maturity to be redeemed among the Owners of such Series 2010B Bonds on a pro rata basis as nearly as practicable, and (ii) if the Series 2010B Bonds are Book-Entry Bonds, the Trustee shall select the Series 2010B Bonds of such maturity to be redeemed on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Series 2010B Bonds are held in book-entry form, the selection for redemption of such Series 2010B Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2010B Bonds will be selected for redemption, in accordance with DTC procedures, by lot. It is the Authority's intent that the redemption allocations described in clause (d)(ii) made by DTC be made on a pro rata pass-through distribution of principal basis as set forth in clause (d)(ii). However, the Authority can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners on such basis.

Notice of Redemption. The Trustee on behalf of the Authority shall mail (by first class mail) notice of any redemption to the respective Owners of any Series 2010 Bonds designated for redemption at their respective addresses appearing on the Registration Books at least 30 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities of the Series 2010 Bonds to be redeemed (except in the event of redemption of all of the Series 2010 Bonds of such maturity or maturities in whole), and shall require that such Series 2010 Bonds be then surrendered at the Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Series 2010 Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Series 2010 Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption. With respect to any notice of any optional redemption of Series 2010 Bonds, unless at the time such notice is given the Series 2010 Bonds to be redeemed shall be deemed to have been paid within the meaning of the Indenture, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of, and accrued interest on, the Series 2010 Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such Series 2010 Bonds. In the event a notice of redemption of Series 2010 Bonds contains such a condition and such moneys are not so received, the redemption of Series 2010 Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Series 2010 Bonds pursuant to such notice of redemption.

Notice having been mailed as described above, and moneys for the redemption price, and the interest to the applicable date fixed for redemption, having been set aside, the Series 2010 Bonds shall become due and payable on said date and, upon presentation and surrender thereof at the Office of the Trustee, said Series 2010 Bonds shall be paid at the redemption price thereof, together with interest accrued and unpaid to said date. If, on said date fixed for redemption, moneys for the redemption price of all the Series 2010 Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as described above and not canceled, then, from and after said date, interest on said Series 2010 Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Series 2010 Bonds shall be held in trust for the account of the Owners of the Series 2010 Bonds so to be redeemed without liability to such Owners for interest thereon.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS

Special Obligations; Pledge of Lease Revenues

The Series 2010 Bonds shall be special obligations of the Authority, payable solely from the Lease Revenues, including the Base Rental Payments to be made by the County under the Sublease for the use of the Property, and the other assets pledged therefor under the Indenture as described herein. Neither the faith and credit nor the taxing power of the Authority, the County or the State of California, or any political subdivision thereof, is pledged to the repayment of the Series 2010 Bonds. "Lease Revenues" is defined in the Indenture to mean all Base Rental Payments payable by the County pursuant to the Sublease, including any prepayments thereof, any Net Proceeds and any amounts received by the Trustee as a result of or in connection with the Trustee's pursuit of remedies under the Sublease upon a Sublease Default Event. The Indenture provides that, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Lease Revenues and all amounts on deposit from time to time in the funds and accounts established under Indenture (other than the Rebate Fund) are pledged to the payment of the principal of and interest on the Bonds as provided in the Indenture, and that the Lease Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding. The Indenture provides that said pledge shall constitute a first lien on such assets.

In order to secure the pledge of the Lease Revenues under the Indenture, the Authority, in the Indenture, sells, assigns and transfers to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the Owners, all of its right, title and interest in and to the Site Lease and the Sublease, including, without limitation, the right to receive Base Rental Payments and the right to exercise any remedies provided in the Sublease in the event of a default by the County thereunder; provided that the Authority retains the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Sublease. See " - Base Rental Payments; Abatement" herein.

Base Rental Payments; Abatement

The County covenants under the Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Rental Payments (which include taxes and assessments affecting the Property, administrative costs of the Authority relating to the Property, fees and expenses of the Trustee, insurance premiums and other amounts payable under the Sublease or the Indenture), due under the Sublease in its annual budgets and to make the necessary annual appropriations therefor. The Sublease provides that it shall be, and shall be deemed and construed to be, a "net-net-net lease" and that the Rental Payments shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever and notwithstanding any dispute between the County and the Authority. Base Rental Payments to be made by the County under the Lease will be used to pay principal of and interest and premium, if any, on the Series 2010 Bonds when due. The Base Rental Payments are equal to the

principal of and interest on the Series 2010 Bonds when due. See APPENDIX C – "Summary of Principal Legal Documents – The Sublease – Base Rental Payments" attached hereto.

The obligation of the County to pay the Base Rental Payments does not constitute a debt of the County or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the County or the State of California is obligated to levy or pledge any form of taxation or for which the County or the state of California has levied or pledged any form of taxation.

During any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the County's right to use and occupy any portion of the Property, the Sublease provides that the Rental Payments shall be abated proportionately and the Sublease shall continue in full force and effect. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction of the Property, ending with the substantial completion of the work of repair or replacement of the Property, or the portion thereof so damaged or destroyed, and the term of the Sublease shall be extended as provided in the Sublease, except that such term shall in no event be extended more than ten years beyond the Scheduled Termination Date (as defined in the Sublease); provided, however, that during abatement to the extent that moneys are available for the payment of Rental Payments in any of the funds and accounts established under the Indenture, Rental Payments shall not be abated as provided above but, rather, shall be payable by the County as a special obligation payable solely from said funds and accounts. Failure of the County to pay Base Rental Payments during any such abatement period shall not constitute a default under the Sublease, the Indenture or the Series 2010 Bonds. See APPENDIX C – "Summary of Principal Legal Documents – The Sublease – Abatement" attached hereto.

A table of the aggregate annual Base Rental Payments to be made by the County under the Sublease is set forth below.

SCHEDULE OF BASE RENTAL PAYMENTS

Fiscal Year	Base Rental Payment		
Ending 6/30	Principal	Interest	Total

Total

Additional Rental

The County shall also pay, as Additional Rental Payments, such amounts as shall be required for the payment of the following: (a) all taxes and assessments of any type or nature charged to the Authority or the County or affecting the Property or the respective interests or estates of the Authority or the County therein; (b) all reasonable administrative costs of the Authority relating to the Property including, but without limiting the generality of the foregoing, salaries, wages, fees and expenses payable by the Authority under the Indenture, fees of auditors, accountants, attorneys or engineers, and all other necessary and reasonable administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Indenture or the Sublease or to defend the Authority and its members, officers, agents and employees; (c) insurance premiums for all insurance required pursuant to the Sublease; (d) any amounts with respect to the Bonds required to be rebated to the federal government in accordance with the Code; and (e) all other payments required to be paid by the County under the provisions of the Sublease or the Indenture.

Reserve Fund

A Reserve Fund will be established under the Indenture in order to secure the payment of principal of and interest on the Series 2010 Bonds and any Additional Bonds issued under the Indenture. The Reserve Fund will be funded in an amount sufficient to satisfy the Reserve Requirement, which is

defined as an amount equal to, as of any date of calculation, the least of (i) 10% of the original principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service. The initial deposit to the Reserve Fund will be made from a portion of the proceeds of the Series 2010 Bonds. See "ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2010 BONDS" herein.

"Annual Debt Service" means, for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the scheduled principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year); provided, however, that, in connection with the calculation of the Reserve Requirement, including any calculation of Average Annual Debt Service and/or Maximum Annual Debt Service in connection therewith, the interest due on the Outstanding Bonds in each Bond Year shall be net of any subsidy expected to be received from the United States with respect to such Bonds or the interest thereon (whether or not such subsidy is to be paid to the Trustee). "Average Annual Debt Service" means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made. "Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made. See APPENDIX C — "Summary of Principal Legal Dcuments — The Indenture – Definitions" attached hereto.

If the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement, the first of Base Rental Payments thereafter received from the County under the Sublease and not needed to pay the principal of and interest on the Bonds on the next Interest Payment Date or Principal Payment Date shall be used to increase the amount on deposit in the Reserve Fund so that the amount on deposit in the Reserve Fund shall equal the Reserve Requirement. See APPENDIX C — "Summary of Principal Legal Documents – The Indenture – Reserve Fund" attached hereto.

Additional Bonds

Under the Indenture, the Authority may issue Additional Bonds payable from Lease Revenues on a parity with all other Bonds theretofore issued under the Indenture, but only subject to satisfaction of certain conditions precedent, including, the filing with the Trustee, among other things, of (a) a certificate of the County to the effect that, upon the issuance of such Additional Bonds, the sum of Base Rental Payments, including any increase in the Base Rental Payments as a result of the issuance of such Additional Bonds, plus Additional Rental Payments, in any Rental Period, is not in excess of the annual fair rental value of the Property after taking into account the use of the proceeds of such Additional Bonds, and (b) a CLTA title insurance policy or other appropriate form of policy in the amount of the Additional Bonds of the type set forth in the Sublease. See APPENDIX C — "Summary of Principal Legal Documents – The Indenture Additional Bonds" attached hereto.

Insurance

The County has covenanted in the Sublease to secure and maintain or cause to be secured and maintained at all times with insurers rated "A" or better such insurance (excluding earthquake) as provided for therein. See APPENDIX C – Summary of Principal Legal Documents – The Sublease – Insurance" attached hereto.

Substitution and Release

Subject to the provisions described below, the Sublease provides that the County may substitute alternate real property for any portion of the Property or release a portion of the Property from the Sublease. Notwithstanding any substitution or release pursuant to the Sublease, the Sublease provides that

there shall be no reduction in or abatement of the Base Rental Payments due from the County thereunder as a result of such substitution or release. Any such substitution or release of any portion of the Property shall be subject to, among other things, the following conditions: (a) a qualified employee of the County or an independent certified real estate appraiser selected by the County shall have certified that (i) the sum of Base Rental Payments plus Additional Rental Payments due under the Sublease in any Rental Period is not in excess of the annual fair rental value of the Property, as constituted after such substitution or release, and (ii) the Property, as constituted after such substitution or release, has a useful life equal to or greater than the maximum remaining term of the Sublease (including extensions thereof as provided under the Sublease); (b) the County shall have obtained or caused to be obtained a CLTA title insurance policy or policies with respect to any substituted property in the amount of the fair market value of such substituted property; (c) the County shall have filed or caused to be filed with the Trustee an Opinion of Counsel to the effect that such substitution or release will not, in and of itself, cause the interest on Series 2010A Bonds to be included in gross income for federal income tax purposes; and (d) the County shall have certified to the Trustee that the substituted real property is essential for performing the County's governmental functions. See APPENDIX C – "Summary of Principal Legal Documents – The Sublease – Substitution and Release" attached hereto.

Events of Default and Remedies

An Event of Default under the Sublease includes, among other events, (a) the failure of the County to pay any Rental Payment payable under the Sublease when the same becomes due and payable, time being expressly declared to be of the essence in the Sublease and (b) the failure by the County to observe and perform any of the other covenants, agreements or conditions on its part in the Sublease contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the County by the Trustee, the Authority or the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that if, in the reasonable opinion of the County, the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the County within such 30 day period and the County shall thereafter diligently and in good faith cure such failure in a reasonable period of time, provided, further, however, that the period of time for such cure shall not exceed 90 days without the prior written consent of the Authority. See APPENDIX C – "Summary of Principal Legal Documents – The Sublease – Events of Default" attached hereto.

In each and every case during the continuance of an Event of Default under the Sublease, the Trustee, as assignee of the Authority, shall have the right, without terminating the Sublease or the County's right to possession of the Property, to collect each installment of Rental Payments as the same become due and enforce any other terms or provisions of the Sublease to be kept or performed by the County, regardless of whether or not the County has abandoned the Property. The County shall remain liable and agrees to keep or perform all covenants and conditions contained in the Sublease to be kept or performed by the County and to pay the full amount of the Rental Payments to the end of the term of the Sublease. Notwithstanding anything to the contrary contained in the Sublease, the Authority in the Sublease expressly waives any right to terminate the Sublease or the County's right to possession of the Property thereunder regardless of whether or not the County has abandoned the Project, and the Authority shall have no right to accelerate Rental Payments upon the occurrence or continuance of a default or an Event of Default under the Sublease. See "RISK FACTORS – No Right of Relet; No Acceleration Upon an Event of Default; Limitations on Remedies" herein APPENDIX C – "Summary of Principal Legal Documents – The Sublease – Remedies" attached hereto.

RISK FACTORS

The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Bonds. These factors do not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Series 2010 Bonds. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of such risks.

Not a Pledge of Taxes

The Series 2010 Bonds shall be special obligations of the Authority, payable solely from the Lease Revenues and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the County or the State of California, or any political subdivision thereof, is pledged to the payment of the Series 2010 Bonds. The Authority has no taxing power and has no obligation to pay Base Rental Payments. The obligation of the County to pay the Base Rental Payments does not constitute a debt of the County or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the County or the State of California is obligated to levy or pledge any form of taxation or for which the County or the state of California has levied or pledged any form of taxation.

Although the Sublease does not create a pledge, lien or encumbrance upon the funds of the County, the County is obligated under the Sublease to pay the Base Rental Payments from legally available funds for the use and possession of the Property as provided therein and the County has covenanted in the Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Rental Payments due thereunder in its annual budget and to make the necessary annual appropriations for all such Base Rental and Additional Rental Payments except to the extent such payments are abated in accordance with the Sublease. The County is currently liable on other obligations payable from general revenues, some of which may have priority over the Base Rental Payments and Additional Rental Payments.

Additional Obligations of the County

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

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

Adequacy of County Insurance Reserves or Insurance Proceeds

The County may self-insure for certain types of insurance required under the Sublease. See APPENDIX C – Summary of Principal Legal Documents – The Indenture – Insurance." The County intends to self-insure for workers' compensation insurance and general liability insurance with respect to

the Property. If the County elects to self-insure against other risks, no assurance can be given that the insurance reserves established by the County will be sufficient to satisfy any loss which the County may experience. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Abatement" and "– Abatement" herein.

Abatement

During any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the County's right to use and occupy any portion of the Property, Rental Payments shall be abated proportionately, and the Sublease shall continue in full force and effect. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction of the Property, ending with the substantial completion of the work of repair or replacement of the Property, or the portion thereof so damaged or destroyed, and the term of the Sublease shall be extended as provided in the Sublease, except that such term shall in no event be extended more than ten years beyond the Scheduled Termination Date; provided, however, that during abatement, to the extent that moneys are available for the payment of Rental Payments in any of the funds and accounts established under the Indenture, Rental Payments shall not be abated as provided above but, rather, shall be payable by the County as a special obligation payable solely from said funds and accounts.

In the event that such portion of the Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time in which proceeds of the County's rental interruption insurance will be available in lieu of Base Rental Payments, plus the period for which funds are available from the Reserve Fund or other funds and accounts established under the Indenture, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of such portion of the Property or redemption of the Series 2010 Bonds, there could be insufficient funds to make payments to Owners of the Series 2010 Bonds in full.

No Right of Relet; No Acceleration Upon an Event of Default; Limitations on Remedies

Pursuant to the Sublease, the Authority expressly waives any right to terminate the Sublease or the County's right to possession of the Property under the Sublease regardless of whether or not the County has abandoned the Property, and the Authority expressly waives any right of entry or re-entry to take possession of and/or re-let the Property. In accordance with the Sublease, in each and every case during the continuance of an Event of Default under the Sublease, the Authority shall have the right, without terminating the Sublease or the County's right to possession of the Property, to collect each installment of Rental Payments as the same become due and enforce any other terms or provisions of the Sublease to be kept or performed by the County, regardless of whether or not the County has abandoned the Property. The County shall remain liable and agrees to keep or perform all covenants and conditions contained in the Sublease to be kept or performed by the County and to pay the full amount of the Rental Payments to the end of the term of the Sublease; and further agrees to pay said Rental Payments punctually at the same time and in the same manner as provided in the Sublease for the payment of Rental Payments under the Sublease, notwithstanding the fact that the Authority may have received in previous years or may receive thereafter in subsequent years Rental Payments in excess of the Rental Payments specified in the Sublease. In addition, the Sublease provides that the Authority shall have no right to accelerate Rental Payments upon the occurrence or continuance of a default or an Event of Default under the Sublease.

The Trustee, as assignee of the Authority's rights under the Sublease, would be required to seek a separate judgment each year for that year's defaulted Rental Payments. Any such suit for money damages would be subject to limitations on legal remedies against counties in the State, including a limitation on

enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Rental Payments were due and against funds needed to serve the public welfare and interest.

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

Seismic Events

The Property is located within a seismically active area, and damage to the Property from an earthquake could be substantial. Under the Sublease, the County is not required to maintain earthquake insurance. The County presently maintains earthquake insurance on certain of its properties, including the Property. However, such insurance is less than the value of all the insured properties, is less than the initial principal amount of the Series 2010 Bonds and is not required to be used, if obtained, to replace or repair the Property or to redeem the Series 2010 Bonds. If the proceeds of any earthquake insurance were not used or were insufficient to replace or repair the damage caused to the Property, the County would be limited to its general fund, reserves and emergency grants, if any, in seeking to make appropriate repairs. Pending such repairs, the County's obligation to make Base Rental Payments under the respective Sublease would be subject to abatement. See "RISK FACTORS – Abatement" herein.

Economic Conditions in the State of California

State income tax and other receipts can fluctuate significantly from year to year, depending on economic conditions in the State and the nation. Decreases in the State's General Fund revenues may significantly affect appropriations made by the State to public agencies, including the County. See APPENDIX A – "The County of Los Angeles Information Statement" attached hereto.

TAX MATTERS

Series 2010A Bonds

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority ("Bond Counsel"), based on an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2010A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. Bond Counsel expresses no opinion on whether interest on the Series 2010A Bonds is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX F – "Form of Opinion of Bond Counsel."

To the extent the issue price of any maturity of the Series 2010A Bonds is less than the amount to be paid at maturity of such Series 2010A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2010A Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2010A Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2010A Bonds is the first price at which a substantial amount of such maturity of the Series 2010A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2010A Bonds accrues daily over the term to maturity of such Series 2010A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2010A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2010A Bonds. Beneficial Owners of the Series 2010A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2010A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2010A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2010A Bonds is sold to the public.

Series 2010A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2010A Bonds. The Authority has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2010A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2010A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2010A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2010A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2010A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2010A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2010A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from State income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2010A Bonds. Prospective purchasers of the Series 2010A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2010A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2010A Bonds ends with the issuance of the Series 2010A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the Beneficial Owners regarding the tax-exempt status of the Series 2010A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2010A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2010A Bonds, and may cause the Authority or Beneficial Owners to incur significant expense.

Series 2010B Bonds

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming compliance with certain covenants, interest on the Series 2010B Bonds is exempt from State of California personal income taxes. Interest on the Series 2010B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or accrual or receipt of interest on, the Series 2010B Bonds. The proposed form of opinion of Bond Counsel is set forth in APPENDIX F – "Form of Opinion of Bond Counsel"."

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Series 2010B Bonds that acquire their Series 2010B Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with all U.S. federal income tax consequences applicable to any given investor, nor does it address the U.S. federal income tax considerations applicable to categories of investors some of which may be subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series 2010B Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional

currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. In addition, this summary generally is limited to investors that acquire their Series 2010B Bonds pursuant to this offering for the issue price that is applicable to such Series 2010B Bonds (i.e., the price at which a substantial amount of the Series 2010B Bonds are sold to the public) and who will hold their Series 2010B Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Series 2010B Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Series 2010B Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series 2010B Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2010B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2010B Bonds (including their status as U.S. Holders or Non-U.S. Holders).

For U.S. Holders

The Series 2010B Bonds are not expected to be treated as issued with original issue discount ("OID") for U.S. federal income tax purposes because the stated redemption price at maturity of the Series 2010B Bonds is not expected to exceed their issue price, or because any such excess is expected to only be a de minimis amount (as determined for tax purposes).

Prospective investors that are not individuals or regular C corporations who are U.S. persons purchasing the Series 2010B Bonds for investment should consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of the Series 2010B Bonds.

Disposition of the Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, defeasance, retirement (including pursuant to an offer by the Authority) or other disposition of a Series 2010B Bond, will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2010B Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2010B Bond which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted tax basis in the Series 2010B Bond (generally, the purchase price paid by the U.S. Holder for the Series 2010B Bond). Any such gain or loss generally will be capital gain or loss. In the case of a noncorporate U.S. Holder of the Series 2010B Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Series 2010B Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

For Non-U.S. Holders

Interest. Subject to the discussion below under the heading "Information Reporting and Backup Withholding," payments of principal of, and interest on, any Series 2010B Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, as such term is defined in the Code, which is related to the

Authority through stock ownership and (2) a bank which acquires such Series 2010B Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. withholding tax provided that the beneficial owner of the Series 2010B Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Disposition of the Bonds. Subject to the discussion below under the heading "Information Reporting and Backup Withholding," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition of a Series 2010B Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A Series 2010B Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that at the time of such individual's death, payments of interest with respect to such Series 2010B Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. U.S. information reporting and "backup withholding" requirements apply to certain payments of principal of, and interest on the Series 2010B Bonds, and to proceeds of the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition of a Series 2010B Bond, to certain noncorporate holders of Series 2010B Bonds that are United States persons. Under current U.S. Treasury Regulations, payments of principal and interest on any Series 2010B Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Series 2010B Bond or a financial institution holding the Series 2010B Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. If a financial institution, other than a financial institution that is a qualified intermediary, provides the certification, the certification must state that the financial institution has received from the beneficial owner the certification set forth in the preceding sentence, set forth the information contained in such certification, and include a copy of such certification, and an authorized representative of the financial institution must sign the certificate under penalties of perjury. A financial institution generally will not be required to furnish to the IRS the names of the beneficial owners of the Series 2010B Bonds that are not United States persons and copies of such owners' certifications where the financial institution is a qualified intermediary that has entered into a withholding agreement with the IRS pursuant to applicable U.S. Treasury Regulations.

In the case of payments to a foreign partnership, foreign simple trust or foreign grantor trust, other than payments to a foreign partnership, foreign simple trust or foreign grantor trust that qualifies as a withholding foreign partnership or a withholding foreign trust within the meaning of applicable U.S. Treasury Regulations and payments to a foreign partnership, foreign simple trust or foreign grantor trust that are effectively connected with the conduct of a trade or business within the United States, the partners of the foreign partnership, the beneficiaries of the foreign simple trust or the persons treated as the owners of the foreign grantor trust, as the case may be, will be required to provide the certification discussed

above in order to establish an exemption from withholding and backup withholding tax requirements. The current backup withholding tax rate is 28% (subject to future adjustment).

In addition, if the foreign office of a foreign "broker," as defined in applicable U.S. Treasury Regulations pays the proceeds of the sale of a Bond to the seller of the Series 2010B Bond, backup withholding and information reporting requirements will not apply to such payment provided that such broker derives less than 50% of its gross income for certain specified periods from the conduct of a trade or business within the United States, is not a controlled foreign corporation, as such term is defined in the Code, and is not a foreign partnership (1) one or more of the partners of which, at any time during its tax year, are U.S. persons (as defined in U.S. Treasury Regulations Section 1.1441-1(c)(2)) who, in the aggregate hold more than 50% of the income or capital interest in the partnership or (2) which, at any time during its tax year, is engaged in the conduct of a trade or business within the United States. Moreover, the payment by a foreign office of other brokers of the proceeds of the sale of a Series 2010B Bond, will not be subject to backup withholding unless the payer has actual knowledge that the payee is a U.S. person. Principal and interest so paid by the U.S. office of a custodian, nominee or agent, or the payment by the U.S. office of a broker of the proceeds of a sale of a Series 2010B Bond, is subject to backup withholding requirements unless the beneficial owner provides the nominee, custodian, agent or broker with an appropriate certification as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption.

Circular 230

Under 31 C.F.R. part 10, the regulations governing practice before the IRS (Circular 230), the Authority and its tax advisors are (or may be) required to inform prospective investors that:

i. any advice contained herein is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer;

ii. any such advice is written to support the promotion or marketing of the Series 2010B Bonds and the transactions described herein; and

iii. each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

CONTINUING DISCLOSURE

Pursuant to the Continuing Disclosure Certificate to be executed in connection with the issuance of the Series 2010 Bonds, the County has covenanted to provide, or cause to be provided, by not later than February 1 of each fiscal year, commencing on February 1, 2011, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system certain annual financial information and operating data and, in a timely manner, notice of certain material events. These covenants have been made in order to assist the Underwriters of the Series 2010 Bonds in complying with the Rule15c2-12 (the "Rule") promulgated by the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended. See APPENDIX E – "Form of Continuing Disclosure Certificate" attached hereto. The County has never failed to comply in all material respects with any previous undertakings with regard to the Rule.

CERTAIN LEGAL MATTERS

The validity of the Series 2010 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority. Bond Counsel has not undertaken any responsibility for the accuracy, completeness or fairness of this Official Statement. A

complete copy of the proposed form of opinion of Bond Counsel is contained in APPENDIX F – "Form of Opinion of Bond Counsel" attached hereto. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, Los Angeles, California and for the County and the Authority by County Counsel.

FINANCIAL STATEMENTS

The Fiscal Year 2008-09 financial statements of the County, pertinent sections of which are included in Appendix B to this Official Statement, have been audited by Macias Gini & O'Connell LLP (the "Independent Auditor"), certified public accountants, as stated in their report appearing in Appendix B. Independent Auditor has not consented to the inclusion of its report as Appendix B and has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by Independent Auditor with respect to any event subsequent to its report dated December 11, 2009.

FINANCIAL ADVISOR

Public Resources Advisory Group, has served as Financial Advisor to the County in connection with the issuance of the Series 2010 Bonds. The Financial Advisor has not been engaged, nor has it undertaken, to make an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

LITIGATION

To the best knowledge of the County and the Authority, there is no litigation pending or threatened against the County or the Authority concerning the validity of the Series 2010 Bonds or challenging any action taken by the County or the Authority in connection with the authorization of the Indenture, the Sublease or any other document relating to the Series 2010 Bonds to which the County or the Authority is or is to become a party or the performance by the County or the Authority of any of their obligations under any of the foregoing.

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

RATINGS

Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") have assigned the Series 2010 Bonds ratings of "___," "___" and "___", respectively. Such ratings reflect only the views of Fitch, Moody's and Standard & Poor's, and do not constitute a recommendation to buy, sell or hold the Series 2010 Bonds. Explanation of the significance of such ratings may be obtained only from the respective organizations at: Fitch Ratings, One State Street Plaza, New York, New York 10004; Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007-2796; and Standard and Poor's Ratings Services, 55 Water Street, New York, New York 10041. There is no assurance that any such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the respective rating agencies, if in the judgment of any such rating

agency circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2010 Bonds.

UNDERWRITING

The Bonds are being purchased by Merrill Lynch, Pierce, Fenner & Smith, Inc., as representative of itself and the underwriters identified on the cover page of this Official Statement (collectively, the "Underwriters"). The Underwriters have agreed to purchase the Series 2010 Bonds from the County and the Authority at an aggregate purchase price of $_____ (consisting of the aggregate principal amount thereof plus net original issue premium of $_____ and less underwriters' discount of $_____), pursuant to the terms of the Bond Purchase Agreement. The Bond Purchase Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters will be obligated to purchase all of the Series 2010 Bonds offered under the Bond Purchase Agreement if any of the Series 2010 Bonds offered thereunder are purchased.

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association.

Wells Fargo Bank, National Association ("WFBNA"), one of the underwriters of the Series 2010 Bonds, has entered into an agreement (the "Distribution Agreement") with Wells Fargo Advisors, LLC ("WFA") for the retail distribution of certain municipal securities offerings, including the Series 2010 Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting compensation with respect to the Series 2010 Bonds with WFA. WFBNA and WFA are both subsidiaries of Wells Fargo & Company.

ADDITIONAL INFORMATION

Included herein are brief summaries of certain documents and reports, which summaries do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Indenture, the Site Lease and the Sublease may be obtained upon request from the Trustee at: _____, Attention: Corporate Trust Services. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement among the Authority, the County and the purchasers or Owners of any of the Series 2010 Bonds.

The County regularly prepares a variety of reports, including audits, budgets, and related documents, as well as certain monthly activity reports. Any Owner of the Series 2010 Bonds may obtain a copy of any such report, as available, from the County at the address set forth below.

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

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

APPENDIX A

THE COUNTY OF LOS ANGELES INFORMATION STATEMENT

APPENDIX B

THE COUNTY OF LOS ANGELES AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

APPENDIX C

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix D concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book entry system has been obtained from DTC, and the Authority, the County and the Underwriters take no responsibility for the completeness or accuracy thereof. The Authority, the County and the Underwriters cannot and do not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Series 2010 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2010 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2010 Bonds, or that they will do so on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix D. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Series 2010 Bonds. The Series 2010 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered security certificate will be issued for each Series and maturity of the Series 2010 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 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 is the holding company for DTC National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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 and www.dtc.org. The information set forth on such websites is not incorporated by reference.

Purchases of the Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2010 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

certificates representing their ownership interests in the Series 2010 Bonds, except in the event that use of the book-entry system for the Series 2010 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010 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 the Series 2010 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2010 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2010 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2010 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of the Series 2010 Bonds may wish to ascertain that the nominee holding the Series 2010 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2010 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed, unless otherwise provided.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2010 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2010 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and interest and premium, if any, on the Series 2010 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest and redemption premium, if any, on the Series 2010 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NONE OF THE AUTHORITY, THE COUNTY, THE UNDERWRITERS OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE

PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF SERIES 2010 BONDS FOR PREPAYMENT.

None of the Authority, the County or the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Series 2010 Bonds paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

DTC may discontinue providing its services as depository with respect to the Series 2010 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2010 Bond certificates will be printed and delivered. In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Series 2010 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, proposes to render its final opinion in substantially the following form:

Los Angeles County Public Works Financing Authority
Los Angeles, California

Los Angeles County Public Works Financing Authority
Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series A
(Tax-Exempt)

and

Los Angeles County Public Works Financing Authority
Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series B
(Build America Bonds/Recovery Zone Economic Development Bonds)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Los Angeles County Public Works Financing Authority (the "Authority") in connection with the issuance of its Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series A (Tax-Exempt) (the "Series 2010A Bonds"), in the aggregate principal amount of $_____, and its Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Multiple Capital Projects I), 2010 Series B (Build America Bonds/Recovery Zone Economic Development Bonds) (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Series 2010 Bonds"), in the aggregate principal amount of $_____. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Master Indenture, dated as of November 1, 2010 (the "Indenture"), by and among the Authority, the County of Los Angeles (the "County") and U.S. Bank National Association, as trustee (the "Trustee"), the Master Site Lease, dated as of November 1, 2010 (the "Site Lease"), by and between the County and the Authority, the Master Sublease, dated as of November 1, 2010 (the "Sublease"), by and between the County and the Authority, the Tax Certificate and Agreement, dated the date hereof, relating to the Series 2010A Bonds (the "Tax Certificate"), opinions of counsel to the Authority, the County, the Trustee and others, certificates of the Authority, the County, the Trustee and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Series 2010 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority and the County. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Site Lease, the Sublease and the Tax Certificate, including (without limitation) covenants and agreements compliance with

which is necessary to assure that future actions, omissions or events will not cause interest on the Series 2010A Bonds to be included in gross income for federal income tax purposes.

We call attention to the fact that the rights and obligations under the Series 2010 Bonds, the Indenture, the Site Lease, the Sublease and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against joint powers authorities and counties in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in the Site Lease or the Sublease or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2010 Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Series 2010 Bonds constitute the valid and binding special obligations of the Authority, payable solely from the Lease Revenues and the other assets pledged therefor under the Indenture.

2. The Indenture has been duly executed and delivered by, and constitutes a valid and binding obligation of, the Authority.

3. The Indenture, the Site Lease and the Sublease have been duly executed and delivered by, and constitute valid and binding obligations of, the County.

4. Interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and interest on the Series 2010 Bonds is exempt from State of California personal income taxes. Interest on the Series 2010A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. We express no opinion regarding other tax consequences related to the accrual or receipt of such interest or the ownership or disposition of the Series 2010 Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP