COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012

MARK J. SALADINO
TREASURER AND TAX COLLECTOR

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

76 May 14, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

May 14, 2013

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

Dear Supervisors:

ISSUANCE AND SALE OF
2013-14 TAX AND REVENUE ANTICIPATION NOTES
(ALL DISTRICTS) (3 VOTES)

SUBJECT

The Treasurer and Tax Collector is requesting authorization from your Board to issue Tax and Revenue Anticipation Notes (TRANs) to meet the Fiscal Year 2013-14 cash flow needs of the County General Fund. This short-term borrowing program enables the County to effectively manage the funding of its expenditure requirements and greatly reduces the need for internal borrowing. With respect to the 2013-14 TRANs, we are requesting authorization for a maximum issuance not to exceed $1,000,000,000.

IT IS RECOMMENDED THAT THE BOARD:

Adopt the Resolution authorizing the issuance and sale of the 2013-14 Tax and Revenue Anticipation Notes in an aggregate principal amount not to exceed $1,000,000,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Adoption of the attached Resolution will authorize the issuance of the 2013-14 TRANs and the execution and delivery of all related financing documents. Since 1977, the County has annually issued tax-exempt TRANs in connection with its cash management program for the upcoming fiscal year. This short-term borrowing program is necessary given that the County receives certain revenues, such as property taxes, on an uneven basis throughout the fiscal year. The proceeds generated from the issuance of TRANs are maintained in a separate fund by the Auditor-Controller and transferred on a periodic basis to meet the expenditure needs of the County General Fund. This process serves to both reduce the County's need for internal borrowing and enhance the earnings of the County Treasury Pool.

As a result of improving cash flow trends, the requested authorization for the 2013-14 TRANs reflects a $100,000,000 decrease from the $1,100,000,000 issued in Fiscal Year 2012-13. As in prior years, the final par amount of the 2013-14 TRANs may be adjusted downward to meet the projected cash flow needs of the County and to ensure compliance with Federal regulations for tax-exempt financings.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal #2: Fiscal Sustainability by providing sufficient financial resources to help meet the Fiscal Year 2013-14 cash flow requirements of the County General Fund.

FISCAL IMPACT/FINANCING

The borrowing cost of the 2013-14 TRANs is dependent on market conditions at the time of the sale. The Resolution provides that the price and interest rate on the TRANs shall not result in a true interest cost that exceeds three percent (3%). However, the actual cost of borrowing is expected to be significantly lower and may result in a true interest cost below one half of one percent (0.5%).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Given our current view of the municipal note market, the Treasurer and Tax Collector expects the 2013-14 TRANs to be sold as fixed-rate notes with one or more maturity dates of 12 months or less. The final structure of the TRANs will be determined at the time of pricing, which is currently scheduled for early June. Proceeds from the sale of the 2013-14 TRANs are expected to be available to the County on July 1, 2013.

Consistent with the County's practice in recent years, the Treasurer and Tax Collector is recommending a negotiated sale of the 2013-14 TRANs. Based on the results of a competitive bid process, we selected Goldman, Sachs & Co. to be the senior managing underwriter, and Bank of America Merrill Lynch to serve as the co-senior manager. We anticipate adding up to four additional underwriting firms to participate in the sale of the TRANs once the final pricing date has been determined. Squire Sanders will serve as note counsel for this transaction and Public Resources Advisory Group has been appointed as the financial advisor.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The 2013-14 TRANs are issued as part of a cash management program, which has no direct impact on current services.

CONCLUSION

Upon approval of this Resolution, it is requested that the Executive Officer-Clerk of the Board of Supervisors return two originally executed copies of the adopted Resolution to the Treasurer and Tax Collector (Office of Public Finance).

Respectfully submitted,

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:PP:pab
Pb/brdltr/2013-14
trans

Enclosures

c: Chief Executive Officer
County Counsel
Auditor-Controller
Squire Sanders

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA PROVIDING FOR THE ISSUANCE AND SALE OF 2013-14 TAX AND REVENUE ANTICIPATION NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $1,000,000,000

WHEREAS, the County of Los Angeles (the **"County"**), a political subdivision of the State of California, requires funds for the purposes authorized by Section 53852 of the California Government Code; and

WHEREAS, the County may borrow money pursuant to Article 7.6 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, being Sections 53850 through 53858, inclusive, as amended (the **"Act"**), for the purposes authorized by Section 53852 of the Act, such indebtedness to be represented by a note or notes of the County; and

WHEREAS, pursuant to the Act, such note or notes are to be issued pursuant to a resolution of the Board of Supervisors of the County (the **"Board"**) and may be issued from time to time as provided in such resolution; and

WHEREAS, the County has determined that it is necessary and in the best interests of the County to authorize the borrowing of an amount not to exceed $1,000,000,000 with respect to the County's Fiscal Year 2013-14, such indebtedness to be evidenced by the 2013-14 Tax and Revenue Anticipation Notes authorized hereby (the **"2013-14 TRANs"**) in an aggregate principal amount not to exceed the sum described above; and

WHEREAS, the unrestricted taxes, income, revenue, cash receipts and other moneys to be received by the County during the Fiscal Year 2013-14 that will be available for the payment of the 2013-14 TRANs and all other notes issued by the County under the Act in such Fiscal Year, and the interest thereon, are reasonably estimated to be in excess of $6,800,000,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles as follows:

SECTION 1. This Resolution is adopted pursuant to the provisions of the Act and other applicable laws.

SECTION 2. The 2013-14 TRANs are hereby authorized to be issued in one or more series in an aggregate principal amount not to exceed $1,000,000,000.00. The 2013-14 TRANs shall mature on any date or dates not later than 13 months from their date of issuance, in each case as shall be established by the Treasurer and Tax Collector of the County (the **"Treasurer"**) and set forth in the Financing Certificate (herein defined). The form of Financing Certificate on file with the Board and by this reference incorporated herein is hereby approved. The Treasurer is hereby authorized for and in the name and on behalf of the County to execute and deliver said Financing Certificate, substantially in the form on file with the Board, with such changes therein as may be necessary or as he may approve, in his sole discretion, as being in the best interests of the County, such approval to be evidenced conclusively by the execution and delivery thereof (said Financing Certificate, as so executed and delivered, is referred to hereinafter as the **"Financing Certificate"**). The Treasurer is empowered to implement the fundamental policies established by this Resolution in a manner determined by the Treasurer to be in the best interests of the County, after giving consideration to each of the following with regard to the issuance of the 2013-14 TRANs: (i) market access; (ii) the costs to the County; and (iii) the generation of sufficient proceeds, as contemplated by this Resolution. Without limiting the foregoing, the Treasurer, subject to Section 5 hereof, may determine the maturity date or dates and amount or amounts for any and each respective series of the 2013-14 TRANs, and the Treasurer is hereby authorized to make conforming changes reflecting such maturity or maturities and amount or amounts to each of the documents approved by this Resolution, including changes to the dates and amounts to be set aside hereunder and under the Financing Certificate prior to the end of the fiscal year as the Treasurer determines are necessary or appropriate. The terms and conditions as set forth (or incorporated therein by reference) in the Financing Certificate, together with the terms and conditions of the 2013-14 TRANs set forth in this Resolution, together with any authorized and approved supplements and amendments thereto, if any, shall, upon the execution and delivery of the Financing Certificate, be the terms and conditions of such 2013-14 TRANs, as if all the terms and conditions were fully set forth in this Resolution.

SECTION 3. In consideration of the purchase and acceptance of any and all of the 2013-14 TRANs authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the County and the holders thereof (the "**Holders**"). The pledge made in and the covenants and agreements to be performed by and on behalf of the County set forth in this Resolution shall be for the equal benefit, protection and security of the Holders of any and all of the 2013-14 TRANs, regardless of the maturity or maturities of the separate series of 2013-14 TRANs, shall be of equal rank without preference, priority or distinction of any of the 2013-14 TRANs over any other thereof, except as expressly provided in or permitted by the Financing Certificate.

SECTION 4. The 2013-14 TRANs may be subject to redemption as determined by the Treasurer and provided for in the Financing Certificate.

SECTION 5. The Treasurer is authorized to negotiate the sale of the 2013-14 TRANs issued under this Resolution from time to time at such prices (not to exceed the maximum interest rate permitted by law) as may be established by the Treasurer and set forth in an agreement or agreements between the County and the initial purchasers of all or a portion of the 2013-14 TRANs (each, a **"Contract of Purchase"**), substantially in the form submitted to and considered at this meeting of the Board and by this reference incorporated herein; *provided*, *however*, that the price and the interest rates for 2013-14 TRANs of any series shall not result in a true interest cost (taking into consideration all applicable contracts entered into pursuant to Section 11 of this Resolution) to the County with respect to such series of 2013-14 TRANs that exceeds 3% per annum. The Treasurer is further authorized to execute each Purchase Contract and any other documents required to be executed pursuant to such Purchase Contract and to deliver such documents in accordance with such Purchase Contract.

SECTION 6. The Treasurer is hereby authorized to prepare and distribute one or more preliminary official statements in such form as the Treasurer or any of his respective designees may approve, to persons who may be interested in the purchase of 2013-14 TRANs of any series. The form of preliminary official statement on file with the Board and by this reference incorporated herein is hereby approved. The Treasurer and his respective designees are and each of them acting alone is hereby authorized, for and in the name and on behalf of the County, to approve one or more final official statements for the 2013-14 TRANs authorized hereby, each in substantially the form of the respective preliminary official statement, with such insertions and changes therein as the Treasurer or any of his respective designees may require or approve, in their discretion, as being in the best interests of the County, such approval to be conclusively evidenced by the delivery of such official statement or official statements. The Treasurer and any of his respective designees are hereby further authorized to execute and deliver a certificate or other instrument deeming each preliminary official statement to be final as of its respective date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

SECTION 7. All or any portion of the 2013-14 TRANs may be sold with credit enhancement (such as a letter of credit or policy of municipal bond insurance), if the Treasurer determines that the savings and benefits to the County resulting from the purchase of such credit enhancement exceed the cost thereof. The form, terms and conditions of each instrument providing such credit enhancement or liquidity support shall be as approved by the Treasurer.

SECTION 8. The Auditor-Controller of the County (the **"Auditor- Controller"**) is hereby directed to establish or cause to be established a "2013-14 TRANs Repayment Fund" (the **"2013-14 TRANs Repayment Fund"**) and any additional subaccounts therein that the Auditor-Controller deems necessary to effectuate the purposes of this Resolution. As provided in the respective Financing Certificate and in the Act, the 2013-14 TRANs shall be payable from the taxes, income, revenue, cash receipts and other moneys of the County attributable solely to the County's Fiscal Year 2013-14 and lawfully available for the payment of the 2013-14 TRANs and interest thereon. The Auditor-Controller is directed to deposit in the 2013-14 TRANs Repayment Fund, subject to the provisions set forth below, the following amounts (calculated based on the maximum authorization established hereunder of $1,000,000,000), such amounts being hereby pledged as provided in the Act and in the Financing Certificate to the payment of the 2013-14 TRANs (the **"Pledged Moneys"**):

(a) (1) the first $350,000,000 of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after December 20, 2013, ***plus*** (2) an amount equal to the interest that will accrue on the 2013-14 TRANs of any series;

(b) the first $300,000,000 of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after January 1, 2014;

(c) the first $100,000,000 of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after February 1, 2014;

(d) the first $50,000,000 of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after March 1, 2014; and

(e) the first $200,000,000 of unrestricted taxes, income, revenues, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after April 20, 2014;

provided, *however,* that if less than $1,000,000,000 in aggregate principal amount of the 2013-14 TRANs are issued, then on the date of issuance of any series of 2013-14 TRANs, the set-aside amounts referred to in clauses (a) through (e) above shall be reduced *pro rata* by an aggregate amount equal to the difference between $1,000,000,000 and the aggregate principal amount of the 2013-14 TRANs actually issued (rounded up to the nearest one million dollars);

and provided further, that the forgoing set-asides of Pledged Revenues may be adjusted by the terms of the Financing Certificate.

To the extent that any amounts actually received pursuant to clauses (a) through (e) above are less than the amount designated for each such deposit, the Auditor-Controller shall deposit into the 2013-14 TRANs Repayment Fund additional amounts from any other moneys of the County lawfully available therefor. To the extent a 2013-14 TRAN of any series is not paid from the Pledged Moneys, such 2013-14 TRANs shall be paid with the interest thereon from any other moneys of the County lawfully available therefor. As provided in the Act, the 2013-14 TRANs and the interest thereon are a valid lien and charge against and are payable from the first moneys received by the County from such Pledged Moneys at their stated maturity. The Pledged Moneys, which may be invested in Permitted Investments (as defined in the Financing Certificate), shall be used to pay the 2013-14 TRANs and the interest thereon when the same shall become due and payable and may not be used for any other purpose, although earnings on amounts in the 2013-14 TRANs Repayment Fund shall be deposited as and when received into the General Fund of the County. Any amounts remaining in the 2013-14 TRANs Repayment Fund after repayment of all 2013-14 TRANs and the interest thereon shall be transferred to any other account in the General Fund of the County as the Treasurer or any of his respective designees may direct.

SECTION 9. The Auditor-Controller may appoint a trustee to act on behalf of the Auditor-Controller with respect to all or any portion of the responsibilities described in Section 8 above. Such appointment may be evidenced by the execution and delivery of a form of Trust Agreement, by and between the County and the national banking association or trust company appointed by the Auditor-Controller, as trustee for the 2013-14 TRANs, pursuant to which the Trustee may be called upon to undertake trustee, paying agent and note registrar duties with respect to the 2013-14 TRANs. The Treasurer is hereby authorized for and in the name and on behalf of the County to execute and deliver said Trust Agreement, in the form he may approve, in his sole discretion, as being in the best interests of the County, such approval to be evidenced conclusively by the execution and delivery thereof.

SECTION 10. The form of Disclosure Certificate of the County (the **"Disclosure Certificate"**) on file with the Board and by this reference incorporated herein is hereby approved. The Treasurer is hereby authorized for and in the name of and on behalf of the County to execute and deliver said Disclosure Certificate, substantially in the form on file with the Board, with such changes therein as may be necessary or as he may approve, in his sole discretion, as being in the best interests of the County, such approval to be evidenced conclusively by the execution and delivery thereof.

SECTION 11. Pursuant to Section 5922 of Chapter 12, Division 6, Title 1 of the California Government Code, as amended, the Board hereby authorizes the Treasurer, in connection with, or incidental to, the issuance or carrying of the 2013-14 TRANs, or the acquisition or carrying of any investment or program of investment by the County, to enter into any contracts, including without limitation contracts commonly known as interest rate swap agreements, forward payment conversion agreements, futures or contracts providing for payments based on levels of, or changes in, interest rates or stock or other indices, or contracts to exchange cash flows or a series of payments, or contracts, including without limitation interest rate floors or caps, options, puts or calls to hedge payment, rate, spread or similar exposure, which the Treasurer determines to be necessary or appropriate (with such terms and provisions as the Treasurer deems necessary or appropriate) to place the obligation or investment represented by such 2013-14 TRANs, such investment or program of investment, or such contract or contracts, in whole or in part, on the interest rate or other basis determined by the Treasurer. The principal or notional amount with respect to any such contract entered into shall not exceed the greater of the principal aggregate amount of the 2013-14 TRANs or the amount of Pledged Moneys.

These contracts and arrangements shall be entered into with the parties, including without limitation the initial purchasers of any 2013-14 TRANs, selected by the means determined by the Treasurer, and shall contain the payment, security, default, remedy and other terms and conditions determined by the Treasurer, after giving due consideration for the creditworthiness of the counterparties, where applicable, including any rating by a nationally recognized rating agency or any other criteria as may be appropriate. The form, terms and conditions of any such contract entered into shall be as approved by the Treasurer and consistent with the purposes of this Resolution and the Financing Certificate.

SECTION 12. The Board hereby finds and determines that the contracts authorized by Section 11 of this Resolution are designed to reduce the amount or duration of payment, currency, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the issuance of the 2013-14 TRANs and to enhance the relationship between risk and return with respect to the investment or program of investment in connection with, or incident to, the contract or arrangement which is entered into.

SECTION 13. Whenever any document or instrument, including without limitation any 2013-14 TRANs, any Contract of Purchase or the Financing Certificate, or any term, provision or condition thereof, is to be approved or established by an authorized officer of the County pursuant to this Resolution, such approval or establishment shall be conclusively evidenced by such authorized officer's execution of such document or instrument or the document or instrument containing such term, provision or condition.

SECTION 14. The officers of the County and their authorized representatives are, and each of them acting alone is, hereby authorized to execute any and all documents and do and perform any and all acts and things, from time to time, consistent with this Resolution and the Financing Certificate and necessary or appropriate to carry the same into effect and to carry out its purposes.

SECTION 15. This Resolution shall take effect immediately upon its adoption.

The foregoing resolution was on the 14th day of May, 2013, 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:

JOHN F. KRATTLI
County Counsel

By: ______________________
Principal Deputy County Counsel

FINANCING CERTIFICATE
PROVIDING FOR THE TERMS AND CONDITIONS
OF ISSUANCE AND SALE OF
2013-14 TAX AND REVENUE ANTICIPATION NOTES

Dated: __________, 2013

$__________
COUNTY OF LOS ANGELES
2013-14 TAX AND REVENUE ANTICIPATION NOTES

Including:

$__________ 2013-14 TAX AND REVENUE ANTICIPATION NOTES, SERIES A	$__________ 2013-14 TAX AND REVENUE ANTICIPATION NOTES, SERIES B

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FINANCING CERTIFICATE
PROVIDING FOR THE TERMS AND CONDITIONS OF ISSUANCE AND SALE OF 2013-14 TAX AND REVENUE ANTICIPATION NOTES

In connection with the issuance and sale of the 2013-14 Tax and Revenue Anticipation Notes (the **"2013-14 TRANs"**) by the County of Los Angeles, California, the Treasurer and Tax Collector of the County of Los Angeles (the **"Treasurer"**) hereby certifies that the 2013-14 TRANs shall be issued on the following terms and conditions:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 101. Definitions. The following terms shall for all purposes of this Certificate have the following meanings:

"Act" shall mean Article 7.6 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, being Sections 53850 through 53858, inclusive, as amended.

"Auditor-Controller" shall mean the Auditor-Controller of the County, and any other person designated by the Auditor-Controller to act on his behalf.

"Authorized Denominations" shall mean $5,000 or any integral multiple thereof.

"Authorized Newspapers" shall mean *The Bond Buyer* and two other newspapers customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation, in Los Angeles, California, and in the Borough of Manhattan, City and State of New York.

"Board" shall mean the Board of Supervisors of the County.

"Business Day" shall mean any calendar day other than (i) a Saturday or Sunday; (ii) a day on which banking institutions are authorized or required by law to be closed for commercial banking purposes in either the State of New York or the State of California; or (iii) a day on which the New York Stock Exchange is closed.

"Certificate" shall mean this "Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes," as from time to time amended or supplemented in accordance with the terms hereof.

"Chair" shall mean the Chair, Chairperson, Chairman or Mayor of the Board.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and all rules and temporary, proposed or final regulations from time to time promulgated thereunder.

“Contract of Purchase” shall mean an agreement between the County and the Original Purchaser of all or a portion of the 2013-14 TRANs, together with any amendments thereto.

“County” shall mean the County of Los Angeles, California, its successors and assigns.

“DTC” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“Event of Default” shall have the meaning assigned to such term in Section 503.

“Fitch” shall mean Fitch Ratings, One State Street Plaza, New York, New York 10004, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency (other than Moody’s or S&P) designated by the County.

“General Fund” shall mean the General Fund of the County.

“Holder” shall mean the Person in whose name any 2013-14 TRANs is registered on the Note Register.

“Maturity Date” shall mean any date of maturity of the 2013-14 TRANs as set forth in the 2013-14 TRANs and Section 203 hereof.

“Maximum Interest Rate” shall mean the maximum interest rate allowed by law.

“Moody’s” shall mean Moody’s Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency (other than S&P or Fitch) designated by the County.

“Note Register” shall mean the registration books for the 2013-14 TRANs maintained by the Note Registrar pursuant to Section 302.

“Note Registrar” shall mean the Treasurer or any other Note Registrar appointed by the County pursuant to this Certificate.

“Official Statement” shall mean that certain Official Statement dated ___________, 2013, relating to the 2013-14 TRANs, including any approved supplement or amendment thereto.

"Opinion of Bond Counsel" shall mean a written opinion of any attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on bonds issued by states and political subdivisions thereof, and duly admitted to practice law before the highest court of any state of the United States of America.

"Original Purchaser" shall mean, collectively, the Persons who are the initial purchasers from the County of the 2013-14 TRANs upon the original issuance thereof.

"Outstanding," when used with reference to the 2013-14 TRANs, shall mean, as of any date, all of the 2013-14 TRANs theretofore or thereupon being issued under this Certificate except:

(i) 2013-14 TRANs cancelled on or prior to such date;

(ii) 2013-14 TRANs for which other 2013-14 TRANs shall have been delivered in lieu of or in substitution therefor pursuant to Article III; and

(iii) 2013-14 TRANs referred to in Section 305.

"Participant" shall mean an entity which is recognized as a participant by the Securities Depository in the book-entry system of maintaining records with respect to the 2013-14 TRANs.

"Paying Agent" shall mean the Treasurer, or any other Paying Agent appointed by the Auditor-Controller pursuant to the Resolution to perform the functions of a paying agent for the 2013-14 TRANs described herein.

"Payment Date" shall mean any date on which the Paying Agent transfers an amount equal to the principal of and interest then due on the 2013-14 TRANs to the Holders thereof.

"Permitted Investments" shall mean, to the extent permitted by law:

(i) Obligations of, or guaranteed as to principal and interest by, the United States of America, or by any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States of America,

(ii) 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,

(iii) 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," "Fl" or better rating for the issuer's short-term debt as provided by Moody's, S&P, or Fitch, respectively. The maximum total par value may be up to 15% of the total amount held by the Treasurer in accordance with this Certificate, and

(iv) The Los Angeles County Treasury Pool,

(v) 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, with a maximum par value of 40% of the total amount held by the Treasurer in accordance with this Certificate. 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,

(vi) 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. The maximum par value may be up to 15% of the total amount held by the Treasurer in accordance with this Certificate,

(vii) 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. The maximum par value may be up to 30% of the total amount held by the Treasurer in accordance with this Certificate,

(viii) 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. The maximum par value per issuer may not exceed $250,000,000 and the maximum total par value for all such agreements with funds held by the Treasurer hereunder may not exceed $500,000,000, and

(ix) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least "AA" or "Aa2" by S&P or Moody's, respectively.

Notwithstanding anything within this definition of Permitted Investments to the contrary, so long as S&P maintains a rating on the 2013-14 TRANs, to the extent Pledged Moneys are invested in Permitted Investments described in paragraphs (iii), (v), (vii) or (ix), such investments must be rated by S&P at the respective S&P ratings described therein.

"Person" shall mean an individual, corporation, firm, association, partnership, trust or other legal entity, including a governmental entity or any agency or political subdivision thereof.

"Pledged Moneys" shall mean the unrestricted taxes, income, revenue, cash receipts and other moneys pledged by the County under the Act and pursuant to the Resolution, and described in Section 402, for the security and payment of the 2013-14 TRANs and the interest thereon, whether or not such taxes, income, revenue, cash receipts or moneys are deposited in the 2013-14 TRANs Repayment Fund.

"Principal Office" shall mean (i) with respect to the Treasurer, the principal office of the Treasurer in Los Angeles, California, and (ii) with respect to any other Paying Agent, the principal corporate trust office of such Paying Agent.

"Rating Agency" shall mean Moody's, S&P, Fitch or any other nationally recognized securities rating agency designated by the County.

"Representation Letter" shall mean one or more letters of representation from the County to, or other instruments or agreements of the County with, a Securities Depository in which the County, among other things, makes certain representations to such Securities Depository with respect to the 2013-14 TRANs, the payment thereof and delivery of notices with respect thereto.

"Resolution" shall mean the "Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed $1,000,000,000," adopted on ___________, 2013, as from time to time amended by any Supplemental Resolution in accordance with the terms hereof.

"S&P" shall mean Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, 55 Water Street, New York, New York 10041, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency (other than Fitch or Moody's) designated by the County.

"Securities Depository" shall mean DTC or any successor as Securities Depository for the 2013-14 TRANs appointed pursuant to Section 202.

"State" shall mean the State of California.

"Supplemental Certificate" shall mean any supplemental financing certificate amending or supplementing this Certificate in accordance with Article VII.

"Supplemental Resolution" shall mean any resolution amending the Resolution, adopted by the County in accordance with Article VII.

"Tax Certificate" shall mean the Tax Exemption Certificate, executed by the County on the date of issuance and delivery of the 2013-14 TRANs, as amended from time to time.

"2013-14 TRANs" shall mean all of the County's 2013-14 Tax and Revenue Anticipation Notes, issued in an aggregate principal amount of $__________and authorized pursuant to the Resolution.

"2013-14 TRANs, Series A" shall mean all of the County's 2013-14 Tax and Revenue Anticipation Notes, Series A issued in an aggregate principal amount of $__________ and authorized pursuant to the Resolution.

"2013-14 TRANs, Series B" shall mean all of the County's 2013-14 Tax and Revenue Anticipation Notes, Series B issued in an aggregate principal amount of $__________ and authorized pursuant to the Resolution.

"2013-14 TRANs Proceeds Fund" shall mean the 2013-14 TRANs Proceeds Fund as described in Section 401.

"2013-14 TRANs Repayment Fund" shall mean the 2013-14 TRANs Repayment Fund established in accordance with the Resolution and described in Section 402.

"Treasurer" shall mean the Treasurer and Tax Collector of the County and any other person designated by the Treasurer to act on his behalf.

Section 102. Other Definitional Provisions. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and words of the feminine gender shall be deemed and construed to include correlative words of the masculine and neuter genders. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa. Headings of articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof. Unless otherwise indicated, all references herein to "Articles," "Sections" or other subdivisions are to the corresponding Articles, Sections or subdivisions of this Certificate; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Certificate as a whole and not to any particular Article, Section or subdivision hereof. Times set forth herein refer to the prevailing times in California.

Section 103. Authority for Delivery of Certificate. This Certificate is executed and delivered pursuant to and in connection with the Resolution.

Section 104. Timing of Actions. Whenever in this Certificate there is designated a time of day at or by which a certain action must be taken, such time shall be local time in New York City, New York, except as otherwise specifically provided herein.

Section 105. Financing Certificate to Constitute Contract. In consideration of the purchase and acceptance of any and all of the 2013-14 TRANs to be issued hereunder by those who shall hold the same from time to time, this Certificate shall be deemed to be and shall constitute a contract between the County and the Holders from time to time of the 2013-14 TRANs. The pledge made in this Certificate and the covenants and agreements herein set forth to be performed by and on behalf of the County shall be for the equal benefit, protection and security of the Holders of any and all of the 2013-14 TRANs all of which shall be of equal rank without preference, priority or distinction of any of the 2013-14 TRANs over any other thereof, except as expressly provided in or permitted by this Certificate.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF 2013-14 TRANS

Section 201. Authorization, Form and Date of 2013-14 TRANs.

1. The 2013-14 TRANs in an aggregate principal amount of not to exceed $__________ have been authorized to be issued in one or more series pursuant to the Resolution and are entitled to the benefit, protection and security thereof. The 2013-14 TRANs shall be issued in anticipation of the receipt by the County of certain taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year commencing __________, 2013. Such notes shall be designated as and shall be distinguished from the notes and securities of all other issues of the County by the title "2013-14 Tax and Revenue Anticipation Notes."

2. As of the date hereof, the County has authorized the issuance of $__________ aggregate principal amount of 2013-14 TRANs, consisting of $__________ aggregate principal amount of 2013-14 TRANs hereby designated the "2013-14 Tax and Revenue Anticipation Notes, Series A," $__________ aggregate principal amount of 2013-14 TRANs hereby designated the "2013-14 Tax and Revenue Anticipation Notes, Series B" and $__________ aggregate principal amount of 2013-14 TRANs hereby designated the "2013-14 Tax and Revenue Anticipation Notes, Series C."

3. The 2013-14 TRANs shall be issued in fully registered form, without coupons and in Authorized Denominations; provided that the 2013-14 TRANs shall initially be issued in book-entry only form pursuant to Section 202. The County hereby certifies and recites that all acts, conditions and things required by law, the Resolution and this Certificate to exist, to have happened, and to have been performed precedent to and during the issuance of the 2013-14 TRANs do exist, have happened and have been performed in due time, form and manner, as required by law and the Resolution and this Certificate. The 2013-14 TRANs shall be in substantially the form attached hereto as Exhibit I, which form is hereby approved and adopted as the form of the 2013-14 TRANs.

4. Except as otherwise provided in a Representation Letter, at and after the Maturity Date of the 2013-14 TRANs, the principal of and interest then due on the 2013-14 TRANs shall be payable in lawful money of the United States of America upon surrender of the 2013-14 TRANs at the Principal Office of the Paying Agent. The 2013-14 TRANs so surrendered to the Paying Agent on any Business Day at or prior to 12:00 noon shall be paid in funds immediately available on such Business Day. The 2013-14 TRANs so surrendered to the

Paying Agent on any Business Day after 12:00 noon shall be paid on the next succeeding Business Day in funds immediately available on such succeeding Business Day.

5. The 2013-14 TRANs shall not be subject to redemption prior to their respective Maturity Dates.

Section 202. <u>Book-Entry Notes</u>.

1. Subject to any limitation on maximum principal amount imposed by DTC, the 2013-14 TRANs shall be initially issued in the form of a single, separate fully registered note (which may be typewritten) in the full aggregate principal amount for each maturity of such 2013-14 TRANs, and upon initial issuance, the ownership of such 2013-14 TRANs shall be registered in the Note Register in the name of Cede & Co., as nominee of DTC, the initial Securities Depository. Except as provided in paragraph 5 of this Section, all of the 2013-14 TRANs shall be registered in the Note Register in the name of Cede & Co., or such other nominee of DTC or any successor Securities Depository or the nominee thereof, as shall be specified pursuant to a Representation Letter.

2. With respect to 2013-14 TRANs registered in the Note Register in the name of the Securities Depository, or its nominee, the County and the Paying Agent shall have no responsibility or obligation to any Participant or to any Person on behalf of which such a Participant holds an interest in any such 2013-14 TRANs. Without limiting the immediately preceding sentence, the County and the Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Securities Depository, the nominee of the Securities Depository or any Participant with respect to any ownership interest in the 2013-14 TRANs, (b) the delivery to any Participant or any other Person, other than a Holder as shown in the Note Register, of any notice with respect to the 2013-14 TRANs or (c) the payment to any Participant or any other Person, other than a Holder as shown in the Note Register, of any amount with respect to principal of or interest on the 2013-14 TRANs. The County may treat and consider the Person in whose name any 2013-14 TRANs is registered in the Note Register as the Holder and absolute owner of such 2013-14 TRANs for the purpose of payment of principal and interest on such 2013-14 TRANs and for all other purposes whatsoever.

3. The Paying Agent shall pay all principal of and interest on the 2013-14 TRANs only to or upon the order of the respective Holders, as shown in the Note Register on the respective Maturity Dates thereof, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the obligations with respect to the payment of principal of and interest on the 2013-14 TRANs under this Certificate and the 2013-14 TRANs to the extent of the sums so paid. Upon delivery by the Securities Depository to the Treasurer of written notice to the effect that the Securities Depository has determined to substitute a new nominee, the word "nominee" in this Certificate shall refer to such new nominee of the Securities Depository.

4. In order to qualify the 2013-14 TRANs for the Securities Depository's book-entry system, the Treasurer has been authorized to execute and deliver, or has executed and delivered, on behalf of the County to the Securities Depository a Blanket Letter of Representations regarding such matters as shall be necessary to so qualify such 2013-14 TRANs

for deposit with the Securities Depository. The execution and delivery of the Representation Letter or Representation Letters shall not in any way limit the provisions of paragraph 2 of this Section or in any other way impose upon the County any obligation whatsoever with respect to Persons having interests in the 2013-14 TRANs other than the Holders as shown in the Note Register. In addition to the execution and delivery of the Blanket Letter of Representations, the Treasurer and all other officers of the County, and their authorized representatives, are each hereby authorized to take any other actions as they deem necessary or desirable, not inconsistent with this Certificate, to qualify such 2013-14 TRANs for the Securities Depository's book-entry program.

5. In the event (a) the incumbent Securities Depository determines not to continue to act as Securities Depository for the 2013-14 TRANs or (b) the County determines that the incumbent Securities Depository shall no longer so act, and delivers a written certificate to the incumbent Securities Depository to that effect, then the County will discontinue the book-entry system for the 2013-14 TRANs with the incumbent Securities Depository. If the County determines to replace the incumbent Securities Depository with another qualified Securities Depository, the County shall prepare or direct the preparation of and execute, and the Paying Agent shall authenticate and deliver, subject to any limitation on maximum principal amount imposed by the successor Securities Depository, a new single, separate fully registered note (which may be typewritten) for the aggregate outstanding principal amount of the 2013-14 TRANs held by the incumbent Securities Depository, registered in the name of such successor or substitute qualified Securities Depository or its nominee, or make such other arrangement acceptable to the County and the successor Securities Depository as are not inconsistent with the terms of this Certificate. If the County fails to identify another qualified successor Securities Depository to replace the incumbent Securities Depository, then the 2013-14 TRANs shall no longer be restricted to being registered in the Note Register in the name of the Securities Depository or its nominee, but shall be registered in whatever name or names the Securities Depository or its nominee shall designate. In such event, the County shall prepare or direct the preparation of and execute, and the Paying Agent shall authenticate and deliver to the Holders thereof, such 2013-14 TRANs as are necessary or desirable to carry out the transfers and exchanges provided in this Section and Section 302. All such 2013-14 TRANs shall be in fully registered form in the denominations authorized upon original issuance pursuant to Section 201.

6. Notwithstanding any other provision of this Certificate to the contrary, so long as any 2013-14 TRANs is registered in the name of the Securities Depository or its nominee, all notices and payments with respect to principal of and interest on such 2013-14 TRANs shall be given and made, respectively, as provided in a Representation Letter or as otherwise instructed by the Securities Depository.

Section 203. <u>Maturity Dates, Principal Amount of and Interest on the 2013-14 TRANs</u>. The 2013-14 TRANs shall be dated __________, 2013. Interest shall be paid on the Maturity Date for each series of 2013-14 TRANs. The 2013-14 TRANs of each series shall bear interest from their date of original issuance payable at their stated Maturity Date and calculated at the rate set forth below per annum, on the basis of a 360-day year comprised of twelve months of 30 days each. The 2013-14 TRANs shall mature on the dates and in the principal amounts and bear interest at the respective rates as set forth in the following schedule:

Series	Maturity Date	Principal Amount	Interest Rate
2013-14 TRANs, Series A	__________, 20__	$__________	______%
2013-14 TRANs, Series B	__________, 20__	__________	______

ARTICLE III

GENERAL TERMS AND PROVISIONS OF 2013-14 TRANS

Section 301. Execution of 2013-14 TRANs; Authentication.

1. The 2013-14 TRANs shall be executed in the name of the County by the manual or facsimile signature of the Chair of the Board and the Executive Officer-Clerk of the Board, and the County's seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon. No 2013-14 TRANs shall be entitled to any benefit under the Resolution or this Certificate or be valid or obligatory for any purpose, unless there appears on such 2013-14 TRANs, a certificate of authentication substantially in the form provided for herein executed by the manual signature of the Paying Agent. Such certificate upon any 2013-14 TRANs shall be conclusive evidence, and the only evidence, that such 2013-14 TRANs has been duly issued, authenticated and delivered hereunder.

2. In case any one or more of the officers who shall have signed or sealed any of the 2013-14 TRANs shall cease to be such officer before the 2013-14 TRANs so signed and sealed shall have been issued, such 2013-14 TRANs so signed and sealed may nevertheless be issued, as herein provided, as if such persons who signed or sealed such 2013-14 TRANs had not ceased to hold such offices. Any of the 2013-14 TRANs may be signed and sealed on behalf of the County by such persons as at the time of the execution of such 2013-14 TRANs shall be duly authorized to hold or shall hold the proper office in the County, although on the date borne by the 2013-14 TRANs such persons may not have been so authorized or have held such office.

Section 302. Negotiability, Transfer and Exchange.

1. The Note Registrar will keep at its Principal Office sufficient books for the registration of transfer and exchange of the 2013-14 TRANs, which shall at all times be open to inspection by the County, and upon presentation for such purpose the Note Registrar shall, under such reasonable regulations as it may prescribe, register or transfer 2013-14 TRANs on such books as hereinafter provided.

2. Any 2013-14 TRANs may, in accordance with its terms, be registered as transferred or exchanged upon the Note Register by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such 2013-14 TRANs for cancellation at the office of the Note Registrar accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Note Registrar. Whenever any 2013-14 TRANs shall be surrendered for transfer, the County shall execute, and the Paying Agent shall authenticate and deliver new 2013-14 TRANs for a like aggregate principal amount of the same type, with the same provisions, including maturity and interest rate, and in Authorized Denominations. The Note Registrar shall require the payment by the Holder requesting such transfer of all expenses incurred by the Note Registrar and the County in

connection with such transfer and any tax or other governmental charge required to be paid with respect to such transfer.

3. The County and the Paying Agent may deem and treat the Holder of any 2013-14 TRANs as the absolute owner of such 2013-14 TRANs, regardless of whether such 2013-14 TRANs shall be overdue, for the purpose of receiving payment thereof and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effective to satisfy and discharge the liability upon such 2013-14 TRANs to the extent of the sum or sums so paid, and neither the County nor any Paying Agent shall be affected by any notice to the contrary. The County agrees, to the extent permitted by law, to indemnify and hold each Paying Agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under this Certificate, in so treating such Holder.

4. The 2013-14 TRANs shall not be exchangeable for other 2013-14 TRANs except as provided in Section 202, this Section and Section 303.

Section 303. 2013-14 TRANs Mutilated, Destroyed, Stolen or Lost. In case any 2013-14 TRANs shall become mutilated or be destroyed, stolen or lost, the County shall issue new 2013-14 TRANs of like principal amount, denomination and tenor as the 2013-14 TRANs so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated 2013-14 TRANs, or in lieu of and substitution for the 2013-14 TRANs destroyed, stolen or lost, upon the filing with the Paying Agent and the County of evidence satisfactory to the Paying Agent and the County that such 2013-14 TRANs have been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Paying Agent and the County with indemnity satisfactory to the Paying Agent and the County and complying with such other reasonable regulations as the Paying Agent and the County may prescribe and paying such expenses as the Paying Agent and the County may incur. All 2013-14 TRANs so surrendered shall be cancelled. Any such substitute 2013-14 TRANs shall constitute original contractual obligations on the part of the County, whether or not the 2013-14 TRANs alleged to be destroyed, stolen or lost are at any time enforceable by anyone. Such substitute 2013-14 TRANs shall be equally secured by and entitled to equal and proportionate benefits with all other 2013-14 TRANs issued under the Resolution and this Certificate in any moneys or securities held by the County or the Paying Agent for the benefit of the Holders of the 2013-14 TRANs.

Section 304. Cancellation. All 2013-14 TRANs which at or after maturity are surrendered to the Paying Agent for the collection of the principal thereof and interest thereon shall be cancelled by the Paying Agent and forthwith destroyed by the Paying Agent. The Paying Agent shall deliver to the County a certificate specifying the cancellation of such 2013-14 TRANs. In all matters provided for in this Section, the County shall act through the Treasurer.

Section 305. 2013-14 TRANs Held by County. If the County shall become the Holder of any 2013-14 TRANs, such 2013-14 TRANs shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation; provided, however, that the County shall not be deemed to be the Holder of any 2013-14 TRANs held .by it in a fiduciary capacity.

ARTICLE IV

ESTABLISHMENT OF 2013-14 TRANS PROCEEDS FUND AND REPAYMENT FUND AND APPLICATION THEREOF

Section 401. **Use of Proceeds of 2013-14 TRANs**.

1. The Auditor-Controller is hereby directed to establish the "2013-14 TRANs Proceeds Fund." The proceeds of the sale of the 2013-14 TRANs upon original issuance shall be deposited in said 2013-14 TRANs Proceeds Fund. The County shall make disbursements from the 2013-14 TRANs Proceeds Fund to pay current Fiscal Year 2013-14 expenditures and to discharge other obligations or indebtedness of the County in accordance with Section 53852 of the Act and the instructions and agreements set forth in the Tax Certificate. Amounts on hand in the 2013-14 TRANs Proceeds Fund shall be accounted for separately from the other funds of the County and shall be invested so as to be available for the aforementioned disbursements. The Auditor-Controller shall keep a written record of all investments and investment earnings (including any investment of earnings) of amounts in the 2013-14 TRANs Proceeds Fund, as well as a written record of disbursements from the 2013-14 TRANs Proceeds Fund.

2. Without limiting the generality of paragraph 1 of this Section, the Treasurer and his respective designees are authorized to pay the fees and reasonable expenses incurred in connection with the authorization, sale and issuance of the 2013-14 TRANs out of moneys in the 2013-14 TRANs Proceeds Fund or any account in the General Fund of the County.

Section 402. **Payment and Security for the 2013-14 TRANs**. Pursuant to the Resolution, the Auditor-Controller is hereby directed to establish the "2013-14 TRANs Repayment Fund" and to establish any subaccounts within the 2013-14 TRANs Repayment Fund if deemed necessary to effectuate the purposes of the Resolution and this Certificate. As provided in the Act, the 2013-14 TRANs shall be payable from the taxes, income, revenue, cash receipts and other moneys of the County attributable solely to the County's Fiscal Year 2013-14 and lawfully available for the payment of the 2013-14 TRANs and interest thereon. The Auditor-Controller is directed hereby to deposit in the 2013-14 TRANs Repayment Fund the following amounts, such amounts being hereby pledged as provided in the Act to the payment of the 2013-14 TRANs:

(a) (1) the first $__________ of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after __________, 2013 plus (2) an amount equal to the interest that will accrue on the 2013-14 TRANs of any series;

(b) the first $__________ of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after January 1, 20[14];

(c) the first $__________ of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after February 1, 20[14];

(d) the first $__________ of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after March 1, 20[14]; and

(e) the first $__________ of unrestricted taxes, income, revenues, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after April 1, 20[14].

To the extent that any amounts received pursuant to clauses (a) through (e) above are less than the total amount designated for such deposit, the Auditor-Controller shall deposit into the 2013-14 TRANs Repayment Fund additional amounts from any other moneys of the County lawfully available therefor. To the extent any 2013-14 TRANs is not paid from the Pledged Moneys, such 2013-14 TRANs shall be paid with the interest thereon from any other moneys of the County lawfully available therefor. As provided in the Act, the 2013-14 TRANs and the interest thereon are a valid lien and charge against and are payable from the first moneys received by the County comprising such Pledged Moneys. The Pledged Moneys, which may be invested in Permitted Investments, shall be used to pay the 2013-14 TRANs and the interest thereon when the same shall become due and payable and may not be used for any other purpose, although earnings on amounts in the 2013-14 TRANs Repayment Fund shall be deposited as and when received into the General Fund of the County. Any amounts remaining in the 2013-14 TRANs Repayment Fund after repayment of all the 2013-14 TRANs and the interest thereon shall be transferred by the Treasurer to any account in the General Fund of the County as the Treasurer or any of his respective designees may direct.

ARTICLE V

CERTAIN COVENANTS; EVENTS OF DEFAULT AND REMEDIES

Section 501. General Covenants and Representations. The County shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the County under the provisions of the Act, the Resolution and this Certificate.

1. Upon the date of issuance of the 2013-14 TRANs, all conditions, acts and things required of the County by law, the Resolution and this Certificate to exist, to have happened and to have been performed precedent to and during the issuance of the 2013-14 TRANs, shall exist, shall have happened and shall have been performed, in due time, form and manner, and the issue of 2013-14 TRANs, together with all other indebtedness of the County, shall be within every applicable debt and other limit prescribed by the laws of the State.

2. The County shall not issue any notes, or otherwise incur any indebtedness, pursuant to the Act with respect to Fiscal Year 2013-14 in an amount which, when added to the interest payable thereon, shall exceed 85% of the estimated amount of the then-uncollected taxes,

income, revenue, cash receipts and other moneys of the County which will be available for the payment of said notes or other indebtedness and the interest thereon; provided, however, that to the extent that any principal of or interest on such notes or other indebtedness is secured by a pledge of the amount in any inactive or term deposit of the County, the term of which will terminate during said Fiscal Year, such principal and interest may be disregarded in computing said limit.

3. The County shall provide, in a timely manner, notice to each Rating Agency that is then providing a rating for the 2013-14 TRANs of the following events:

(i) the substitution or appointment of a successor Paying Agent; and

(ii) any material amendments to the Resolution, this Certificate, the 2013-14 TRANs or the Official Statement.

Section 502. Covenants Relating to the Code. The County shall do the following with respect to the 2013-14 TRANs:

1. The County shall comply with each applicable requirement of the Code necessary to maintain the exclusion of interest on the 2013-14 TRANs from gross income for federal income tax purposes. In furtherance of the foregoing tax covenant, the County agrees to comply with the provisions of the Tax Certificate. The County shall make all calculations as provided in the Tax Certificate relating to any rebate of excess investment earnings on the 2013-14 TRANs proceeds due to the United States Department of Treasury in a reasonable and prudent fashion and shall segregate and set aside the amounts such calculations indicate may be required to be paid to the United States Department of Treasury.

2. Notwithstanding any other provisions of this Certificate to the contrary, so long as necessary to maintain the exclusion from gross income of interest on the 2013-14 TRANs for federal income tax purposes, the covenants contained in this Section shall survive the payment of the 2013-14 TRANs and the interest thereon.

3. Notwithstanding any other provision of this Certificate to the contrary, upon the County's failure to observe or refusal to comply with the covenants contained in this Section, the Holders, and any adversely affected former Holders, shall be entitled to the rights and remedies provided to Holders under this Certificate.

Section 503. Events of Default and Remedies. The following shall be Events of Default under the Resolution and this Certificate and the term "Event of Default" whenever used in this Certificate shall mean any one or more of the following:

(a) the County fails to make any payment of the principal of, or interest on, any 2013-14 TRANs when and as the same shall become due and payable;

(b) the County fails to perform or observe any other of the covenants, agreements or conditions required to be performed or observed by the County pursuant to the Resolution, this Certificate or the 2013-14 TRANs and such default shall continue for a period of 60 days after written notice thereof to the County by the Holders of not less than 10% in principal amount of the 2013-14 TRANs Outstanding; or

(c) the County shall file a petition for relief under the federal bankruptcy laws.

Whenever any Event of Default shall have happened and shall be continuing, the Holders, and any adversely affected former Holders, of the 2013-14 TRANs and their legal representatives, shall be entitled to take any and all actions available at law or in equity to enforce the performance of the covenants herein and in the Act. Nothing herein shall preclude an individual Holder from enforcing his or her rights to payment of principal of or interest on the 2013-14 TRANs.

ARTICLE VI

PAYING AGENT

Section 601. Liability of Paying Agent. The Paying Agent makes no representations as to the validity or sufficiency of this Certificate or of any 2013-14 TRANs or as to the security afforded by the Resolution or this Certificate, and the Paying Agent shall incur no liability in respect thereof.

Section 602. Evidence on Which Paying Agent May Act.

1. In case at any time it shall be necessary or desirable for the Paying Agent to make any investigation respecting any fact preparatory to taking or not taking any action, or doing or not doing anything, as Paying Agent, and in any case in which this Certificate provides for permitting or taking any action, it may rely upon any notice, resolution, request, consent, order, waiver, statement, certificate, report, opinion, bond or other paper or document to be furnished to it under the provisions of this Certificate, and any such instrument shall be evidence of such fact to protect it in any action that it may or may not take, or in respect of anything it may or may not do, acting reasonably and in good faith, by reason of the supposed existence of such fact.

2. The Paying Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Certificate, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person, or to have been prepared and furnished pursuant to any of the provisions of this Certificate or at the sole cost and expense of the County with the prior written consent of the County, and when determined necessary in the reasonable discretion of the Paying Agent, as the case may be, upon the written opinion of any attorney (who may be an attorney for the County or an employee of the County) believed by the Paying Agent, to be qualified in relation to the subject matter.

Section 603. Compensation.

1. The County shall pay to the Paying Agent from time to time such compensation as may be agreed upon in writing by the County and the Paying Agent for all services rendered under this Certificate.

2. To the extent permitted by law and approved by the Treasurer, the County may indemnify the Paying Agent and hold it harmless, against any loss, liability or reasonable expense (including the costs and expenses of its counsel and of investigating and defending against any claim of liability) arising out of or in connection with its acting as Paying Agent under this Certificate; *provided, however,* that the Paying Agent shall not be indemnified for or held harmless against any such loss, liability or expense resulting from its negligence, willful misconduct or bad faith. The provision of this paragraph 2 shall remain in full force and effect notwithstanding the resignation or removal of the Paying Agent or the termination of this Certificate.

3. Nothing in this Certificate shall require or obligate the Paying Agent to advance, expend or risk its own funds or otherwise to incur any personal financial liability in the performance or exercise of any of its duties or rights hereunder and the Paying Agent shall be fully justified and protected in taking or refusing to take any action under this Certificate or the 2013-14 TRANs unless it shall first be indemnified against any and all liability and expense which may be incurred by it by reason of such taking or refusing to take any such action (other than any liability or expense resulting from its negligence, willful misconduct or bad faith). Notwithstanding the foregoing, the Paying Agent shall not require indemnification prior to the making, when due, of any payment required at the respective Maturity Dates of the several series of 2013-14 TRANs.

Section 604. Ownership of the 2013-14 TRANs Permitted. Subject to Section 305, the Paying Agent may become the Holder of any 2013-14 TRANs.

Section 605. Resignation or Removal of Paying Agent and Appointment of Successor. The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Certificate by giving at least 60 days' prior written notice to the County. The Paying Agent may be removed at any time with or without cause by an instrument filed with the Paying Agent and signed by the County. A successor Paying Agent may be appointed by the County and shall be a commercial bank with trust powers or a trust company organized under the laws of any state of the United States or a national banking association, having capital and surplus aggregating at least $100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Certificate. For purposes of this Section, a commercial bank with trust powers or a trust company shall be deemed to have capital and surplus aggregating at least $100,000,000 if it is a wholly-owned subsidiary of a corporation having capital and surplus aggregating at least $100,000,000 and such corporation provides a written guaranty, in form and substance satisfactory to the County, of the performance by the bank or trust company of its obligations as Paying Agent hereunder. Such Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the County a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

In the event of the resignation or removal of the Paying Agent, the Paying Agent shall pay over, assign and deliver any moneys held by it to its successor. In no event shall the resignation or removal of the Paying Agent become effective prior to the assumption of the resigning or removed Paying Agent's duties and obligations by a successor Paying Agent.

Section 606. References to Paying Agent. References in this Article VI to a Paying Agent shall be deemed to be references to any Paying Agent other than the Treasurer.

ARTICLE VII

SUPPLEMENTAL RESOLUTIONS AND CERTIFICATES

Section 701. Supplemental Resolutions and Certificates Effective Without Consent of Holders. A Supplemental Resolution of the County may be adopted, or a Supplemental Certificate may be executed, for any one or more of the following purposes, which, without the requirement of consent of Holders, shall be fully effective in accordance with its terms:

(a) to add to the covenants and agreements of the County in the Resolution or this Certificate, as the case may be, other covenants and agreements to be observed by the County that are not contrary to or inconsistent with the Resolution or this Certificate as theretofore in effect;

(b) to add to the limitations and restrictions in the Resolution or this Certificate as the case may be, other limitations and restrictions to be observed by the County that are not contrary to or inconsistent with the Resolution or this Certificate as theretofore in effect;

(c) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Resolution or this Certificate, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution or this Certificate;

(d) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution or this Certificate, as the case may be, as theretofore in effect;

(e) to supplement or amend the Resolution or this Certificate, as the case may be, in any other respect as required to maintain a rating for the 2013-14 TRANs, or any portion thereof, from any Rating Agency; *provided*, that the County first obtains an Opinion of Bond Counsel to the effect that such Supplemental Resolution or Supplemental Certificate does not adversely affect the interests of the Holders; and

(f) to supplement or amend the Resolution or this Certificate, as the case may be, in any other respect; *provided*, that the County first obtains an Opinion of Bond

Counsel to the effect that such Supplemental Resolution or Supplemental Certificate does not adversely affect the interests of the Holders.

Section 702. Supplemental Certificate. Except as provided in Section 701, any amendment of or supplement to this Certificate and of the rights and obligations of the County and of the Holders of the 2013-14 TRANs under this Certificate, in any particular, may be made by a Supplemental Certificate and with the written consent of the Holders of at least a majority in principal amount of the 2013-14 TRANs Outstanding at the time such consent is given; provided, however, that if such supplement or amendment will, by its terms, not take effect so long as any 2013-14 TRANs of any particular series remain Outstanding, the consent of the Holders of such series shall not be required. No such supplement or amendment shall permit a change in the terms of maturity of the principal of any 2013-14 TRANs or of the then applicable interest rate thereon or a reduction in the principal amount thereof, or shall change the dates or amounts of the pledges set forth in Section 402, or shall reduce the percentage of Holders required to approve any such Supplemental Certificate, without the consent of all of the Holders of affected 2013-14 TRANs nor shall any such supplement or amendment change or modify any of the rights or obligations of any Paying Agent, if applicable, without its written consent thereto. The County shall provide the Rating Agencies notice of any Supplemental Certificate or Supplemental Resolution.

ARTICLE VIII

MISCELLANEOUS

Section 801. Moneys Held in Trust for One Year. Anything in this Certificate to the contrary notwithstanding, any moneys held in trust for the payment and discharge of any of the 2013-14 TRANs that remain unclaimed for a period of one year after the date when such 2013-14 TRANs have become due and payable, if such moneys were so held at such date, or for one year after the date of deposit of such moneys if deposited after the date when such 2013-14 TRANs became due and payable, shall be repaid to the County, as its absolute property and free from trust, and the Holders shall thereafter look only to the County for the payment of such 2013-14 TRANs from lawfully available funds; provided, however, that before any such payment is made to the County, the County shall create (and shall thereafter maintain until payment of all of the 2013-14 TRANs) a record of the amount so repaid, and the County shall cause to be published at least twice, at any interval of not less than seven days between publications, in the Authorized Newspapers, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the County.

IN WITNESS WHEREOF, I have set my hand onto this Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes on this ___ day of ___________, 2013.

COUNTY OF LOS ANGELES, CALIFORNIA

By: ______________________________
MARK J. SALADINO
Treasurer and Tax Collector

[Signature Page to Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes]

EXHIBIT I

[FORM OF 2013-14 TRANS]

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

United States of America
State of California
COUNTY OF LOS ANGELES
2013-14 TAX AND REVENUE ANTICIPATION NOTE, SERIES [A/B]

Interest Rate	Dated Date	Maturity Date	CUSIP Number
_____%	__________, 2013	_________, 2014	__________

Registered Owner: Cede & Co.

Principal Amount: ________________________________

The County of Los Angeles, a political subdivision of the State of California (herein called the **"County"**), acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner hereof, or registered assigns, on the Maturity Date specified above, upon presentation and surrender of this note at the Principal Office of the Treasurer and Tax Collector of the County, as Paying Agent (the **"Paying Agent"**), in lawful money of the United States of America, the Principal Amount specified above, together with interest thereon from the Dated Date specified above at the Interest Rate per annum specified above. Interest on this Note shall accrue from the Dated Date set forth above and shall be computed on the basis of a 360-day year comprised of 12 months of 30 days each payable at maturity.

This Note is one of a duly authorized issue of notes of the County designated as its "2013-14 Tax and Revenue Anticipation Notes, Series [A/B]" (herein called the **"Notes"**), issued in an aggregate principal amount of $__________________ under and in full compliance with the Constitution and statutes of the State of California, particularly Article 7.6 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code being Sections 53850 to 53858, inclusive, as amended (the **"Act"**) and under and pursuant to the resolution of the Board of

Supervisors of the County, adopted __________, 2013, entitled "Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed $__________" (such resolution, as the same may be amended or supplemented from time to time, is herein called the "Resolution"), and is issued on the terms and conditions set forth in the Financing Certificate, dated __________, 2013, entitled "Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes (such Certificate, as the same may be amended or supplemented from time to time, is herein called the "Certificate"). Capitalized terms used and not otherwise defined shall have the meanings given such terms in the Certificate. Copies of the Resolution and the Certificate are on file at the office of the Executive Officer-Clerk of the Board of Supervisors, and reference to the Resolution and any and all supplements thereto and modifications and amendments thereof, to the Certificate and any and all supplements thereto and modifications and amendments thereof, and to the Act is made for a complete statement of such terms and conditions.

The Notes and the interest thereon are ratably secured on a parity basis with the County's 2013-14 Tax and Revenue Anticipation Notes, Series [A/B] by a pledge by the County of certain taxes, income, revenue, cash receipts and other moneys of the County attributable solely to the County's Fiscal Year 2013-14. In accordance with California law, the Notes are payable solely from taxes, income, revenues, cash receipts and other moneys of the County attributable to Fiscal Year 2013-14, and, to the extent not paid from taxes, income, revenue, cash receipts and other moneys of the County pledged for the repayment thereof, shall be paid with the interest thereon from other moneys of the County lawfully available therefor.

This Note is transferable, as provided in the Certificate, only upon a register to be kept for that purpose at the office of the Note Registrar by the Registered Owner hereof in person or by such owner's duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to the Note Registrar duly executed by the Registered Owner or such owner's duly authorized attorney, and thereupon a new fully registered note or notes of the same series, maturity and aggregate Principal Amount will be issued to the transferee in exchange therefor as provided in the Certificate upon payment of the charges therein prescribed. The County and the Note Registrar shall treat the person in whose name this Note is registered as the absolute owner hereof for all purposes whether or not this Note shall be overdue, and the County and the Note Registrar shall not be affected by any notice to the contrary.

The Notes may not be exchanged for other Notes except as provided in the Certificate.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution and the Certificate, or any supplemental resolution amending the Resolution and the Certificate, may be amended by the County; provided, however, that no such amendment shall permit a change in the terms of maturity, the principal of any Note or of the then prevailing interest thereon or a reduction in the principal amount thereof without the consent of the owners of such Notes or shall reduce the percentage of Notes the consent of the owners of which is required to effect any such amendment or change the dates or amounts of the pledges set forth in the Resolution.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution and the Certificate to exist, to have happened and to have been performed precedent to and during the issuance of the Notes, do exist, have happened and have been performed, in due time, form and manner, as required by law and the Resolution and the Certificate, and that the Notes, together with all other indebtedness of the County, are within every debt and other limit prescribed by the laws of the State of California.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, THE COUNTY OF LOS ANGELES has caused this Note to be signed in its name and on its behalf by the manual or facsimile signature of the Chair of the Board of Supervisors of the County and the Executive Officer-Clerk of the Board of Supervisors and its seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced, as of the Dated Date set forth above.

(SEAL)

COUNTY OF LOS ANGELES

By: __________________________________
MARK RIDLEY-THOMAS
Chairman

By: __________________________________
SACHI A. HAMAI
Executive Officer-Clerk of
the Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes delivered pursuant to the within-mentioned Resolution.

DATED: __________, 2013

TREASURER AND TAX COLLECTOR OF THE COUNTY OF LOS ANGELES,
as Paying Agent

By: __________________________________
MARK J. SALADINO
Treasurer and Tax Collector

[FORM OF ASSIGNMENT]

For value received ______________________________ hereby sell(s), assign(s) and transfer(s) unto __________________________ the within Note and hereby irrevocably constitute(s) and appoint(s) __________________________ attorney, to transfer the same on the Note Register of the Paying Agent, with full power of substitution in the premises.

Dated: _____________________

Signature of Registered Owners: _________________________________

Signature Guaranteed by: _______________________________________

Note: The signature on this Assignment must correspond with the name as written on the face of the within note in every particular, without alteration or enlargement or any change whatsoever and must be guaranteed by a commercial bank, trust company, or a member firm of the New York Stock Exchange.

$[Principal Amount]
COUNTY OF LOS ANGELES
2013-14 TAX AND REVENUE ANTICIPATION NOTES

CONTRACT OF PURCHASE

[Pricing Date]

Board of Supervisors
County of Los Angeles
Los Angeles, California

Honorable Members of the Board of Supervisors:

The undersigned, Goldman, Sachs & Co. (the "Representative"), on behalf of itself and the underwriters appointed by the County of Los Angeles (the "County") and listed on Appendix I hereto (the Representative and such other underwriters being collectively referred to herein as the "Underwriters"), offers to enter into this Contract of Purchase (the "Contract of Purchase") with the County which, upon the County's written acceptance of this offer, will be binding upon the County and upon the Underwriters. This offer is made subject to the County's written acceptance hereof on or before 5:00 p.m., Los Angeles time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the County at any time prior to the acceptance hereof by the County.

SECTION 1. <u>Purchase and Sale of the Notes</u>. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters agree to purchase from the County, and the County agrees to sell and deliver to the Underwriters, all, but not less than all, of the County's $[Series A Principal Amount] in aggregate principal amount of 2013-14 Tax and Revenue Anticipation Notes, Series A (the "Series A Notes") and $[Series B Principal Amount] in aggregate principal amount of 2013-14 Tax and Revenue Anticipation Notes, Series B (the "Series B Notes" and, together with the Series A Notes, the "Notes"). The Notes are being issued pursuant to a resolution adopted by the Board of Supervisors of the County (the "Board of Supervisors") on May [14], 2013, and entitled "Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed $1,000,000,000" (the "Resolution") and subject to the terms and conditions set forth in the Financing Certificate of the Treasurer and Tax Collector of the County (the "Treasurer") entitled "Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes" (the "Certificate"). The Notes shall be dated July 1, 2013, and shall mature on the dates and shall bear interest at the rates specified in Exhibit E hereto.

The purchase price for the Notes shall be $[Purchase Price] (representing the principal amount of the Notes of $[Principal Amount], plus original issue premium of $[OIP], less Underwriters' discount of $[UW Discount]).

The Preliminary Official Statement of the County, dated May [20], 2013, including the cover page and Appendices thereto, relating to the Notes (together with any documents incorporated therein by reference and as disseminated in its printed physical form or in electronic form materially consistent with such physical form, the "Preliminary Official Statement"), as amended to conform to the terms of this Contract of Purchase and exclusive of such changes and amendments subsequent to the date hereof as may be mutually agreed to in accordance with Section 4(b)(iii) hereof is hereinafter called the "Official Statement."

In connection with the issuance of the Notes, the County is also executing a Disclosure Certificate, dated July 1, 2013 (the "Disclosure Certificate").

SECTION 2. <u>The Notes and the Official Statement</u>.

(a) The Notes shall be as described in the Certificate and shall be issued and secured under and pursuant to the provisions of Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the Government Code of the State of California (the "Act") and the Resolution.

(b) On or prior to the date of mailing or electronic distribution of the Preliminary Official Statement by the Underwriters, the County shall have delivered to the Representative a certificate pursuant to which the Treasurer or his authorized representative certifies on behalf of the County that such Preliminary Official Statement is deemed final by the County as of the date thereof, except for the omission of such information which is permitted to be excluded by Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12").

(c) Unless otherwise notified in writing by the Representative, the "end of the underwriting period" for purposes of Rule 15c2-12 shall be the date of Closing (as hereinafter defined).

SECTION 3. <u>Sale to Underwriters; Certain Agreements of the Underwriters</u>.

(a) It shall be a condition to the County's obligations to sell and deliver the Notes to the Underwriters and to the Underwriters' obligations to purchase, to accept delivery of and to pay for the Notes that the entire aggregate principal amount of the Notes shall be issued, sold and delivered by the County and purchased, accepted and paid for by the Underwriters at the Closing. The Underwriters agree to make a bona fide public offering of all the Notes at prices not in excess of the initial offering prices or yields set forth on the cover page of the Official Statement, plus interest accrued thereon (if any) from the date of the Notes. Subsequent to such initial public offering, the Underwriters reserve the right to change such initial public offering prices or yields as they deem necessary in connection with the marketing of the Notes.

(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 other actions necessary to comply with rules of the U.S. Securities and Exchange Commission and Municipal Securities Rulemaking Board which are applicable to the Underwriters governing the offering, sale and delivery of the Notes to the ultimate purchasers.

SECTION 4. Use of Documents; Certain Covenants and Agreements of the County.

(a) The County authorizes the use by the Underwriters of the Resolution, the Certificate and the Official Statement, including any supplements or amendments thereto, and the information therein contained in connection with the public offering and sale of the Notes. The County ratifies and confirms the use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Notes;

(b) The County covenants and agrees:

(i) To cause to be made available to the Underwriters such quantities of the Official Statement (in a "designated electronic format" (as defined in MSRB Rule G-32)) as the Underwriters may request for use in connection with the offering and sale of the Notes, without charge, within seven (7) business days of the date hereof 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 Notes;

(ii) To apply the proceeds from the sale of the Notes as provided in the Resolution and the Certificate, subject to all of the terms and provisions of the Resolution and the Certificate, and not knowingly to take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Notes, in that the County agrees to comply with the provisions of the Tax Exemption Certificate executed by the County at the time of delivery of the Notes;

(iii) If, after the date of this Contract of Purchase and until the earlier of (A) twenty-five (25) days after the "end of the underwriting period" (as defined in Rule l5c2-12) or (B) ninety (90) days after the Closing, any event shall occur as a result of which it is necessary to amend or supplement the Official Statement in the opinion of the County or the Representative so that it does not contain any 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 when the Official Statement is delivered to a purchaser, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with applicable law, to notify the Representative (and for the purposes of this clause (iii) to provide the Underwriters with such information as they may from time to time request), and to forthwith prepare and furnish, at its own expense (in a form and manner approved by the Representative), a reasonable number of copies of either amendments or supplements to the Official Statement so that the Official Statement as so amended and supplemented will not contain any 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 when the Official Statement as so amended and supplemented is delivered to a purchaser, not misleading or so that the Official Statement as so amended and supplemented will comply with all applicable laws;

(iv) To furnish such information and execute such instruments and take such action in cooperation with the Representative as the Representative may reasonably request (A) to (a) qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Representative may designate and (b) determine the eligibility of the Notes for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Notes; provided, however, that the County will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state;

(v) To advise the Representative immediately of receipt by the County of any notification with respect to the suspension of the qualification of the Notes for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose; and

(vi) To furnish to the Representative, from time to time, any additional information as the Representative may reasonably request.

SECTION 5. Representations and Warranties of the County. The County represents and warrants to each of the Underwriters, as of the date hereof, as follows:

(a) The County is a political subdivision duly created and validly existing under the Constitution and the laws of the State of California (the "State"), and has full legal right, power and authority, and at the date of the Closing will have full legal right, power and authority (i) to enter into this Contract of Purchase, to execute the Certificate and to adopt the Resolution, (ii) to sell, issue and deliver the Notes to the Underwriters as provided herein, and (iii) to carry out and consummate the transactions contemplated by this Contract of Purchase, the Resolution, the Certificate and the Official Statement; and the County has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Resolution as they pertain to such transactions;

(b) By all necessary official action of the County prior to or concurrently with the acceptance hereof, the County has duly adopted the Resolution, 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 Notes, this Contract of Purchase, the Resolution, the Certificate and the consummation by it of all other transactions contemplated by the Official Statement, the Resolution, the Certificate and this Contract of Purchase; the Resolution, the Certificate and this Contract of Purchase, assuming due authorization, execution and delivery by the Representative, constitute legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights and the application of general principles of equity if equitable remedies are sought; the Notes, when issued, authenticated and delivered to the Underwriters in accordance with the Resolution, the Certificate and this Contract of Purchase will constitute legal, valid and binding general obligations of the County entitled to the benefits of, and payable from sources specified in, the Resolution and the Certificate and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights and the application of the general principles of equity if equitable remedies are sought; upon the issuance, authentication and delivery of the Notes, the Resolution will provide, for the benefit of the registered owners from time to time of the Notes, the legal, valid and binding pledge of and lien on the Pledged Moneys (as defined in the Certificate) it purports to create, subject only to the provisions of the Resolution and the Certificate permitting the application thereof on the terms and conditions set forth in the Resolution and the Certificate;

(c) To the best knowledge of the County, the County is not in material breach of or default under any loan agreement, indenture, bond or note, or other instrument evidencing any indebtedness or other material financial obligation of the County to which the County is a party, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the County under any such instrument; and the execution and delivery of the Notes, the Certificate and this Contract of Purchase and the adoption of the Resolution and compliance with the provisions on the County's part contained therein, will not in any material respect conflict with or constitute a breach or default under any State constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, ordinance, resolution, agreement or other instrument to which the County is a party, 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 County or under the terms of any such law, regulation or instrument, except as provided by the Notes, the Certificates and the Resolution;

(d) All authorizations, approvals, licenses, permits, consents and orders of any State governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the County of its obligations under, this Contract of Purchase, the Resolution, the Certificate and the Notes have been duly obtained, except for such approvals, consents and orders as are stated in the Official Statement as yet to be obtained or as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Notes;

(e) The Notes conform to the description thereof contained in the Official Statement under the caption "THE NOTES," the Resolution and the Certificate conform to the descriptions thereof contained in the Official Statement under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE FINANCING CERTIFICATE" and the proceeds of the sale of the Notes will be applied generally as described in the Official Statement under the caption "THE NOTES - Purpose of Issue";

(f) To the best knowledge of the County, 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, 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 sale, issuance or delivery of the Notes or the pledge of and lien on the Pledged Moneys of the County pursuant to the Resolution or in any way contesting or affecting the validity or enforceability of the Notes, the Resolution, this Contract of Purchase and the Certificate, or contesting the exclusion from gross income of interest on the Notes for federal income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereof, or contesting the powers of the County or any authority for the issuance of the Notes, the adoption of the Resolution or the execution and delivery of this Contract of Purchase and the Certificate, nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Notes, the Resolution, the Certificate or this Contract of Purchase;

(g) As of the date thereof, the Preliminary Official Statement (excluding any information relating to The Depository Trust Company, New York, New York ("DTC") and information under the caption "UNDERWRITING") did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) At the time of the County's acceptance hereof and (unless an event occurs of the nature described in clause (iii) of Section 4(b) above) at all times subsequent thereto during the period up to and including the earlier of (A) twenty-five (25) days subsequent to the "end of the underwriting period" or (B) ninety (90) days after the Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) If the Official Statement is supplemented or amended pursuant to clause (iii) of Section 4(b) above, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the earlier of (A) twenty-five (25) days subsequent to the "end of the underwriting period" or (B) ninety (90) days after the Closing, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) The financial statements of, and other financial information regarding, the County 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 (i) except as noted under the heading "Notes to the Basic Financial Statements" in Appendix B to the Official Statement, the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, and (ii) the other financial information with respect to the County has been determined on the basis substantially consistent with that of the County's audited financial statements included in the Official Statement; and

(k) The County has not failed to comply in the last five years, in any material respect, with any continuing disclosure undertaking pursuant to Rule 15c2-12.

SECTION 6. <u>Closing</u>.

(a) At 8:00 a.m., Los Angeles time, on July 1, 2013, or at such other time and date as shall have been mutually agreed upon by the County and the Representative, the County will, subject to the terms and conditions hereof, deliver the Notes to the Representative duly executed and authenticated, together with the other documents hereinafter mentioned, and the Representative will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Notes as set forth in Section 1 hereof by Federal Reserve wire of immediately available funds payable to the order of the County. Such delivery of and payment for the Notes is referred to herein as the "Closing."

(b) Delivery of the Notes shall be made at, or, in accordance with the operating procedures thereof, through, DTC. The Notes shall be delivered in fully registered form, without coupons, bearing CUSIP number(s) and registered in the name of Cede & Co. and shall be made available to the Representative at least one (1) business day before the Closing for purposes of inspection. Notwithstanding the foregoing, neither the failure to print CUSIP numbers on any Note nor any error with respect thereto shall constitute cause for failure or refusal by the Underwriters to accept delivery of and pay for the Notes on the date of Closing in accordance with the terms of this Contract of Purchase.

SECTION 7. Closing Conditions. The Representative has entered into this Contract of Purchase on behalf of itself and the other Underwriters in reliance upon the representations, warranties and agreements of the County contained herein, and in reliance upon 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 County of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Contract of Purchase to purchase, to accept delivery of and to pay for the Notes shall be conditioned upon the performance by the County of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations and warranties of the County contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of the Closing, the Resolution and the Certificate shall be in full force and effect and shall not have been amended, modified or supplemented; and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative in accordance with Section 4(b)(iii) hereof;

(c) At the time of the Closing, all official action of the County relating to this Contract of Purchase, the Resolution, the Certificate and the Notes, shall be in full force and effect and shall not have been amended, modified or supplemented, and the Representative shall have received, in appropriate form, evidence thereof;

(d) At the time of the Closing, there shall not have occurred any material change to the condition, financial or otherwise, or in the earnings or operations of the County, nor shall the Board of Supervisors or the Legislature of the State of California have taken official action that would prospectively result in a change in the condition, financial or otherwise, or in the earnings or operations of the County from that set forth in the Official Statement that shall have a material and adverse effect and that makes it, in the reasonable judgment of the Representative, impracticable to market the Notes on the terms and in the manner contemplated in the Official Statement; and

(e) At or prior to the Closing, the Representative shall have received copies of each of the following documents:

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

(ii) A certified copy of the Resolution and an original of the Certificate, each having been duly adopted by the Board of Supervisors or executed by the County and as being in full force and effect, with such supplements or amendments as may have been agreed to by the Representative acting in good faith;

(iii) An approving opinion, dated the date of Closing, of Squire Sanders (US), LLP, Bond Counsel, addressed to the County and on which the Underwriters may rely, substantially in the form attached to the Official Statement as Appendix C;

(iv) A supplemental opinion of Bond Counsel, addressed to the County and the Representative, dated the date of Closing, in substantially the form of Exhibit B hereto;

(v) An opinion, dated the date of Closing, of County Counsel, as counsel to the County and addressed to the Representative, in substantially the form of Exhibit C hereto;

(vi) An opinion, dated the date of Closing, of Hawkins Delafield & Wood LLP, counsel for the Underwriters, addressed to the Representative, in substantially the form of Exhibit D hereto;

(vii) Evidence satisfactory to the Underwriters that the Notes shall have been rated not less than "___" by Moody's Investors Service, "___" by Standard & Poor's, a Standard & Poor's Financial Services LLC business, and "___" by Fitch Ratings, and that none of such ratings has been revoked, suspended or downgraded;

(viii) A Tax Exemption Certificate of the County, in form satisfactory to Bond Counsel, signed by an authorized officer or designee of the County;

(ix) A certificate of the County in substantially the form of Exhibit A hereto;

(x) Evidence that the federal tax information return Form 8038-G has been prepared;

(xi) Evidence of required filings with the California Debt and Investment Advisory Commission;

(xii) Executed copies of the Disclosure Certificate;

(xiii) a preliminary Blue Sky Survey and final Blue Sky Memorandum with respect to the Notes; and

(xiv) Such additional legal opinions, certificates, instruments and other documents as Bond Counsel, the Representative or counsel to the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the County's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the County on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the County.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Contract of Purchase shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Representative.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Notes contained in this Contract of Purchase, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Notes shall be terminated for any reason permitted by this Contract of Purchase, this Contract of Purchase shall terminate and neither the Underwriters nor the County shall be under any further obligation hereunder, except that the respective obligations of the County and the Underwriters set forth in Section 9 hereof shall continue in full force and effect.

SECTION 8. <u>Termination</u>. The Representative shall have the right to terminate in its reasonable judgment the Underwriters' obligations under this Contract of Purchase to purchase, to accept delivery of and to pay for the Notes by notifying the County of its election to do so if, after the execution hereof and prior to the Closing, any one of the following shall occur:

(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 Notes, 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 is intended to be includable in such gross income as of the date hereof;

(b) any action shall have been taken by the U.S. 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 the Financing Certificate under the Trust Indenture Act of 1939, as amended, in connection with the public offering of the Notes, 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, its property or income, its notes or bonds (including the Notes) or the interest thereon, which in the reasonable judgment of the Representative would make it impracticable to market the Notes on the terms and in the manner contemplated in the Official Statement;

(d) (i) trading of any securities representing direct obligations of the County shall have been suspended on any exchange or in any over-the-counter market, or (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 Notes 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 any outbreak or escalation of 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 Notes on the terms and in the manner contemplated by the Official Statement, including any supplements or amendments thereto;

(e) there shall have occurred any downgrading, or any notice shall have been given of any intended downgrading, in the rating accorded the Notes 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; or

(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 Notes; 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 Notes on the terms and in the manner contemplated in the Official Statement, including any supplements or amendments thereto; or

(g) the purchase of and payment for the Notes by the Underwriters, or the resale of the Notes 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 a reasonable request to supplement the Official Statement to supply such statement or information or the effect of the amendment to the Official Statement is to materially and adversely affect the market price or marketability of the Notes or the ability of the Underwriters to enforce contracts for the sale of the Notes.

SECTION 9. <u>Expenses</u>.

(a) The Underwriters shall be under no obligation to pay, and the County shall pay, any expenses incident to the performance of the County's obligations hereunder, including, but not limited to (i) the cost of preparation, printing and delivery of the Preliminary Official Statement and the Official Statement; (ii) the cost of preparation and printing of the Notes; (iii) the fees and disbursements of Bond Counsel; (iv) the fees and disbursements of any other experts, consultants or advisers retained by the County; and (v) the fees, if any, for ratings.

(b) The Underwriters shall pay (i) the fees and disbursements of counsel retained by the Representative, including such costs related to the preparation and printing of this Contract of Purchase and the reasonable cost of preparation and printing or duplication of any Blue Sky Survey relating to the Notes; (ii) fees of the California Debt and Investment Advisory Commission; (iii) costs related to on-line securities platforms, CUSIP subscription and DTC fees; and (iv) out-of-pocket and miscellaneous costs of the Representative. The Underwriters shall pay (1) all advertising expenses in connection with the public offering of the Notes; (2) all expenses incurred in qualifying the Notes for sale under state securities laws; and (3) all other expenses incurred by them in connection with the public offering of the Notes.

(c) Even if this Contract of Purchase shall be terminated by the Underwriters because of any failure or refusal on the part of the County to comply with the terms or to fulfill any of the conditions of this Contract of Purchase, or if for any reason the County shall be unable to perform its obligations under this Contract of Purchase, the County will not reimburse the Underwriters for expenses incurred in connection with the authorization and marketing of the Notes.

SECTION 10. Notices. Any notice or other communication to be given to the County under this Contract of Purchase may be given by delivering the same in writing to County of Los Angeles, Office of the Treasurer and Tax Collector, 500 West Temple Street, Room 432, Los Angeles, California 90012, Attention: Treasurer and Tax Collector, and any notice or other communication to be given to the Underwriters under this Contract of Purchase may be given by delivering the same in writing to Goldman, Sachs & Co., 2121 Avenue of the Stars, Suite 2600,, Los Angeles, California 90067; Attention: Timothy Romer.

SECTION 11. Parties in Interest. This Contract of Purchase shall constitute the entire agreement between the County and the Underwriters and is made solely for the benefit of the County and the Underwriters (including successors or assigns of any Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. Any remedy which the Underwriters may have at law or in equity by reason of the breach of any representation or warranty of the County made herein shall not expire upon, nor be limited by, (i) delivery of and payment for the Notes pursuant to this Contract of Purchase, (ii) any investigations made by or on behalf of any of the Underwriters or (iii) termination of this Contract of Purchase; provided, however, that such representations and warranties are made only as of the date of this Contract of Purchase and as of the date of the Closing and are not continuing.

SECTION 12. Effectiveness. This Contract of Purchase shall become effective upon the acceptance hereof by the County and shall be valid and enforceable at the time of such acceptance.

SECTION 13. Choice of Law. This Contract of Purchase shall be governed by and construed in accordance with the law of the State of California applicable to contracts made and performed in such State.

SECTION 14. Fiduciary Duty. The County acknowledges and agrees that the purchase and sale of the Notes pursuant to this Contract of Purchase 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, fiduciaries, or Municipal Advisors (as defined in Section 15B of the Securities Exchange Act of 1934, as amended) of the County and its advisors in connection with the matters contemplated by this Contract of Purchase. In connection with the purchase and sale of the Notes, the County has consulted its own advisors to the extent it deems appropriate.

SECTION 15. Entire Agreement. This Contract of Purchase, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Contract of Purchase) that relate to the offering of the Notes, represents the entire agreement between the County and the Underwriters with respect to the preparation of the Official Statement, and the conduct of the offering, and the purchase and sale of the Notes.

SECTION 16. Representative Capacity. Any authority, right, discretion or other power conferred upon the Underwriters or the Representative under any provision of this Contract of Purchase may be exercised by the Representative on behalf of the Underwriters, and the County shall be entitled to rely upon any request, notice or statement if the same shall have been given or made by the Representative. The Representative represents that it has been duly authorized by the

Underwriters to execute this Contract of Purchase and to act hereunder on their behalf and to take such action as it may deem advisable in respect of all matters pertaining to this Contract of Purchase.

SECTION 17. Severability. If any provision of this Contract of Purchase shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Contract of Purchase invalid, inoperative or unenforceable to any extent whatever.

SECTION 18. Business Day. For purposes of this Contract of Purchase, “business day” means a day other than (i) a Saturday or Sunday or (ii) a day on which commercial banks in Los Angeles, California or New York, New York are authorized or required by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed.

SECTION 19. Section Headings. Section headings have been inserted in this Contract of Purchase as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Contract of Purchase and will not be used in the interpretation of any provisions of this Contract of Purchase.

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SECTION 20. <u>Counterparts</u>. This Contract of Purchase may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

Very truly yours,

GOLDMAN, SACHS & CO.,
on behalf of itself and
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED and
[Co-Managers]

By: ____
Timothy Romer
Authorized Representative

AGREED AND ACCEPTED:

This ___ day of June, 2013

COUNTY OF LOS ANGELES

By:____
Mark J. Saladino
Treasurer and Tax Collector

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By: ______________________________________
Principal Deputy County Counsel

APPENDIX I

UNDERWRITERS

Goldman, Sachs & Co.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
[Co-Managers]

EXHIBIT A

FORM OF CERTIFICATE OF THE COUNTY

I, Mark J. Saladino, Treasurer and Tax Collector of the County of Los Angeles, California (the “County”), do hereby certify as follows:

(i) I am a duly qualified and acting representative of the County and as such am familiar with the facts herein certified and am authorized and qualified to certify the same;

(ii) I am acting on behalf of the County solely in my official capacity, and not in any personal capacity whatsoever;

(iii) All capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Contract of Purchase relating to the Notes, dated [Pricing Date] (the “Contract of Purchase”), by and between the County and Goldman, Sachs & Co., as Representative of the Underwriters named therein;

(iv) To the best of my knowledge, the County’s Official Statement dated [Pricing Date] (together with all appendices thereto, any documents incorporated therein by reference, and as disseminated in its printed physical form or in electronic form materially consistent with such physical form, but excluding any information relating to The Depository Trust Company, New York, New York and information under the caption “UNDERWRITING”, the “Official Statement”), delivered pursuant to the Contract of Purchase, as of its date and as of the date hereof does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(v) The Notes, together with interest thereon, will be payable from taxes, income, revenue, cash receipts and other moneys of the County attributable solely to Fiscal Year 2013-14 and legally available for payment thereof. Pursuant to the Resolution adopted by the Board of Supervisors of the County on May [14], 2013 (the “Resolution”) authorizing the issuance and sale of the Notes, the County has pledged as security for the Notes unrestricted taxes, income, revenue, cash receipts and other moneys totaling the aggregate principal amount of the Notes, together with an amount sufficient to pay the interest thereon, subject only to the provisions of the Resolution and the “Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes” (the “Certificate”). The amount of taxes, income, revenue, cash receipts and other moneys so pledged to secure the payment of the Notes is specified in the Resolution. Pursuant to the Act, the Resolution creates a valid pledge of and lien on the taxes, income, revenue, cash receipts and other moneys specified therein to pay the Notes and the interest thereon. The Notes are by statute general obligations of the County and, to the extent not paid from the Pledged Moneys (as defined in the Certificate), shall be paid from any other moneys of the County attributable to Fiscal Year 2013-14 and lawfully available therefor;

(vi) The County has complied in all respects with the Act and has complied with and satisfied all the agreements and conditions on its part to be complied with or satisfied at or prior to the date of Closing pursuant to the Contract of Purchase, the Certificate and the Resolution; and

(vii) To the best of my knowledge, since the date of the Official Statement, there has been no material adverse change in the condition, financial or otherwise, of the County.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of July, 2013.

COUNTY OF LOS ANGELES

By:____
Mark J. Saladino
Treasurer and Tax Collector

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

July 1, 2013

Board of Supervisors
County of Los Angeles
500 West Temple Street
Los Angeles, California 90012

Goldman, Sachs & Co.,
as Representative of the Underwriters
2121 Avenue of the Stars, Suite 2600
Los Angeles, CA 90067

Re: $[Principal Amount] County of Los Angeles 2013-14 Tax and Revenue Anticipation Notes

Ladies and Gentlemen:

We have acted as Bond Counsel for the County of Los Angeles in connection with the issuance by the County of $[Principal Amount] aggregate principal amount of the County's 2013-14 Tax and Revenue Anticipation Notes, including $[Series A Principal Amount] aggregate principal amount of the County's 2013-14 Tax and Revenue Anticipation Notes, Series A, and $[Series B Principal Amount] aggregate principal amount of the County's 2013-14 Tax and Revenue Anticipation Notes, Series B (collectively, the "Notes"), issued pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the Government Code of the State of California and the resolution adopted by the Board of Supervisors of the County on May [14], 2013 (the "Resolution"), as well as the terms of that certain Financing Certificate, dated July 1, 2013, and delivered by the County (the "Financing Certificate"). We have delivered our final approving opinion respecting the Notes this date.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in that certain Contract of Purchase, dated [Pricing Date] (the "Contract of Purchase"), by and between Goldman, Sachs & Co., as representative of the underwriters (the "Underwriters"), and the County.

We have examined such instruments, certificates and documents as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the authentic original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents, including the Tax Exemption Certificate of the County (the "Tax Certificate"), dated as of the date hereof, and the statement of reasonable expectations of future events set forth in such Tax Certificate.

On the basis of the foregoing examination, and in reliance thereon, and our consideration of such questions of law as we have deemed relevant in the circumstances, we are of the opinion on the date of this letter that:

(i) the Contract of Purchase has been duly executed and delivered by the County and is the valid and binding agreement of the County, except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or 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 limitations on legal remedies against counties in the State and except that no opinion is expressed with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability;

(ii) the statements contained in the Official Statement in the sections thereof entitled "THE NOTES," "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE FINANCING CERTIFICATE" and "TAX MATTERS," and the Appendix containing our form of approving opinion, 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 Notes, the Resolution and the Financing Certificate and the form and content of our approving opinion, are accurate in all material respects; and

(iii) the Notes are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

This opinion is furnished by us to you solely for your benefit and is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Respectfully submitted,

EXHIBIT C

FORM OF OPINION OF COUNSEL TO THE COUNTY

July 1, 2013

Goldman, Sachs & Co.
as Representative of the Underwriters
Los Angeles, California

Re: $[Principal Amount] County of Los Angeles 2013-14 Tax and Revenue Anticipation Notes

Ladies and Gentlemen:

This opinion is rendered by us as counsel to the County of Los Angeles (the "County") in accordance with the requirements of Section 7(e)(v) of the Contract of Purchase dated [Pricing Date] (the "Contract of Purchase"), by and between the County and Goldman, Sachs & Co., on behalf of itself and as representative of the underwriters set forth in the Contract of Purchase (together, the "Underwriters") relating to the Notes, with respect to $[Principal Amount] aggregate principal amount of County of Los Angeles 2013-14 Tax and Revenue Anticipation Notes (the "Notes").

The Notes are issued pursuant to a resolution of the Board of Supervisors of the County adopted on May [14], 2013, entitled "Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed $1,000,000,000" (the "Resolution") and the document entitled "Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes," (as referred to in the Resolution, the "Certificate").

In rendering this opinion, we have examined the Resolution, the Certificate, the Contract of Purchase and such other documents, records and instruments and made such investigations of law and fact as we have deemed necessary to render the opinions expressed herein.

Based upon the foregoing, and solely with regard to the laws of the State of California (the "State"), we are of the opinion that:

1. The County is a political subdivision duly organized and validly existing under the Constitution and the laws of the State, and has taken all action required to be taken by it to authorize the issuance and delivery of the Notes. The County has full legal right, power and authority to conduct its business, to execute and deliver the Contract of Purchase and the Certificate, to adopt the Resolution, to issue and deliver the Notes to the Underwriters (as named and defined in the Contract of Purchase), and to perform all of its obligations under, and to carry out and effectuate the transactions contemplated by, the Resolution, the Certificate, the Notes and the Contract of Purchase. No authorization, consent, approval, order, filing, registration, qualification, election or referendum, of or by any State person, organization, court or governmental agency or public body whatsoever, which has not been obtained or made, is required for such issuance, execution, delivery or performance or the consummation of the other transactions effected or contemplated in or by the Contract of Purchase or the Certificate by the County, except for such actions may be necessary to be taken to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of any state or jurisdiction of the United States, as to which no opinion is expressed.

2. The issuance of the Notes and the execution, delivery and performance of the Contract of Purchase, the Certificate, the Resolution and the Notes, and the delivery of the Official Statement of the County dated [Pricing Date] relating to the Notes, by the County have been duly authorized, and the issuance of the Notes, the execution, delivery and performance of the Contract of Purchase, the Certificate, the Resolution and the Notes, and compliance with the provisions thereof (a) do not in any material respect conflict with or constitute on the part of the County a violation of or default under the Constitution of the State or any existing State law, charter, ordinance, regulation, decree, order or resolution and do not in any material respect conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject, and (b) do not result in the creation or imposition of any lien or encumbrance, other than as created by the Resolution and the Certificate.

3. The County has duly authorized the consummation by it of all transactions contemplated by the Contract of Purchase and the Certificate.

4. The Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect.

5. Each of the Contract of Purchase and the Certificate was duly authorized, executed and delivered by the County and the Contract of Purchase (assuming due authorization, execution and delivery by the Representative), the Certificate, the Resolution and the Notes constitute legal, valid and binding obligations of the County, enforceable against the County in accordance with their respective terms.

6. To the best of our knowledge, no action, suit, proceeding, inquiry or investigation is pending in which service of process has been completed or threatened against the County: (a) seeking to restrain or enjoin the sale, issuance or delivery of any of the Notes, the application of the proceeds of the sale of the Notes, or the collection of revenues or assets of the County pledged or available to pay the principal of and interest on the Notes, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Notes, the Contract of Purchase, the Certificate or the Resolution, or contesting the powers of the County or its authority with respect to the Notes, the Resolution, the Certificate or the Contract of Purchase; or (b) in which a final adverse decision could (i) materially adversely affect the consummation of the transactions contemplated by the Contract of Purchase, the Certificate or the Resolution, or (ii) declare the Contract of Purchase or the Certificate to be invalid or unenforceable in whole or material part.

With respect to the opinions we have expressed, the enforceability of the rights and obligations under the Contract of Purchase, the Resolution, the Certificate and the Notes may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, by the application of equitable principles, if equitable remedies are sought, and by limitations on legal remedies imposed in actions against counties in the State. We express no opinion as to the availability of equitable remedies in connection with enforcement of the Contract of Purchase, the Resolution, the Certificate or the Notes.

Very truly yours,

By: ____________________________________

John F. Krattli
County Counsel

EXHIBIT D

FORM OF OPINION OF COUNSEL TO THE UNDERWRITERS

July 1, 2013

Goldman, Sachs & Co.
Los Angeles, California
as representative of the Underwriters named in
the Contract of Purchase referred to herein

Ladies and Gentlemen:

In connection with the execution and delivery of the County of Los Angeles 2013-14 Tax and Revenue Anticipation Notes, Series A, and 2013-14 Tax and Revenue Anticipation Notes, Series B (collectively, the "Notes"), which are being delivered to you as representatives of the underwriters (the "Underwriters") today pursuant to the Contract of Purchase dated [Pricing Date] (the "Purchase Contract"), by and between you and the County of Los Angeles (the "County"), we, in our representation of the Underwriters, have examined and relied upon the following:

(a) A resolution adopted by the Board of Supervisors of the County on May [14], 2013, and entitled "Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed $1,000,000,000" (the "Resolution");

(b) The Financing Certificate of the Treasurer and Tax Collector of the County entitled "Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes" (the "Certificate");

(c) Executed copies of the opinions of Squire Sanders (US), LLP ("Bond Counsel") delivered to you pursuant to the Purchase Contract;

(d) An executed copy of the opinion of the County Counsel, delivered to you pursuant to the Purchase Contract;

(e) An executed copy of the Official Statement related to the Notes, dated [Pricing Date] (the "Official Statement"); and

(f) Executed copies of the certificates and other opinions of counsel delivered pursuant to the Purchase Contract.

In addition, we have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such other documents, instruments or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

In accordance with our understanding with you, we rendered legal advice and assistance to you in the course of your investigation pertaining to, and your participation in the preparation of, the Official Statement and the issuance and sale of the Notes, and such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects, and reviews of and reports on certain documents and proceedings. We also participated in personal and telephone conferences with your representatives, representatives of the County and Bond Counsel during which the contents of the Official Statement and related matters were discussed and reviewed.

The limitations inherent in the independent verification of factual matters and the character of determinations involved in the preparation of the Official Statement are such, however, that we have necessarily assumed the accuracy, completeness and fairness of and take no responsibility for any of the statements made in the Official Statement. We have also assumed but have not independently verified that the signatures on all documents and certificates that we examined were genuine.

On the basis of the information developed in the course of the performance of the services referred to above, considered in the light of our understanding of the applicable law and the experience we have gained through our practice thereunder, we are of the opinion, subject to the limitations expressed herein, that as of the date hereof, we have no reason to believe that the Official Statement as of its date contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (other than the information under the captions "Tax Matters" and "Book-Entry Only System," and any financial, demographic, economic and statistical information contained in the Official Statement, including as set forth in Appendix A – "The County of Los Angeles Information Statement," as to all of which we express no opinion) or that the Official Statement as of the date hereof (except as aforesaid) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

In addition, we are of the opinion that the Notes are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances, or any changes in law or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

This letter is solely for your benefit as Underwriters and it is not to be used, circulated, quoted or otherwise referred to for any purpose other than the offering of the securities covered by the Official Statement and may not be relied upon without our express written permission, except that references may be made to it in the Purchase Contract or in any list of closing documents pertaining to the delivery of the Notes.

Very truly yours,

EXHIBIT E

Series	**Maturity Date**	**Principal Amount**	**Interest Rate**	**Yield**
Series A	[Series A Maturity]	$[Series A Principal Amount]	___%	___%
Series B	[Series B Maturity]	[Series B Principal Amount]	___	___

PRELIMINARY OFFICIAL STATEMENT DATED MAY 20, 2013

NEW ISSUE – BOOK-ENTRY ONLY

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

In the opinion of Squire Sanders (US) LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (ii) interest on the Notes is exempt from State of California personal income taxes. Interest on the Notes may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

$1,000,000,000*
COUNTY OF LOS ANGELES
2013-14 Tax and Revenue Anticipation Notes

MATURITY SCHEDULE*

Series	Maturity Date	Principal Amount*	Interest Rate	Yield	CUSIP† Number
Series A	[Ser. A Maturity]	$[Ser. A Par]	___%	___%	544657___
Series B	[Ser. B Maturity]	[Ser. B Par]	___	___	544657___

Dated: July 1, 2013 **Due: As set forth above**

The County of Los Angeles 2013-14 Tax and Revenue Anticipation Notes, Series A (the "Series A Notes") and 2013-14 Tax and Revenue Anticipation Notes, Series B (the "Series B Notes" and, together with the Series A Notes, the "Notes") will be issued in fully registered form. The Notes, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Notes. Purchases of beneficial interests in the Notes will be made in book-entry only form, in denominations of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interests in the Notes purchased. The Notes will bear interest from their dated date at the respective fixed rates per annum specified above and will be priced as set forth above. Principal of and interest on each series of the Notes are payable on the respective maturity dates thereof directly to DTC by the Paying Agent. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the Notes. See APPENDIX D – "BOOK-ENTRY ONLY SYSTEM."

The Notes are being issued to provide moneys to help meet Fiscal Year 2013-14 County General Fund expenditures, including current expenses, capital expenditures and the discharge of other obligations or indebtedness of the County of Los Angeles (the "County"). The Notes are being issued pursuant to a resolution adopted by the Board of Supervisors of the County on May [14], 2013 (the "Resolution") and a Financing Certificate entitled, "Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes" (the "Financing Certificate") to be delivered on the date of issuance of the Notes pursuant to the Resolution. In accordance with California law, the Notes are general obligations of the County, payable only from unrestricted taxes, income, revenue, cash receipts and other moneys of the County attributable to the Fiscal Year 2013-14 and lawfully available for the payment of the Notes. The Notes and the interest thereon are secured by a pledge of certain unrestricted taxes, income, revenue, cash receipts and other moneys. The County is not authorized, however, to levy or collect any tax for the repayment of the Notes. See "THE NOTES – Security for the Notes" and "- Parity Obligations" herein.

The Notes are not subject to redemption prior to maturity.

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

The Notes will be offered when, as and if issued and received by the Underwriters (herein defined), subject to the approval of legality by Squire Sanders (US), LLP., Los Angeles, California, Bond Counsel, and the approval of certain legal matters for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, Los Angeles, California. Certain legal matters will be passed upon

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* Preliminary, subject to change.

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for the County by County Counsel. It is expected that the Notes will be available for delivery through the facilities of DTC on or about July 1, 2013.

Goldman, Sachs & Co. **BofA Merrill Lynch**

[Co-Managers] **[Co-Managers]** **[Co-Managers]**

Dated: June __, 2013.

COUNTY OF LOS ANGELES
CALIFORNIA

COUNTY OF LOS ANGELES

2013-14 TAX AND REVENUE ANTICIPATION NOTES

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First District

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Board of Supervisors

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Chief Executive Officer

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County Counsel

Wendy L. Watanabe
Auditor-Controller

Mark J. Saladino
Treasurer and Tax Collector

No dealer, broker, salesperson or other person has been authorized by the County or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the County or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes, 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 Notes. 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 a representation of facts.

The information set forth herein has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters. The 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. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES OFFERED HEREIN 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 NOTES TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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OFFICIAL STATEMENT

$1,000,000,000*
COUNTY OF LOS ANGELES
2013-14 TAX AND REVENUE ANTICIPATION NOTES

INTRODUCTION

General

The purpose of this Official Statement, which includes the front cover and the attached appendices, is to provide certain information concerning the sale and delivery by the County of Los Angeles, California (the "County") of $[Ser. A Par] in aggregate principal amount of 2013-14 Tax and Revenue Anticipation Notes, Series A (the "Series A Notes") and $[Ser. B Par] in aggregate principal amount of 2013-14 Tax and Revenue Anticipation Notes, Series B (the "Series B Notes" and, together with the Series A Notes, the "Notes") of the County. The Notes will be issued as fixed rate notes bearing interest at the respective rates and maturing on the respective dates set forth on the cover page of this Official Statement. Issuance of the Notes will provide moneys to help meet Fiscal Year 2013-14 County General Fund expenditures attributable to the General Fund of the County (the "General Fund"), including current expenses, capital expenditures and the discharge of other obligations or indebtedness of the County.

The Notes are authorized by and are being issued in accordance with Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the Government Code of the State of California (the "Act"), and a resolution adopted by the Board of Supervisors of the County (the "Board of Supervisors") on May [14], 2013 and entitled "Resolution of the Board of Supervisors of the County of Los Angeles, California Providing for the Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes in an Aggregate Principal Amount Not to Exceed $1,000,000,000" (the "Resolution"). The Notes will be issued subject to the terms and conditions of a Financing Certificate of the Treasurer and Tax Collector of the County (the "Treasurer") entitled "Financing Certificate Providing for the Terms and Conditions of Issuance and Sale of 2013-14 Tax and Revenue Anticipation Notes" (the "Financing Certificate") to be delivered on the date of issuance of the Notes pursuant to the Resolution. Pursuant to California law, the Notes and the interest thereon will be general obligations of the County payable from the unrestricted taxes, income, revenue, cash receipts and other moneys of the County attributable to the Fiscal Year 2013-14 and lawfully available therefor as specified in the Resolution and the Financing Certificate. See "THE NOTES – Security for the Notes." The County is not authorized, however, to levy or collect any tax for the repayment of the Notes.

The Series A Notes and the Series B Notes are parity obligations payable from Pledged Moneys (herein defined), as described herein. See "THE NOTES – Parity Obligations" herein.

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* Preliminary, subject to change.

The County

The County is located in the southern coastal portion of the State of California (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, in terms of population, is larger than 43 states. The economy of the County is diversified and includes manufacturing, technology, world trade, financial services, motion picture and television production, agriculture and tourism. For certain financial, economic and demographic information with respect to the County, see APPENDIX A – "COUNTY OF LOS ANGELES INFORMATION STATEMENT" and APPENDIX B – "COUNTY OF LOS ANGELES FINANCIAL STATEMENTS."

COUNTY OF LOS ANGELES CASH MANAGEMENT PROGRAM

The County implemented a cash management program in 1977 to finance General Fund cash flow shortages occurring periodically during its fiscal year (July 1 through June 30). In each year since the program's inception, the County has sold either tax anticipation notes or tax and revenue anticipation notes (including commercial paper notes) in annual aggregate amounts up to $1,850,000,000. The Resolution authorizes the County to issue and sell up to $1,000,000,000 aggregate principal amount of its 2013-14 Tax and Revenue Anticipation Notes.

In addition to the Notes and other obligations which may be issued pursuant to the Act, certain funds held in trust by the County until apportioned to the appropriate agency are available to the County for intrafund borrowings. In addition, while it does not expect to do so, the County may undertake interfund borrowing to fund shortages in the General Fund. The County reserves the right to undertake such a borrowing under the Resolution. See "THE NOTES – Security for the Notes," "– Interfund Borrowing, Intrafund Borrowing and Cash Flow" and APPENDIX A – "COUNTY OF LOS ANGELES INFORMATION STATEMENT – Cash Management Program."

THE NOTES

General

The Notes will be issued in the aggregate principal amount of $1,000,000,000*. The Notes will be issued in book-entry only form and, when delivered, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Notes. Purchasers of the Notes will not receive certificates representing their ownership interests in the Notes purchased. See APPENDIX D – "BOOK-ENTRY ONLY SYSTEM." Beneficial ownership interests in the Notes may be transferred only in accordance with the rules and procedures of DTC.

The Notes will be dated July 1, 2013, and will mature on the respective dates set forth on the cover page of this Official Statement. The Notes are not subject to redemption prior to their respective maturities.

The Notes will be issued in denominations of $5,000 and any integral multiple thereof ("Authorized Denominations") and will bear interest at the rates set forth on the cover page hereof. Interest on the Notes will be payable at their stated maturity dates and will be computed on the basis of a 360-day year comprised of twelve 30-day months. Principal and interest will be payable in immediately

* Preliminary, subject to change.

available funds upon presentation and surrender of the Notes at the office of the Treasurer, who is serving as the Paying Agent with respect to the Notes.

Authority for Issuance

The Notes are being issued under the authority of the Act and pursuant to the Resolution and are subject to the terms and conditions of the Financing Certificate.

Purpose of Issue

Issuance of the Notes will provide moneys to help meet Fiscal Year 2013-14 County General Fund expenditures, including current expenses, capital expenditures and the discharge of other obligations or indebtedness of the County. The proceeds of the Notes may be invested in Permitted Investments, as set forth under "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE FINANCING CERTIFICATE - Permitted Investments." The County expects to invest proceeds of the Notes in the Pooled Surplus Investments Fund of the County Treasury Pool (the "Treasury Pool") until expended. See APPENDIX A – "COUNTY OF LOS ANGELES INFORMATION STATEMENT – Financial Summary – *County Pooled Surplus Investments*."

Security for the Notes

The Series A Notes and the Series B Notes will be issued under and pursuant to the Resolution and the Financing Certificate and will be ratably secured by a pledge of "Pledged Moneys" as follows:

(a) the first $350,000,000* of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after December 20, 2013 plus (2) an amount equal to the interest that will accrue on the Notes of any series;

(b) the first $300,000,000* of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after January 1, 2014;

(c) the first $100,000,000* of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after February 1, 2014;

(d) the first $50,000,000* of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and March 1, 2014; and

(e) the first $200,000,000* of unrestricted taxes, income, revenue, cash receipts and other moneys attributable to the County's Fiscal Year 2013-14 to be received by the County on and after April 20, 2014.

Pursuant to Section 53856 of the Act, the Notes and the interest thereon will be a lien and charge against and will be payable from such Pledged Moneys. In addition to Pledged Moneys, pursuant to Section 53857 of the Act, the Notes will be general obligations of the County, and to the extent not

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* Preliminary, subject to change.

payable from Pledged Moneys, shall be paid with interest thereon only from any other moneys of the County lawfully available therefor. See "THE NOTES – Available Sources of Payment." The County is not authorized to levy or collect any tax for the repayment of the Notes.

In accordance with the terms of the Resolution and the Financing Certificate, the County Auditor-Controller (the "Auditor-Controller") will deposit the Pledged Moneys with the Treasurer in the 2013-14 TRANs Repayment Fund (the "Repayment Fund"), which fund will be segregated from all other funds and accounts held by the Treasurer. Pledged Moneys for the payment of the Notes will be deposited into the Repayment Fund in the amounts and at the times described above. The Treasurer will hold such Pledged Moneys in trust for the benefit of Holders until the Notes are paid. The Resolution provides that such amounts may not be used for any other purpose and may be invested in Permitted Investments (herein defined). Interest on amounts in the Repayment Fund will be credited to the General Fund. See "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE FINANCING CERTIFICATE – Permitted Investments."

As more particularly described under the heading "THE NOTES - Interfund Borrowing, Intrafund Borrowing and Cash Flow," the County may, under certain circumstances, undertake interfund borrowing to fund shortages in the General Fund. While the County does not expect to undertake any such interfund borrowing, Section 6 of Article XVI of the California Constitution requires that any such borrowing be repaid from revenues before any other obligation of the County (including the Notes) is paid from such revenues.

Available Sources of Payment for the Notes

The Notes, in accordance with State law, are general obligations of the County, and to the extent not paid from the taxes, income, revenue, cash receipts and other moneys of the County pledged for the payment thereof shall be paid with interest thereon only from any other moneys of the County lawfully available therefor. The County is not authorized to levy or collect any tax for repayment of the Notes. Pursuant to the Act, no obligations, including the Notes, may be issued thereunder if the principal of and interest on such obligations is in excess of 85 percent of the estimated amount of the then-uncollected taxes, income, revenue, cash receipts and other moneys which will be available for the payment of such principal and interest. See "THE NOTES – Security for the Notes."

The County estimates that the total unrestricted taxes, income, revenue, cash receipts and other moneys to be received by the County during Fiscal Year 2013-14 (the "Unrestricted Revenues") to be available for payment of the principal of and interest on the Notes, including the Pledged Moneys, will be in excess of $___ billion, as indicated in the table below. Except for Pledged Moneys, the Unrestricted Revenues will be expended during the course of Fiscal Year 2013-14, and no assurance can be given that any moneys, other than the Pledged Moneys, will be available to pay the Notes and the interest thereon.

To the extent that the Unrestricted Revenues are insufficient to pay the Notes, the County may access certain borrowable resources in order to satisfy its payment obligations. See the table entitled "County of Los Angeles Projected Borrowable Resources – Fiscal Year 2013-14" on pages 12-13 for a detailed summary of the borrowable resources which the County currently projects to be available for Fiscal Year 2013-14. Such amounts are not pledged for payment of the Notes and the interest thereon. The amount of borrowable resources actually available will depend on a variety of factors, including the final form of the County's 2013-14 Budget, when adopted, the County's actual revenues and expenditures, and actions by the State of California which could materially impact the County's expenses and revenues.

COUNTY OF LOS ANGELES
ESTIMATED GENERAL FUND UNRESTRICTED REVENUES
FISCAL YEAR 2013-14 (1)
(In Thousands)

SOURCES:	AMOUNT
Property Taxes	
Other Taxes	
Homeowner's Exemptions	
Motor Vehicle (VLF) Realignment	
Fines, Forfeitures and Penalties	
Licenses, Permits and Franchises	
Charges for Services	
Investment and Rental Income	
Other Revenue and Tobacco Settlement	
Total:	
Less amount pledged for payment of the Notes:(2)	
Net total in excess of Pledged Moneys:	

(1) Reflects revenues set forth in the projected cash flow for Fiscal Year 2013-14. Information subject to change to reflect the impact of any revisions to the 2013-14 State Budget and other matters. See "THE NOTES – State of California Finances" and APPENDIX A – "COUNTY OF LOS ANGELES INFORMATION STATEMENT".

(2) Based on $1,000,000,000* aggregate principal amount of Notes, plus an amount equal to the interest thereon.

State of California Finances

General. The County receives a significant portion of its funding from the State. Changes in the financial situation of the State can affect the amount of funding received for numerous County programs, including various health, social services and public safety programs. There can be no assurances that the Fiscal Year 2013-14 State Budget (the "2013-14 State Budget") will not place additional burdens on local governments, including the County, or will not significantly reduce revenues to such local governments. The County cannot reliably predict the ultimate impact of the 2013-14 State Budget on the County's financial outlook. In the event the 2013-14 State Budget includes decreases in County revenues or increases in required County expenditures from the levels assumed by the County, the County will be required to generate additional revenues or curtail programs and/or services to ensure a balanced budget. See APPENDIX A – "COUNTY OF LOS ANGELES INFORMATION STATEMENT."

Governor's Proposed 2013-14 State Budget. On January 10, 2013, Governor Edmund G. Brown released his 2013-14 Proposed Budget (the "Fiscal Year 2013-14 Proposed State Budget"), which projects Fiscal Year 2013-14 revenues and transfers of $98.50 billion, total expenditures of $97.65 billion and a year-end surplus of $1.64 billion. The Fiscal Year 2013-14 Proposed State Budget states that the State's budget remains balanced by a small margin and cautions that such balance may be affected by various factors, including among other things, shifts of costs to the State from the federal government, the uncertainty of the economic recovery in the State and the country, actions taken by the federal government and the judicial system and rising health care costs.

May Revision to the 2013-14 Proposed State Budget. [TO COME]

* Preliminary, subject to change.

See APPENDIX A – "COUNTY OF LOS ANGELES INFORMATION STATEMENT - 2013-14 Proposed State Budget" for additional information on the Proposed 2013-14 State Budget and the May Revision.

LAO Overview of the May Revision. [TO COME]

Impact of Fiscal Year 2013-14 State Budget on the County. [TO COME] See APPENDIX A – "COUNTY OF LOS ANGELES INFORMATION STATEMENT – 2013-14 Proposed Budget."

Additional Information. The Governor may release additional details of the proposals or updates to the Governor's Proposed 2013-14 State Budget and May Revision. Information about the State Budget is regularly available at various State-maintained websites. Text of the State 2013-14 State Budget may be found at the Department of Finance website, www.dof.ca.gov, under the heading "California Budget." An impartial analysis of the budget is posted by the LAO at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets, may be found at the website of the State Treasurer, www.treasurer.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the County or the Underwriters, and the County and the Underwriters take no responsibility for the continued accuracy of the internet addresses or for the accuracy or timeliness of information posted there, and such information is not incorporated herein by these references.

Interfund Borrowing, Intrafund Borrowing and Cash Flow

County General Fund expenditures tend to occur in level amounts throughout the fiscal year. Conversely, receipts have followed an uneven pattern primarily as a result of secured property tax installment payment dates in December and April and as a result of delays in payments from other governmental agencies, the two largest sources of County revenues. As a result, the General Fund cash balance prior to Fiscal Year 1977-78 had typically been negative for most of the year and had been covered by interfund borrowings pursuant to Section 6 of Article XVI of the California Constitution and intrafund borrowings. "Interfund borrowing" is borrowing from specific funds of other governmental entities whose funds are held in the County Treasury. By contrast, "intrafund borrowing" is borrowing for General Fund purposes against funds held in trust by the County. See the table entitled "County of Los Angeles Borrowable Resources – Fiscal Year 2013-14" on pages 12-13 for the County's projection of the borrowable resources expected to be available to the County for purposes of Intrafund Borrowing.

Because General Fund interfund borrowings caused disruptions in the County's management of the General Fund's pooled investments, beginning in 1977 the County has regulated its cash flow by issuing tax anticipation notes and tax and revenue anticipation notes for the General Fund and by using intrafund borrowing. Except for tax and revenue anticipation notes that have not yet matured (being the $400,000,000 in aggregate principal amount of tax and revenue anticipation notes issued in Fiscal Year 2012-13 and due June 28, 2013), all notes issued in connection with the County's cash management program have been repaid on their respective maturity dates. Sufficient revenues have been reserved in a repayment fund held by the related trustee, separate from the General Fund, to repay the outstanding 2012-13 tax and revenue anticipation notes due on June 28, 2013.

To the extent necessary, the County intends to use intrafund (and not interfund) borrowing to cover General Fund cash needs, including projected year-end cash requirements, if any. Should the County find it necessary to resort to interfund borrowing, then such borrowing, pursuant to the California Constitution, may not occur after the last Monday in April of each year and shall be repaid before any other obligation of the County. The County does not intend to engage in interfund borrowing for the

General Fund nor has it done so since the implementation of the General Fund cash management program in Fiscal Year 1977-78.

CERTAIN HISTORICAL AND PROJECTED INFORMATION RELATING TO CASH BALANCES AND CASH FLOW

In connection with its annual tax and revenue anticipation notes financings, the County has historically prepared cash flow forecasts based on expected revenues and expenditures for the upcoming fiscal year. To determine the appropriate amount of Notes to issue, the County has also reviewed historical balances in its General Fund and prepared estimates of borrowable resources available for intrafund borrowing. With respect to the Notes, the County has prepared the following information:

- A five-year historical summary of month-end cash balances in the General Fund;
- A five-year historical summary of average daily balances in the various funds that account for the County's borrowable resources;
- A detailed cash flow projection for Fiscal Year 2013-14 based on the 2013-14 Recommended Budget adopted by the Board of Supervisors on April 16, 2013 (the "2013-14 Recommended Budget"); and
- A detailed projection of average daily balances for Fiscal Year 2013-14 for all funds expected to be available as borrowable resources.

The projected information relating to cash flow and borrowable resources has been prepared by the County based on historical information, as well as the County's analysis of expected revenues and expenses for Fiscal Year 2013-14.

The use of intrafund borrowing to cover negative balances in the General Fund is a regular practice and has been administered by the County during six of the initial __ months of Fiscal Year 2012-13. The legality of this practice was decided and affirmed in May 1999 by the California Court of Appeals in the case entitled *Stanley G. Auerbach et al v. Board of Supervisors of the County et al.* The funds available as borrowable resources, and as reviewed by the court in 1999, remain largely unchanged to this day and consist primarily of property tax collections and monies in transit. Such funds are held in trust by the County prior to being distributed to the various taxing agencies and governmental units within the County. The General Fund itself is a major recipient of these "monies in transit" and ultimately receives more than 30% of all borrowable resources. The County has chosen not to classify such monies as General Fund receipts until they are actually moved from trust and into the General Fund. If such monies were classified as General Fund deposits when first received by the County, the cash balance in the General Fund would be materially greater throughout the fiscal year.

Although the County believes its Fiscal Year 2013-14 projections are reasonable, the cash flow and borrowable resources will depend on a variety of factors, including the final County Budget, actual revenues and expenses, the impact on the County of State budgetary actions, and other factors. In constructing cash flow forecasts for prior issuances of tax and revenue anticipation notes, the County has historically been conservative in its projections. Since Fiscal Year 1990-91, the County has exceeded its year-end cash projections in [21] of 23 years, and has done so by an average of more than $___ million. For June 30, 2013, the County now projects that its cash balance will be $___ million greater than the original May 2012 forecast of [negative] $___ million, ending the current fiscal year at a positive $___ million. The County has not had a negative ending balance in its General Fund since Fiscal Year 1995-96. There can be no assurances that actual results for Fiscal Year 2013-14 will not materially differ from the projections.

The Auditor-Controller submits to the Board of Supervisors monthly reports that set forth summary cash flow and borrowable resources information, including actual cash flow amounts for the County's General Fund through the preceding month, projected cash flows for the County's General Fund through the end of the applicable fiscal year and monthly borrowable resources average daily balances. The monthly cash flow reports are available through the County's Investor Information website at http://ttc.lacounty.gov/Proptax/Investor.htm. Such information is not incorporated herein by this reference.

GENERAL FUND
MONTH-END CASH BALANCES
FISCAL YEARS 2008-09 THROUGH 2012-13
(In Thousands) [1]

	2008-09[2]	2009-10	2010-11	2011-12	2012-13
July	$ 993,620	$ 1,594,708	$ 1,438,648	$ 1,522,684	$ 1,346,913
August	499,949	1,086,472	1,097,190	1,319,842	830,196
September	378,335	841,446	529,972	909,737	332,887
October	(128,888)[3]	674,134	64,668	419,044	39,288
November	(372,232)[3]	274,995	(90,485)[3]	229,984	(267,888)
December	29,299	531,471	321,576	440,436	378,664
January	557,595	594,512	484,230	511,073	291,248
February	374,935	214,654	150,599	182,090	270,061
March	177,162	(169,894)[3]	(228,785)[3]	(272,434)[3]	(302,319)[3]
April	663,772	(90,175)[3]	(128,164)[3]	297,983	[253,706][4]
May	1,243,173	427,453	628,637	564,069	[425,298][4]
June	1,101,527	727,013	568,002	821,252	[659,343][4]

(1) Month-end balances include the effects of short-term note issuance net of deposits to the repayment funds relating to the short-term notes. See "THE NOTES – Interfund Borrowing, Intrafund Borrowing and Cash Flow" and APPENDIX A – "COUNTY OF LOS ANGELES INFORMATION STATEMENT – FINANCIAL SUMMARY."

(2) Reflects $400 million prepayment of pension benefits from the County General Fund to the Los Angeles County Employees Retirement Association in July 2008.

(3) Certain monthly periods reflect negative cash balances. The borrowable resources available to provide coverage for the deficits are set forth on pages 10-11 and in APPENDIX A – "COUNTY OF LOS ANGELES INFORMATION STATEMENT – FINANCIAL SUMMARY."

(4) Estimated.

BORROWABLE RESOURCES
AVERAGE DAILY BALANCES
FISCAL YEARS 2008-09 THROUGH 2012-13
(In Thousands)

	2008-09	2009-10	2010-11	2011-12	2012-13
July	$1,449,867	$1,420,434	$1,283,246	$ 1,321,951	$ 1,525,334
August	1,307,316	1,284,825	1,120,676	1,069,843	1,123,337
September	1,387,006	1,380,364	1,181,379	1,142,594	1,186,943
October	1,789,166	1,593,076	1,518,338	1,449,921	1,635,585
November	2,828,342	2,666,134	2,708,336	2,695,445	2,933,305
December	4,103,779	4,208,793	4,786,688	4,953,904	5,174,854
January	2,920,061	3,034,051	3,075,273	3,109,882	3,150,261
February	1,883,994	1,950,985	1,814,620	1,854,014	1,997,817
March	1,907,666	1,978,821	1,942,634	2,084,584	2,040,023
April	3,764,005	4,138,361	4,225,923	4,438,428	4,411,598
May	2,493,518	2,517,362	2,599,025	2,715,846	2,696,025[1]
June	1,436,908	1,333,070	1,318,666	[1,394,717]	[1,405,144][1]

(1) Estimated.

[INSERT PAGE 10]

[INSERT PAGE 11]

[INSERT PAGE 12]

[INSERT PAGE 13]

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION AND THE FINANCING CERTIFICATE

The following is a summary of certain provisions of the Resolution and the Financing Certificate. This summary is not to be considered a full statement of the terms of the Resolution or the Financing Certificate and accordingly is qualified by reference thereto and is subject to the full text thereof. Except as otherwise defined herein, capitalized terms used in this Official Statement without definition have the respective meanings set forth in the Financing Certificate.

Resolution to Constitute Contract

In consideration of the purchase and acceptance of any and all of the Notes authorized to be issued under the Resolution by those who will own the Notes from time to time, the Resolution constitutes a contract between the County and the Holders of the Notes; and the pledge made in the Resolution and the Financing Certificate and the covenants and agreements contained in the Resolution and the Financing Certificate to be performed by and on behalf of the County will be for the equal benefit, protection and security of the Holders of any and all of the Notes, all of which, regardless of the maturity or maturities, will be of equal rank without preference, priority or distinction of any of the Notes over any other thereof.

Covenants of the County

The County covenants under the Financing Certificate that it will not issue any notes, or otherwise incur any indebtedness, pursuant to the Act with respect to its Fiscal Year 2013-14 in an amount which, when added to the interest payable thereon, shall exceed 85 percent of the estimated amount of the then-uncollected taxes, income, revenue, cash receipts, and other moneys of the County which will be available for the payment of said notes or other indebtedness and the interest thereon; provided, however, that to the extent that any principal of or interest on such notes or other indebtedness is secured by a pledge of the amount in any inactive or term deposit of the County, the term of which will terminate during said fiscal year, such principal and interest may be disregarded in computing said limit.

In order to maintain the exclusion from gross income for federal income tax purposes of interest on the Notes, the County covenants to comply with each applicable requirement of the Internal Revenue Code of 1986, as amended, necessary to maintain the exclusion of interest on the Notes from gross income for federal income tax purposes in that the County agrees to comply with the covenants contained in, and the instructions given pursuant to, the Tax Exemption Certificate (the “Tax Certificate”) prepared for the County by Bond Counsel, as such Tax Certificate may be amended from time to time. The County further covenants that it will make all calculations relating to any rebate of excess investment earnings on the Note proceeds due to the United States Department of the Treasury in a reasonable and prudent fashion and will segregate and set aside the amounts such calculations indicate may be required to be paid to the United States Department of the Treasury.

Notwithstanding any other provision of the Financing Certificate to the contrary, upon the County’s failure to observe, or refusal to comply with, the foregoing tax covenants, the Holders of the Notes, and any adversely affected former Holders of the Notes, will be entitled to exercise any right or remedy provided to the Holders under the Financing Certificate.

Negotiability, Transfer and Exchange of the Notes

The Holders of the Notes evidenced by registered certificates may transfer or exchange such Notes upon the books maintained by the Note Registrar, in accordance with the Financing Certificate.

The County and the Paying Agent may deem and treat the Holder of any Note as the absolute owner of such Note, regardless of whether such Note is overdue, for the purpose of receiving payment thereof and for all other purposes, and all such payments so made to any such Holder or upon his or her order will satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid, and neither the County nor the Paying Agent will be affected by any notice to the contrary. Cede & Co., as nominee of DTC, or such other nominee of DTC or any successor securities depository or the nominee thereof, will be the Holder of the Notes as long as the beneficial ownership of the Notes is held in book-entry form in the records of such securities depository. See APPENDIX D – "BOOK-ENTRY ONLY SYSTEM."

Permitted Investments

Moneys on deposit in the Repayment Fund will be retained therein until applied to the payment of the principal of and interest on the Notes. Such amounts may not be used for any other purpose, although they may be invested in Permitted Investments, as defined in the Financing Certificate ("Permitted Investments"), as more fully described below:

(1) Obligations of, or guaranteed as to principal and interest by, the United States of America, or by any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States of America.

(2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board; (b) the Federal Home Loan Mortgage Corporation; (c) the Federal National Mortgage Association; (d) Federal Farm Credit Bank; (e) Government National Mortgage Association; (f) Student Loan Marketing Association; and (g) guaranteed portions of Small Business Administration 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 Investors Service, Inc. ("Moody's"), Standard & Poor's, a Standard & Poor's Financial Services LLC business ("S&P"), or Fitch Ratings ("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. The maximum total par value may be up to 15% of the total amount held by the Treasurer in accordance with the Financing Certificate.

(4) The Los Angeles County Treasury Pool (the "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, with a maximum par value of 40% of the total amount held by the Treasurer in accordance with the Financing Certificate. 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 nationally recognized securities rating agency. The maximum par value may be up to 15% of the total amount held by the Treasurer in accordance with the Financing Certificate.

(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. The maximum par value may be up to 30% of the total amount held by the Treasurer in accordance with the Financing Certificate.

(8) 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 (2) above. The maximum par value per issuer may not exceed $250,000,000 and the maximum total par value for all such agreements with funds held by the Treasurer under the Financing Certificate may not exceed $500,000,000.

(9) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least "AA" or "Aa2" by S&P or Moody's, respectively.

Notwithstanding anything within the definition of Permitted Investments to the contrary, so long as S&P maintains a rating on the Notes, to the extent Pledged Moneys are invested in Permitted Investments described in paragraphs (3), (5), (7) or (9) above, such investments must be rated by S&P at the respective S&P ratings described therein.

Repayment Fund Held by the Treasurer

Under the Resolution and the Financing Certificate, the County shall transfer to the Treasurer for deposit in the Repayment Fund the Pledged Amounts as set forth in the Financing Certificate. The Pledged Moneys shall be invested in Permitted Investments. The Pledged Moneys shall be used to pay the Notes and the interest thereon when the same shall become due and payable and may not be used for any other purpose; provided that earnings on amounts in the Repayment Fund shall be deposited as and when received into the General Fund of the County. Any amounts remaining in the Repayment Fund after repayment of all the Notes and the interest thereon shall be transferred by the Treasurer to any account in the General Fund of the County as the Treasurer or any designee may direct.

Supplemental Financing Certificate and Supplemental Resolution

The Financing Certificate and certain of the rights and obligations of the County and of the Holders of the Notes may be amended or supplemented pursuant to a supplemental financing certificate executed by the Treasurer in accordance with the provisions of the Financing Certificate (a "Supplemental Financing Certificate"), with the written consent of the Holders of at least a majority in principal amount of the Notes outstanding at the time such consent is given; provided, however, that if such supplement or amendment will, by its terms, not take effect so long as any particular Notes remain Outstanding, the consent of the Holders of such Notes will not be required. No such supplement or amendment may (i) permit a change in the terms of maturity of the principal of any Notes or of the interest rate thereon or a reduction in the principal amount thereof without the consent of the Holders of such Notes, or (ii) change the dates or amounts of the pledges set forth in the Financing Certificate with respect to the Notes, as set forth under "THE NOTES - Security for the Notes," or (iii) reduce the percentage of the Holders required to approve such Supplemental Financing Certificate without the consent of all of the Holders of the affected Notes, or (iv) change or modify any of the rights or obligations of the Paying Agent or trustee without its written consent thereto.

Additionally, a resolution amending the Resolution (a "Supplemental Resolution") may be adopted, or a Supplemental Financing Certificate may be executed, without the consent of the Holders, (i) to add to the covenants and agreements to be observed by the County that are not contrary to or inconsistent with the Resolution or the Financing Certificate, (ii) to add to the limitations and restrictions to be observed by the County that are not contrary to or inconsistent with the Resolution or the Financing Certificate, (iii) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution or the Financing Certificate, of any moneys, securities or funds or to establish any additional funds or accounts to be held under the Resolution or the Financing Certificate, (iv) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution or the Financing Certificate, (v) to supplement or amend the Resolution or the Financing Certificate as required to obtain a rating for the Notes, or any portion thereof, from any rating agency, provided that the County obtains an opinion of Bond Counsel to the effect that such Supplemental Resolution or Supplemental Financing Certificate does not adversely affect the interests of the Holders or (vi) to supplement or amend the Resolution or Financing Certificate in any other respect, provided that the County obtains an opinion of Bond Counsel to the effect that such Supplemental Resolution or Supplemental Financing Certificate does not adversely affect the interests of the Holders.

Events of Default

Any one or more of the following will constitute an "Event of Default" under the Resolution and the Financing Certificate:

(1) the County fails to make any payment of the principal of or interest on any Notes when and as the same become due and payable;

(2) the County fails to perform or observe any other of the covenants, agreements or conditions required to be performed or observed by the County pursuant to the Resolution, the Financing Certificate or the Notes and such default shall continue for a period of 60 days after written notice thereof to the County by the Holders of not less than 10 percent in aggregate principal amount of the outstanding Notes; or

(3) the County shall file petition for relief under the federal bankruptcy laws.

Whenever any Event of Default shall have happened and shall be continuing, the Holders of the Notes, and any adversely affected former Holders of the Notes, and their legal representatives, will be entitled to take any and all actions available at law or in equity to enforce the performance of the covenants in the Financing Certificate and in the Act. Nothing in the Financing Certificate will preclude an individual Holder from enforcing such Holder's rights to payment of principal of and interest on such Holder's Notes.

Payment of Unclaimed Moneys to County

Anything in the Financing Certificate to the contrary notwithstanding, any moneys held in trust for the payment and discharge of any of the Notes that remain unclaimed for a period of one year after the date when such Notes have become due and payable, if such moneys were so held at such date, or for one year after the date of deposit of such moneys if deposited after the date when such Notes became due and payable, will be repaid to the County, as its absolute property and free from trust, and the Holders may thereafter look only to the County for the payment of such Notes from legally available funds; provided, however, that before any such payment is made to the County, the County will create (and thereafter maintain until payment of all of the Notes) a record of the amount so repaid, and the County will cause to be published at least twice, at any interval of not less than seven days between publications, in *The Bond Buyer* and two other newspapers customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation, in Los Angeles, California and in the Borough of Manhattan, City and State of New York, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date may be not less than thirty days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the County.

ENFORCEABILITY OF REMEDIES

The rights of the owners of the Notes are subject to the limitations on legal remedies against counties in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the owners of the Notes, and the obligations incurred by 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 creditors' 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 of the Notes 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.

On January 24, 1996, the United States Bankruptcy Court for the Central District of California held in the case of *County of Orange v. Merrill Lynch* that a State statute providing for a priority of distribution of property held in trust conflicted with, and was preempted by, federal bankruptcy law. In that case, the court addressed the priority of the disposition of moneys held in a county investment pool upon bankruptcy of the county, but was not required to directly address the State statute that provides for the lien in favor of holders of tax and revenue anticipation notes. The County expects to be in possession of certain Unrestricted Revenues that are pledged and will be set aside to repay Notes and these funds will be held a segregated account to be established and maintained by the County for the benefit of the owners of the Notes. The amounts in such segregated account will be invested for a period of time in the County Treasury Pool. In the event of a petition for the adjustment of County debts under Chapter 9 of the Bankruptcy Code, a court might hold that the owners of the Notes do not have a valid and prior lien on the such pledged amounts where such amounts are deposited in the County Treasury Pool and may not provide the Note owners with a priority interest in such amounts. Such pledged amounts may not be available for payment of principal of and interest on the Notes unless the owners could "trace" the funds from the Repayment Fund that have been deposited in the County Treasury Pool. There can be no assurance that the Owners could successfully so "trace" the pledged amounts.

TAX MATTERS

In the opinion of Squire Sanders (US) LLP, Bond Counsel, under existing law: (i) interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (ii) interest on the Notes is exempt from State of California personal income taxes. Bond Counsel expresses no opinion as to any other tax consequences regarding the Notes.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the County contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the County's certifications and representations or the continuing compliance with the County's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations ("Regulations") under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the County may cause loss of such status and result in the interest on the Notes being included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. The County has covenanted to take the actions required of it for the interest on the Notes to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Notes, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Notes or the market value of the Notes.

Under the Code and Regulations, if the County does not spend all of the proceeds of the Notes within six months after issuance (determined as provided in the Code and Regulations), the County must rebate to the federal government its arbitrage profits, if any, in order for interest on the Notes to be excluded from gross income for federal income tax purposes. The County expects to spend all of the proceeds of the Notes within six months of issuance. If, however, it fails to do so, the County has covenanted to provide for and to set aside any required rebate payment from moneys attributable to Fiscal Year 2013-14. The California Constitution generally prohibits the County from incurring obligations payable from moneys other than moneys attributable to the fiscal year in which such obligations are incurred. Accordingly, if, after the end of the Fiscal Year 2013-14, it is determined that the County's calculations of expenditures of Note proceeds or of rebatable arbitrage profits, if any, were incorrect and that the moneys attributable to Fiscal Year 2013-14 that were set aside were insufficient to meet the recalculated rebate requirement, it is unclear whether the County could be compelled to pay the difference from the moneys attributable to the then current fiscal year. If the amount required to be rebated to the federal government as recalculated is not paid, then it may be determined that, retroactive to the issuance of the Notes, the interest on the Notes is not excluded from gross income for federal income tax purposes. Bond Counsel has assumed that the representations and covenants of the County in the Resolution and in the County's Tax Compliance Certificate concerning the investment and use of Note proceeds and the rebate to the federal government of certain earnings thereon, to the extent required, from legally available moneys, are true and correct and that the County will comply with such covenants (including the covenant that rebate payments due the federal government, if any, will be timely made).

A portion of the interest on the Notes earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Notes may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Notes. Note Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Note owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

Prospective purchasers of the Notes upon their original issuance at prices other than the respective prices indicated on the cover of this Official Statement, and prospective purchasers of the Notes at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Note Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government Notes, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Notes should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Notes may be adversely affected and the ability of holders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rates on the Notes are not subject to adjustment in the event of any such change.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

Original Issue Premium

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

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

APPROVAL OF LEGAL PROCEEDINGS

Legal matters related to the authorization, issuance, sale and delivery of the Notes are subject to the approval of Squire Sanders (US), LLP., Bond Counsel. The approving opinion of Bond Counsel will be delivered with the Notes in substantially the form appearing in APPENDIX C hereto.

Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, Los Angeles, California. Certain legal matters will be passed on for the County by County Counsel.

LEGALITY FOR INVESTMENT IN CALIFORNIA

Under the California Financial Code, the Notes are legal investments for commercial banks in the State, and under the California Government Code, the Notes are eligible to secure deposits of public moneys in the State.

RATINGS

Moody's, S&P and Fitch have given the Notes the ratings of "___," "___" and "___" respectively. Certain information was supplied by the County to the rating agencies to be considered in evaluating the Notes. Such ratings reflect only the views of the rating agencies, and are not a recommendation to buy, sell or hold any of the Notes. Any explanation of the significance of each such rating should be obtained from the rating agency furnishing the same at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041; Fitch Ratings, One State Street Plaza, New York, New York 10004. There can be no assurance that any such rating will remain in effect for any given period of time or that any such rating will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of ratings may have an adverse effect on the market price of the affected Notes.

LITIGATION

To the best knowledge of the County, no litigation is pending or threatened concerning the validity of the Notes, and an opinion of the County Counsel to that effect will be furnished at the time of issuance of the Notes.

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. The aggregate amount of the uninsured liabilities of the County which may result from all suits and claims will not, in the opinion of the County Counsel, materially impair the County's ability to repay the Notes. Note 17 of "Notes to the Basic Financial Statements" included in APPENDIX B sets forth this liability as of June 30, 2011. See also APPENDIX A – "COUNTY OF LOS ANGELES INFORMATION STATEMENT."

UNDERWRITING

The Notes are being purchased for reoffering by Goldman, Sachs & Co., as representative of the underwriters of the Notes listed on the cover page hereof (collectively, the "Underwriters"). The Underwriters have agreed to purchase the Notes at a purchase price of $__________ (representing the principal amount of the Notes of $__________, plus original issue premium of $__________, less Underwriters' discount of $__________). The Contract of Purchase (the "Contract of Purchase") provides that the Underwriters will purchase all of the Notes if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in the Contract of Purchase.

The Underwriters may offer and sell the Notes to certain dealers and others at prices lower than the public offering price stated on the cover page hereof. The offering price may be changed from time to time by the Underwriters.

[Distribution language, if any, to come.]

The following two paragraphs have been provided by the Underwriters:

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various banking services for the County.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and trading activities may involve securities and instruments of entities that receive investment banking services from the Underwriters and their respective affiliates.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of the Notes. Quotations from and summaries and explanations of the Notes, the Resolution, the Financing Certificate and the statutes and documents contained herein do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions.

Appropriate County officials, acting in their official capacity, have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. An appropriate County official will execute a certificate to such effect upon delivery of the Notes. This Official Statement and its distribution have been duly authorized and approved by the Board of Supervisors of the County.

CONTINUING DISCLOSURE

The County has agreed in a Disclosure Certificate to provide, no later than ten business days after their occurrence, notice of the occurrence of the events set forth in Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. Certain of the events set forth under Rule 15c2-12 do not apply to the Notes. The notice events applicable to the Notes include: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (4) modifications to rights of Noteholders, if material; (5) rating changes; and (6) appointment of a successor or additional trustee or the change of name of the trustee, if material. The County has not failed to comply in all material respects with prior undertakings of the County under Rule 15c2-12 in the last five years.

In addition, the County regularly prepares a variety of reports, including audits, budgets, and related documents, as well as certain monthly activity reports. Any Holder of a Note may obtain a copy of any such report, as available, from the County. Such reports are not incorporated by this reference.

Additional information regarding this Official Statement and copies of the Resolution and the Financing Certificate may be obtained by contacting:

GLENN BYERS
ASSISTANT TREASURER AND TAX COLLECTOR
COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR
500 WEST TEMPLE STREET, ROOM 432
LOS ANGELES, CALIFORNIA 90012
(213) 974-7175

APPENDIX A

COUNTY OF LOS ANGELES INFORMATION STATEMENT

THE COUNTY OF LOS ANGELES
Information Statement

GENERAL INFORMATION

The County of Los Angeles (the "County") was established by an act of the California State Legislature on February 18, 1850 as one of California's original 27 counties. Located in the southern coastal portion of the State, the County covers 4,084 square miles and includes 88 incorporated cities as well as many unincorporated communities. With a population of over 9.9 million in 2012, the County is the most populous of the 58 counties in California and has a larger population than 43 states.

As required by the County Charter, County ordinances, and State or Federal mandates, the County is responsible for providing government services at the local level for activities including public welfare, health and justice, the maintenance of public records, and administration of ad valorem taxes. The County provides services such as law enforcement and public works to cities within the County on a cost-recovery contract basis. The County also provides municipal services to unincorporated areas of the County and operates recreational and cultural facilities in these locations.

COUNTY GOVERNMENT

The County of Los Angeles is governed by a five-member Board of Supervisors, each of whom is elected by residents from their respective supervisorial districts to serve four-year terms. The other elected officials of the County are the Assessor, District Attorney and Sheriff. On March 5, 2002, County voters approved two charter amendments that introduced mandatory term limits for the elected officials of the County. As a result, each Supervisor is now limited to serving three consecutive terms commencing as of December 2002. On September 27, 2011, the Board of Supervisors adopted a Supervisorial District Boundary Plan based on the results of the 2010 census. The redistricting plan, which took effect on October 27, 2011, reduced the total variance in population among the five districts from 9.97% to 1.59% and moved approximately 277,600 residents to new supervisorial districts.

In March 2007, the Board of Supervisors amended the County Code by adopting the Interim Governance Structure Ordinance, which was designed to improve the operational efficiency of County governance. This new governance structure delegates to the Chief Executive Office (the "CEO") additional responsibilities for the administration of the County, including the oversight, evaluation and recommendation for appointment and removal of specific Department Heads and County Officers. The five departments that continued to report directly to the Board of Supervisors were the Fire Department, Auditor-Controller, County Counsel, Executive Office of the Board of Supervisors, and the CEO.. The Board of Supervisors has retained the exclusive responsibility for establishing County policy, regulations, and organizational directions. In May 2011, the Board of Supervisors further revised the governance structure by directing the Department of Children and Family Services and the Probation Department to report directly to the Board.

COUNTY SERVICES

The vast majority of the County population resides in the 88 incorporated cities located within its boundaries. The County provides some municipal services to these cities on a contract basis under the Contract Services Plan. Established in 1954, this plan was designed to allow cities to contract for municipal services without incurring the cost of creating numerous city departments and facilities. Under the Contract Services Plan, the County will provide various municipal services to a city on a cost recovery basis at the same level of service as provided in unincorporated areas, or at any higher service level that a city may choose.

Over one million people live in the unincorporated areas of the County of Los Angeles. For the residents of these areas, the County Board of Supervisors is their "City Council," and County departments provide all of their municipal services, including law enforcement, fire protection, land use and zoning, building and business permits, road maintenance, animal care and control, and public libraries. Beyond the unincorporated areas, the County of Los Angeles provides a wide range of services to all citizens who live within its boundaries.

Many of the County's core service functions are required by the County Charter, County ordinances, or by State or Federal mandate. State and Federal mandated programs, primarily related to social services and health care, are required to be maintained at certain minimum levels of service, which can limit the County's flexibility in these areas.

Health and Welfare

Under State Law, the County is required to administer Federal and State health and welfare programs, and to fund a portion of the program costs with local revenues, such as sales and property taxes. Health care services are provided through a network of County hospitals and comprehensive health centers. In addition, the County provides public health, immunization, environmental and paramedic services, and is responsible for the design and establishment of the county-wide emergency trauma network, which includes two medical centers operated by the County. The County also has responsibility for providing and partially funding mental health, drug and alcohol prevention, and various other treatment programs. These services are provided at County facilities and through a network of contract providers.

While many of the patients receiving services at County facilities are indigent or covered by Medi-Cal (a State health insurance program), the County health care delivery system has been designed with the objective of providing quality health care services to the entire population. Through its affiliation with two medical schools and by operating its own school of nursing, the County Department of Health Services ("DHS") is a major supplier of health care professionals throughout California.

Disaster Services

The County operates and coordinates an entire disaster recovery network that is responsible for providing critical services in response to floods, fires, storms, earthquakes, and other emergency events. Centralized command centers can be established at any Sheriff station or in mobile trailers throughout the County. To prevent floods and conserve water, the County maintains and operates a system of 15 major dams, 131 debris basins, 86,500 catch basins, 42 sediment placement sites, and over 2,825 miles of storm drains and channels. County lifeguards monitor 31 miles of beachfront and County rescue boats patrol 75 miles of coastline, including the Catalina Channel.

Public Safety

The County criminal justice network is primarily supported by local County revenue sources, State Public Safety sales tax revenue and fees from contracting cities. The Sheriff provides county-wide law enforcement services and will perform specific functions requested by local police departments, including the training of thousands of police officers employed by the incorporated cities of the County. Specifically, the County provides training for narcotics, vice, homicide, consumer fraud, and arson investigations, as well as assistance in locating and analyzing crime scene evidence. The County also operates and maintains one of the largest jail systems in the United States, with an average daily population of over 19,000 inmates.

General Government

The County is responsible for the administration of the property tax system, including property assessment, assessment appeals, collection of taxes, and distribution of property tax revenue to cities, agencies, special districts, and local school districts. Another essential general government service is the County's voter registration and election system, which provides services to an estimated 4.1 million registered voters and maintains 5,000 voting precincts for countywide elections.

Culture and Recreation

Through a partnership with community leaders, non-profit organizations, volunteers and the private sector, the County operates the Music Center complex, which includes the Dorothy Chandler Pavilion, Mark Taper Forum, Ahmanson Theater, and the Walt Disney Concert Hall. The County also functions as the operator of the Hollywood Bowl, the John Anson Ford Theater, the Los Angeles County Museum of Art, the Museum of Natural History, and the George C. Page Museum.

The County manages over 63,000 acres of parks and operates a network of regional recreational facilities, including Marina del Rey (a small craft harbor), 7 major regional parks, 90 local and community regional parks and 19 golf courses. The County also maintains botanical centers, including the Arboretum, the South Coast Botanic Garden, Descanso Gardens, and the Virginia Robinson Estate, provide County residents with a valuable educational resource.

EMPLOYEE RELATIONS/COLLECTIVE BARGAINING

Approximately 85% of the County workforce is represented by sixty (60) separate collective bargaining units that are certified employee organizations. These organizations include the Services Employees International Union ("SEIU") Local 721, which has twenty-four (24) collective bargaining units that represent the vast majority of County employees; the Coalition of County Unions ("CCU"), which includes twenty-three (23) collective bargaining units; and the Independent Unions, which encompass thirteen (13) collective bargaining units. Under labor relations policy direction from the Board of Supervisors and Chief Executive Officer, the CEO Employee Relations Division negotiates sixty (60) individual collective bargaining agreements for wages and salaries and two (2) fringe benefit agreements with SEIU Local 721 and the CCU. The Independent Unions are covered by one of the two fringe benefit agreements.

On March 20, 2012, the Board of Supervisors approved new amendments to the eight (8) Memoranda of Understanding ("MOUs") covering wages, salaries and special pay practices for the Independent Unions representing fire fighters, peace officers, public defender investigators, beach lifeguards and deputy probation officers (the "Public Safety Unions"). The amendments extended the terms and conditions of the original MOUs negotiated in 2009 for an additional one-year period through December 31, 2012 or January 31, 2013, depending on the specific bargaining unit, and provided for the continuation of existing salaries with no cost-of-living adjustments.

On July 17, 2012, the Board of Supervisors approved amendments to seventeen (17) MOUs covering wages, salaries and special pay practices with collective bargaining units represented by SEIU Local 721 and the CCU representing non-safety personnel. The amendments extended the terms and conditions of the existing MOUs for an additional one-year period through September 30, 2013, and provided for the continuation of existing salaries with no cost-of-living adjustments. Similar agreements with an additional twenty-eight (28) bargaining units were approved by the Board of Supervisors on September 4, 2012. The County expects to achieve the same result with the MOUs covering the seven (7) remaining collective bargaining units.

On September 4, 2012, the Board of Supervisors also approved a new fringe benefit agreement for the collective bargaining units represented by SEIU Local 721, and amendments to the fringe benefit agreement covering the collective bargaining units represented by the CCU and the Public Safety Unions. The fringe benefit agreements, which will expire on September 30, 2013, include a 7.2 percent increase in the County's contribution toward employee cafeteria-style benefit plans in 2013 to offset the higher cost of health insurance premiums. The same benefit will be extended to non-represented personnel by reducing the cost of health insurance premiums for those employees participating in their respective cafeteria-style fringe benefit plans.

Negotiations with the Public Safety Unions for the MOUs that expired in December 2012 and January 2013 are currently in progress. The negotiations with SEIU 721 and CCU for the MOUs set to expire in September 2013, and negotiations with all of the collective bargaining units for the fringe benefit agreements expiring on the same date are expected to begin in May 2013.

RETIREMENT PROGRAM

General Information

All permanent County employees of three-quarter time or more are eligible for membership in the Los Angeles County Employees Retirement Association ("LACERA"). LACERA was established in accordance with the County Employees Retirement Law of 1937 (the "Retirement Law") to administer the County's Employee Retirement Trust Fund (the "Retirement Fund"). LACERA operates as a cost-sharing multi-employer defined benefit plan for the County of Los Angeles and four minor participating agencies. The four non-County agencies account for less than one percent (1%) of LACERA's membership. Through the Retirement Fund and various benefit plans, LACERA provides retirement benefits to all general and safety (sheriff, fire and lifeguard) members.

LACERA is governed by the Board of Retirement (the "Board of Retirement"), which is responsible for the administration of the Retirement Fund, the retiree healthcare program, and the review and processing of disability retirement applications. The Board of Retirement is comprised of four positions appointed by the Board of Supervisors, two positions elected by general LACERA members, two positions (one active and one alternate) elected by LACERA safety members and two positions (one active and one alternate) elected by retired LACERA members. The County Treasurer and Tax Collector is required by law to serve as an ex-officio member of the Board of Retirement.

The LACERA plans are structured as "defined benefit" plans in which benefit allowances are provided based on salary, length of service, age and membership classification (*i.e.*, law enforcement officers, firefighters, foresters and lifeguard classifications are included as "safety" employees and all other occupational classifications are included as "general" employees). County employees have the option to participate in a contribution based defined benefit plan or a non-contribution based defined benefit plan. In the contribution based plans (Plans A, B, C & D), employees contribute a fixed percentage of their monthly earnings to LACERA based on rates determined by LACERA's independent actuary. The contribution rates depend upon age, the date of entry into the plan and the type of membership (general or safety). County employees who began their employment after January 4, 1982 also have the option to participate in Plan E, which is a non-contribution based plan. The contribution based plans (A through D) have higher monthly benefit payments for retirees compared to Plan E.

LACERA's total membership as of June 30, 2012 was 160,811, consisting of 72,076 active vested members, 19,876 non-vested active members, 56,770 retired members and 12,089 terminated vested (deferred) members. Of the 91,952 active members (vested and non-vested), 79,467 are general members in General Plans A through E, and 12,485 are safety members in Safety Plans A or B. Beginning in 1977, both the General Plan A and the Safety Plan A were closed to new members. The County elected to close these plans in response to growing concerns regarding the future cost of the Plan A benefits. The Plan A retirement benefits are considerably more generous than other plan options currently available to County employees.

As of June 30, 2012, approximately 65% of general members were enrolled in General Plan D, and 99% of all safety members were enrolled in Safety Plan B. The basic benefit structure of General Plan D is a "2.0% at 61" funding formula that provides for annual 2.0% increases in benefits, with no benefit reductions for members who retire at age 61 or older. For the Safety Plan B, the benefit structure is a "2.0% at 50" formula that provides benefit increases of 2.0% and no benefit reductions beginning at age 50. As a result, a General Plan D member with 35 years of experience can retire at age 61 with benefits equal to approximately 70% of current salary. A Safety Plan B member with 25 years of experience can retire at age 50 with benefits equal to approximately 50% of current salary.

In an internal survey completed by the CEO in Fiscal Year 2010-11, it was determined that the benefit structures of other public retirement plans in California differ considerably from the County's two primary contribution-based plans (General Plan D and Safety Plan B). For example, the CEO found that six of the ten largest counties in the State, and nine of the ten largest cities in the State, provide their general employees with at least 2.0% annual increases, and no reduction in benefits for those employees who retire at age 55 or younger. By comparison, the County's General Plan D requires six additional years (at age 61) before a participant can retire without a reduction in annual benefits. In addition, seven of the ten largest counties, and seven of the ten largest cities, provide their public safety personnel with annual benefit increases of 3.0%, and no reduction in benefits for employees who retire at age 50 or younger. This compares to the County's Safety Plan B, which only allows for 2.0% annual increases up through the age of 50.

2012 State Pension Reform

On August 28, 2012, the Governor and the State Legislature reached agreement on a new law that will reform pensions for State and local government employees. AB 340, which was signed into law by the Governor on September 12, 2012, established the California Public Employees' Pension Reform Act ("PEPRA") to govern pensions for public employers and public pension plans on and after January 1, 2013. For new employees, PEPRA includes pension caps, equal sharing of pension costs, changes to retirement age, and three-year final compensation provisions. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays, and purchases of service credit.

PEPRA applies to all State and local public retirement systems, including county and district retirement systems created pursuant to the County Employees Retirement Law of 1937, independent public retirement systems, and to individual retirement plans offered by public employers. PEPRA only exempts the University of California system and charter cities and counties whose pension plans are not governed by State law. Because the County's retirement system is governed by the County Employees Retirement Law of 1937, LACERA is required to comply with the provisions of PEPRA. Based on a review of AB 340, the County and LACERA have concluded that PEPRA is not expected to result in an increase in the County's future General Fund contributions to LACERA.

Contributions

Employers and members contribute to LACERA based on unisex rates recommended by the independent actuary (using the Entry Age Normal Cost Funding Method) and adopted by the Board of Investments of LACERA (the "Board of Investments") and the County's Board of Supervisors. Contributory plan members are required to contribute between 5% and 15% of their annual covered salary. Employers and participating agencies are required to contribute the remaining amounts necessary to finance the coverage of their employees (members) through monthly or annual pre-funded contributions at actuarially determined rates. The annual contribution rates are based on the results of investments and various other factors set forth in the actuarial valuations and investigations of experience, which are described below.

Investment Policy

The Board of Investments has exclusive control of all Retirement Fund investments and has adopted an Investment Policy Statement. The Board of Investments is comprised of four active and retired members and four public directors appointed by the Board of Supervisors. The County Treasurer and Tax Collector serves as an ex-officio member. The Investment Policy Statement establishes LACERA's investment policies and objectives and defines the principal duties of the Board of Investments, investment staff, investment managers, master custodian, and consultants.

Actuarial Valuation

The Retirement Law requires the County to contribute to the Retirement Fund on behalf of employees using rates determined by the plan's independent actuary, which is currently Milliman Consultants and Actuaries ("Milliman"). Such rates are required under the Retirement Law to be calculated at least once every three years. LACERA presently conducts annual valuations to assess changes in the Retirement Fund's portfolio.

In June 2002, the County and LACERA entered into the Retirement Benefits Enhancement Agreement (the "2002 Agreement") to enhance certain retirement benefits in response to changes to State programs enacted in 2001 and fringe benefit changes negotiated in 2000. However, unlike other local governments in California, the County did not agree to major increases in pension benefits as part of its 2002 Agreement. The 2002 Agreement, which expired in July 2010, provided for a 30-year rolling amortization period for any unfunded actuarial accrued liability ("UAAL"). UAAL is defined as the actuarial accrued liability minus the actuarial value of the assets of LACERA at a particular valuation date.

When measuring assets to determine the UAAL, the County has elected to "smooth" gains and losses to reduce the potential volatility of its funding requirements. If in any year, the actual investment return on the Retirement Fund's assets is lower or higher than the current actuarial assumed rate of return, then the shortfall or excess is smoothed, or spread, over a multi-year time period. The impact of this valuation method will result in "smoothed" assets that are lower or higher than the market value of assets depending on whether the remaining amount to be smoothed is either a net gain or a net loss.

In December 2009, the Board of Investments adopted a new Retirement Benefit Funding Policy (the "2009 Funding Policy"), which amended the terms of the 2002 Agreement. The impact of the 2009 Funding Policy on the LACERA plans was reflected in the June 30, 2009 Actuarial Valuation prepared by Milliman (the "2009 Actuarial Valuation"). The two most significant changes in the 2009 Funding Policy are described as follows:

- Asset Smoothing Period: The smoothing period to account for asset gains and losses increased from three years to five years. This initially resulted in a higher Funded Ratio (as determined by dividing the valuation assets by the AAL) and a lower contribution rate than would have been calculated under the previous three-year smoothing period.

- Amortization Period: The UAAL is now amortized over a closed thirty-year layered period, compared to an open thirty-year period under the 2002 Agreement. If LACERA achieves a Funded Ratio in excess of 100%, the surplus funding position will be amortized over a thirty-year open period.

In addition to annual actuarial valuations, LACERA requires its actuary to review the reasonableness of the economic and non-economic actuarial assumptions every three years. This review, commonly referred to as the Investigation of Experience, is accomplished by comparing actual results during the preceding three years to what was expected to occur according to the actuarial assumptions. On the basis of this review, the actuary recommends whether any changes in the assumptions or methodology would allow a more accurate projection of total benefit liabilities and asset growth. Based on the Investigation of Experience for the three-year period ended June 30, 2010, (the "2010 Investigation of Experience"), Milliman recommended that the Board of Investments consider the adoption of some key changes to the economic assumptions related to inflation and investment returns, and some changes to the demographic assumptions.

For the June 30, 2010 Actuarial Valuation (the "2010 Actuarial Valuation"), Milliman recommended a decrease in the assumed rate of inflation from 3.5% to a range of 3.00% to 3.25%, and a decrease in the assumed investment rate of return from 7.75% to a range of 7.25% to 7.5%. In December 2010, the Board of Investments decided to leave the assumed rate of inflation and the assumed investment rate of return unchanged at 3.5% and 7.75%, respectively. However, the Board of Investments voted to adopt Milliman's recommendations regarding changes to the demographic assumptions, which were reflected in the 2010 Actuarial Valuation.

In October 2011, the Board of Investments decided to lower the assumed investment rate of return from 7.75% to 7.5%, and to phase in the reduction over a three-year period commencing as of June 30, 2011. The assumed rates of return will be 7.7%, 7.6% and 7.5% for the June 30th year-end actuarial valuations in 2011, 2012 and 2013, respectively.

UAAL and Deferred Investment Returns

For the June 30, 2011 Actuarial Valuation (the "2011 Actuarial Valuation"), LACERA reported a rate of return on Retirement Fund assets of 20.4%, which corresponds to a $6.018 billion or 18.0% increase in the market value of assets from June 30, 2010. The market rate of return compared favorably to the 7.70% assumed rate of return, but was more than offset by the large deferred asset losses from Fiscal Year 2008-09 that were partially recognized in the 2011 Actuarial Valuation. The actuarial value of Retirement Fund assets increased by $355 million to $39.194 billion, and the Funded Ratio decreased from 83.3% to 80.6% as of June 30, 2011. The 2011 Actuarial Valuation reported that the AAL increased by $1.953 billion to $48.599 billion, and the UAAL increased by $1.598 billion to $9.405 billion from June 30, 2010 to June 30, 2011.

The 2011 Actuarial Valuation did not include $606.8 million of net deferred investment losses that will be recognized in future years. The net deferred loss is primarily due to the fact that the 5-year asset smoothing method recognized only three-fifths of the substantial investment losses that occurred in Fiscal Year 2008-09, which were largely offset by strong investment performance during Fiscal Years 2009-10 and 2010-11. If the actual market value of Retirement Fund assets was used as the basis for valuation, the actuary estimates that the Funded Ratio would have been 79.4% as of June 30, 2011, and the required County contribution rate would be 18.05% for Fiscal Year 2012-13.

The 2011 Actuarial Valuation provided the basis for establishing the contribution rates effective July 1, 2012. The County's required contribution rate increased from 16.31% to 17.54% of covered payroll in Fiscal Year 2012-13. The increase in the contribution rate was comprised of an increase in the funding requirement to finance the UAAL over 30 years from 6.47% to 7.89%, and a decrease in the normal cost contribution rate from 9.84% to 9.65%. The increase in the contribution rate to fund the UAAL was primarily driven by the recognition of the significant actuarial investment losses from prior years, but was partially offset by strong investment returns in Fiscal Years 2009-10 and 2010-11, and other positive variances from the economic and demographic assumptions.

For the June 30, 2012 Actuarial Valuation (the "2012 Actuarial Valuation"), LACERA reported a rate of return on Retirement Fund assets of 0.3%, which corresponds to a $1.145 billion or 2.9% decrease in the market value of assets from June 30, 2011. The market rate of return in Fiscal Year 2011-12 was significantly lower than the 7.60% assumed rate of return. As a result of the five-year smoothing process for prior year gains and losses in market value, the actuarial value of Retirement Fund assets decreased by $154 million from $39.194 billion to $39.039 billion as of June 30, 2012. The 2012 Actuarial Valuation reported that the AAL increased by $2.211 billion to $50.809

billion, and the UAAL increased by $2.365 billion to $11,770 billion from June 30, 2011 to June 30, 2012.

The decrease in the actuarial value of Retirement Fund assets combined with the increase in actuarial liabilities resulted in a decrease in the Funded Ratio from 80.6% to 76.8% as of June 30, 2012. The 2012 Actuarial Valuation provides the basis for establishing the contribution rates effective July 1, 2013. The County's required contribution rate will increase from 17.54% to 19.82% of covered payroll in Fiscal Year 2013-14. The increase in the contribution rate was comprised of an increase in the funding requirement to finance the UAAL over 30 years from 7.89% to 10.09%, and an increase in the normal cost contribution rate from 9.65% to 9.73%.

The 2012 Actuarial Valuation does not include $1.586 billion of net deferred investment losses that will be recognized in future years. If the actual market value of Retirement Fund assets was used as the basis for valuation, the actuary estimates that the Funded Ratio would have been 73.7% as of June 30, 2012, and the required County contribution rate would be 21.19% for Fiscal Year 2013-14.

In Fiscal Year 2012-13, LACERA is reporting a 12.2% return on Retirement Fund assets for the nine-month period ended March 31, 2013, which compares favorably to the actuarial assumed investment rate of return of 7.5%. The asset allocation percentages for the Retirement Fund as of March 31, 2013 were 24.9% domestic equity, 27.4% international equity, 24.0% fixed income, 9.2% real estate, 8.7% private equity, 2.4% commodities, 1.1% hedge funds and 2.3% cash.

A six-year history of the County's UAAL is provided in Table 1 ("Retirement Plan UAAL and Funded Ratio"), and a summary of investment returns for the prior six years is presented in Table 2 ("Investment Return on Retirement Plan Assets") on page A-9.

Pension Funding

Since Fiscal Year 1997-98, the County has funded 100% or more of its annual required contribution to LACERA. In Fiscal Years 2010-11 and 2011-12, the County's total contributions to the Retirement Fund were $898.8 million and $1.027 billion respectively. In Fiscal Year 2012-13, the County's required contribution payments are estimated to increase by $92.0 million to $1.119 billion. Fiscal Year 2013-14 County retirement contributions are projected to be $1.251 billion. A summary of employer contributions for the seven years ended June 30, 2012 is presented in Table 3 ("County Pension Related Payments") on page A-9.

During the early and mid-1990's, the County relied heavily upon the use of excess earnings to fund all or a portion of its annually required contribution to LACERA. The County's excess earnings were generated as a result of an agreement between the County and LACERA, which allowed the County to share in Retirement Plan earnings (through June 30, 1998) in excess of the actuarial assumed rate of return. Beginning in 1996, however, the County embarked on a multi-year plan to lessen its reliance on excess earnings by systematically increasing its net County cost to the Retirement Plan. The required contribution for Fiscal Year 2007-08 represented the first year that excess earnings were not used to fund the County's required contribution. The remaining balance of excess earnings maintained with LACERA (the "County Contribution Credit Reserve") that can be used by the County to fund retirement program costs is $470.71 million as of June 30, 2012. The future use of these funds will not be affected by the 2009 Funding Policy and have never been included in the actuarial valuation of Retirement Fund assets.

STAR Program

The Supplemental Targeted Adjustment for Retirees program ("STAR Program") is a discretionary program that provides a supplemental cost-of-living increase from excess earnings to restore retirement allowances to 80% of the purchasing power held by retirees at the time of retirement. As of June 30, 2012, $614 million was available in the STAR Program Reserve to fund future benefits. Under the 2009 Funding Policy, the entire STAR Program Reserve was included in the Retirement Fund's valuation assets. However, there is no corresponding liability for any STAR Program benefits in the 2012 Actuarial Valuation that may be granted in the future. If the STAR Program Reserve was excluded from the valuation assets, the County's required contribution rate would increase from 19.82% to 20.35%, and the Funded Ratio would decrease from 76.8% to 75.6% in Fiscal Year 2013-14. The exclusion of the STAR Program Reserve from the valuation assets would require the County to increase its required contribution to LACERA by approximately $31 million in Fiscal Year 2013-14.

Pension Obligation Securities

In California, the obligation of the County to fund the UAAL by making actuarially required contributions is an obligation imposed by State Law. The County previously issued pension obligation bonds and certificates in 1994 and transferred the proceeds to LACERA to finance its then-existing UAAL. All of the outstanding pension obligation bonds and certificates related to the 1994 financing were repaid in full as of June 30, 2011.

Postemployment Health Care Benefits

LACERA administers a health care benefits program for retirees under an agreement with the County. The program includes medical, dental, vision and life insurance benefit plans for over 88,000 retirees or survivors and their eligible dependents. Retirement Plan net assets are not held in trust for such postemployment benefits and LACERA's Board of Retirement reserves the right to amend or revise the medical plans and programs under the retiree health program at any time. County payments for postemployment benefits are calculated based on the employment service credit of retirees, survivors, and dependents. For eligible members with 10 years of service credit, the County pays 40% of the health care plan premium. For each year of service credit beyond 10 years, the County pays an additional 4% of the plan premium, up to a maximum of 100% for a member with 25 years of service credit.

In Fiscal Years 2010-11 and 2011-12, total payments from the County to LACERA for postemployment health care benefits were $406.9 million and $424.0 million, respectively. In Fiscal Year 2012-13, the County is estimating $440.6 million in payments to LACERA for retiree health care. Fiscal Year 2013-14 retiree health care payments are projected to be $449.3 million.

Financial Reporting for Other Postemployment Benefits

The Governmental Accounting Standards Board ("GASB") has issued two statements that address other postemployment benefits ("OPEB"), which are defined to include many post retirement benefits other than pension-related benefits. Health care and disability benefits are the most significant of these benefits provided by the County.

GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans ("GASB 43"), established financial reporting standards for

OPEBs in a manner similar to those currently in effect for pension benefits. GASB 43 is focused on the entity that administers such benefits (which, in the case of the County, is LACERA) and requires an actuarial valuation to determine the funded status of accrued benefits. LACERA has complied with GASB 43 requirements for all annual reporting periods beginning with the fiscal year ended June 30, 2008.

GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ("GASB 45"), establishes financial reporting standards designed to measure, recognize, and disclose OPEB costs. GASB 45 is focused on the County's financial statements, and related note disclosures, and is intended to associate the costs of the OPEB with the periods in which employee services are rendered in exchange for the OPEB. Starting with the June 30, 2008 Comprehensive Annual Financial Report ("CAFR"), the County has implemented the requirements of GASB 45 in its financial reporting process.

The core requirement of GASB 45 is that an actuarial analysis must be prepared at least once every two-year period with respect to projected benefits ("Plan Liabilities"), which would be measured against the actuarially determined value of the related assets (the "Plan Assets"). To the extent that Plan Liabilities exceeded Plan Assets, the difference could be amortized over a period not to exceed 30 years. GASB 45 does not require the funding of any OPEB liability related to the implementation of this reporting standard.

OPEB Actuarial Valuation

In order to comply with the requirements of GASB 43 and GASB 45, LACERA engaged Milliman to complete actuarial valuations of OPEB liabilities for the LACERA plans. In their OPEB valuations, Milliman has provided a determination of the AAL for LACERA's health, dental, vision and life insurance benefits plan. The County's members comprise approximately 95% of LACERA's retiree population and the County is responsible for this percentage of OPEB costs. The 5% of LACERA retirees who do not contribute to the County's OPEB liability are predominantly members of the Los Angeles Superior Court. The demographic and economic assumptions used in the OPEB valuations are modeled on the assumptions used by LACERA for its pension program. The healthcare cost assumptions are based on discussions with other consultants and actuaries used by the County, LACERA and labor groups. The OPEB valuations have used a 5% discount rate and the Projected Unit Credit actuarial cost method to determine the AAL and the County's annual required contribution to fund this OPEB liability, which is referred to in GASB 45 as the "ARC".

In accordance with the requirements of GASB 43, Milliman completed its third OPEB actuarial valuation as of July 1, 2010 (the "2010 OPEB Valuation"), which was issued in March 2011. In the 2010 OPEB Valuation, Milliman reported an AAL of $24.03 billion for LACERA's OPEB program (including employees of the Los Angeles Superior Court). The County's share of this liability is $22.94 billion, which represents a 9.8% increase from the 2008 OPEB Valuation. The OPEB ARC as of July 1, 2010 was estimated to be $1.86 billion, which represents approximately 29% of the County's payroll costs, and a 12% increase from the prior OPEB Valuation.

The 2010 OPEB Valuation continued to utilize the Projected Unit Credit actuarial cost method and a 5% discount rate. The economic and demographic assumptions used in the 2010 OPEB Valuation were derived from the retirement benefit assumptions used in the 2010 Actuarial Valuation and the results of the 2010 OPEB Investigation of Experience. The increase in the OPEB AAL from 2008 to 2010 was caused by several offsetting factors, which include changes to retirement benefit assumptions, cost increases due to the passage of time, demographic changes, lower than expected payroll growth, and claim cost experience gains, including lower than expected increases in health insurance premiums as of July 1, 2010 and July 1, 2011.

The next OPEB actuarial valuation report ("the 2012 OPEB Valuation") as of July 1, 2012 is expected to be released in May 2013. Based on a preliminary review of the draft report for the 2012 OPEB Valuation, Milliman is reporting an AAL of $26.95 billion for LACERA's OPEB program (including employees of the Los Angeles Superior Court). The County's share of this liability is $24.03 billion, which represents a 4.8% increase from the 2010 OPEB Valuation.

For the Fiscal Year ended June 30, 2012, the County reported an OPEB ARC of $1.988 billion and a net increase in the OPEB liability of $1.572 billion. The $416 million "pay-as-you-go" contribution is 21% of the County's OPEB ARC, which is consistent with the funding level in Fiscal Year 2010-11. As of June 30, 2012, the County reported an unfunded Net OPEB obligation of $6.919 billion.

Funding for Other Postemployment Benefits

The County is considering several funding options to reduce its OPEB AAL, including the establishment of a tax-exempt trust to pre-fund the County's OPEB liability. On May 15, 2012, the Board of Supervisors approved the establishment of a tax-exempt OPEB trust pursuant to a Trust and Investment Services Agreement (the "OPEB Trust") to be entered into between LACERA and the County. The LACERA Board of Investments will function as the trustee and investment manager, and the Board of Supervisors will have exclusive discretion over the amount of contributions and/or transfers the County may invest or allocate to the OPEB Trust. The County has secured the required approval of its collective bargaining units for the creation of the OPEB Trust.

Beginning January 2013, the County transferred $448.8 million from the County Contribution Credit Reserve to the OPEB Trust Fund over a three-month period ending in March 2013. In addition, the County may consider applying general fund revenues to supplement deposits to the OPEB Trust in the future.

The County is also evaluating various cost-reduction options in relation to its retiree health benefits. For new hires to the County, certain potential changes include the following: 1) changing the benchmark health insurance; 2) requiring new retirees to enroll in Medicare at age 65; 3) reducing dependent coverage; 4) reducing the annual County contribution; and 5) requiring employees to contribute up to 2.0% of their salaries towards retiree health. Furthermore, the County is also considering a requirement that both active employees and new hires enroll in Medicare at age 65. If this requirement was to be implemented by the County, it is estimated that the OPEB liability would be reduced by more than 22% over the next thirty years.

Long-Term Disability Benefits

In addition to its Retirement Plan, the County administers a Disability Benefits Plan ("DBP") that is separate from LACERA. The DBP covers employees who become disabled as a direct result of an injury or disease while performing assigned duties. Generally, the long-term disability plans included in the DBP provide employees with a basic monthly benefit of between 40% and 60% of such employee's monthly compensation, commencing after 6 months of disability. The benefits under these plans normally terminate when the employee is no longer totally disabled or turns age 65, whichever occurs first. The health plans included in the DBP generally cover qualified employees who are sick or disabled and provide for the payment of a portion of the medical premiums for these individuals.

The County has determined that the liability related to long-term disability benefits is an additional OPEB obligation, which is reported as a component of the OPEB ARC in the CAFR. Following completion of the original OPEB Valuation, the County engaged Buck Consultants to prepare actuarial valuations of the long-term disability portion of its DBP as of July 1, 2009 (the "2009 LTD Valuation") and July 1, 2011 (the "2011 LTD Valuation"). In the 2011 LTD Valuation, the AAL for the County's long-term DBP was $1.019 billion, which represents a 7.0% increase from the $951.8 million AAL reported in the 2009 LTD Valuation. In Fiscal Years 2010-11 and 2011-12, the County made total DBP payments of $35.3 million and $36.7 million, respectively. In Fiscal Year 2012-13, the County is estimating total DBP payments of $40.3 million. Fiscal Year 2013-14 DBP payments are projected to be $42.0 million. The annual "pay-as-you-go" DBP payments are accounted for as an offset to the County's OPEB obligation. Based on the 2011 LTD Valuation, the June 30, 2012 net OPEB obligation of $6.919 billion includes $153.6 million for long-term disability benefits.

LITIGATION

The County is a party to numerous cases. The following are summaries of the most significant pending legal proceedings, as reported by the Office of the County Counsel. A further discussion of legal matters that directly affect the budget and the revenue generating powers of the County is provided in the Budgetary Information section of Appendix A.

Wage and Hour Cases

In 2007 and 2008, several collective action lawsuits were filed against the County by Deputy Sheriffs, the Association for Los Angeles Deputy Sheriffs ("ALADS") and the Los Angeles County Professional Peace Officers Association (the "PPOA"). In 2010, the County was able to successfully defeat the "class certification" in the PPOA lawsuit based on the recent decision from the Ninth Circuit in *Bamonte v. City of Mesa,* which held that the time police officers spend before and after their paid shifts donning and doffing their police uniforms and related protective gear is not compensable under the Federal Fair Labor Standards Act ("FLSA") as long as the officers have the option and ability to don and doff their uniform and gear off of the employer's premises. Following the *Bamonte* decision, both ALADS and PPOA filed "class action grievances" under their respective Memorandums of Understanding against the County. These collective action lawsuits and grievances seek to recover compensation for overtime related to performing pre-shift and post-shift employment activities such as preparing patrol cars, preparing reports, working through meal times and other such activities which occurred "off the clock." Taken together, the number of claimants in the collective actions exceeded 3,000, and there is the potential that the number of claimants to the class grievances may include as many as 9,000 public safety personnel. The initial PPOA class action lawsuit settled for a total of $60,000. In August 2012, a Federal court granted the County's motion with regard to most of the plaintiffs' claims in the two remaining collective actions and granted the County's motion to decertify the collective classes, which resulted in the dismissal of all of the "opt-in" plaintiffs. Following the Federal court's ruling, the plaintiffs in the ALADS case dismissed that case in its entirety, leaving the remaining PPOA case with only three remaining plaintiffs and significantly reducing the County's liability exposure. The County filed a State court action challenging the proposed proceedings involving the class grievances. The State court granted the County's petition for writ of mandate, essentially precluding the cases from proceeding as class grievances. The balance of the State litigation is still in the early stages of the legal process.

Other Litigation

In 1999, a lawsuit entitled *Roger E. Bacon v. Alan T. Sasaki* was filed against the County challenging the County Auditor-Controller's method of calculating interest on property tax refunds. A bench trial was held on January 9, 2006 regarding two test claims, and the trial court only partially sustained the Auditor-Controller's position. In August 2009, the Board of Supervisors approved a settlement of the case. The trial court gave preliminarily approval of the proposed settlement, which provided for a total maximum payout amount, including all fees and costs, of $45 million. The trial court entered judgment in September 2011, approving the final resolution of the litigation, and barring any recovery for those who did not file claims. The County reserved $35 million for the expected fees and costs to settle this lawsuit, and has paid all submitted and approved claims, including legal fees, in the total amount of $30 million.

In March, 2008, a lawsuit entitled *Natural Resources Defense Counsel v. County of Los Angeles, et al.*, was filed against the County and the Los Angeles County Flood Control District (the "Flood Control District") under the citizen suit provision of the Federal Clean Water Act. The case was bifurcated to first determine liability, and if liability was found, then to determine the penalties and remedies. The trial judge issued rulings on cross-motions for summary judgment that disposed of most of the liability issues. The County and the Flood Control District were found to have violated water quality standards at one location in Malibu. Part of the summary judgment granted to the County and Flood Control District was appealed to the Ninth Circuit, which upheld the trial court's ruling with the exception of deciding that the Flood Control District was liable for violations in two watersheds. After the Ninth Circuit denied the Flood Control District's motion for reconsideration, the Flood Control District filed a petition for writ of certiorari with the U.S. Supreme Court. The Supreme Court granted the petition, andissued its opinion on January 8, 2013, reversing the Ninth Circuit ruling. The plaintiffs have filed a motion requesting the Ninth Circuit to reverse an earlier ruling and again find the flood Control district liable for violations in the two watersheds. The case is still pending. The cost of the injunctive relief sought has yet to be determined, in the event that such relief is ordered. In March 2009, the County and Flood Control District filed administrative claims under the Government Tort Claims Act against 58 cities and other public entities for equitable indemnity and contribution. In March 2010, the County and the Flood Control District filed a complaint in state court for equitable indemnity, contribution, and nuisance against two cities. The complaint was dismissed in November 2011, and an appeal of the dismissal is pending. If the only liability found is for the Malibu site, this appeal will be dismissed. Any potential liabilities to the County or the Flood Control District is not expected to have a significant and material impact to the County budget.

In 2008, in *Los Angeles Unified School District v. County of Los Angeles, et. al.*, the school district alleged that the Auditor-Controller improperly calculated statutory payments due to LAUSD under redevelopment law. The Court of Appeal reversed a trial court decision in favor of the County, and the County's

Petition for Review was denied by the California Supreme Court. On remand in January 2012, the trial court issued a statement of decision regarding calculation of the statutory payments which reduced the County's exposure from the previously reported range of $24 to $38 million to approximately $17.9 million. On September 7, 2012, LAUSD filed an appeal of the trial court's ruling. The County has reserved $31.5 million for the expected resolution of this lawsuit.

In 2008, the City of Alhambra, along with 46 other plaintiff cities, filed a *Petition for Writ of Mandat*e against the County alleging that the County and its Auditor-Controller deducted excessive administrative fees from the property tax allocations of the 88 incorporated cities within Los Angeles County. In June 2009, a judgment denying the writ was entered in favor of the County. The plaintiffs filed a notice of appeal in August 2009, and in July 2010, the Court of Appeal reversed the trial court ruling. In October 2010, the County's Petition for Review with the California Supreme Court was granted. In November 2012, the California Supreme Court upheld the appellate court's decision. The case has been remanded to the trial court to resolve outstanding issues regarding the applicable statute of limitations. The County's estimated liability exposure is between $32 million and $40 million. As a result of the Alhambra Supreme Court decision, nine cities filed a new lawsuit (Agoura Hills v. COLA). In addition, twenty-six cities filed claims for damages seeking return of the excessive administrative fees charged. Six other cities have not filed claims, but could be entitled to refunds, depending on the resolution of outstanding issues regarding the statute of limitations. The lawsuit, claims, and unasserted potential claims combine for a potential liability of between $10.4 million and $33.2 million.

In November 2010, the County was named, along with various State entities and three local school districts, as a defendant in a class action lawsuit brought in federal district court by a number of non-profit legal advocacy groups on behalf of special education students. The suit alleged that defendants were denying these students their federal right to a free and appropriate public education. The suit followed the Governor's October 8, 2010 veto of $133 million in funding appropriated by the Legislature for State mandated educationally related mental health services, commonly known as AB 3632 services. The County took the position that the State's failure to fund these services operated to suspend the mandate on counties to provide them; and further, as a consequence of federal law, responsibility to pay for or provide these services rested with the school districts. To this end, the County engaged in efforts with numerous local school districts to enter into MOUs related to the continuing provision of these services. Under the terms of the MOUs, the school districts agree to reimburse the County for continuing to provide mental health services, with the County agreeing to repay the districts if a binding legal decision determines that the mandate is not suspended.

Subsequently, the California Legislature enacted legislation clarifying that counties no longer have a mandate to provide educationally related mental health services and that this mandate belongs to local school districts. The County is in the process of transferring these services to the local districts. The districts also will have the option of continuing to obtain the services from the County, and to pay for them under negotiated MOUs.

Two lawsuits were filed against the County in 2011 and another in 2013, related to allegations that each of the plaintiffs had been falsely convicted of murder and served over twenty years in prison. The Courts subsequently ordered new trials based on new evidence. In regard to the 2011 lawsuits, one case was re-tried and the plaintiff was acquitted, and in the other case, the District Attorney has decided not to retry the plaintiff. In regard to the 2013 lawsuit, the District Attorney has not yet decided if the original case will be retried. The estimated exposure to the County from the three lawsuits is $15 million.

In 2013, Lancaster Hospital Corporation, doing business as Palmdale Regional Medical Center ("PRMC"), filed suit in Los Angeles Superior Court against the State of California, the County of Los Angeles' Community Health Plan, and two other managed care organizations, Care 1st and the LA Care. (*Lancaster Hospital Corporation, dba Palmdale Regional Medical Center v. Douglas, et al).* PRMC alleges that the amounts paid to it for providing emergency medical care and the subsequent stabilization care to Medi-Cal managed care patients assigned to the various managed care health plans is insufficient. PRMC is seeking damages in excess of $10 million from all defendants. The County estimates its liability exposure to this lawsuit to be significantly lower.

In September 2011, a lawsuit entitled City of Cerritos et. al., vs. State of California, et. al. was filed against the State and other defendants, including the County. The lawsuit challenges the constitutionality of the redevelopment dissolution legislation (ABX1 26). On January 27, 2012, the trial court denied the petitioners motion for a preliminary injunction. The petitioners have filed an appeal of the trial court's decision, with respondent briefs due October 22, 2012. If the petitioners were to prevail, the court could retroactively reinstate redevelopment agencies and require the County to return any residual property tax revenue that it received from the Redevelopment Property Tax Fund. A detailed discussion of ABX1 26 and the redevelopment agency dissolution is provided in the Budgetary Information section of this Appendix A.

Pending Litigation

There are a number of other 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 impair the ability of the County to make debt service payments or otherwise meet its outstanding lease or debt service obligations.

TABLE 1: RETIREMENT PLAN UAAL AND FUNDED RATIO
(in thousands)

Actuarial Valuation Date	Market Value of Plan Assets	Actuarial Value of Plan Assets	Actuarial Accrued Liability	UAAL	Funded Ratio
06/30/2007	40,908,106	37,041,832	39,502,456	2,460,624	93.77%
06/30/2008	38,724,671	39,662,361	41,975,631	2,313,270	94.49%
06/30/2009	30,498,981	39,541,865	44,468,636	4,926,771	88.92%
06/30/2010	33,433,888	38,839,392	46,646,838	7,807,446	83.26%
06/30/2011	39,452,011	39,193,627	48,598,166	9,404,539	80.65%
06/30/2012	38,306,756	39,039,364	50,809,425	11,770,061	76.83%

Source: Milliman Actuarial Valuation (of LACERA) for June 30, 2012.

TABLE 2: INVESTMENT RETURN ON RETIREMENT PLAN ASSETS
(in thousands)

Fiscal Year	Market Value of Plan Assets	Market Rate of Return	Funded Ratio Based on Market Value
2006-07	40,908,106	19.1%	101.4%
2007-08	38,724,671	-1.5%	90.1%
2008-09	30,498,981	-18.3%	66.8%
2009-10	33,433,888	11.6%	69.9%
2010-11	39,452,011	20.4%	79.4%
2011-12	38,306,756	0.3%	73.7%

Source: Milliman Actuarial Valuation (of LACERA) for June 30, 2012.

TABLE 3: COUNTY PENSION AND OPEB PAYMENTS
(in thousands)

Fiscal Year	Cash Payment to LACERA	Retiree Health Care Payments	Pension Bonds Debt Service	Total Pension & OPEB Payments	Percent Change Year to Year
2007-08	827,789	352,000	381,603	1,561,392	0.0%
2008-09	805,300	365,424	320,339	1,491,063	-4.5%
2009-10	802,500	384,034	358,165	1,544,699	3.6%
2010-11	898,803	406,937	372,130	1,677,870	8.6%
2011-12	1,026,867	424,030	-	1,450,897	-13.5%
2012-13	1,118,409	440,569	-	1,558,978	7.4%
2013-14	1,250,875 *	449,300 *		1,700,175	9.1%

Source: Milliman Actuarial Valuations (of LACERA), Los Angeles County CAFRs and County of Los Angeles Chief Executive Office.

*Estimated

BUDGETARY INFORMATION

COUNTY BUDGET PROCESS

The County is required by California State Law to adopt a balanced budget by October 2nd of each year. Upon release of the Governor's Proposed State Budget in January, the CEO of the County prepares a preliminary forecast of the County budget based on the current year budget, the Governor's budget, and other projected revenue and expenditure trends. Expanding on this forecast, a target County budget for the ensuing fiscal year, beginning July 1st, is developed, and projected resources are tentatively allocated to the various County programs and services.

The CEO normally presents the Recommended County Budget to the Board of Supervisors in April. The Board of Supervisors is required by County Code to adopt a Recommended Budget no later than June 30th. If a Final County Budget is not adopted by June 30th, the appropriations approved in the Recommended Budget, with certain exceptions, become effective for the new fiscal year until the final budget is approved.

The CEO generally recommends revisions to the County Budget after adoption of the final State budget to align County expenditures with approved State funding. After conducting public hearings and deliberating on the details of the budget, the Board of Supervisors adopts the Final County Budget by August 1st.

Throughout the remainder of the fiscal year, the Board of Supervisors approves various adjustments to the Final County Budget to reflect changes in appropriation requirements and funding levels. The annual revenues from the State and Federal governments are generally allocated pursuant to formulas specified in State and Federal statutes. For budgetary or other reasons, such statutes are often subject to change which may affect the level of County revenues and budgetary appropriations.

COUNTY BUDGET OVERVIEW

The County Budget is comprised of eight fund groups through which the County's resources are allocated and controlled. These groups include the General Fund and Hospital Enterprise Fund (which represents the General County Budget), Special Revenue Funds, Capital Project Special Funds, Special District, Other Enterprise, Internal Services, and Agency Funds.

The General County Budget accounts for approximately 77.7% of the 2013-14 Recommended Budget and appropriates funding for programs that are provided on a mostly county-wide basis *(e.g.*, health care, welfare, and detention facilities), municipal services to the unincorporated areas not otherwise included in a special district, and certain municipal services to various cities on a contract fee-for-service basis *(e.g.*, law enforcement, planning and engineering).

Special Revenue Funds represent approximately 10.0% of the 2013-14 Recommended Budget, and are used to account for the allocation of revenues that are restricted to defined purposes, such as public library operations, courthouse construction programs and operations, and specific automation projects.

Capital Project Special Funds account for approximately 1.1% of the 2013-14 Recommended Budget and provide funding for the acquisition or construction of major capital facilities that are not financed through other funding sources.

Special District Funds account for approximately 8.4% of the 2013-14 Recommended Budget and are separate legal entities funded by specific taxes and assessments. These districts provide public improvements and/or services benefiting targeted properties and residents. Special Districts are governed by the Board of Supervisors and include, among others, Flood Control, Garbage Disposal, Sewer Maintenance and Regional Park and Open Space Districts. The remaining fund groups, Other Enterprise, Internal Services and Agency Funds account for 2.8% of the 2013-14 Recommended Budget.

CONSTITUTIONAL PROVISIONS AFFECTING TAXES AND APPROPRIATIONS

Proposition 13

Article XIIIA of the California Constitution limits the taxing powers of California public agencies. Article XIIIA provides that the maximum ad valorem tax on real property cannot exceed 1% of the "full cash value" of the property, and effectively prohibits the levying of any other ad valorem property tax except for taxes required to pay debt service on voter-approved general obligation bonds. "Full cash value" is defined as "the County Assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment."

The "full cash value" is subject to annual adjustment to reflect inflation at a rate not to exceed 2%, or a reduction as shown in the consumer price index (or comparable local data), or a decline in property value caused by damage, destruction or other factors. The foregoing limitation does not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on certain types of indebtedness approved by the voters.

Article XIIIB of the California Constitution limits the amount of appropriations of local governments for "proceeds of taxes." The County's appropriation limit for "proceeds of taxes" for Fiscal Year 2012-13 is $17,435,995,436. The 2012-13 Final Adopted Budget included proceeds from taxes of $6,510,540,000, which is well below the statutory limit.

Proposition 62

Proposition 62, a 1986 ballot initiative that amended the California Constitution, requires voter approval of all new taxes or any increases to local taxes. A challenge to taxes subject to Proposition 62 may only be made for those taxes collected beginning one year before a claim is filed. Such a claim is a necessary prerequisite to the filing of a lawsuit against a public entity in California. In February 2005 a claim was filed, and it was followed in May 2005 by a lawsuit entitled *Oronoz v. County of Los Angeles* that contends the County's Utility User Tax ("UUT") did not meet the requirements of Proposition 62 and is therefore invalid. In November 2006, the trial court certified the case as a class action. In July 2008, the parties agreed to a tentative settlement of the case, which was finally approved by the court in March 2009. The settlement, which is currently in the process of being implemented, calls for a total expenditure by the County of $75 million to be used for tax refunds to class members and enhanced services within the areas of the County from which the tax was collected. At the outset of this lawsuit, the County established a separate reserve account to fund any liabilities resulting from the litigation, with the reserve more than sufficient to fully fund the entire $75 million settlement. Claim processing for the settlement has been completed and all refunds have been issued. In November 2008, the County's utility user tax was approved by the voters in conformity with Proposition 62. The plaintiffs filed a motion alleging that the 2008 election was improperly conducted, which was denied on April 26, 2012. The plaintiffs have filed an appeal, which is currently pending and not anticipated to be resolved until late 2013.

On August 11, 2009, a lawsuit, *Patrick Owens and Patricia Munoz v. County of Los Angeles* was filed in Los Angeles Superior Court, challenging the imposition of the County's UUT after its passage at the election held on November 4, 2008. The complaint alleges that the impartial analysis prepared by County Counsel failed to inform the voters that: 1) the material provisions of the prior UUT were being rescinded regardless of the outcome of the election; and 2) it was not a "continuation" of an existing tax, but rather was the enactment of a completely new UUT. The County filed a demurrer and motion to strike plaintiffs' complaint on October 16, 2009. A hearing was held on April 15, 2010 in which the Court denied the County's demurrer in light of the early phase of the litigation process. The County then filed a motion on November 12, 2010 to dispose of the issues challenging the legality of the election. A hearing was held on February 16, 2011 in which the Court denied the County's motion as the plaintiff raised a constitutional question, which the Court determined must be ruled on together with the motion in the Oronoz case related to the 2008 election issue. The case proceeded with the discovery phase and was set for a bench trial, which was heard with the Oronoz motion on April 26, 2012. The court ruled in favor of the County and issued final judgment. Plaintiffs have filed an appeal, which is currently pending and not anticipated to be resolved until late 2013. In the event of a successful appeal, the County may be required to resolve issues regarding a potential class certification. Since the November 4, 2008 election, the County estimates that approximately $250.7 million in UUT revenue has been collected and continues to be collected at an average rate of $4.8 million per month.

On March 4, 2011, a new lawsuit filed as a class action alleges that the County's 2% increase to the Transient Occupancy Tax ("TOT") violated Proposition 62 by not receiving voter approval. The County demurred to the complaint on all theories on October 12, 2011. The court sustained the County's demurrer as to all theories except for one. The Court ruled that the alleged Proposition 62 violation survived demurrer and could proceed on a class basis.. The County placed the TOT on the June 2012 ballot for ratification, and it was approved by the electorate. In November 2012, the court denied class action status on the grounds that the Plaintiff is not a proper class representative. The parties have stipulated to entry of judgment, which was entered by the court in January 2013. The plaintiff filed an appeal in March 2013, and the County has cross-appealed on the Prop 62 issue.

On August 1, 2012, a lawsuit, *Harlan Green v. Dean Logan, Registrar-Recorder*, was filed in Los Angeles Superior Court as an election contest and writ petition challenging the ballot materials that were printed and distributed to the voters for Measure H (the TOT ratification measure), and Measure L, a tax on landfill operators in the County, which was also approved by voters. The complaint alleges that ratification of the prior collection of taxes is unconstitutional and in violation of Propositions 62 and 218. The complaint further alleges that: (1) the impartial analysis prepared by County Counsel failed to inform voters of the effect of a "no" vote, (2) the Board of Supervisors was required to order a fiscal impact statement for the measures if they would increase or decrease the revenues or costs to the County, and (3) the resolutions ordering the elections and the arguments in favor of the two measures resulted in improper advocacy by the County that was misleading to voters. The County filed a demurrer to strike plaintiff's complaint on November 5, 2012. Following hearing on the case, the Court sustained the County's demurrer on all grounds on December 17, 2012, but allowed the plaintiff 20 days to amend their complaint. The County again demurred to the first amended complaint on February 4, 2013. On March 1, 2013, the Court sustained the County's demurrer without leave to amend and dismissed the action. Plaintiff has until mid-May 2013 to appeal the decision.

In *Granados v. County of Los Angeles*, a lawsuit filed in 2006, the class action plaintiff challenged the legality of telephone user tax ("TUT") paid to the County from 2004 through 2008. Pursuant to the County Code, section 4.62.060(a) the County imposes a five percent TUT on amounts paid for telephone services by persons or entities located in unincorporated areas in the County. Excluded from the TUT, however, are amounts paid for telephone services exempt from the tax imposed under the Federal Excise Tax ("FET") (IRC, section 4251), which applies to long distance service charged by time and distance. The plaintiff alleges, however, that most long distance telephone service is charged under a postalized fee structure where the amount of the charge depends only upon the amount of elapsed transmission time and not the distance of the call, and that the FET and the TUT cannot be imposed on such services. In March 2012, the Court of Appeal reversed in part an order of the Superior Court granting the County's demurrer on the basis that this action was barred for failure to file individualized claims. Since that time, this action has been on hold pending the outcome of the *Oronoz* litigation, and it is expected that the settlement in *Oronoz* will have addressed much of the potential exposure to the County in the *Granados* case. The amount of unaddressed liability exposure in Granados is estimated at approximately $5 million.

Proposition 218

Proposition 218, a 1996 ballot initiative that added Articles XIIIC and XIIID to the California Constitution, established the following requirements on all taxes and property-related assessments, fees, and charges:

- precluded special purpose districts or agencies, including school districts, from levying general taxes;
- precluded any local government from imposing, extending or increasing any general tax unless such tax is approved by a majority of the electorate;

- precluded any local government from imposing, extending or increasing any special purpose tax unless such tax is approved by two-thirds of the electorate; and

- ensured that voters may reduce or repeal local taxes, assessments, or fees through the initiative process.

An appellate court decision determined that Proposition 218 did not supersede Proposition 62. Consequently, voter approval alone may not be sufficient to validate the imposition of general taxes adopted, increased or extended after January 1, 1995.

Proposition 218 also expressly extends to voters the power to reduce or repeal local taxes, assessments, and fees through the initiative process, regardless of the date such charges were imposed. SB 919, the Proposition Omnibus Implementation Act, was enacted in 1997 to prescribe specific procedures and parameters for local jurisdictions to comply with Proposition 218. SB 919 states that the initiative power provided for in Proposition 218 shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after November 6, 1998, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights" protected by the United States Constitution.

In the 2006 case of *Bighorn-Desert View Water Agency v. Virjil (Kelley)*, the State Supreme Court suggested that the initiative power under Proposition 218 is not free of all limitations, and could be subject to restrictions imposed by the contract clause of the United States Constitution. No assurance can be given, however, that voters in the County will not, in the future, approve an initiative that reduces or repeals local taxes, assessments, fees or charges that are deposited into the County's General Fund. In addition, "fees" and "charges" are not defined by Article XIIIC or SB 919, and the scope of the initiative power under Article XIIIC could include all sources of General Fund revenue not received from or imposed by the Federal or State government or derived from investment income.

Proposition 1A 2004

Proposition 1A 2004, approved by the voters in November 2004, amended the State Constitution by limiting the State's authority to reduce local sales tax rates or alter their method of allocation, shift property tax revenues from local governments to schools or community college districts, or decrease Vehicle License Fee ("VLF") revenues without providing replacement funding. Proposition 1A 2004 further amended the State Constitution by requiring the State to suspend State laws that create unfunded mandates in any year that the State does not fully reimburse local governments for their costs to comply with such mandates. Pursuant to Proposition 1A 2004, the State can no longer reallocate local property tax revenues without triggering a constitutional obligation to repay the local taxing agencies within three years. The State is further prohibited from reallocating local property tax revenues on more than two occasions within a ten-year period.

Proposition 26

On November 2, 2010, voters approved Proposition 26, which amended the State Constitution to expand the definition of a tax so that certain fees and charges imposed by the State and local governments will now be subject to approval by two-thirds of each house of the State Legislature or approval by local voters, as applicable. Proposition 26 requires a two-thirds approval by each house of the State Legislature to enact new laws that increase taxes on any taxpayer, and repeals recent State laws that are in conflict with the measure, unless they are approved again by two-thirds of each house of the State Legislature. The State Legislative Analyst's Office asserts that Proposition 26 will make it more difficult for State and local governments to pass new laws that raise revenues and could reduce government revenues and spending statewide by billions of dollars annually.

In terms of its direct fiscal impact on the County, Proposition 26 is likely to result in the loss of approximately $61 million in annual State tax revenue to County road districts, which are separate legal entities responsible for the operation and maintenance of streets and roads in the unincorporated areas of the County. Since the County is unlikely to backfill any reduction in State revenue to the road districts, there is no projected fiscal impact to the County General Fund. Additional effects of Proposition 26 on the future financial condition of the County are unknown at this time.

Future Initiatives

Propositions 13, 62, 218, 1A 2004 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting County revenues or the County's ability to expend revenues.

FEDERAL AND STATE FUNDING

A significant portion of the County budget is comprised of revenues received from the Federal and State governments. As indicated in the table "Historical Funding Requirements and Revenue Sources" on page A-xx of this Appendix A, $5.125 billion of the $19.217 billion 2013-14 Recommended General County Budget is received from the Federal government and $5.260 billion is funded by the State. The remaining $8.832 billion of County revenues are generated from property taxes and a variety of other sources. The fact that 54% of General County funding is provided by the State and Federal governments underscores the County's significant reliance on outside funding sources.

Federal Budget Update

The Federal Fiscal Year (FFY) 2013 Continuing Resolution (CR) which finalized FFY 2013 appropriations was not enacted until March 26, 2013, nearly six months after FFY 2013 began on October 1, 2012. The President also did not release his proposed $3.77 trillion FFY 2013 budget until April 10, 2013, which is nine weeks after the date (February 4, 2013) required by law.

Neither the FFY 2013 CR and sequestration spending cuts nor the President's Proposed FFY 2014 Budget, if enacted, would significantly affect the County's overall Federal revenue. The vast majority of programs through which the County receives Federal funding will be funded at the same levels in FFY 2013 as in FFY 2012. These programs would also be funded at or near the same levels in FFY 2014 under the President's Proposed Budget. Since the County receives most of its Federal revenue through low-income mandatory programs, such as

Medicaid, Temporary Assistance for Needy Families, Title IV-E Foster Care and Adoption Assistance, Child Support Enforcement, and the Supplemental Nutrition Assistance Program, which are exempt from sequestration cuts, the FFY 2013 sequestration spending cuts will reduce the County's overall Federal revenue by less than one percent. Unless Congress enacts legislation to change the mandatory funding requirements for Federal entitlement programs, the County will continue to automatically receive revenue to fund these programs, as provided under current law.

STATE BUDGET PROCESS

Recent State budgets have reflected the State's efforts to stabilize its fiscal position in response to the challenging and uncertain economic environment. Over the past twenty years, the State budget has experienced broad fluctuations as the State responded to the economic recession of the early 1990's, the economic recovery later in that decade, the 2001 recession and recovery, and the recent most economic downturn starting in 2008. The State's budgetary decisions in response to the economic environment will continue to have a significant financial and programmatic impact on counties, cities, and other local jurisdictions.

Fiscal Year 1991-92 Realignment Program

In Fiscal Year 1991-92, the State and county governments collectively developed a program realignment system (the "1991-92 Realignment Program") that removed State funding for certain health and welfare programs, and provided counties with additional flexibility in the administration of such programs. Under the 1991-92 Realignment Program, certain health and welfare services are funded by a 0.5% increase in sales taxes and increased vehicle license fees. Since counties receive their share of the funding for health and welfare programs under a fixed formula prescribed by State law, the flow of funds is no longer subject to the State budget process. If sales tax and vehicle license fee revenues are not realized as expected, county governments will still maintain responsibility for the management and cost of such programs.

Property Tax Shift

In response to the 1993-94 recession, the State shifted $2.1 billion in property taxes from counties and $500 million from cities, special districts and redevelopment agencies to school and community college districts. This action reduced the County's primary source of discretionary revenue. The reduction in State funding has been partially offset by revenues from the County's share of the Proposition 172 one-half cent public safety sales tax. The Proposition 172 public safety sales tax, which was approved in 1993, was the State's response to help lessen the impact of the shift in property tax revenue to education, and has no expiration date.

Public Safety Realignment

As a significant component of the 2011-12 State budget process, the Governor and the State Legislature approved Assembly Bills 109 and 117 related to the Public Safety Realignment Plan ("Public Safety Realignment"), which transferred responsibility for supervising specific low-level inmates and parolees, from the California Department of Corrections and Rehabilitation (CDCR) to counties. The 2011-12 State Budget Act provided $5.5 billion to fund Public Safety Realignment and was financed by redirecting 1.0625% of the existing State sales tax ($5.1 billion) and a portion of VLF revenues ($453.0 million) from the State to counties. The Public Safety Realignment legislation provided $500.0 million of funding for local public safety programs previously funded by the additional 0.15% increase to the VLF that expired on June 30, 2011. The Governor also proposed a November 2012 ballot initiative to seek voter approval to increase taxes, which includes a provision for a constitutional amendment to provide permanent funding protection for Public Safety Realignment.

In response to Public Safety Realignment, the County adopted the Los Angeles County Public Safety Realignment Implementation Plan on August 30, 2011. Until constitutional funding protection was established by the State for Public Safety Realignment, the County decided to develop and approve the Public Safety Realignment budget on a quarterly basis to better implement and manage this transfer of responsibilities from the State within current funding allocations.

Redevelopment Agencies

The 2011-12 State Budget Act also included two measures intended to stabilize school funding by reducing or eliminating the diversion of property taxes from school districts to the State's community redevelopment agencies. ABX1 26 (the "Redevelopment Dissolution Act") prohibited redevelopment agencies from engaging in new business and provided for their wind down and dissolution. ABX1 27 (the "Alternative Redevelopment Program") would have allowed redevelopment agencies to continue if the cities and counties that created them agree to make payments into funds benefiting the state's schools and special districts.

The California Redevelopment Association and other entities challenged both measures as unconstitutional and sought relief from the State Supreme Court. The California Supreme Court ruled in *California Redevelopment Association v. Matosantos* that the Redevelopment Dissolution Act was constitutional, while declaring the Alternative Redevelopment Program as unconstitutional. As a result of the State Supreme Court's bifurcated decision, redevelopment agencies dissolved under the Redevelopment Dissolution Act on February 1, 2012 will not have an opportunity to continue their existence under the Alternative Redevelopment Program.

ABX1 26 requires successor agencies to take over from the former redevelopment agencies and perform the following functions:

- Continue making payments on existing legal obligations and not incur any additional debt.

- Wind down the affairs of the former redevelopment agencies and return the funds of liquidated assets to the county auditor-controller, who will in turn distribute these funds to the appropriate local government agencies.

Under ABX1 26, property tax revenues are allocated to pay enforceable legal obligations, pass-through payments and eligible administrative costs. Any remaining property tax revenues, otherwise known as "residual taxes", are to be distributed as property tax revenue to the appropriate local government agencies, including the County. Oversight Boards have been established for each of the 70 successor agencies and one designated local authority (the City of Los Angeles) within the County. The Oversight Boards are required to evaluate and approve the successor agencies' remaining enforceable legal obligations. The Auditor-Controller is also responsible for conducting an initial audit and disbursing future tax increments in accordance with provisions of ABX1 26 and applicable amendments. Prior to their dissolution, the estimated annual tax increment to fund redevelopment agencies in the County General Fund was approximately $453.0 million in Fiscal Year 2009-10.

On June 1, 2012, the Auditor-Controller distributed property tax revenues in accordance with ABX1 26. The County's General Fund received $37.5 million of residual property tax revenue. On June 27, 2012, AB 1484 was enacted as part of a trailer bill package in conjunction with the 2012-13 State Budget. Provisions of AB 1484 required the Auditor-Controller to identify the 2011-12 property tax revenues that were distributed to each agency prior to the February 1, 2012 dissolution date. This amount was to be compared with approved enforceable obligations for the period from January 1, 2012 to June 30, 2012. If revenues exceeded the obligations, the Auditor-Controller was required by AB 1484 to issue a demand letter to each successor agency, seeking the return of such excess revenues.

On July 9, 2012, the Auditor-Controller issued demand notices to 42 successor agencies, requesting the return of $121.4 million of excess revenues. Successor agencies were required to make payment no later than July 12, 2012. On July 16, 2012, the Auditor-Controller distributed $111.4 million of excess revenues recovered as a result of the demand notices, including the County General Fund's share of $50.7 million, which was accrued as revenue attributable to Fiscal Year 2011-12.

Despite the receipt of residual property tax revenue in Fiscal Year 2011-12, the County's 2012-13 Final Adopted Budget did not include any residual tax revenue from the dissolution of the redevelopment agencies. The estimated amount of such revenues in Fiscal Year 2012-13 remains uncertain due to fluctuation in the amounts of enforceable obligations and the potential for disputes between successor agencies and the California Department of Finance, which has the authority to determine the validity of such obligations. AB 1484 contains provisions intended to identify excess assets held by successor agencies and to cause the return of any assets which were improperly transferred from the redevelopment agencies or their successor agencies. Any excess assets, if identified and recovered, would be distributed by the Auditor-Controller as residual tax revenue to local agencies. The estimated amounts of such assets and the timing of their distribution cannot be determined at this time.

In Fiscal Year 2012-13, the County received the following revenue distributions in accordance with the provisions of ABX1 26 and AB 1484 through April 30, 2016.

- Prior Period Residual Adjustments - $19.2 million
- January 2013 Residual - $41.0 million
- Low-to-Moderate Income Housing Funds - $78.1 million
- Non-Housing Unencumbered Funds - $29.3 million

In addition, the County and all of the taxing entities are expected to receive a residual payment and other revenue disbursements in June 2013, which may include additional prior period residual adjustments.

The County's direct involvement in redevelopment activities was limited to unincorporated areas of the County and to a small number of projects. The successor agency for these activities is the County's Community Development Commission. The dissolution of County related projects is not expected to have a material impact, if any, to the financial condition of the County.

2012-13 STATE BUDGET

On June 27, 2012, the Governor signed the Fiscal Year 2012-13 State Budget Act (the "2012-13 State Budget Act"), which included approximately $8.0 billion of expenditure reductions, $6.0 billion of revenue solutions and $2.5 billion of other solutions to close a projected deficit of $15.7 billion through June 30, 2013. The 2012-13 State Budget Act projected a beginning fund balance deficit of $2.882 billion, Fiscal Year 2012-13, revenues and transfers of $95.887 billion, total expenditures of $91.338 billion and a year-end surplus of $1.667, of which $719 million will be allocated to the Reserve for Liquidation of Encumbrances and $948 million deposited to the Special Fund for Economic Uncertainties.

The 2012-13 State Budget Act relied significantly on the 2012 Tax Initiative, which was approved by voters in November 2012. The 2012 Tax Initiative is projected to generate $8.5 billion in revenue, including $2.9 billion for schools and community college district, and $5.6 billion of additional revenue to the State General Fund. The 2012 Tax Initiative includes a temporary increase in the maximum marginal personal income tax rates above 9.3 percent for tax years 2012 through 2018 by creating three additional tax brackets of 10.3 percent, 11.3 percent and 12.3 percent, and authorized a temporary increase to the State's sales and use tax rate by 0.25 percent for tax years 2013 through 2016. The 2012 Tax Initiative also established constitutional funding protection for counties in regard to Public Safety Realignment. The LAO projects that the increased personal income tax rates in the 2012 Tax Initiative would affect approximately one percent of personal income tax filers in the State due to the high income threshold, and would generate less revenue than estimated by the Governor.

Given the County's general policy to not backfill State funding reductions with locally generated revenues, the 2012-13 State Budget Act did not have a material impact to the financial condition of the County.

2013-14 STATE BUDGET

On January 10, 2013, the Governor released his Fiscal Year 2013-14 Proposed State Budget (the "Proposed State Budget"), The Proposed State Budget projects a beginning fund balance surplus from Fiscal Year 2012-13 of $785 million, total revenues and transfers of $98.501 billion, and total expenditures of $97.65 billion. Of the 1.636 billion projected year-end surplus for Fiscal Year 2013-14, $618 million will be allocated to the Reserve for Liquidation of Encumbrances and $1.018 billion deposited to the Special Fund for Economic Uncertainties.

While the Proposed State Budget contains no significant reductions to County-administered programs, it includes proposals to implement Federal Health Care Reform, which may have a significant impact to the financial condition of the County. Although the implementation of Federal Health Care Reform is a critical priority for the County, the Governor's plan includes a potential risk to the 1991 Realignment revenue allocation by redirecting these funds from counties to the State. The County's estimated share of 1991 Realignment revenue ($395.0 million) is currently used to fund critical health and public services.

As a result of the recent economic downturn and the continuing fiscal crisis in California, the financial condition of the State remains highly uncertain. Many future events will affect the amount of funding that is received by the County from the State and Federal governments. As a result, the information in this Official Statement (including this Appendix A) relating to State and Federal funding is based upon the County's current expectations and is subject to change due to the occurrence of future events.

RECENT COUNTY BUDGETS

General County Budgets have reflected a conservative approach and have sought to maintain a stable budgetary outlook in an uncertain fiscal environment. The passage of Proposition 1A 2004 secured long-term financial protection from a State reallocation of property tax revenues during times of State fiscal crisis. Proposition 1A 2004 provides the County with a more reliable funding source by replacing VLF revenue with property taxes, which have historically been one of the least volatile sources of revenue.

The reliability of property tax revenues is due in large part to Proposition 13, which helps to insulate the County from the cyclical nature of the real estate market. Proposition 13 limits the growth of assessed valuations and allows for reassessments when a property is sold or when new construction occurs. Assessed valuation can also be adjusted for inflation or deflation. As a result of Proposition 13, there is a significant amount of "stored" home value appreciation that has not been reflected on the property tax rolls and has helped to offset a significant decrease in property values during the recent economic downturn. To illustrate this point, average median home prices in the County declined by 48% from their peak in August 2007 ($562,346) to a cyclical low in January 2012 ($290,015), but the value of the property tax roll (the "Net Local Roll") decreased by only 0.5% and 1.9% in Fiscal Year 2009-10 and 2010-11, respectively. Assessed valuation returned to growth in Fiscal Year 2011-12 and Fiscal Year 2012-13 with an increase of 1.4% and 2.2%, respectively. The Fiscal Year 2012-13 tax roll, the County Assessor estimates that approximately 13.6% of all single-family residential parcels, 14.0% of all residential income parcels and 16.8% of commercial-industrial parcels are 1975 base-year parcels, which indicates a significant amount of stored value that can be realized on future tax rolls when these parcels are sold and re-assessed at higher values.

The growth in assessed valuation has continued In Fiscal Year 2012-13, as the Assessor reported an increase in the Net Local Roll of 2.20% or $23.192 billion from Fiscal Year 2011-12. At $1.08 trillion, the 2012-13 Net Local Roll represents the largest revenue-producing valuation in the history of the County, surpassing the previous record valuation in Fiscal Year 2008-09. The largest factors contributing to the projected increase in assessed valuation in Fiscal Year 2012-13 are transfers in ownership ($12.808 billion), new construction ($4.953 billion) and an increase in the consumer price index ($15.105 billion). These increases are partially offset by the reassessment of properties under Proposition 8, a constitutional amendment that allows a temporary reduction in assessed value when a property suffers a decline in value. Decline in value adjustments will contribute $10.460 billion in reductions to the Net Local Roll in Fiscal Year 2012-13.

Starting in Fiscal Year 2008-09, the County Assessor initiated Proposition 8 reviews of all homes sold between July 2003 and June 2009 and subsequent reviews in the first quarter of 2012. Since the Assessor initiated the Proposition 8 review process in 2008, the forecasted Net Local Roll for Fiscal Year 2012-13 reflects the cumulative impact of $95.4 billion of decline in value adjustments. With the Assessor's proactive approach to Proposition 8 reviews, the assessed value of properties sold during the height of the real estate market were adjusted downward to reflect current market values, which would help insulate the County from future reductions in the Net Local Roll if these properties were re-sold at lower market values.

The growth in assessed valuation is expected to continue in Fiscal Year 2013-14, as the Assessor's initial forecast in February 2013 is projecting a 2.9% increase in the value of the Net Local Roll. The Assessor's final forecast for the 2013-14 tax roll will be available in May 2013, with the 2013 Annual Report expected to be released in July 2013.

As a result of the recent economic downturn, the County experienced a "cyclical" budget deficit, as revenues declined and spending on safety net programs and pension-related costs increased. The economic downturn has had a significant impact on the Net County Cost (NCC) budget gap, which reached a peak of $491.6 million in Fiscal Year 2010-11. NCC is the portion of the County's budget that is financed with County discretionary funding (also known as locally generated revenues). In order to manage the budget gaps, the County has used a balanced approach of curtailing departmental budgets, and using reserves and capital funding appropriations to achieve a balanced budget. The County has implemented structural changes to the budget through departmental curtailments of approximately $360.5 million over the last four years along with the elimination of over 2,000 budgeted positions.

To control costs, the County has aggressively pursued savings through its efficiency initiative program and implemented a hard-hiring freeze and a freeze on non-essential services, supplies and equipment. Throughout this period, employee labor groups have agreed to zero cost-of-living adjustments (COLAs) and no salary increases, and step increases for County managers have been suspended. If the County had relied solely on curtailments, the impact to County services and its residents would have been much more severe and most likely would have resulted in the reduction of critical services and the layoff of large numbers of County employees. The measured approach to managing budgetary challenges, including the use of one-time funding sources, has enabled the County to more strategically achieve a balanced budget and maintain critical core services.

2011-12 FINAL ADOPTED COUNTY BUDGET

The 2011-12 Final Adopted Budget was affected by the economic downturn and its negative impact on the financial condition of the County. However, as an indication of the improving economic trends, the County projected a significantly smaller NCC budget gap compared to Fiscal Years 2009-10 and 2010-11. The primary factors contributing to the projected $185.2 million budget gap are described in the following table.

Fiscal Year 2011-12 NCC Budget Gap

2010-11 One-Time Budget Solutions	$ 262,009,000
Expiration of Federal Stimulus Funding	63,870,000
Unavoidable Cost Increaes	
Pension Costs	47,318,000
Health Insurance Subsidy	28,667,000
Net Program Changes	45,086,000
Assistance Caseload Changes	
General Relief	49,934,000
In-Home Support Services	(17,215,000)
Revenue Increases	
Property Tax	(74,585,000)
Public Safety Sales Tax	(27,724,000)
Realignment Sales Tax	(24,037,000)
Various Revenue Changes	(34,938,000)
Retirement of Pension Obligation Bonds	(106,556,000)
Labor-Management Savings	(42,090,000)
State Budget Changes	(8,377,000)
Various One-Time Programs/Projects	23,883,000
Total Projected Budget Gap	**$ 185,245,000**

The County utilized the following combination of ongoing structural solutions and one-time solutions to close the projected budget gap in Fiscal Year 2011-12.

Fiscal Year 2011-12 NCC Budget Gap Solutions

Ongoing Curtailments/Consolidations	$ 35,670,000
Restored Public Safety Curtailments	(45,509,000)
Capital Program Designations	116,681,000
Retiree Health Insurance Premium Refund	36,100,000
Other One-Time Solutions	42,303,000
Total Budget Gap Solutions	**$ 185,245,000**

2012-13 FINAL ADOPTED COUNTY BUDGET

The 2012-13 Final Adopted Budget, which was approved by the Board of Supervisors on October 2, 2012, appropriates $25.378 billion, representing a 4.2% increase from the prior fiscal year. For General County purposes (General Fund and Hospital Enterprise Fund), the 2012-13 Final Adopted Budget appropriates $19.343 billion, which represents a 4.6% increase from the 2011-12 Final Adopted Budget. The 2012-13 Final Adopted Budget reflects a net increase of 1,640 budgeted positions from the Final Adopted Budget in Fiscal Year 2011-12. The projected NCC budget gap of $103.639 million is the smallest in four years and is comprised of the following factors outlined below.

Expiration of Prior Year One-Time Budget Solutions

The County has utilized one-time funding solutions to help balance the budget during the economic crisis. The impact on the 2012-13 Final Adopted Budget from the expiration of the one-time funding solutions utilized in Fiscal Year 2011-12 is projected to be a negative $185.245 million.

Unavoidable Cost Increase

The primary components of the unavoidable cost increases are higher expenditures related to pension funding requirements and employee health insurance. The County's required retirement contributions will increase by five percent (5%) in Fiscal Year 2012-13, primarily due to the losses sustained by LACERA in Fiscal Year 2008-09 as a result of the global financial crisis. In addition, increases in health insurance premiums for County employees and the restoration of the deferred compensation match are contributing factors to the unavoidable cost increases.

Assistance Caseload Increases

The high unemployment rate has caused many residents to seek public assistance from the County, which has resulted in a significant increase in assistance caseloads and expenditures since Fiscal Year 2006-07. The cost of providing General Relief ("GR") assistance accounts for a large portion of the increase in caseload expenditures, since the County bears the entire cost of this assistance program.

Fiscal Year	Average Caseload	
2006-07	58,599	
2007-08	62,897	
2008-09	74,763	
2009-10	91,499	
2010-11	106,348	
2011-12	107,877	
2012-13	101,500	(Projected)

The 2011-12 Final Adopted Budget assumed that the GR caseload would peak in December 2011 and gradually decline, ending 2011-12 with an average caseload of 112,487. With the drop in the unemployment rate and the implementation of the County's GR restructuring efforts, the average GR caseload for Fiscal Year 2011-12 was 107,877. The projected decrease in the average GR caseload has resulted in a $33.1 million expenditure reduction in the 2012-13 Final Adopted Budget.

Revenue Increases

As the local economy stabilizes and starts to improve, the County is forecasting increases in a variety of locally generated revenues along with an increase in statewide sales tax revenue. Based on current trends and a survey of local economic forecasts, the County has assumed a 3.5% growth rate for all sales tax projections in the 2012-13 Final Adopted Budget. The growth in sales tax revenue is expected to generate $158.2 million of additional revenue to help close the NCC Budget Gap in Fiscal Year 2012-13

For the second year in a row, the Assessor reported an increase in assessed valuation. On September 1, 2012, the Assessor released the 2012 Annual Report, which reported a 2.20% increase in the value of the Net Local Roll. The increase in the value of revenue-producing properties is expected to generate $64.2 million of additional revenue in the 2012-13 Final Adopted Budget.

Fiscal Year 2012-13 NCC Budget Gap

2011-12 One-Time Budget Solutions	$185,245,000
Unavoidable Cost Increases	
Pension Costs	24,604,000
Health Insurance Subsidy	34,814,000
Restore Deferred Comp Match	42,090,000
Various	2,200,000
Program Changes	43,321,000
Increase Reserves	42,468,000
Revenue Increases	
Property Tax	(64,160,000)
Realignment Sales Tax	(113,951,000)
Public Safety Sales Tax	(44,204,000)
Various	8,216,000
Assistance Caseload Changes	(33,121,000)
Ongoing Funding Used from One-Time Needs in 2011-12	(23,883,000)
Total Projected Budget Gap	**103,639,000**

The County intends to utilize the following one-time solutions to close the projected NCC budget gap in Fiscal Year 2012-13.

Fiscal Year 2012-13 NCC Budget Gap Solutions

County Designation	$18,191,000
2011-12 Projected Excess Fund Balance	85,448,000
Total Budget Gap Solutions	**$103,639,000**

One-Time Bridge Funding

Over the past decade, the County was able to set aside funds for capital projects and for a "rainy day" reserve fund. In light of the improving economic conditions, the County intends to utilize various one-time funding solutions to help close the Fiscal Year 2012-13 budget gap. The two primary long-term reserves for the County, the Reserve for Rainy Day Fund ($103.3 million) and the Provisional Financing Uses-Economic Reserve ($94.0 million), were increased by $10.0 million each and were not used to close the Fiscal Year 2012-13 NCC budget gap. These reserves remain intact and available to address future budgetary challenges and uncertainties. In accordance with County budget policy, the County intends to increase these reserve funds as the economy returns to historical levels of growth and the budget situation continues to improve.

2013-14 RECOMMENDED BUDGET

The 2013-14 Recommended Budget, which was approved by the Board of Supervisors on April 16, 2013, appropriates $24.7 million, representing a 2.7% decrease from the prior fiscal year. For General County purposes (General Fund and Hospital Enterprise Fund), the 2013-14 Recommended Budget appropriates $19.2 billion, which represents a 0.7% decrease from the 2012-13 Final Adopted Budget. The 2013-14 Recommended Budget reflects a net increase of 94 budgeted positions from 2012-13 Final Adopted Budget bringing the total number of budgeted positions to 103,148.

For the first time in four (4) years, the net County cost (NCC) portion of the County's budget is financed entirely with ongoing revenue sources, with no budget gap. The 2013-14 Recommended Budget does not rely on reserves or other one-time funding solutions to balance the budget. The primary changes to the NCC portion of the 2013-14 Recommended Budget are outlined below.

Fiscal Year 2013-14 NCC Budget Changes

2012-13 One-Time Budget Solutions	$ 103,639,000
Unavoidable Cost Increases	
Health Insurance Subsidy	32,161,000
Pension Costs	62,367,000
Various	(2,172,000)
Net Program Changes	56,515,000
Revenue Changes	
Property Taxes	(113,045,000)
Property Taxes - CRA Dissolution Residual	(40,000,000)
Realignment Sales Tax	(37,073,000)
Public Safety Sales Tax	(46,415,000)
Property Tax Admin Fee	15,852,000
Interest Earnings	11,100,000
Various Revenue Changes	(8,554,000)
Ongoing Funding Used for One-Time Needs in 2012-13	(34,375,000)
Total Projected Budget Gap	-

Expiration of Prior Year One-Time Budget Solutions

The County has previously utilized one-time funding solutions to help balance the budget. The impact on the 2013-14 Recommended Budget from the expiration of one-time funding solutions utilized in Fiscal Year 2012-13 is projected to be a negative $103.6 million.

Unavoidable Cost Increases

The primary components of the unavoidable cost increases are higher expenditures related to pension funding requirements and increases in the cost of employee health insurance. The County's retirement contribution rates will increase primarily due to the net actuarial losses sustained by LACERA since Fiscal Year 2008-09 and the reduction in the assumed investment rate of return, which are described in detail in the Information Statement section of this Appendix A.

Revenue Increases

As the local economy continues to improve, the County is projecting increases in a variety of locally generated revenues and statewide sales tax revenues. For the third year in a row, the Assessor is forecasting an increase in assessed valuation, which is projected to generate $113 million of additional revenue in the 2013-14 Recommended Budget In addition, the County is including $40.0 million (ongoing) and $20.0 million (one-time) increase in property tax revenue residual from the dissolution of redevelopment agencies.

The County continues to see year-over-year growth in both Proposition 172 Sales Tax and Realignment Sales Tax, which is projected to add $83.5 million of additional revenue in the 2013-14 Recommended Budget. Based on this positive trend and a survey of local economic forecasts, the County has assumed a 4.0 percent growth factor in our overall sales tax projection in the 2013-14 Recommended Budget. The increase in property tax and sales tax revenues are partially offset by decreases in various other revenue sources.

Health Services Budget (TO BE UPDATED)

The Department of Health Services ("DHS") provides vital inpatient acute care through four hospitals: LAC+USC Medical Center, Harbor-UCLA Medical Center, Olive View-UCLA Medical Center and Rancho Los Amigos National Rehabilitation Center. Two of the hospitals, LAC+USC Medical Center and Harbor-UCLA Medical Center, operate trauma centers and emergency rooms; Olive View-UCLA Medical Center provides emergency room services; and Rancho Los Amigos National Rehabilitation Center operates as an acute rehabilitation facility. Outpatient services are provided at all four hospitals as well as multiple other facilities, including two Multi-Service Ambulatory Care Centers, six comprehensive health centers, 11 health centers, and over 100 contracted Community Partner clinics located throughout the County. DHS also manages the emergency medical services system for the entire County. In collaboration with the University of Southern California and the University of California at Los Angeles, the County provides training for approximately 1,500 physician residents annually.

As a safety net provider, the County is the provider of last resort for millions of medically indigent County residents. Historically, the cost of providing health services has exceeded the combined total of DHS revenues and the annual subsidies from the County General Fund, which has resulted in an ongoing structural deficit for DHS. By developing new revenue sources, implementing efficiencies and hiring freezes, and using one-time reserve funds, DHS has been able to cover its prior years structural deficits. The 2012-13 Final Adopted Budget included $160.0 million in budgetary savings related to the cost cutting and revenue generating initiatives implemented through the Financial Stabilization Plan.

DHS ended 2011-12 with a budgetary surplus of $27.6 million, which was primarily comprised of unspent funds related to projects that were not completed due to implementation changes or delays. The unspent funds will be carried over to Fiscal Year 2012-13 to provide continued funding for these projects.

The improvement in the DHS fiscal outlook is largely due to the approval by the Centers for Medicare and Medicaid Services ("CMS") of a five-year Section 1115 Hospital Financing Waiver (the "Waiver") for public hospitals in California, which became effective November 1, 2010. The Waiver permits the Federal government to waive certain Medicaid (referred to as Medi-Cal in California) statutory requirements and allows California to receive federal matching funds for Medicaid services that would otherwise not be eligible for federal funding. Federal health care reform provided the framework for the Waiver by allowing an early implementation of some of the law's coverage expansion provisions. The expanded coverage provisions are expected to reduce DHS' structural deficit by providing coverage for many of its previously uninsured indigent patients who are now able to qualify under the Waiver's early expansion program, thus providing a source of additional revenue.

The new Medicaid Coverage Expansion ("MCE") program provides Medi-Cal coverage for citizen or legal resident uninsured adults, ages 19-64 years, with incomes at or below 133% of the federal poverty level. DHS anticipates that the MCE program, known as Healthy Way LA ("HWLA") in Los Angeles County, will provide the opportunity for early enrollment into Medi-Cal coverage for many of its currently uninsured patients, thereby leading to a significant improvement in the payer mix. In addition, the Waiver provides continued funding to partially finance uncompensated care and provides a new funding source for system improvements at public hospitals through the Delivery System Reform Incentive Pool ("DSRIP"). Since the DSRIP revenue is performance-based, DHS is focusing its efforts on developing and implementing the structural and operational changes necessary to meet specific goals and outcomes in order to maximize this funding source. DHS is also allocating significant resources toward a restructuring of its ambulatory care systems in order to maximize service capacity, increase the quality of care, and ensure the best possible outcomes for patients.

In 2011-12, DHS recognized $442.5 million in DSRIP revenue with a related intergovernmental transfer of $221.3 million. A mandated semi-annual report was submitted to the State in March 2012, which indicated that the required performance goals were achieved. DHS received the first DSRIP payment in April 2012. The next semi-annual report was due to the State in September 2012. It is expected that the State will determine that DHS has achieved all of the required performance goals and that the remainder of the proceeds will be received in late 2012.

A significant factor driving many of the recent structural and operational reforms enacted at DHS is the expected implementation of Federal health care reform in 2014. The primary objectives of the Waiver for DHS are to become more efficient, to provide the highest quality of care, and to restructure operations to focus on ambulatory rather than inpatient care. The State's implementation of managed care in most Medi-Cal programs is moving forward, which will require DHS to continue restructuring its operations and developing its ambulatory care system to ensure it is positioned to successfully operate in a managed care environment and under federal health care reform in 2014.

The 2012-13 Final Adopted Budget included a revenue placeholder of $36.1 million. It is expected that increases to the health care benefit plan rates, and increased funding from DSRIP Waiver will provide additional sources of revenue in Fiscal Year 2012-13. There are major changes taking place in the DHS' operations and Medi-Cal revenue streams resulting from the Waiver and DSRIP programs that will ultimately determine how this placeholder is resolved.

General Fund Contributions and Advances

The County maintains separate Enterprise Funds to account for hospital and ambulatory care services in various regions of the County. These funds are commonly referred to as the Hospital Funds (the "Hospital Funds"). The County's General Fund provides financial contributions and cash advances to each of the Hospital Funds. The contributions are direct cash support and are not subject to repayment. The General Fund makes cash advances to the Hospital Funds to provide for the net cash flow requirements of the hospitals. On a daily basis, the County reviews the cash inflows and outflows of the Hospital Funds and adjusts the amount of advances in a manner designed to provide the Hospital Funds with a minimal daily cash position of approximately $10.0 million.

The Federal and State governments are the primary sources of revenues for the Hospital Funds. The County Hospital Funds typically receive cash reimbursement several months after the County has delivered and paid for services. As of June 30, 2012, the balance of General Fund cash advances to the Hospital Funds was approximately $690.2 million, which represents a significant improvement from the $1.016 billion balance as of June 30, 2011.

In addition to the funding sources described above, the County's General Fund has also advanced cash to the Hospital Funds for certain long-term receivables that are owed by the State to the hospitals. The receivables are associated with the Cost Based Reimbursement Clinics ("CBRC") program. Although the CBRC receivables are reliable assets, the collection process is contingent upon annual audits by the State. The State has recently completed the audit for Fiscal Year 2007-08. The State has also increased the CBRC interim reimbursement rate and indicated their intent to accelerate the audit process to achieve the goal of being only one-year in arrears in relation to the current fiscal year. As of June 30, 2012, the overall receivable balance was $195.9 million. The County has recognized an equivalent reserve against the fund balance associated with the CBRC receivable, since it is not currently available to fund the County's budgetary requirements.

Martin Luther King Jr. Hospital

In August 2007, CMS notified the County that Martin Luther King, Jr. Hospital (the "MLK Hospital") had lost its Medicare and Medicaid certification. To remedy this situation, MLK Hospital was converted into a Multi-Service Ambulatory Care Center, while additional inpatient beds were opened at other County hospitals and purchased from the private sector. On October 12, 2007, former Governor Arnold Schwarzenegger signed into law Senate Bill 474 to establish a $100 million annual fund, the South Los Angeles Medical Services Preservation Fund, to stabilize the health services for low-income, under-served residents of South Los Angeles.

The County and the University of California ("UC"), with the involvement of Governor's Office, approved a plan to create a wholly independent, non-profit 501(c)(3) entity to operate a new hospital at the previous MLK Hospital site. The new MLK Hospital will serve as a safety-net provider treating a high volume of Medi-Cal and uninsured patients, be integrated with the County's existing network of specialty and primary care ambulatory clinics, and optimize public and private resources to fund the delivery of services. The seven-member MLK Hospital Board of Directors was appointed by the County and UC in August 2010 and is proceeding with efforts to open a new private, non-profit MLK Hospital. Construction of the new MLK Hospital facility is expected to be completed in 2013.

Tobacco Settlement Revenue

In November 1998, the attorneys general of 46 states (including the State of California) and other territories reached agreement with the then four largest United States tobacco manufacturers to settle more than forty pending lawsuits brought by these public entities. The Master Settlement Agreement (the "MSA") requires the tobacco companies to make payments to the states in perpetuity, with the payments totaling an estimated $206 billion through 2025. California will receive 12.76%, or approximately $25.0 billion of the total settlement. While the County's share of the State settlement was expected to average approximately $100.0 million per year, the actual amount of Tobacco Settlement Revenues ("TSRs") received by the County may fluctuate significantly from year to year. Factors that could impact the annual payments to the State include actions of the Federal government, overall declines in smoking participation rates, reduction in cigarette sales and declining market share among the participating manufacturers in the MSA, lawsuits, tobacco company bankruptcies, and various adjustments under the terms of the MSA.

To date there have been multiple legal challenges to the MSA under a variety of claims, including claims on anti-trust and Commerce Clause grounds. None of these lawsuits has been successful or resulted in the termination of the original agreement. However, recent actions by certain participating manufacturers have reduced the settlement funding received by the State and may adversely impact future payments. Specifically, a portion of the settlement payments have been withheld or made under protest. Arbitration hearings are currently being held to resolve the issues causing the payment adjustments and protests that began in 2003. The precise amount of payment adjustments to the MSA and the future availability of withheld payments are unknown at this time.

In February 2006, the County issued $319.8 million in tax-exempt Tobacco Settlement Asset-Backed Bonds (the "Tobacco Bonds"). The Tobacco Bonds are secured and payable from 25.9% of the County's TSRs beginning in 2011, which represents the initial year for the payment of debt service on the Tobacco Bonds. The proceeds from the sale of the Tobacco Bonds were used to finance a portion of the construction costs related to the LAC+USC Medical Center, as well as to partially insure against the risk of a significant reduction of the County's ongoing TSRs as a result of the various factors described above. The use of this fixed percentage of TSRs as security for the repayment of the Tobacco Bonds is not expected to materially impact the DHS programs that rely on such revenues for funding.

In accordance with the terms of the MSA, annual payments are subject to numerous adjustments, offsets and recalculation. In April 2012, the County received $87.3 million in MSA payments from the participating manufacturers (including the 25.9% of the MSA payment pledged as security for the Tobacco Bonds and deposited with a trustee). In 2011 and 2012, the participating manufacturers deposited $881.0 million and an estimated $821.0 million, respectively, in the Disputed Payments Account. The estimated net impact to the County from the disputed payment deposits in 2011 and 2012 is a reduction in TSRs of $13.3 million and $12.4 million, respectively.

Neither the MSA nor the Memorandum of Understanding restricts the use of the County's settlement funds to any specific purpose. Proceeds received by the County from the settlement have been deposited in the County's General Fund and reserved in a designation for health services. As of June 30, 2012, the County has received approximately $1.373 billion in TSRs and accrued interest, with approximately $1.272 billion of the collected proceeds disbursed, and $101.2 million remaining in reserves and available for future appropriations. While DHS has identified programmatic uses for projected ongoing TSRs, it continues to develop plans to use the funds currently in reserve, primarily for one-time uses that will help to improve the operational efficiency of the health system.

BUDGET TABLES

The 2013-14 Recommended Budget is supported by $3.984 billion in property taxes, $5.125 billion in federal funding, $5.260 billion in State funding, $0.052 billion in cancelled obligated fund balance, $1.180 billion in fund balance and $3.616 billion in other funding sources.

The tables on the following pages provide historical detail on General County budget appropriations, along with a summary and comparison of the 2013-14 Recommended Budget with the 2012-13 Final Adopted Budget.

County of Los Angeles: General County Budget
Historical Appropriations by Fund
(in thousands)

Fund	Final 2009-10	Final 2010-11	Final 2011-12	Final 2012-13	Recommended 2013-14
General Fund	$ 16,368,794	$ 16,380,905	$ 16,229,826	$ 16,750,817	$ 16,658,374
Hospital Enterprise Fund	2,121,468	2,127,184	2,268,712	2,592,117	2,558,461
Total General County Budget	$ 18,490,262	$ 18,508,089	$ 18,498,538	$ 19,342,934	$ 19,216,835

County of Los Angeles: General County Budget
Historical Funding Requirements and Revenue Sources
(in thousands)

	Final 2009-10	Final 2010-11	Final 2011-12	Final 2012-13	Recommended 2013-14
Requirements					
Social Services	$ 5,503,085	$ 5,707,144	$ 5,539,798	$ 5,572,820	$ 5,677,013
Health	5,338,390	5,424,321	5,600,822	5,952,459	6,056,372
Justice	4,693,943	4,745,700	4,697,762	4,985,441	4,995,423
Other	2,954,844	2,630,924	2,660,156	2,832,214	2,488,027
Total	**$ 18,490,262**	**$ 18,508,089**	**$ 18,498,538**	**$ 19,342,934**	**$ 19,216,835**
Revenue Sources					
Property Taxes	$ 3,789,308	$ 3,676,161	$ 3,750,746	$ 3,814,906	$ 3,984,383
State Assistance	4,554,097	4,528,710	4,670,351	5,168,427	5,259,987
Federal Assistance	4,730,605	4,868,199	4,712,400	5,008,928	5,125,054
Other	5,416,252	5,435,019	5,365,041	5,350,673	4,847,411
Total	**$ 18,490,262**	**$ 18,508,089**	**$ 18,498,538**	**$ 19,342,934**	**$ 19,216,835**

County of Los Angeles: General County Budget
Historical Summary of Funding Requirements by Budgetary Object and Available Financing
(in thousands)

	Final 2009-10	Final 2010-11	Final 2011-12	Final 2012-13	Recommended 2013-14
Financing Requirements					
Salaries & Employee Benefits	$ 8,974,526	$ 9,004,826	$ 8,895,017	$ 9,322,969	$ 9,545,184
Services & Supplies	6,350,306	6,530,982	6,706,121	6,869,576	6,771,623
Other Charges	3,350,510	3,503,195	3,621,050	3,734,605	3,776,348
Capital Assets	1,257,509	1,077,873	890,217	1,025,119	869,939
Other Financing Uses	726,958	704,520	640,310	615,357	651,117
Residual Equity Transfers Out	295	-	-	-	-
Interbudget Transfers[1]	(1,325,677)	(1,452,816)	(1,419,532)	(1,476,794)	(1,449,439)
Gross Appropriation	$ 19,334,427	$ 19,368,580	$ 19,333,183	$ 20,090,832	$ 20,164,772
Less: Intrafund Transfers	915,868	946,497	975,236	942,276	947,937
Net Appropriation	$ 18,418,559	$ 18,422,083	$ 18,357,947	$ 19,148,556	$ 19,216,835
Provision for Obligated Fund Balance					
General Reserve	$ 3,000	$ -	$ -	$ -	$ -
Assigned for Rainy Day Funds	-	-	-	10,000	-
Committed Fund Balance	68,703	86,006	140,591	184,378	-
Total Financing Requirements	**$ 18,490,262**	**$ 18,508,089**	**$ 18,498,538**	**$ 19,342,934**	**$ 19,216,835**
Available Financing					
Fund Balance	$ 1,713,428	$ 1,628,644	$ 1,601,571	$ 1,565,502	$ 1,180,310
Cancel Provision for Obligated Fund Balance	437,653	409,097	271,027	208,484	51,998
Property Taxes: Regular Roll	3,732,264	3,654,517	3,709,801	3,778,085	3,946,501
Supplemental Roll	57,044	21,644	40,945	36,821	37,882
Revenue	12,549,873	12,794,187	12,875,194	13,754,042	14,000,144
Total Available Financing	**$ 18,490,262**	**$ 18,508,089**	**$ 18,498,538**	**$ 19,342,934**	**$ 19,216,835**

[1] This amount includes certain non-program expenditures and revenues that are included in the budget for accounting purposes. Failure to exclude such amounts, totaling $1.4 billion in 2013-14, from the above table would give the impression that there are more resources than are actually available and artificially inflate General County

Source: Chief Executive Office

COUNTY OF LOS ANGELES
GENERAL COUNTY BUDGET
COMPARISON OF FINAL ADOPTED 2012-13 TO RECOMMENDED BUDGET 2013-14
Net Appropriation: By Function
(In thousands)

Function	2012-13 Final Budget (1)	2013-14 Recommended Budget (2)	Difference	Percentage Difference
REQUIREMENTS				
General				
General Government	$ 886,696.0	$ 862,618.0	$ (24,078.0)	-2.72%
General Services	620,328.0	608,523.0	(11,805.0)	-1.90%
Public Buildings	897,285.0	803,407.0	(93,878.0)	-10.46%
Total General	$ 2,404,309.0	$ 2,274,548.0	$ (129,761.0)	-5.40%
Public Protection				
Justice	$ 4,687,737.0	$ 4,695,517.0	$ 7,780.0	0.17%
Other Public Protection	217,349.0	203,047.0	(14,302.0)	-6.58%
Total Public Protection	$ 4,905,086.0	$ 4,898,564.0	$ (6,522.0)	-0.13%
Health and Sanitation	5,946,319.0	6,022,232.0	75,913.0	1.28%
Public Assistance	5,539,804.0	5,675,440.0	135,636.0	2.45%
Recreation and Cultural Services	285,344.0	278,357.0	(6,987.0)	-2.45%
Insurance and Loss Reserve	67,694.0	67,694.0	-	0.00%
Provision for Obligated Fund Balance	194,378.0	-	(194,378.0)	-100.00%
Total Requirements	**$ 19,342,934.0**	**$ 19,216,835.0**	**$ (126,099.0)**	**-0.65%**
AVAILABLE FUNDS				
Property Taxes	$ 3,814,906.0	$ 3,984,383.0	$ 169,477.0	4.44%
Fund Balance	1,565,502.0	1,180,310.0	(385,192.0)	-24.61%
Cancelled Prior-Year Reserves	208,484.0	51,998.0	(156,486.0)	-75.06%
Intergovernmental Revenues				
State Revenues				
In-Lieu Taxes	$ 307,812.0	$ 332,475.0	$ 24,663.0	8.01%
Homeowners' Exemption	20,500.0	20,500.0	-	0.00%
Public Assistance Subventions	1,139,101.0	724,619.0	(414,482.0)	-36.39%
Other Public Assistance	1,116,309.0	1,566,711.0	450,402.0	40.35%
Public Protection	1,083,227.0	1,124,196.0	40,969.0	3.78%
Health and Mental Health	1,011,659.0	1,033,974.0	22,315.0	2.21%
Capital Projects	140,488.0	132,239.0	(8,249.0)	-5.87%
Other State Revenues	47,809.0	22,892.0	(24,917.0)	-52.12%
Total State Revenues	$ 4,866,905.0	$ 4,957,606.0	$ 90,701.0	1.86%
Federal Revenues				
Public Assistance Subventions	$ 2,309,509.0	$ 2,444,691.0	$ 135,182.0	5.85%
Other Public Assistance	233,943.0	234,762.0	819.0	0.35%
Public Protection	221,821.0	208,374.0	(13,447.0)	-6.06%
Health and Mental Health	1,346,416.0	1,351,118.0	4,702.0	0.35%
Capital Projects	12,341.0	7,658.0	(4,683.0)	-37.95%
Other Federal Revenues	53,520.0	45,913.0	(7,607.0)	-14.21%
Total Federal Revenues	$ 4,177,550.0	$ 4,292,516.0	$ 114,966.0	2.75%
Other Governmental Agencies	171,870.0	159,535.0	(12,335.0)	-7.18%
Total Intergovenmental Revenues	$ 9,216,325.0	$ 9,409,657.0	$ 193,332.0	
Fines, Forfeitures and Penalties	217,294.0	217,747.0	453.0	0.21%
Licenses, Permits and Franchises	49,893.0	43,730.0	(6,163.0)	-12.35%
Charges for Services	3,029,944.0	2,993,262.0	(36,682.0)	-1.21%
Other Taxes	171,211.0	189,941.0	18,730.0	10.94%
Use of Money and Property	132,488.0	126,242.0	(6,246.0)	-4.71%
Miscellaneous Revenues	421,141.0	415,971.0	(5,170.0)	-1.23%
Operating Contribution from General Fund	515,746.0	603,594.0	87,848.0	17.03%
Total Available Funds	**$ 19,342,934.0**	**$ 19,216,835.0**	**$ (126,099.0)**	**-0.65%**

(1) Reflects the 2012-13 Final Adopted General County Budget approved by the Board of Supervisors on October 2, 2012
(2) Reflects the 2013-14 Recommended General County Budget approved by the Board of Supervisors on April 16, 2013

COUNTY OF LOS ANGELES
FINAL ADOPTED BUDGET 2012-13 GENERAL COUNTY BUDGET (1)
Net Appropriation: By Fund and Function
(In thousands)

Function	General Fund	Hospital Enterprise Fund	Total General County
REQUIREMENTS			
General			
General Government	$ 886,696.0	$ -	$ 886,696.0
General Services	620,328.0	-	620,328.0
Public Buildings	897,285.0	-	897,285.0
Total General	$ 2,404,309.0	$ -	$ 2,404,309.0
Public Protection			
Justice	$ 4,687,737.0	$ -	$ 4,687,737.0
Other Public Protection	217,349.0	-	217,349.0
Total Public Protection	$ 4,905,086.0	$ -	$ 4,905,086.0
Health and Sanitation	$ 3,354,202.0	$ 2,592,117.0	$ 5,946,319.0
Public Assistance	5,539,804.0	-	5,539,804.0
Recreation and Cultural Services	285,344.0	-	285,344.0
Insurance and Loss Reserve	67,694.0	-	67,694.0
Provision for Obligated Fund Balance	194,378.0	-	194,378.0
Total Requirements	**$ 16,750,817.0**	**$ 2,592,117.0**	**$ 19,342,934.0**
AVAILABLE FUNDS			
Property Taxes	$ 3,814,906.0	$ -	$ 3,814,906.0
Fund Balance	1,565,502.0	-	1,565,502.0
Cancel Provision for Obligated Fund Balance	180,930.0	27,554.0	208,484.0
	-		
Intergovernmental Revenues			
State Revenues			
In-Lieu Taxes	$ 307,812.0	$ -	$ 307,812.0
Homeowners' Exemption	20,500.0	-	20,500.0
Public Assistance Subventions	1,139,101.0	-	1,139,101.0
Other Public Assistance	1,116,309.0	-	1,116,309.0
Public Protection	1,083,227.0	-	1,083,227.0
Health and Mental Health	968,042.0	43,617.0	1,011,659.0
Capital Projects	140,488.0	-	140,488.0
Other State Revenues	47,809.0	-	47,809.0
Total State Revenues	4,823,288.0	43,617.0	4,866,905.0
Federal Revenues			
Public Assistance Subventions	$ 2,309,509.0	$ -	$ 2,309,509.0
Other Public Assistance	233,943.0	-	233,943.0
Public Protection	221,821.0	-	221,821.0
Health and Mental Health	867,160.0	479,256.0	1,346,416.0
Capital Projects	12,341.0	-	12,341.0
Other Federal Revenues	53,520.0	-	53,520.0
Total Federal Revenues	$ 3,698,294.0	$ 479,256.0	$ 4,177,550.0
Other Governmental Agencies	171,870.0	-	171,870.0
Total Intergovenmental Revenues	$ 8,693,452.0	$ 522,873.0	$ 9,216,325.0
Fines, Forfeitures and Penalties	216,892.0	402.0	217,294.0
Licenses, Permits and Franchises	49,767.0	126.0	49,893.0
Charges for Services	1,766,191.0	1,263,753.0	3,029,944.0
Other Taxes	171,211.0	-	171,211.0
Use of Money and Property	132,315.0	173.0	132,488.0
Miscellaneous Revenues	159,651.0	261,490.0	421,141.0
Operating Contribution from General Fund	-	515,746.0	515,746.0
Total Available Funds	**$ 16,750,817.0**	**$ 2,592,117.0**	**$ 19,342,934.0**

(1) Reflects the 2012-13 Final Adopted General County Budget approved by the Board of Supervisors on October 2, 2012

COUNTY OF LOS ANGELES
RECOMMENDED BUDGET 2013-14 GENERAL COUNTY BUDGET (1)
Net Appropriation: By Fund and Function
(In thousands)

Function	General Fund	Hospital Enterprise Fund	Total General County
REQUIREMENTS			
General			
General Government	$ 862,618.0	$ -	$ 862,618.0
General Services	608,523.0	-	608,523.0
Public Buildings	803,407.0	-	803,407.0
Total General	$ 2,274,548.0	$ -	$ 2,274,548.0
Public Protection			
Justice	$ 4,695,517.0	$ -	$ 4,695,517.0
Other Public Protection	203,047.0	-	203,047.0
Total Public Protection	$ 4,898,564.0	$ -	$ 4,898,564.0
Health and Sanitation	$ 3,463,771.0	$ 2,558,461.0	$ 6,022,232.0
Public Assistance	5,675,440.0	-	5,675,440.0
Recreation and Cultural Services	278,357.0	-	278,357.0
Insurance and Loss Reserve	67,694.0	-	67,694.0
Provision for Obligated Fund Balance	-	-	-
Total Requirements	**$ 16,658,374.0**	**$ 2,558,461.0**	**$ 19,216,835.0**
AVAILABLE FUNDS			
Property Taxes	$ 3,984,383.0	$ -	$ 3,984,383.0
Fund Balance	1,180,310.0	-	1,180,310.0
Cancel Provision for Obligated Fund Balance	51,998.0	-	51,998.0
	-		
Intergovernmental Revenues			
State Revenues			
In-Lieu Taxes	$ 332,475.0	$ -	$ 332,475.0
Homeowners' Exemption	20,500.0	-	20,500.0
Public Assistance Subventions	724,619.0	-	724,619.0
Other Public Assistance	1,566,711.0	-	1,566,711.0
Public Protection	1,124,196.0	-	1,124,196.0
Health and Mental Health	990,321.0	43,653.0	1,033,974.0
Capital Projects	132,239.0	-	132,239.0
Other State Revenues	22,892.0	-	22,892.0
Total State Revenues	4,913,953.0	43,653.0	4,957,606.0
Federal Revenues			
Public Assistance Subventions	$ 2,444,691.0	$ -	$ 2,444,691.0
Other Public Assistance	234,762.0	-	234,762.0
Public Protection	208,374.0	-	208,374.0
Health and Mental Health	876,041.0	475,077.0	1,351,118.0
Capital Projects	7,658.0	-	7,658.0
Other Federal Revenues	45,913.0	-	45,913.0
Total Federal Revenues	$ 3,817,439.0	$ 475,077.0	$ 4,292,516.0
Other Governmental Agencies	159,535.0	-	159,535.0
Total Intergovenmental Revenues	$ 8,890,927.0	$ 518,730.0	$ 9,409,657.0
Fines, Forfeitures and Penalties	217,743.0	4.0	217,747.0
Licenses, Permits and Franchises	43,604.0	126.0	43,730.0
Charges for Services	1,789,233.0	1,204,029.0	2,993,262.0
Other Taxes	189,941.0	-	189,941.0
Use of Money and Property	126,069.0	173.0	126,242.0
Miscellaneous Revenues	184,166.0	231,805.0	415,971.0
Operating Contribution from General Fund	-	603,594.0	603,594.0
Total Available Funds	**$ 16,658,374.0**	**$ 2,558,461.0**	**$ 19,216,835.0**

(1) Reflects the 2013-14 Recommended General County Budget approved by the Board of Supervisors on April 16, 2013

FINANCIAL SUMMARY

PROPERTY TAX RATE, VALUATION AND LEVY

Taxes are levied each fiscal year on taxable real and personal property located in the County as of the preceding January 1st. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a “floating lien date”). For assessment and collection purposes, property is classified either as “secured” or “unsecured”, and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State assessed property and property secured by a lien on real property which is sufficient, in the opinion of the Assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of “situs” growth in assessed value (new construction, change of ownership, and inflation) prorated among the jurisdictions which serve the tax areas where the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special districts.

PAYMENT DATES AND LIENS

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, with a ten percent penalty assessed to any delinquent payments. In addition, any property on the secured roll with delinquent taxes as of July 1 is declared tax-defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus costs and a redemption penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the County Treasurer and Tax Collector.

Property taxes on the unsecured roll are due as of the January 1st lien date and become delinquent, if unpaid, by August 31st. A ten percent penalty attaches to delinquent property taxes on the unsecured roll, and an additional penalty of one and one-half percent per month begins to accrue on November 1st. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency in the County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the taxpayer.

LARGEST TAXPAYERS

The twenty largest taxpayers in the County, as shown on the Fiscal Year 2012-13 secured tax roll, and the approximate amounts of their aggregate levies for all taxing jurisdictions within the County are shown below. Property owned by the twenty largest taxpayers had a full cash value of $34,584,156,742 which constitutes only [3.42%] of the total full cash value for the entire County.

Taxpayer	Total Tax Levy 2012-13
Southern California Edison Co.	$65,942,108
Douglas Emmett Residential	39,798,132
BP West CoBP West Coast/ARCO/ Shell Oil Co.	28,469,101
Tishman Speyer/Archstone Smith/ASN	25,295,844
Chevron USA Inc./Texaco	23,439,664
MCI Worldcom	20,181,366
AT&T/Pacific Bell/SBC	19,991,492
Southern California Gas Company	19,491,117
Exxon/Mobil Corporation	19,079,164
Maguire Properties	18,784,302
Prologis/AMB/Catellus	18,194,793
Universal Studios LLC	17,516,158
Participants in Long Beach Unit	17,281,359
EQR/ERQ Limited	16,184,874
Conocophillips Co	16,156,964
Macerich Westside Pavilion	12,679,819
Essex Mirabella Marina	12,630,257
Plains Exporation and Production Co.	11,898,948
Anheuser Busch Inc	11,218,617
Valero Refining Company	11,000,171
	$425,234,251

Total may not add due to rounding.
Source: Los Angeles County Treasurer and Tax Collector

PROPERTY TAXATION AND COLLECTIONS

The table on the following page compares the assessed cash values, property tax levies and collections from Fiscal Years 2007-08 through 2011-12. **[To Be Updated With FY 2012-13 Data]**

COUNTY OF LOS ANGELES
COMPARISON OF FULL CASH VALUE
PROPERTY TAXATION AND COLLECTIONS
FISCAL YEARS 2007-08 THROUGH 2011-12

Fiscal Year	Full Cash Value (1)	General Fund Secured Property Tax Levies	General Fund Secured Property Tax Collections (2)	Current Collection As a Percent of Levies %
2007-08	$953,468,123,997	$2,348,085,882	$2,232,305,540	95.07%
2008-09	1,020,346,376,948	2,503,699,652	2,388,838,218	95.41%
2009-10	1,013,549,301,342	2,449,393,435	2,370,955,825	96.80%
2010-11	997,502,481,662	2,423,866,268	2,369,935,057	97.77%
2011-12	1,013,260,968,402	2,471,700,694	2,426,125,703	98.03%

(1) Full cash values reflect the equalized assessment roll as reported in August of each year; mid-year adjustments are reflected in the following year's values. Incremental full cash values of properties within project areas designated by community redevelopment agencies are excluded. See "Redevelopment Agencies".

(2) Reflects collection within the fiscal year originally levied.

REDEVELOPMENT AGENCIES

Pursuant to ABX1 26 (the "Redevelopment Dissolution Act"), all redevelopment agencies were dissolved effective February 1, 2012. ABX1 26 bars redevelopment agencies from engaging in new business, provides for their eventual wind down and dissolution, and requires that successor agencies be created to take over from the former agencies. Any tax increment remaining after the payment of enforceable legal obligations, pass-through payments and limited administrative costs will be distributed as property tax revenue to the appropriate taxing entities, including the County general fund. Prior to their dissolution, the estimated annual tax increment to fund redevelopment agencies in the County was approximately $453.0 million. A more detailed discussion of the redevelopment agency dissolution is provided in the Budgetary Information section of this Appendix A.

The following table shows full cash value increments and total tax allocations to community redevelopment agencies for the Fiscal Years 2007-08 through 2012-13.

COMMUNITY REDEVELOPMENT AGENCY (CRA)
PROJECTS IN THE COUNTY OF LOS ANGELES
FULL CASH VALUE AND TAX ALLOCATIONS
FISCAL YEARS 2007-08 THROUGH 2012-13

Fiscal Year	Full Cash Value Increments (1)	Total Tax Allocations (2)
2007-08	$127,113,321,984	$1,167,170,104
2008-09	142,705,432,962	1,279,129,462
2009-10	140,955,357,917	1,266,067,367
2010-11	136,964,953,487	1,208,208,191
2011-12	137,243,985,288	1,187,749,842
2012-13	141,074,221,344	924,432,351 (3)

(1) Equals the full cash value for all redevelopment project areas above their base year valuations. This data represents growth in full cash values which generates tax revenues for use by community redevelopment agencies.

(2) Includes actual cash revenues collected by the County and subsequently paid to redevelopment agencies, which includes incremental growth allocation, debt service, mid-year changes and Supplemental Roll.

(3) Total CRA Tax Allocations through April 2013.

CASH MANAGEMENT PROGRAM

County General Fund expenditures tend to occur in level amounts throughout the fiscal year. Conversely, receipts from the two largest sources of County revenues have followed an uneven pattern, primarily as a result of delays in payments from other governmental agencies and the final due dates for the first and second installments of secured property tax payments being due in December and April, respectively.

As a result of the uneven pattern of revenue receipts, the General Fund cash balance prior to Fiscal Year 1977-78 had typically been negative for most of the year and had been covered in part by interfund borrowings pursuant to Section 6 of Article XVI of the California Constitution. "Interfund borrowing" is borrowing from specific funds of other governmental entities whose funds are held in the County Treasury. Because such borrowings caused disruptions in the General Fund's management of pooled investments, beginning in 1977, the County eliminated the practice of interfund borrowing and replaced it with a program to manage its cash flow needs by issuing tax and revenue anticipation notes (TRANs) for the General Fund and by using intrafund borrowing.

The use of "intrafund borrowing" for General Fund purposes represents borrowing against funds that are held in trust by the County. Such funds, with the exception of the Hospital Enterprise Funds, are held by the County on a pre-apportionment basis until they are eventually distributed to County operating funds (such as the General Fund) or other governmental agencies. All intrafund borrowings used for General Fund purposes, and all notes issued in connection with the County's cash management program have been repaid in accordance with their required maturity dates.

2012-13 Tax and Revenue Anticipation Notes

Pursuant to California law and a resolution adopted by the Board of Supervisors on May 15, 2012, the County issued the 2012-13 TRANs with an aggregate principal amount of $1.1 billion in three separate series: $300.0 million due February 28, 2013; $400.0 million due March 29, 2013; and $400.0 million due June 28, 2013. The 2012-13 TRANs are general obligations of the County attributable to the 2012-13 fiscal year and are secured by a pledge of certain unrestricted taxes, income, revenue, cash receipts and other moneys of the County.

Under the Resolution and Financing Certificate executed by the County Treasurer and Tax Collector, the County has pledged to deposit sufficient revenues into a Repayment Fund during Fiscal Year 2012-13 for the purpose of repaying the 2012-13 TRANs on their respective maturity dates. The deposits to the Repayment Fund have been made in accordance with the following schedule:

COUNTY OF LOS ANGELES
2012-13 TAX AND REVENUE ANTICIPATION NOTES
SCHEDULE OF DEPOSITS TO REPAYMENT FUND*

Deposit Date	**Deposit Amount**
December, 2012	$402,778,000
January, 2013	330,000,000
February, 2013	110,000,000
March, 2013	55,000,000
April, 2013	220,000,000
Total	$1,117,778,000

* Includes $1.1 billion of 2012-13 TRANs principal and 2.00% interest.

The County has always maintained full compliance with its deposit obligations with respect to its TRANs program. The following table illustrates the Unrestricted General Fund Receipts collected on a cash flow basis since Fiscal Year 2007-08.

COUNTY OF LOS ANGELES
GENERAL FUND
UNRESTRICTED GENERAL FUND RECEIPTS (in thousands)

	2008-09	2009-10	2010-11	2011-12	Estimated 2012-13
Property Taxes	$3,867,816	$3,768,220	$3,733,822	$3,725,324	$3,964,851
Other Taxes	144,945	154,228	137,907	172,703	269,031
Licenses, Permits and Franchises	52,957	46,825	56,799	58,642	57,950
Fines, Forfeitures and Penalties	261,477	254,428	242,904	218,380	225,034
Investment and Rental Income	204,889	133,640	123,582	111,506	104,422
State In-Lieu Taxes	422,053	424,760	401,679	366,352	336,360
State Homeowner Exemptions	21,827	21,966	21,616	21,505	20,949
Charges for Current Services	1,671,756	1,673,098	1,574,709	1,678,238	1,521,205
Other Revenue*	262,766	192,973	465,163	370,018	757,314
TOTAL UNRESTRICTED RECEIPTS	$6,910,486	$6,670,138	$6,758,181	$6,722,668	$7,257,116

Detail may not add due to rounding.
Source: Los Angeles County Chief Executive Office
* Includes Tobacco Settlement Revenue

Intrafund and Interfund Borrowing

To the extent necessary, the County intends to use intrafund (and not interfund) borrowing to cover its General Fund cash needs, including projected year-end cash requirements. Should the County find it necessary to utilize interfund borrowing, then such borrowing may not occur after the last Monday in April of each year and must be repaid before any other obligation of the County. The County does not intend to engage in interfund borrowing for the General Fund nor has it done so since the implementation of the General Fund cash management program in Fiscal Year 1977-78.

Funds Available for Intrafund Borrowing

After the tax and revenue anticipation note proceeds are utilized, the General Fund may borrow from three fund groups to meet its cash flow needs. The most significant group is the Property Tax Group, which consists of collected property taxes that are awaiting apportionment. The great majority of these amounts will be distributed to other governmental agencies such as school districts.

The second most significant borrowing source includes the various Trust Group funds. The largest of these funds is the Departmental Trust Fund, which consists of various collections, such as court fines and other revenues, awaiting distribution. The majority of these funds will eventually be distributed to entities outside the County. Also in this group is the Payroll Revolving Fund, which is used as a clearing account for County payroll operations and has a cash balance that consists exclusively (except for a small portion related to the County Superior Court) of advances from funds included in the General County Budget.

The last fund group consists of the Hospital Enterprise Funds. The balances in these funds are different from those in the Property Tax Group and Trust Group in that the Hospital Enterprise Funds are included in the General County Budget. Furthermore, these funds are considered as part of the General Fund for purposes of sizing the County's annual TRANs financing.

The Hospital Enterprise Funds generally represent working capital advances from the General Fund and cash generated from the County hospitals. At year-end, the remaining balances are transferred back to the General Fund.

The average daily balances shown for these intrafund sources are not necessarily indicative of the balances on any given day. The balances in certain funds, such as those in the Property Tax Group, can fluctuate significantly throughout the month. The General Fund cash balance also fluctuates during the month, with the third week being the lowest and month-end the highest due to the timing of revenue deposits from the State and the receipt of welfare advances on the last business day of the month.

The legality of the County's practice of intrafund borrowing was decided and affirmed by the California Court of Appeals in May 1999, in the case entitled *Stanley G. Auerbach et al v. Board of Supervisors of the County of Los Angeles et al*.

The tables at the end of this Financial Section provide a monthly summary of the funds available to the County for intrafund borrowing in Fiscal Year 2011-12 and Fiscal Year 2012-13.

General Fund Cash Flow Statements

The Fiscal Year 2011-12 and Fiscal Year 2012-13 General Fund Cash Flow Statements are provided at the end of this Financial Summary Section. In Fiscal Year 2011-12, the County had an ending General Fund cash balance of $817 million. In Fiscal Year 2012-13, the County is estimating an ending cash balance in the General Fund of $645 million.

COUNTY POOLED SURPLUS INVESTMENTS
[To Be Updated With March 2013 Data]

The Treasurer and Tax Collector has the delegated authority to invest funds on deposit in the County Treasury Pool (the "Treasury Pool"). As of August 31, 2012, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

Local Agency	Invested Funds (in Billions)
County of Los Angeles and Special Districts	$7.415
Schools and Community Colleges	11.511
Independent Public Agencies	2.741
Total	$21.667

Of these entities, the involuntary participants accounted for approximately 87.35% and all discretionary participants accounted for 12.65% of the total Treasury Pool.

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer's prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 20, 2012, reaffirmed the following criteria and order of priority for selecting investments:

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

The Treasurer prepares a monthly Report of Investments (the Investment Report) summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the September 28, 2012 Investment Report, the book value of the Treasury Pool as of August 31, 2012 was approximately $21.667 billion and the corresponding market value was approximately $21.744 billion.

The County maintains a strong system of internal controls for monitoring the cash accounting and investment process. The Treasurer's Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances on a daily basis. The Compliance Auditor's staff also reviews each investment trade for accuracy and compliance with the Board adopted Investment Policy. On a quarterly basis, the County's outside independent auditor (the "External Auditor") reviews the cash and investment reconciliations for completeness and accuracy. Additionally, the External Auditor reviews investment transactions on a quarterly basis for conformance with the approved Investment Policy and annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of August 31, 2012:

Type of Investment	% of Pool
U.S. Government and Agency Obligations	47.77
Certificates of Deposit	19.73
Commercial Paper	30.30
Bankers Acceptances	0.00
Municipal Obligations	0.08
Corporate Notes & Deposit Notes	2.12
Asset Backed Instruments	0.00
Repurchase Agreements	0.00
Other	0.00
	100.00

The Treasury Pool is highly liquid. As of August 31, 2012, approximately 43.67% of the investments mature within 60 days, with an average of 619 days to maturity for the entire portfolio.

The County complements its conservative investment policies with a well-established practice of market research and due diligence. The Treasury Pool has not experienced a single investment loss since the onset of the global financial crisis in Fiscal Year 2008-09. Furthermore, the County Investment Officer has never purchased any structured investment vehicles nor any securities with material exposure to sub-prime mortgages. The Treasury Pool was also unaffected by the September 2008 bankruptcy of Lehman Brothers and does not have any outstanding exposure to Lehman Brothers investments.

FINANCIAL STATEMENTS-GAAP BASIS
[To Be Updated With FY 2011-12 Data]

Since Fiscal Year 1980-81, the County has prepared its general purpose financial statements in conformity with Generally Accepted Accounting Principles (GAAP) for State and local governments and they have been audited by independent certified public accountants.

The basic financial statements for the Fiscal Year ended June 30, 2011, and the unqualified opinion of Macias Gini & O'Connell LLP are attached hereto as Appendix B. Since 1982, the County CAFRs have received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

The County's budget is prepared in accordance with the County Budget Act prior to the issuance of GAAP financial statements. The 2011-12 Final Adopted Budget included an available (unreserved and undesignated) General Fund balance of $1,601,571,000 as of June 30, 2011.

The 2011-12 Final Adopted Budget uses the fund balance language of the County Budget Act, which has not yet been updated to reflect Governmental Accounting Standards Board (GASB) Statement No. 54. As such, the County has not presented the Statement of Revenue, Expenditures, and Changes in Fund Balancewith the GASB Statement No. 54 terminology for changes in reserves and designations.

The amounts presented for the General Fund in accordance with GAAP are based on the modified accrual basis of accounting and differ from the amounts presented on the budgetary basis of accounting. The major areas of difference are described as follows:

- For budgetary purposes, reserves and designations are recorded as other financing uses at the time they are established. Although designations are not legal commitments, the County recognizes them as a use of budgetary fund balance. Designations that are subsequently cancelled or otherwise made available for appropriations are recorded as other financing sources.

- Under the budgetary basis of accounting, revenues (primarily intergovernmental) are recognized at the time encumbrances are established for certain programs and capital improvements. The intent of the budgetary accounting is to match the use of budgetary resources (for amounts encumbered but not yet expended) with funding sources that will materialize as revenues when actual expenditures are incurred. Under the GAAP basis of accounting, revenues are not recognized until the qualifying expenditures are incurred.

- General Fund obligations for accrued vacation and sick leave and estimated liabilities for litigation and self-insurance are recorded as budgetary expenditures to the extent that they are estimated to be payable within a one-year period as of the fiscal year end. Under the modified accrual basis of accounting, such expenditures are not recognized until they become due and payable in accordance with GASB Interpretation No. 6.

- In conjunction with the sale of Tobacco Settlement Asset-Backed Bonds in 2005-06, the County sold a portion of its future rights to tobacco settlement revenues. Under the budgetary basis of accounting, the bond proceeds were recognized as revenues. Under the modified accrual basis, the bond proceeds were recorded as a sale of future revenues and were being recognized over the duration of the sale agreement, in accordance with GASB Statement No. 48. This matter is discussed in further detail in Note 10 to the 2010-11 CAFR, under the caption, "Tobacco Settlement Asset-Backed Bonds."

- Under the budgetary basis of accounting, property tax revenues are recognized to the extent that they are collectible within a one-year period as of the fiscal year end. Under the GAAP basis of accounting, property tax revenues are recognized only to the extent that they are collectible within 60 days.

- For budgetary purposes, investment income is recognized prior to the effect of changes in the fair value of investments. Under the GAAP basis of accounting, the effects of such fair value changes have already been recognized as a component of investment income.

- In conjunction with the implementation of GASB Statement No. 45, the County determined that certain assets were held by LACERA (as the OPEB administrator) in an OPEB Agency Fund. For budgetary purposes, any excess payments (beyond the pay-as-you-go amount) are recognized as expenditures. Under the GAAP basis, the expenditures are adjusted to recognize the OPEB Agency assets at fiscal year end.

The table below provides a reconciliation of the General Fund's June 30, 2011 fund balance (unreserved and undesignated) on a budgetary and GAAP basis.

The tables on the following pages summarize the audited balance sheets for the General Fund since 2006-07 and provide a history of revenue and expenditure statement for the General Fund over the same period.

COUNTY OF LOS ANGELES
GENERAL FUND
RECONCILIATION OF FUND BALANCE FROM BUDGETARY TO GAAP BASIS
JUNE 30, 2011 (in thousands of $)

Actual Available (Unreserved and Undesignated) Fund Balance - Budgetary Basis	$1,601,571
Adjustments:	
Accrual of budgetary liabilities for litigation and self-insurance claims not required by GAAP	153,766
Change in receivables for health insurers rebates held in LACERA OPEB Agency Fund	136,142
Accrual of liabilities for accrued vacation and sick leave not required by GAAP	47,379
Change in revenue accruals related to encumbrances	(28,546)
Deferral of property tax receivables	(81,534)
Deferral of sale of tobacco settlement revenue	(257,345)
Change in fair value of Investments	197
Reserve for "Rainy Day" Fund	93,271
Available (Unreserved and Undesignated) Fund Balance - GAAP Basis	$1,664,901

Source: Los Angeles County Auditor-Controller

COUNTY OF LOS ANGELES
BALANCE SHEET AT JUNE 30, 2007, 2008, 2009, 2010 and 2011.
GENERAL FUND-GAAP BASIS (in thousands of $)

ASSETS

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011*
Pooled Cash and Investments	$2,668,854	$2,343,525	$1,841,579	$1,689,490	$2,151,267
Other Investments	6,400	6,236	6,099	5,839	16,589
Taxes Receivable	248,095	320,281	301,269	246,288	210,914
Other Receivables	1,357,683	1,825,468	1,907,656	1,808,478	1,763,649
Due from Other Funds	370,124	357,416	326,379	436,441	356,860
Advances to Other Funds	400,280	571,872	825,017	1,018,161	1,063,061
Inventories	42,561	43,906	46,486	44,279	54,145
Total Assets	$5,093,997	$5,468,704	$5,254,485	$5,248,976	$5,616,485

LIABILITIES

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011*
Accounts Payable	$300,087	$252,794	$247,337	$266,916	$286,597
Accrued Payroll	392,779	472,007	504,374	286,407	289,546
Other Payables	86,055	151,700	121,665	454,244	1,039,126
Due to Other Funds	602,358	561,540	495,105	501,705	464,170
Deferred Revenue	338,714	380,322	343,386	346,829	382,897
Advances Payable	278,023	263,500	361,964	382,476	411,508
Third-Party Payor Liability	15,537	12,401	13,836	14,588	20,198
Total Liabilities	$2,013,553	$2,094,264	$2,087,667	$2,253,165	$2,894,042

EQUITY

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011*
Fund Balance (Deficit)					
Reserved/Nonspendable	$478,280	$597,466	$539,851	$784,428	
Unreserved/Restricted					
Designated	1,235,325	1,152,639	971,579	618,899	
Undesignated	1,366,839	1,624,335	1,655,388	1,592,484	
Total Unreserved	2,602,164	2,776,974	2,626,967	2,211,383	-
Nonspendable					$259,127
Restricted					35,377
Committed					
Assigned					763,038
Unassigned					1,664,901
Total Equity	3,080,444	3,374,440	3,166,818	2,995,811	2,722,443
Total Liabilities and Equity	$5,093,997	$5,468,704	$5,254,485	$5,248,976	$5,616,485

Sources: Comprehensive Annual Financial Reports for fiscal years ended June 30, 2007, 2008, 2009, 2010 and 2011.
*The County implemented GASB Statement 54 "Fund Balance Reporting and Government Fund Type Definitions" in FY 2010-11. As of June 30, 2011, governmental fund balances are reported in the new required GASB 54 format.

COUNTY OF LOS ANGELES

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND-GAAP BASIS FISCAL YEARS 2006-07 THROUGH 2010-11 (in thousands of $)

	2006-07	2007-08	2008-09	2009-10	2010-11
REVENUES:					
Taxes	$3,572,932	$3,796,296	$3,970,566	$3,864,654	$3,843,366
Licenses, Permits & Franchises	61,138	58,799	54,877	49,079	56,656
Fines, Forfeitures and Penalties	234,747	251,933	264,375	258,842	244,787
Use of Money and Property	294,511	280,803	183,772	124,049	130,140
Aid from Other Government	7,050,121	7,261,668	7,211,150	7,337,716	7,506,492
Charges for Services	1,467,608	1,695,004	1,654,173	1,659,224	1,641,399
Miscellaneous Revenues	189,636	282,818	198,837	191,878	145,414
TOTAL	$12,870,693	$13,627,321	$13,537,750	$13,485,442	$13,568,254
EXPENDITURES					
General	$854,052	$919,534	$946,008	$859,319	$883,854
Public Protection	3,855,819	4,222,644	4,420,786	4,412,935	4,401,985
Health and Sanitation	2,126,233	2,345,484	2,480,693	2,421,615	2,476,524
Public Assistance	4,410,224	4,619,225	4,796,019	5,025,312	5,217,560
Recreation and Cultural Services	217,221	231,584	242,999	247,094	263,046
Debt Service	294,301	308,207	247,248	271,378	278,477
Capital Outlay	818	97,270	772	2,115	32,598
Total	$11,758,668	$12,743,948	$13,134,525	$13,239,768	$13,554,044
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$1,112,025	$883,373	$403,225	$245,674	$14,210
OTHER FINANCING SOURCES (USES):					
Operating Transfers from (to) Other Funds-Net	($771,788)	($780,902)	($612,505)	($419,756)	($340,128)
Sales of Capital Assets	1,111	1,036	886	960	9,027
Capital Leases	818	97,270	772	2,115	43,523
OTHER FINANCING SOURCES (USES)-Net	($769,859)	($682,596)	($610,847)	($416,681)	($287,578)
Excess (Deficiency) of Revenues and other Sources Over Expenditures and Other Uses	$342,166	$200,777	($207,622)	($171,007)	($273,368)
Beginning Fund Balance	2,738,278	3,173,663	3,374,440	3,166,818	2,995,811
Residual Equity Transfers from (to) Other Funds-Net	0	0	0	0	0
Ending Fund Balance	$3,080,444	$3,374,440	$3,166,818	$2,995,811	$2,722,443

Sources: Comprehensive Annual Financial Reports for fiscal years ended June 30, 2007, 2008, 2009, 2010 and 2011.

COUNTY OF LOS ANGELES BORROWABLE RESOURCES
FUNDS AVAILABLE FOR INTRAFUND BORROWING

2011-12: 12 MONTHS ACTUAL
2012-13: 09 MONTHS ACTUAL

COUNTY OF LOS ANGELES BORROWABLE RESOURCES
AVERAGE DAILY BALANCES: Fiscal Year 2011-12
FUNDS AVAILABLE FOR INTRAFUND BORROWING (in thousands of $)

	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011
PROPERTY TAX GROUP						
Tax Collector Trust Fund	63,119	37,569	34,476	313,703	985,919	1,105,096
Auditor Unapportioned Property Tax	424,944	176,780	155,871	205,077	824,123	2,308,144
Unsecured Property Tax	134,975	67,818	133,422	152,165	115,517	82,721
Miscellaneous Fees & Taxes	7,682	7,849	11,662	25,884	19,638	11,159
State Redemption Fund	40,926	71,880	68,451	52,786	29,755	30,925
Education Revenue Augmentation	16,296	15,001	0	0	0	54,496
State Reimbursement Fund	0	0	0	0	481	11,174
Sales Tax Replacement Fund	0	0	0	0	717	40,121
Vehicle License Fee Replacement Fund	11,695	94,496	157,705	157,705	162,067	401,786
Property Tax Rebate Fund	(11,223)	(25,990)	(36,756)	(57,662)	(54,096)	(28,969)
Utility User Tax Trust Fund	7,812	903	6,612	9,063	5,832	11,137
Subtotal	$ 696,226	$ 446,306	$ 531,443	$ 858,721	$ 2,089,953	$ 4,027,790
VARIOUS TRUST GROUP						
Departmental Trust Fund	445,183	444,842	448,248	419,295	436,779	452,918
Payroll Revolving Fund	46,662	45,767	42,822	54,396	43,733	45,290
Asset Development Fund	39,846	39,896	39,911	39,975	40,163	40,176
Productivity Investment Fund	5,173	5,102	5,126	5,129	5,131	5,069
Motor Vehicle Capital Outlays	2,122	2,122	2,122	2,122	2,122	2,122
Civic Center Parking	59	24	169	103	62	202
Reporters Salary Fund	671	977	628	761	1,138	1,036
Cable TV Franchise Fund	9,983	9,719	10,276	10,435	10,454	11,089
Megaflex Long-Term Disability	19,215	19,166	19,078	19,063	18,940	18,834
Megaflex Long-Term Disability & Health	5,882	5,964	6,061	6,136	6,227	6,298
Megaflex Short-Term Disability	26,423	26,802	27,145	27,512	27,919	28,278
Subtotal	$ 601,219	$ 600,381	$ 601,586	$ 584,927	$ 592,668	$ 611,312
HOSPITAL GROUP						
Harbor-UCLA Medical Center	7,992	4,627	3,088	1,069	4,564	194
Olive View-UCLA Medical Center	2,817	2,342	1,248	(4)	2,379	2,634
LAC+USC Medical Center	12,097	13,039	(789)	(85)	1,810	3,254
MLK Ambulatory Care Center	(2,087)	2,258	5,592	4,686	3,846	3,773
Rancho Los Amigos Rehab Center	3,687	890	426	607	225	532
LAC+USC Medical Center Equipment	0	0	0	0	0	0
Subtotal	$ 24,506	$ 23,156	$ 9,565	$ 6,273	$ 12,824	$ 10,387
GRAND TOTAL	**$ 1,321,951**	**$ 1,069,843**	**$ 1,142,594**	**$ 1,449,921**	**$ 2,695,445**	**$ 4,649,489**

Detail may not add due to rounding.

Source: Los Angeles County Auditor-Controller

January 2012	February 2012	March 2012	April 2012	May 2012	June 2012	
						PROPERTY TAX GROUP
763,642	321,402	523,561	1,426,860	210,398	119,600	**Tax Collector Trust Fund**
857,864	582,212	530,333	1,693,093	1,256,420	863,104	**Auditor Unapportioned Property Tax**
72,880	69,983	59,785	52,930	64,689	89,290	**Unsecured Property Tax**
10,472	9,365	8,990	8,640	8,985	8,466	**Miscellaneous Fees & Taxes**
26,752	22,428	21,072	19,799	24,858	24,296	**State Redemption Fund**
28,191	13,511	1,560	85,424	0	558	**Education Revenue Augmentation**
21,403	1,336	1,336	2,459	19,357	8,941	**State Reimbursement Fund**
70,339	3,607	11,820	33,837	56,575	0	**Sales Tax Replacement Fund**
583,435	169,993	219,965	353,938	425,436	0	**Vehicle License Fee Replacement Fund**
(21,139)	(23,796)	(22,635)	(22,393)	(20,911)	(7,043)	**Property Tax Rebate Fund**
3,228	4,217	9,790	3,427	6,273	9,700	**Utility User Tax Trust Fund**
$ 2,417,067	$ 1,174,258	$ 1,365,577	$ 3,658,014	$ 2,052,080	$ 1,116,912	**Subtotal**
						VARIOUS TRUST GROUP
510,226	523,602	561,065	607,768	505,368	458,821	**Departmental Trust Fund**
63,993	39,604	41,073	51,215	42,856	43,712	**Payroll Revolving Fund**
40,197	40,219	40,236	40,336	41,118	41,421	**Asset Development Fund**
4,965	4,947	5,560	5,547	5,545	5,407	**Productivity Investment Fund**
2,122	2,122	2,062	2,018	1,294	991	**Motor Vehicle Capital Outlays**
139	206	153	58	215	118	**Civic Center Parking**
994	400	788	932	804	773	**Reporters Salary Fund**
11,082	10,847	11,071	11,045	10,909	11,442	**Cable TV Franchise Fund**
18,811	18,726	18,653	18,666	18,556	18,517	**Megaflex Long-Term Disability**
6,383	6,429	6,517	6,610	6,683	6,732	**Megaflex Long-Term Disability & Health**
28,535	28,727	29,016	29,458	30,318	30,222	**Megaflex Short-Term Disability**
$ 687,447	$ 675,829	$ 716,194	$ 773,653	$ 663,666	$ 618,156	**Subtotal**
						HOSPITAL GROUP
873	75	(2,562)	1,244	(4,695)	3,097	**Harbor-UCLA Medical Center**
391	(120)	(3,676)	1,630	971	(196)	**Olive View-UCLA Medical Center**
396	1,787	5,955	81	2,126	(490)	**LAC + USC Medical Center**
3,671	3,666	3,454	2,994	2,991	2,834	**MLK Ambulatory Care Center**
37	(1,481)	(358)	812	(1,293)	475	**Rancho Los Amigos Rehab Center**
0	0	0	0	0	0	**LAC+USC Medical Center Equipment**
$ 5,368	$ 3,927	$ 2,813	$ 6,761	$ 100	$ 5,720	**Subtotal**
$ 3,109,882	**$ 1,854,014**	**$ 2,084,584**	**$ 4,438,428**	**$ 2,715,846**	**$ 1,740,788**	**GRAND TOTAL**

COUNTY OF LOS ANGELES BORROWABLE RESOURCES
AVERAGE DAILY BALANCES: Fiscal Year 2012-13
FUNDS AVAILABLE FOR INTRAFUND BORROWING (in thousands of $)

	July 2012	August 2012	September 2012	October 2012	November 2012	December 2012
PROPERTY TAX GROUP						
Tax Collector Trust Fund	75,748	38,711	38,476	354,248	1,079,173	2,192,736
Auditor Unapportioned Property Tax	626,076	173,546	81,291	134,373	803,356	1,640,406
Unsecured Property Tax	134,579	47,432	130,094	155,442	113,881	69,629
Miscellaneous Fees & Taxes	8,213	19,785	32,294	16,413	10,350	10,368
State Redemption Fund	27,819	57,470	63,680	60,239	45,099	36,089
Education Revenue Augmentation	16,766	9,346	0	0	5,048	111,700
State Reimbursement Fund	0	0	0	0	476	9,976
Sales Tax Replacement Fund	4,747	21,974	30,725	30,725	30,799	64,470
Vehicle License Fee Replacement Fund	28,895	133,759	187,029	187,029	187,480	392,443
Property Tax Rebate Fund	1,970	468	4,569	4,507	4,655	3,814
Utility User Tax Trust Fund	1,041	1,294	4,457	9,662	13,036	15,277
Subtotal	$ 925,854	$ 503,785	$ 572,615	$ 952,638	$ 2,293,353	$ 4,546,908
VARIOUS TRUST GROUP						
Departmental Trust Fund	443,818	468,722	437,481	519,801	468,715	455,094
Payroll Revolving Fund	55,057	41,640	47,243	43,394	39,269	53,609
Asset Development Fund	41,429	41,437	41,448	41,460	41,475	41,482
Productivity Investment Fund	5,346	5,287	4,125	3,371	3,384	3,372
Motor Vehicle Capital Outlays	991	991	991	1,004	1,116	1,116
Civic Center Parking	142	68	96	233	277	191
Reporters Salary Fund	401	86	335	441	266	527
Cable TV Franchise Fund	11,203	10,818	11,385	11,463	11,388	11,862
Megaflex Long-Term Disability	18,465	18,346	18,312	18,170	18,114	18,003
Megaflex Long-Term Disability & Health	6,818	6,882	6,967	7,040	7,128	7,201
Megaflex Short-Term Disability	30,645	30,922	31,342	31,595	31,877	32,208
Subtotal	$ 614,315	$ 625,199	$ 599,725	$ 677,972	$ 623,009	$ 624,665
HOSPITAL GROUP						
Harbor-UCLA Medical Center	(1,478)	(4,065)	2,414	(1,045)	7,867	204
Olive View-UCLA Medical Center	(4,437)	(1,917)	3,363	2,004	723	(1,780)
LAC+USC Medical Center	(10,090)	(709)	7,014	2,973	6,660	3,907
MLK Ambulatory Care Center	558	513	514	514	514	514
Rancho Los Amigos Rehab Center	612	531	1,298	529	1,179	436
LAC+USC Medical Center Equipment	0	0	0	0	0	0
Subtotal	$ (14,835)	$ (5,647)	$ 14,603	$ 4,975	$ 16,943	$ 3,281
GRAND TOTAL	**$ 1,525,334**	**$ 1,123,337**	**$ 1,186,943**	**$ 1,635,585**	**$ 2,933,305**	**$ 5,174,854**

Detail may not add due to rounding.

Source: Los Angeles County Auditor-Controller

January 2013	February 2013	March 2013	Estimated April 2013	Estimated May 2013	Estimated June 2013	
						PROPERTY TAX GROUP
795,003	444,307	629,180	1,455,397	726,670	133,486	**Tax Collector Trust Fund**
873,382	549,077	347,905	1,693,093	613,865	535,523	**Auditor Unapportioned Property Tax**
55,760	55,250	51,687	53,459	86,649	117,399	**Unsecured Property Tax**
9,001	8,991	8,652	8,726	8,844	8,527	**Miscellaneous Fees & Taxes**
31,896	31,524	22,985	19,997	31,728	23,139	**State Redemption Fund**
62,789	33,152	3,249	86,278	0	1,497	**Education Revenue Augmentation**
19,035	1,214	1,214	2,484	26,803	10,312	**State Reimbursement Fund**
88,981	21,185	38,506	34,175	95,833	0	**Sales Tax Replacement Fund**
596,579	250,598	356,034	357,477	511,196	3,347	**Vehicle License Fee Replacement Fund**
1,751	663	1,393	(22,617)	(33,593)	(18,123)	**Property Tax Rebate Fund**
10,630	4,929	9,766	3,461	36,148	10,964	**Utility User Tax Trust Fund**
$ 2,544,807	$ 1,400,890	$ 1,470,571	$ 3,691,932	$ 2,104,144	$ 826,071	**Subtotal**
						VARIOUS TRUST GROUP
440,580	433,269	446,496	545,463	423,642	419,434	**Departmental Trust Fund**
44,392	44,346	51,007	52,239	58,821	48,844	**Payroll Revolving Fund**
41,491	41,497	41,511	41,143	39,257	39,331	**Asset Development Fund**
4,724	4,792	4,688	5,658	7,447	7,116	**Productivity Investment Fund**
1,116	1,095	1,032	2,058	2,349	2,350	**Motor Vehicle Capital Outlays**
216	210	63	59	46	391	**Civic Center Parking**
584	449	555	951	487	1,009	**Reporters Salary Fund**
12,051	11,765	12,315	11,266	8,895	9,287	**Cable TV Franchise Fund**
17,949	17,900	17,782	19,039	19,674	19,597	**Megaflex Long-Term Disability**
7,280	7,333	7,419	6,742	4,852	4,933	**Megaflex Long-Term Disability & Health**
32,468	32,666	32,986	30,047	21,412	21,781	**Megaflex Short-Term Disability**
$ 602,851	$ 595,322	$ 615,854	$ 714,666	$ 586,881	$ 574,072	**Subtotal**
						HOSPITAL GROUP
929	(413)	193	1,000	1,000	1,000	**Harbor-UCLA Medical Center**
669	74	(1,190)	1,000	1,000	1,000	**Olive View-UCLA Medical Center**
(401)	1,338	3,660	1,000	1,000	1,000	**LAC + USC Medical Center**
483	456	456	1,000	1,000	1,000	**MLK Ambulatory Care Center**
923	150	1,453	1,000	1,000	1,000	**Rancho Los Amigos Rehab Center**
0	0	0	0	0	0	**LAC+USC Medical Center Equipment**
$ 2,603	$ 1,605	$ 4,572	$ 5,000	$ 5,000	$ 5,000	**Subtotal**
$ 3,150,261	**$ 1,997,817**	**$ 2,090,997**	**$ 4,411,598**	**$ 2,696,025**	**$ 1,405,144**	**GRAND TOTAL**

COUNTY OF LOS ANGELES
GENERAL FUND CASH FLOW STATEMENTS

2011-12: 12 MONTHS ACTUAL
2012-13: 09 MONTHS ACTUAL

COUNTY OF LOS ANGELES
GENERAL FUND CASH FLOW ANALYSIS
FISCAL YEAR 2011-12
(in thousands of $)

	July 2011	August 2011	September 2011	October 2011	November 2011
BEGINNING BALANCE	$ 568,002	$ 1,522,684	$ 1,319,842	$ 909,737	$ 419,044
RECEIPTS					
Property Taxes	$ 88,164	$ 94,297	$ 739	$ 20	$ 42,191
Other Taxes	27,857	9,037	8,945	16,728	7,342
Licenses, Permits & Franchises	1,516	5,301	4,126	3,416	2,909
Fines, Forfeitures & Penalties	32,221	25,197	11,476	13,038	20,961
Investment and Rental Income	19,885	8,568	6,419	7,635	10,022
Motor Vehicle (VLF) Realignment	36,843	49,423	38,885	25,190	24,310
Sales Taxes - Proposition 172	53,248	46,097	45,271	45,561	55,719
Sales Taxes Program Realignment	67,972	21,680	112,651	66,499	72,187
Other Intergovernmental Revenue	173,658	236,590	108,855	132,835	139,473
Charges for Current Services	210,319	97,334	93,124	113,107	98,205
Other Revenue & Tobacco Settlement	73,412	34,089	9,414	11,242	37,521
Transfers & Reimbursements	9,116	3,121	121	12,874	6,917
Hospital Loan Repayment	75,849	295,436	73,226	8,188	279,011
Welfare Advances	151,882	300,945	266,236	532,541	321,699
Mental Health Services Act Funding	108,308	0	0	132	29,477
Intrafund Borrowings	0	0	0	0	0
TRANs Sold	1,300,000	0	0	0	0
Total Receipts	$ 2,430,250	$ 1,227,115	$ 779,488	$ 989,006	$ 1,147,944
DISBURSEMENTS					
Welfare Warrants	$ 191,872	$ 210,504	$ 234,244	$ 234,444	$ 227,186
Salaries	387,496	384,254	377,532	377,340	377,731
Employee Benefits	201,511	208,320	160,560	192,698	200,573
Vendor Payments	461,093	378,887	228,851	435,688	298,798
Loans to Hospitals	20,987	33,112	29,972	124,591	169,996
Hospital Subsidy Payments	194,998	194,873	154,665	31,828	32,168
Transfer Payments	17,611	20,007	3,769	83,110	30,552
TRANs Pledge Transfer	0	0	0	0	0
Intrafund Repayment	0	0	0	0	0
Total Disbursements	$ 1,475,568	$ 1,429,957	$ 1,189,593	$ 1,479,699	$ 1,337,004
ENDING BALANCE	**$ 1,522,684**	**$ 1,319,842**	**$ 909,737**	**$ 419,044**	**$ 229,984**
Borrowable Resources (Avg. Balance)	$ 1,321,951	$ 1,069,843	$ 1,142,594	$ 1,449,921	$ 2,695,445
Total Cash Available	$ 2,844,635	$ 2,389,685	$ 2,052,331	$ 1,868,965	$ 2,925,429

*The net change in the outstanding Hospital Loan Balance is an estimated decrease of $215.6 million and can be calculated by subtracting the "Hospital Loan Repayment" Receipt from the "Loans to Hospitals" Disbursement shown above.

	December 2011	January 2012	February 2012	March 2012	April 2012	May 2012	June 2012	Total 2011-12	
	$ 229,984	$ 440,436	$ 511,073	$ 182,090	$ (272,434)	$ 297,983	$ 550,740		
	$ 983,893	$ 820,119	$ 151,453	$ 10,508	$ 718,956	$ 758,325	$ 56,659	$ 3,725,324	
	8,641	23,131	7,707	7,418	18,734	13,757	23,406	172,703	
	3,926	122	10,319	4,310	12,667	5,434	4,596	58,642	
	11,115	12,087	22,076	18,514	14,103	25,826	11,766	218,380	
	8,752	9,605	9,258	7,159	6,668	8,941	8,594	111,506	
	25,762	26,824	27,470	27,263	27,233	27,802	29,347	366,352	
	51,421	39,337	63,675	43,167	44,823	58,875	47,302	594,496	
	73,104	57,871	86,754	69,712	73,822	134,998	125,549	962,799	
	142,555	118,874	162,666	173,554	125,251	68,523	220,267	1,803,101	
	195,245	168,355	79,693	113,041	167,671	162,096	180,048	1,678,238	
	20,257	16,903	21,174	16,971	90,220	21,499	39,435	392,137	
	25,721	24,267	27,269	10,041	14,531	10,368	18,694	163,040	
	47,351	209,756	60,265	91,646	597,361	86,918	253,038	2,078,045	*
	271,246	351,803	306,114	289,527	328,986	351,612	380,346	3,852,937	
	76,750	29,482	10,552	26,937	31,892	36,994	17,635	368,159	
	0	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	1,300,000	
	$ 1,945,739	$ 1,908,536	$ 1,046,445	$ 909,768	$ 2,272,918	$ 1,771,968	$ 1,416,682	$ 17,845,859	
	$ 213,576	$ 206,330	$ 215,056	$ 226,194	$ 202,262	$ 228,970	$ 215,314	$ 2,605,952	
	390,475	393,825	391,685	381,128	390,614	380,994	386,355	4,619,429	
	201,840	226,798	223,254	187,984	219,911	218,227	181,902	2,423,578	
	263,622	304,997	261,361	263,030	288,618	372,531	260,391	3,817,867	
	160,570	237,049	147,592	231,283	245,700	253,069	98,121	1,752,042	*
	3,175	0	0	4,167	0	0	0	615,874	
	20,300	78,900	6,480	5,506	95,396	65,420	7,977	435,028	
	481,729	390,000	130,000	65,000	260,000	0	0	1,326,729	
	0	0	0	0	0	0	0	0	
	$ 1,735,287	$ 1,837,899	$ 1,375,428	$ 1,364,292	$ 1,702,501	$ 1,519,211	$ 1,150,060	$ 17,596,499	
	$ 440,436	**$ 511,073**	**$ 182,090**	**$ (272,434)**	**$ 297,983**	**$ 550,740**	**$ 817,362**		
	4,649,489	$ 3,109,882	$ 1,854,014	$ 2,084,584	$ 4,438,428	$ 2,715,846	$ 1,740,788		
	$ 5,089,925	$ 3,620,955	$ 2,036,104	$ 1,812,150	$ 4,736,411	$ 3,266,586	$ 2,558,150		

COUNTY OF LOS ANGELES
GENERAL FUND CASH FLOW ANALYSIS
FISCAL YEAR 2012-13
(in thousands of $)

	July 2012	August 2012	September 2012	October 2012	November 2012
BEGINNING BALANCE	$ 817,362	$ 1,346,913	$ 830,196	$ 332,887	$ 39,288
RECEIPTS					
Property Taxes	$ 190,785	$ 97,224	$ 12	0	$ 42,373
Other Taxes	8,228	15,403	9,268	5,414	23,225
Licenses, Permits & Franchises	1,614	7,628	2,532	3,740	2,527
Fines, Forfeitures & Penalties	33,107	23,045	11,583	12,622	18,662
Investment and Rental Income	7,953	9,061	7,741	7,954	10,397
Motor Vehicle (VLF) Realignment	19,025	31,760	38,218	27,008	27,103
Sales Taxes - Proposition 172	60,808	51,528	48,556	49,713	60,100
Sales Taxes Program Realignment	96,867	64,282	67,855	145,678	123,435
Other Intergovernmental Revenue	66,282	66,124	50,991	50,214	58,356
Charges for Current Services	82,543	233,645	56,676	104,986	114,350
Other Revenue & Tobacco Settlement	57,010	55,917	10,764	29,252	10,429
Transfers & Reimbursements	8,309	68	64	26,593	11,830
Hospital Loan Repayment	0	28,908	64,866	273,913	20,407
Welfare Advances	235,975	266,594	347,883	379,759	386,926
Mental Health Services Act Funding	87,363	(320)	10,952	26,184	11,976
Intrafund Borrowings	0	0	0	0	0
TRANs Sold	1,100,000	0	0	0	0
Total Receipts	$ 2,055,869	$ 950,867	$ 727,961	$ 1,143,030	$ 922,096
DISBURSEMENTS					
Welfare Warrants	$ 182,126	$ 207,257	$ 229,790	$ 239,949	$ 222,748
Salaries	395,392	391,636	385,900	384,581	389,151
Employee Benefits	221,487	226,339	155,838	167,247	157,155
Vendor Payments	526,935	417,409	284,267	374,618	266,027
Loans to Hospitals	0	10,509	56,344	169,433	160,617
Hospital Subsidy Payments	178,016	184,087	109,316	21,305	15,313
Transfer Payments	22,362	30,346	3,815	79,496	18,262
TRANs Pledge Transfer	0	0	0	0	0
Intrafund Repayment	0	0	0	0	0
Total Disbursements	$ 1,526,318	$ 1,467,583	$ 1,225,270	$ 1,436,629	$ 1,229,273
ENDING BALANCE	**$ 1,346,913**	**$ 830,197**	**$ 332,887**	**$ 39,288**	**$ (267,889)**
Borrowable Resources(Avg. Balance)	$ 1,525,334	$ 1,123,337	$ 1,186,943	$ 1,635,585	$ 2,933,305
Total Cash Available	$ 2,872,247	$ 1,953,534	$ 1,519,830	$ 1,674,873	$ 2,665,416

*Estimate from 2012-13 TRANs

December 2012	January 2013	February 2013	March 2013	Estimated April 2013	Estimated May 2013	Estimated June 2013	Total 2011-13
$ (267,888)	$ 378,664	$ 504,484	$ 235,126	$ (176,793)	$ 199,016	$ 411,067	
$ 1,004,757	$ 895,054	$ 211,315	$ 8,169	$ 718,331	$ 789,081	$ 7,750	$ 3,964,851
11,144	126,791	10,660	18,830	15,856	8,810	15,402	269,031
2,071	3,160	9,090	10,771	7,971	3,909	2,936	57,950
11,376	11,700	25,211	13,183	16,417	33,628	14,500	225,034
9,938	9,963	8,260	8,366	6,466	9,634	8,689	104,422
27,069	24,562	32,608	26,311	27,404	26,875	28,417	336,360
48,606	47,417	73,779	44,001	40,758	55,474	47,047	627,787
76,091	74,512	153,728	90,065	106,588	123,187	131,881	1,254,169
346,312	265,370	78,127	117,183	96,322	148,745	220,816	1,564,842
139,002	169,561	88,974	106,040	108,847	188,537	128,047	1,521,208
21,384	48,772	27,905	32,558	82,773	22,697	24,666	424,127
42,973	5,598	9,309	19,247	8,125	8,668	16,031	156,815
225,272	63,655	307,754	0	149,285	375,849	486,191	1,996,100
295,155	324,654	314,398	297,939	348,270	348,308	389,343	3,935,204
48,382	44,582	32,719	25,226	20,522	20,825	20,378	348,789
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	1,100,000
$ 2,309,532	$ 2,115,351	$ 1,383,837	$ 817,889	$ 1,753,936	$ 2,164,229	$ 1,542,094	$ 17,886,691
$ 216,000	$ 188,607	$ 184,623	$ 241,571	$ 220,222	$ 246,277	$ 235,887	$ 2,615,057
397,851	402,459	393,662	377,947	414,067	408,019	409,420	4,750,085
138,792	491,450	246,070	205,339	224,183	211,397	182,999	2,628,296
324,475	382,967	288,728	312,564	221,679	277,069	217,736	3,894,474
177,089	317,388	178,919	154,054	331,678	274,537	256,245	2,086,813
1,828	0	0	0	0	0	0	509,865
4,167	89,896	3,022	43,794	73,493	67,928	5,762	442,343
402,778	330,000	110,000	55,000	220,000	0	0	1,117,778
0	0	0	0	0	0	0	0
$ 1,662,980	$ 2,202,767	$ 1,405,024	$ 1,390,269	$ 1,705,323	$ 1,485,226	$ 1,308,049	$ 18,044,710
$ 378,664	**$ 291,248**	**$ 483,297**	**$ (337,254)**	**$ (128,180)**	**$ 878,019**	**$ 645,112**	
5,174,854	$ 3,150,261	$ 1,997,817	$ 2,090,997	$ 4,411,598	$ 2,696,025	$ 1,405,144	
$ 5,553,518	$ 3,441,509	$ 2,481,114	$ 1,753,743	$ 4,283,418	$ 3,574,045	$ 2,050,255	

DEBT SUMMARY

INTRODUCTION

The County has issued various types of notes, bonds, and certificates to finance and refinance its cash management requirements, the replacement of essential equipment, and the acquisition, construction and/or improvement of government buildings and public facilities. The County has not entered into any swap agreements, or other similar interest rate derivative contracts, in connection with its outstanding debt.

OUTSTANDING OBLIGATIONS

As of July 1, 2012, approximately $1.371 billion of intermediate and long-term obligations were outstanding. The General Fund is responsible for repayment of $534.8 million of the outstanding debt. Revenues from special districts, special funds and Hospital Enterprise Funds will secure the remaining $835.8 million of outstanding obligations.

The table below identifies the funding sources for the County's debt payments due in 2012-13.

COUNTY OF LOS ANGELES
ADDITIONAL FUNDING SOURCES FOR REPAYMENT OF COUNTY INTERMEDIATE AND LONG-TERM OBLIGATIONS

2012-13 Payments

Funding Source	2012-13 Payment
Total 2012-13 Payment Obligations	$158,054,319
Less: Sources of Non-General Fund Entities:	
Hospital Enterprise Fund	47,285,396
Courthouse Construction Funds	25,709,969
Special Districts/Special Funds	3,285,646
Net 2012-13 General Fund Obligations	$81,773,308

Source: Los Angeles County Auditor-Controller

The principal amount of the County's outstanding intermediate and long-term debt obligations increased to $1.633 billion as of May 1, 2013, which includes debt issuance and repayment activity in Fiscal Year 2012-13. An additional $1.1 billion in TRANs, $27.0 million in Bond Anticipation Notes, and $353.0 million in tax-exempt commercial paper notes were also outstanding as of May 1, 2013. The following table summarizes the outstanding General County debt and note obligations.

SUMMARY OF OUTSTANDING PRINCIPAL

As of May 1, 2013 (in thousands)

Type of Obligation	Outstanding Principal
Total County	
Short-Term Obligations:	
Tax and Revenue Anticipation Notes	$ 1,100,000.0
Bond Anticipation Notes	27,000.0
Tax-Exempt Commercial Paper	353,000.0
Intermediate & Long-Term Obligations	1,632,977.0
Total Outstanding Principal	$ 3,112,977.0

Source: Los Angeles County Treasurer and Tax Collector and Auditor-Controller

The tables at the end of this section provide a detailed summary of the funding sources for the County's outstanding obligations and future debt service payments.

SHORT-TERM OBLIGATIONS

Tax and Revenue Anticipation Notes

In 1977, the County implemented a cash management program to finance its General Fund cash flow deficits, which occur periodically during the fiscal year. Since the program's inception, the County has annually sold varying amounts of tax anticipation notes and tax and revenue anticipation notes (including commercial paper).

Pursuant to a resolution adopted by the Board of Supervisors on May 15, 2012, the County issued $1.1 billion of 2012-13 TRANs on July 2, 2012, with three tranches: $300.0 million due February 28, 2013, $400.0 million due March 29, 2013 and $400.0 million due June 28, 2013. The 2012-13 TRANs are secured by a pledge of the first unrestricted taxes, income, revenue, and cash receipts received by the County during Fiscal Year 2012-13, in the amounts, and on the dates specified in the Financial Summary Section under the heading "2012-13 Tax and Revenue Anticipation Notes" of this Appendix A. Deposit obligations to the Repayment Fund for the 2012-13 TRANs has been satisfied.

Bond Anticipation Notes

The County is currently utilizing the proceeds from the issuance of Bond Anticipation Notes ("BANs") to provide an interim source of funding for the acquisition of equipment on behalf of the County General Fund. The BANs are issued by the Los Angeles County Capital Asset Leasing Corporation ("LAC-CAL") and are purchased by the County Treasury Pool under terms and conditions established by the Board of Supervisors. The BANs are payable within three years of their initial issuance from the proceeds of long-term bonds or other available funds. Repayment is secured by lease agreements between the County and LAC-CAL and a pledge of the acquired equipment. As of May 1, 2013, $27.0 million in BANs are outstanding. The County expects to repay the outstanding BANs in full with the proceeds of intermediate-term bonds to be issued by LAC-CAL on or before June 1, 2014.

Lease Revenue Note Program

In April 2013, the County restructured and expanded its Lease Revenue Commercial Paper Program. Under the new Lease Revenue Note Program (the "Note Program"), the County increased the maximum authorized principal amount from $400 million to $600 million. The short-term lease revenue notes issued through the Note Program will continue to finance construction costs on various capital projects throughout the County. The Note Program consists of three Irrevocable, Direct-Pay Letters of Credit ("LOC") in the aggregate principal amount of $450 million issued by JP Morgan (Series A - $150 million), U.S. Bank (Series B - $100 million) and Wells Fargo (Series C - $200 million); and a Direct Placement Revolving Credit Facility with Bank of America (Series D - $150 million). The Note Program will continue to be secured by a lease-revenue financing structure between LAC-CAL and the County, and the same portfolio of twenty-five County-owned properties pledged as collateral to secure the credit facilities. The four credit agreements, which are scheduled to terminate on April 18, 2016, provide credit enhancement and liquidity facilities to support the issuance of tax-exempt, taxable and 501c(3) eligible short-term revolving notes. As of May October 1, 2013, $353 million of tax-exempt commercial paper notes are outstanding. The Note Program provides the County with a flexible and cost-effective source of financing to provide interim funding during the initial construction phase of a capital project, which will eventually be refinanced with the issuance of long-term bonds upon completion.

INTERMEDIATE AND LONG-TERM OBLIGATIONS

Lease Obligations

Since 1962, the County has financed its capital project and equipment replacement program through various lease arrangements with joint powers authorities and nonprofit corporations, which have issued lease revenue bonds or certificates of participation. As of July 1, 2012, approximately $1.4 billion in principal remained outstanding on such obligations. The County's lease obligations are secured by revenues from various funding sources, including the General Fund, and are subject to annual appropriation. The 2012-13 Adopted Budget contains sufficient appropriations to fund the County's payment obligations in Fiscal Year 2012-13. The County's Board of Supervisors has never failed to appropriate sufficient funding for such obligations, nor has the County abated payments on any of its lease-revenue financings to date.

DEBT RATIOS

The ratio of the General Fund's outstanding debt to the net revenue-producing valuation of the property tax roll (the "Net Local Property Tax Roll") decreased from 0.132% in Fiscal Year 2011-12 to 0.127% in Fiscal Year 2012-13. The following table provides the ratio of the General Fund's outstanding debt to the Net Local Property Tax Roll over the past ten years.

COUNTY OF LOS ANGELES
OUTSTANDING DEBT TO ASSESSED VALUATION AS OF JULY 1

Fiscal Year	Outstanding Principal	Net Local Property Tax Roll	Debt To Value Ratio
2003-04	$3,093,060,550	$695,785,675,323	0.445%
2004-05	2,785,149,946	749,156,125,470	0.372%
2005-06	2,387,949,433	823,746,755,234	0.290%
2006-07	1,786,504,365	913,572,838,291	0.196%
2007-08	1,441,826,104	997,789,741,224	0.145%
2008-09	1,180,113,183	1,067,594,451,410	0.111%
2009-10	972,937,056	1,062,174,404,954	0.092%
2010-11	805,297,030	1,042,339,975,681	0.077%
2011-12	1,397,467,754	1,056,493,252,156	0.132%
2012-13	1,370,642,758	1,079,685,510,076	0.127%

Source: Los Angeles County Assessor and Auditor-Controller

Tobacco Bonds

On February 8, 2006 the California County Tobacco Securitization Agency (the "Agency"), a Joint Exercise of Powers Authority, issued $319.8 million in Tobacco Settlement Asset-Backed Bonds (the "Tobacco Bonds") for the purpose of loaning the proceeds to the Los Angeles County Securitization Corporation (the "Corporation"). The Corporation used the Tobacco Bond proceeds to purchase 25.9% of the County's annual Tobacco Settlement Revenues (the "TSRs") paid by the tobacco companies participating in the Master Settlement Agreement (the "MSA"). The Tobacco Bonds are secured by the 25.9% portion of the annual TSRs, and are not considered a debt obligation of the County.

DPSS Operating Leases

Beginning January 28, 1999 through July 28, 2005, the County entered into several build to suit operating and capital lease agreements with various organizations whereby the County would lease buildings and improvements for use by County Departments including the Department of Public Social Services (the "DPSS Facilities"). In order to facilitate building construction required for the DPSS Facilities, financing was obtained through the sale of Certificates of Participation ("COPs") and Lease Revenue Bonds with the periodic lease payments pledged as security for repayment of the COPs and Bonds. Although these financings are categorized as leases in the County's financial statements, the ultimate obligor for the outstanding debt securities is the County General Fund. The principal amount of the outstanding underlying COPs and Bond obligations decreased to $267.0 million as of May 1, 2013 due to repayment activity in Fiscal Year 2012-13.

COUNTY OF LOS ANGELES
DEBT SUMMARY TABLES

REPORTS AS OF JULY 1, 2012

COMBINED PRINCIPAL AND INTEREST OBLIGATIONS AND OUTSTANDING PRINCIPAL BY FUNDING SOURCE

ENTIRE CURRENT FISCAL YEAR DEBT SERVICE OBLIGATIONS BY FUNDING SOURCE

OUTSTANDING PRINCIPAL BY FUNDING SOURCE

REPORTS AS OF May 1, 2013

SUMMARY OF OUTSTANDING GENERAL COUNTY OBLIGATIONS

ESTIMATED OVERLAPPING DEBT STATEMENT

COUNTY OF LOS ANGELES
COMBINED PRINCIPAL AND INTEREST OBLIGATIONS BY FUNDING SOURCE
AS OF JULY 1, 2012

Fiscal Year	General Fund	Hospital Enterprise Fund	Courthouse Construction Fund	Special Districts / Special Funds	Total Annual Debt Service
2012-13	$ 81,773,308	$ 47,285,396	$ 25,709,969	$ 3,285,646	$ 158,054,319
2013-14	68,090,998	44,036,553	27,324,194	3,347,721	142,799,467
2014-15	70,021,480	50,719,325	26,513,038	3,415,709	150,669,552
2015-16	53,942,057	48,399,607	25,635,249	3,486,084	131,462,996
2016-17	43,951,208	37,421,774	21,865,780	3,554,834	106,793,595
2017-18	40,644,871	30,514,399	16,975,475	3,625,159	91,759,904
2018-19	41,455,314	30,515,050	16,976,475	3,696,640	92,643,479
2019-20	42,286,836	30,517,285	16,965,725	3,773,750	93,543,595
2020-21	42,225,703	30,479,268	16,957,350	3,846,250	93,508,571
2021-22	43,128,172	30,476,286	16,954,300	3,927,000	94,485,758
2022-23	44,068,146	30,471,106	16,951,625	-	91,490,877
2023-24	21,336,851	30,464,064	16,943,875	-	68,744,790
2024-25	21,329,246	30,452,893	16,933,500	-	68,715,639
2025-26	21,324,622	30,446,102	16,929,000	-	68,699,724
2026-27	21,319,857	30,439,103	16,918,875	-	68,677,835
2027-28	21,231,392	30,431,675	16,906,750	-	68,569,817
2028-29	20,926,862	30,422,010	16,905,750	-	68,254,622
2029-30	20,706,986	30,414,175	16,893,613	-	68,014,774
2030-31	20,699,541	30,403,241	9,432,600	-	60,535,382
2031-32	20,692,657	30,393,130	9,431,488	-	60,517,275
2032-33	20,686,831	30,384,573	6,918,000	-	57,989,404
2033-34	20,678,510	30,372,350	6,918,750	-	57,969,610
2034-35	20,671,547	30,362,124	-	-	51,033,671
2035-36	20,663,546	30,350,372	-	-	51,013,918
2039-40	20,630,169	30,301,348	-	-	50,931,518
2040-41	20,621,310	30,288,336	-	-	50,909,647
2041-42	-	-	-	-	-
Total	$ 885,108,019	$ 866,761,547	$ 379,961,382	$ 35,958,793	$ 2,167,789,738

COUNTY OF LOS ANGELES
OUTSTANDING PRINCIPAL OBLIGATIONS BY FUNDING SOURCE
AS OF JULY 1, 2012

Fiscal Year	General Fund	Hospital Enterprise Fund	Courthouse Construction Fund	Special Districts / Special Funds	Total Outstanding Principal
2012-13	$ 534,827,923	$ 554,930,547	$ 252,834,288	$ 28,050,000	$ 1,370,642,758
2013-14	484,873,320	532,744,907	239,074,099	26,040,000	1,282,732,327
2014-15	447,567,848	512,922,824	223,014,357	23,875,000	1,207,380,029
2015-16	407,533,243	485,326,257	207,011,017	21,550,000	1,121,420,517
2016-17	383,051,657	458,763,096	191,140,940	19,050,000	1,052,005,693
2017-18	368,611,095	442,119,969	178,385,000	16,375,000	1,005,491,064
2018-19	357,889,063	431,723,340	170,020,000	13,520,000	973,152,404
2019-20	346,866,443	420,800,187	161,225,000	10,475,000	939,366,630
2020-21	335,526,942	409,323,738	151,990,000	7,225,000	904,065,679
2021-22	316,534,023	397,383,232	142,290,000	3,740,000	859,947,255
2022-23	287,603,559	384,993,545	132,110,000	-	804,707,104
2023-24	256,372,302	372,118,979	121,425,000	-	749,916,281
2024-25	246,679,815	358,714,914	110,200,000	-	715,594,729
2025-26	236,566,357	344,701,032	98,410,000	-	679,677,389
2026-27	225,981,235	330,002,966	86,020,000	-	642,004,202
2027-28	214,900,089	314,585,019	73,005,000	-	602,490,108
2028-29	203,377,909	298,405,545	59,335,000	-	561,118,455
2029-30	191,606,152	281,428,848	44,965,000	-	518,000,000
2030-31	179,476,720	263,613,280	29,895,000	-	472,985,000
2031-32	166,749,828	244,920,172	21,735,000	-	433,405,000
2032-33	153,395,098	225,304,902	13,170,000	-	391,870,000
2033-34	139,380,124	204,719,876	6,750,000	-	350,850,000
2034-35	124,674,529	183,120,471	-	-	307,795,000
2035-36	109,235,780	160,444,220	-	-	269,680,000
2036-37	93,021,347	136,628,653	-	-	229,650,000
2037-38	75,992,750	111,617,250	-	-	187,610,000
2038-39	58,166,190	85,433,810	-	-	143,600,000
2039-40	39,576,097	58,128,903	-	-	97,705,000
2040-41	20,198,169	29,666,831	-	-	49,865,000
2041-42	-	-	-	-	-

Source: Los Angeles County Chief Executive Office
Note: Amounts do not include Tax Exempt Commercial Paper

COUNTY OF LOS ANGELES
COMBINED PRINCIPAL AND INTEREST OBLIGATIONS BY FUNDING SOURCE
AS OF JULY 1, 2012

Title		Total Debt Service	General Fund	Hospital Enterprise Fund	Courthouse Construction Fund	Special Districts / Special Funds
Long-Term Obligations						
Long-Term Capital Projects						
1993 COPs: Disney Parking Project		$ 13,170,000	$ 13,170,000			
2002 Lease Rev Bonds Ser B:						
Downey Courhouse		1,061,976			$ 1,061,976	
Sheriffs Training Academy		876,686	876,686			
San Fernando Court		1,468,388			1,468,388	
Total 2002 Lease Rev Bonds Ser B		$ 3,407,050	$ 876,686	$ 0	$ 2,530,364	$ 0
2005 Lease Rev Refg Bonds Ser A:						
Music Center Improvements		$ 769,021	$ 769,021			
Alhambra Courthouse		584,001			$ 584,001	
Burbank Courthouse		757,784			757,784	
Ameron Building (Sheriff Headquarters)		2,498,738	2,498,738			
Biscailuz Center		221,082	221,082			
Emergency Operations Center		1,960,526	1,960,526			
Harbor/UCLA Medical Center - Primary Care & Diagnostic Center		1,484,754		$ 1,484,754		
Martin Luther King Medical Center - Trauma Center		6,211,313		6,211,313		
Martin Luther King Medical Center - Modular Building (Ped. Trauma)		103,085		103,085		
Rancho Los Amigos Medical Center - 150 Bed Inpatient Unit A		4,384,216		4,384,216		
Rancho Los Amigos Medical Center - Parking Structure		1,636,035		1,636,035		
Rancho Los Amigos Medical Center - Master Plan II (Utilities)		687,303		687,303		
San Fernando Valley Juvenile Hall		973,956	973,956			
Harbor Med Center E.P.S.		0		-		
Total 2005 Lease Rev Refg Bonds Ser A	1900/00	$ 22,271,813	$ 973,956	$ 14,506,706	$ 0	$ 0
2005 Lease Revenue Bonds: Calabasas Landfill Project		$ 3,285,646				$ 3,285,646
2006 Lease Rev Refg Bonds Ser A:						
East Los Angeles Courthouse		$ 1,194,938			$ 1,194,938	
Lynwood Regional Justice Center		10,390,675	$ 10,390,675			
Men's Central Jail - Twin Towers		9,807,225	9,807,225			
Hutton Building - Registrar / Recorder Headquarters		864,475	864,475			
Pomona Municipal Courthouse		133,000			133,000	
Pitchess Honor Rancho Laundry Expansion		66,500	66,500			
Pitchess Honor Rancho Visitors Center		168,800	168,800			
Mira Loma Men's Medium Security Facility		117,650	117,650			
Temple City Sheriff Station		286,450	286,450			
Van Nuys Courthouse		1,185,450			1,185,450	
Total 2006 Lease Rev Refg Bonds Ser A		$ 24,215,163	$ 21,701,775	$ 0	$ 2,513,388	$ 0
2006 Lease Rev Refg Bonds Ser B:						
Michael D. Antonovich Antelope Valley Courthouse		$ 6,919,806			$ 6,919,806	
2010 Multiple Capital Projects I, Series A:						
Coroners Expansion/ Refurbishment		$ 183,412	$ 183,412			
Patriotic Hall Renovation		296,178	296,178			
Olive View Medical Center ER/TB Unit		341,274		$ 341,274		
Olive View Medical Center Seismic		140,591		140,591		
Harbor/UCLA Surgery/ Emergency		2,138,582		2,138,582		
Harbor/UCLA Seismic Retrofit		329,778		329,778		
Hall of Justice Rehabilitation		1,529,022	1,529,022			
Total 2010 Multiple Capital Projects I, Series A		$ 4,958,837	$ 2,008,612	$ 2,950,226	$ 0	$ 0
2010 Multiple Capital Projects I, Federally Taxable Series B:						
Coroners Expansion/ Refurbishment		$ 1,166,023	$ 1,166,023			
Patriotic Hall Renovation		1,882,916	1,882,916			
Olive View Medical Center ER/TB Unit		2,169,611		$ 2,169,611		
Olive View Medical Center Seismic		893,795		893,795		
Harbor/UCLA Surgery/ Emergency		13,595,795		13,595,795		
Harbor/UCLA Seismic Retrofit		2,096,529		2,096,529		
Hall of Justice Rehabilitation		9,720,589	9,720,589			
Total 2010 Multiple Capital Projects I, Series B		$ 31,525,258	$ 12,769,528	$ 18,755,731	$ 0	$ 0
2011 High Desert Solar Complex (Federally Taxable)		$ 2,406,721	2,406,721			
2012 Refg COPs: Disney Parking Project		$ 2,392,986	2,392,986			
Total Long-Term Capital Projects		$ 114,553,282	$ 56,300,264	$ 36,212,662	$ 11,963,557	$ 3,285,646
Total Long-Term Obligations		$ 114,553,282	$ 56,300,264	$ 36,212,662	$ 11,963,557	$ 3,285,646
Intermediate-Term Obligations						
Equipment						
2009 Lease Rev Bonds Ser A (LAC-CAL): LAC-CAL Equipment Program		$ 4,388,000	$ 2,632,800	$ 1,755,200		
2011 Lease Rev Bonds Ser A (LAC-CAL): LAC-CAL Equipment Program		$ 16,815,488	10,089,293	6,726,195		
Total Equipment		$ 21,203,488	$ 12,722,093	$ 8,481,395	$ 0	$ 0
Taxable Bonds						
2009 Lease Rev Bonds Series 2009 (LA Opera)		$ 7,301,583	$ 7,301,583			
Total Intermediate-Term Obligations		$ 28,505,071	$ 20,023,676	$ 8,481,395	$ 0	$ 0
Total Obligations		$ 143,058,352	$ 76,323,940	$ 44,694,057	$ 11,963,557	$ 3,285,646

Source: Los Angeles County Chief Executive Office
Note: Amounts do not include Tax Exempt Commercial Paper

COUNTY OF LOS ANGELES
OUTSTANDING PRINCIPAL BY FUNDING SOURCE
AS OF JULY 1, 2012

Title	Total Outstanding Principal	General Fund	Hospital Enterprise Fund	Courthouse Construction Fund	Special Districts / Special Funds
Long-Term Obligations					
Long-Term Capital Projects					
1993 COPs: Disney Parking Project	$ 27,327,758	$ 27,327,758			
2002 Lease Rev Bonds Ser B:					
Downey Courhouse	4,572,633			$ 4,572,633	
Sheriffs Training Academy	3,774,814	3,774,814			
San Fernando Court	6,322,553			6,322,553	
Total 2002 Lease Rev Bonds Ser B	$ 14,670,000	$ 3,774,814	$ 0	$ 10,895,186	$ 0
2005 Lease Rev Refg Bonds Ser A:					
Music Center Improvements	$ 2,491,181	$ 2,491,181			
Alhambra Courthouse	1,706,798			$ 1,706,798	
Burbank Courthouse	3,155,913			3,155,913	
Ameron Building (Sheriff Headquarters)	5,691,191	5,691,191			
Biscailuz Center	505,685	505,685			
Emergency Operations Center	5,421,817	5,421,817			
Harbor/UCLA Medical Center - Primary Care & Diagnostic Center	4,639,093		$ 4,639,093		
Martin Luther King Medical Center - Trauma Center	25,646,917		25,646,917		
Martin Luther King Medical Center - Modular Building (Ped. Trauma)	267,799		267,799		
Rancho Los Amigos Medical Center - 150 Bed Inpatient Unit A	16,025,402		16,025,402		
Rancho Los Amigos Medical Center - Parking Structure	5,981,690		5,981,690		
Rancho Los Amigos Medical Center - Master Plan II (Utilities)	1,764,925		1,764,925		
San Fernando Valley Juvenile Hall	3,556,848	3,556,848			
Harbor Med Center E.P.S.	0		-		
Total 2005 Lease Rev Refg Bonds Ser A 1900/00	$ 76,855,256	$ 3,556,848	$ 54,325,826	$ 0	$ 0
2005 Lease Revenue Bonds: Calabasas Landfill Project	$ 28,050,000				$ 28,050,000
2006 Lease Rev Refg Bonds Ser A:					
East Los Angeles Courthouse	$ 5,005,000			$ 5,005,000	
Lynwood Regional Justice Center	31,700,000	$ 31,700,000			
Men's Central Jail - Twin Towers	29,970,000	29,970,000			
Hutton Building - Registrar / Recorder Headquarters	845,000	845,000			
Pomona Municipal Courthouse	130,000			130,000	
Pitchess Honor Rancho Laundry Expansion	65,000	65,000			
Pitchess Honor Rancho Visitors Center	165,000	165,000			
Mira Loma Men's Medium Security Facility	115,000	115,000			
Temple City Sheriff Station	280,000	280,000			
Van Nuys Courthouse	8,680,000			8,680,000	
Total 2006 Lease Rev Refg Bonds Ser A	$ 76,955,000	$ 63,140,000	$ 0	$ 13,815,000	$ 0
2006 Lease Rev Refg Bonds Ser B:					
Michael D. Antonovich Antelope Valley Courthouse	$ 92,990,000			$ 92,990,000	
2010 Multiple Capital Projects I, Series A:					
Coroners Expansion/ Refurbishment	$ 3,805,955	$ 3,805,955			
Patriotic Hall Renovation	6,145,932	6,145,932			
Olive View Medical Center ER/TB Unit	7,081,718		$ 7,081,718		
Olive View Medical Center Seismic	2,917,390		2,917,390		
Harbor/UCLA Surgery/ Emergency	44,377,348		44,377,348		
Harbor/UCLA Seismic Retrofit	6,843,176		6,843,176		
Hall of Justice Rehabilitation	31,728,482	31,728,482			
Total 2010 Multiple Capital Projects I, Series A	$ 102,900,000	$ 41,680,368	$ 61,219,632	$ 0	$ 0
2010 Multiple Capital Projects I, Series B:					
Coroners Expansion/ Refurbishment	$ 25,447,194	$ 25,447,194			
Patriotic Hall Renovation	41,092,631	41,092,631			
Olive View Medical Center ER/TB Unit	47,349,441		$ 47,349,441		
Olive View Medical Center Seismic	19,506,113		19,506,113		
Harbor/UCLA Surgery/ Emergency	296,713,674		296,713,674		
Harbor/UCLA Seismic Retrofit	45,754,510		45,754,510		
Hall of Justice Rehabilitation	212,141,438	212,141,438			
Total 2010 Multiple Capital Projects I, Series B	$ 688,005,000	$ 278,681,262	$ 409,323,738	$ 0	$ 0
2011 High Desert Solar Complex (Federally Taxable)	$ 14,000,000	14,000,000			
2012 Refg COPs: Disney Parking Project	$ 50,675,000	50,675,000			
Total Long-Term Capital Projects	$ 1,172,428,014	$ 482,836,050	$ 524,869,195	$ 117,700,186	$ 28,050,000
Total Long-Term Obligations	$ 1,172,428,014	$ 482,836,050	$ 524,869,195	$ 117,700,186	$ 28,050,000
Intermediate-Term Obligations					
Equipment					
2009 Lease Rev Bonds Ser A (LAC-CAL): LAC-CAL Equipment Program	$ 4,240,000	$ 2,544,000	$ 1,696,000		
2011 Lease Rev Bonds Ser A (LAC-CAL): LAC-CAL Equipment Program	$ 47,230,000	28,338,000	18,892,000		
Total Equipment	$ 51,470,000	$ 30,882,000	$ 20,588,000	$ 0	$ 0
Taxable Bonds					
2009 Lease Rev Bonds Series 2009 (LA Opera)	$ 7,000,000	$ 7,000,000			
Total Intermediate-Term Obligations	$ 58,470,000	$ 37,882,000	$ 20,588,000	$ 0	$ 0
Total Obligations	$ 1,230,898,014	$ 520,718,050	$ 545,457,195	$ 117,700,186	$ 28,050,000

Source: Los Angeles County Chief Executive Office
Note: Amounts do not include Tax Exempt Commercial Paper

COUNTY OF LOS ANGELES
SUMMARY OF OUTSTANDING GENERAL FUND AND SPECIAL FUND OBLIGATIONS
AS OF MAY 1, 2013

Title	Outstanding Principal	Total Future Payments		2012-13 FY Payment Remaining
Long-Term Obligations				
Long-Term Capital Projects				
1993 COPs: Disney Parking Project	$ 23,842,515	$ 121,845,000		$ 6,915,000
2002 Lease Rev Bonds Series B - 2002 Master Refunding Project	12,065,000	13,927,100		361,950
2005 Lease Rev Refg Bonds Series A - 2005 Master Refunding Project	189,115,000	256,836,845		4,586,148
2005 Lease Rev Bonds Series A - 2005 Calabasas Landfill Project	28,050,000	35,320,969		2,647,823
2006 Lease Rev Refg Bonds Series A - 2006 Master Refunding Project	55,780,000	60,249,300		1,262,794
2006 Lease Rev Refg Bonds Series B - 2006 Master Refunding Project	90,450,000	147,457,400		2,167,678
2010 Lease Rev Bonds, Series A - 2010 Multiple Capital Projects I	102,900,000	126,143,050		2,479,419
2010 Lease Rev Bonds, Series B - 2010 Multiple Capital Projects I (Federally Taxable)	688,005,000	1,309,363,340	(1)	15,762,629
2011 Lease Rev Bonds - High Desert Solar Complex (Federally Taxable)	11,799,812	13,358,814	(1)	800,583
2012 Refg COPs: Disney Parking Project	50,675,000	74,766,125		1,266,875
2012 Lease Rev Bonds - Multiple Capital Projects II Series 2012	339,410,000	651,153,234		0
Total Long-Term Capital Projects	$ 1,592,092,327	$ 2,810,421,177		$ 38,250,899
Total Long-Term Obligations	$ 1,592,092,327	$ 2,810,421,177		$ 38,250,899
Intermediate-Term Obligations				
Equipment				
2009 Lease Rev Bonds Series A - LAC-CAL Equipment Program	$ 1,680,000	$ 4,388,000		$ 4,388,000
2011 Lease Rev Bonds Series A - LAC-CAL Equipment Program	39,205,000	51,534,988		16,815,488
Total Equipment	$ 40,885,000	$ 55,922,988		$ 21,203,488
Total Intermediate-Term Obligations	$ 40,885,000	$ 55,922,988		$ 21,203,488
Total Obligations	$ 1,632,977,327	$ 2,866,344,165		$ 59,454,386

COPs = Certificates of Participation

(1) Total Future Payments reflects the County's net future payment obligation after receipt of a Federal interest subsidy authorized by the American Recovery and Reinvestment Act (ARRA) of 2009.

Source: Los Angeles County Chief Executive Office
Note: Amounts do not include Tax Exempt Commercial Paper

COUNTY OF LOS ANGELES
ESTIMATED OVERLAPPING DEBT STATEMENT AS OF OCTOBER 1, 2012

Full Cash Value (2012-13): $960,510,110,796 (after deducting $141,357,566,413 redevelopment incremental valuation; including unitary utility valuation)

	Applicable %	Debt as of 10/1/12
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		
Los Angeles County Flood Control District	100.000 %	$ 37,195,000
Metropolitan Water District	47.874	94,093,953
Los Angeles Community College District	100.000	3,469,755,000
Other Community College Districts	Various (1)	2,148,894,017
Arcadia Unified School District	100.000	167,948,174
Beverly Hills Unified School District	100.000	175,092,104
Glendale Unified School District	100.000	164,754,986
Long Beach Unified School District	100.000	511,282,292
Los Angeles Unified School District	100.000	10,945,695,000
Pasadena Unified School District	100.000	390,585,000
Pomona Unified School District	100.000	199,716,870
Santa Monica-Malibu Unified School District	100.000	214,987,846
Torrance Unified School District	100.000	183,285,331
Other Unified School Districts	Various (1)	2,758,005,916
High School and School Districts	Various (1)	1,443,588,537
City of Los Angeles	100.000	1,103,285,000
City of Los Angeles Special Tax Lease Revenue Bonds	100.000	20,090,000
City of Industry	100.000	136,645,000
Other Cities	100.000	82,360,000
Special Districts	100.000	4,580,000
Community Facilities Districts	100.000	786,834,619
Los Angeles County Regional Park & Open Space Assessment District	100.000	142,870,000
1915 Act and Benefit Assessment Bonds - Estimate	100.000	131,691,397
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$ 25,313,236,042
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		
Los Angeles County General Fund Obligations	**100.000 %**	**$ 1,447,164,091**
Compton Unified School District Certificates of Participation	100.000	28,625,000
Los Angeles Unified School District Certificates of Participation	100.000	$ 408,171,030 =R[
Pomona Unified School District Certificates of Participation	100.000	28,585,000
Other Unified School District Certificates of Participation	Various (2)	146,577,838
High School and School District General Fund Obligations	Various (2)	153,401,390
City of Beverly Hills General Fund Obligations	100.000	205,410,000
City of Los Angeles General Fund and Judgment Obligations	100.000	1,901,655,000
City of Long Beach General Fund Obligations	100.000	202,770,000
City of Long Beach Pension Obligations	100.000	50,205,000
City of Pasadena General Fund Obligations	100.000	487,496,708
City of Pasadena Pension Obligations	100.000	144,687,765
Other Cities' General Fund Obligations	100.000	1,321,265,901
Los Angeles County Sanitation Districts General Fund Obligations	100.000	272,730,952
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		$ 6,798,745,675
Less: **Los Angeles County Lease Revenue Bonds supported by landfill revenues**		**(16,698,164)**
Los Angeles Unified School District Qualified Zone Academy Bonds supported by investment funds		(4,409,000)
Cities' self-supporting bonds		(178,833,544)
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		$ 6,598,804,967
GROSS COMBINED TOTAL DEBT		$ 32,111,981,717 (3)
NET COMBINED TOTAL DEBT		$ 31,912,041,009

(1) All 100%, or almost 100%, except for Antelope Valley Joint Union High School and Community College District, Fullerton Union High School District, Las Virgenes Joint Unified School District, North Orange County Joint Community College District, and the schools and special districts included in them.

(2) All 100%, or almost 100%, except for Fullerton Union High School District, Las Virgenes Joint Unified School District, Snowline Joint Unified School District, Victor Valley Joint Community College District, and the schools and special districts included in them.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations. Except for Los Angeles Unified School District Qualified Zone Academy Bonds (QZABs) are included based on principal due at maturity.

RATIOS TO 2012-13 ASSESSED VALUATION	
Total Direct and Overlapping Tax and Assessment Debt	2.300 %

RATIOS TO FULL CASH VALUE (ADJUSTED ASSESSED VALUATION)	
Gross Combined Direct Debt ($1,447,164,091)	**0.150 %**
Net Combined Direct Debt ($1,430,465,927)	**0.150 %**
Gross Combined Total Debt	3.350 %
Net Combined Total Debt	3.330 %

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/12: $ 0

Source: California Municipal Statistics. The above report is included for general information purposes only. The County has not reviewed the debt report for completeness or accuracy and makes no representations in connection therewith.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Economic Overview

With a 2012 Gross Product of $577.5 billion, Los Angeles County's economy is larger than that of 45 states and all but 19 countries. The County serves as the central trade district for the western United States and the U.S. gateway to the Asian economies, as it has evolved into a leader in international commerce and investments. While still working through the effects of a severe recession, the County's economy experienced continued growth in 2012, with an increase of 3.6% in economic output (as measured by Gross Product), a 3.4% increase in personal income and a 9.5% increase in taxable retail sales. The economic recovery is expected to continue in 2013, with several sectors of the local economy experiencing growth.

The County's unemployment rate averaged 11.1% in 2012, which represents an improvement from its 2011 unemployment rate of 12.3%. In 2013 and 2014, the job market is expected to show continued improvement, with a projected decline in the unemployment rate to 9.8% and 8.9%, respectively. The significant job losses during the recession of 2008 and 2009 were partially offset by the positive impact of major public and private construction projects. With over $16 billion in voter-approved general obligation bond measures, historically low interest rates and cost-effective financing programs and incentives provided by the Federal government, local governments and school and community college districts have undertaken major capital construction projects.

The increase in sales tax revenue ensuing from the 2008 voter-approved Measure R provides funding for major highway and transit projects that are currently underway throughout the County. In addition, hospitals throughout the County are engaged in building programs to meet stricter earthquake standards and other regulatory requirements. These major construction projects, combined with the terminal expansions under way at the two primary sea ports (Los Angeles and Long Beach) and the expansion of the Bradley International Terminal at the Los Angeles International Airport ("LAX"), have provided continued support to a struggling job market in the County.

In terms of its industrial base, diversity continues to be the County's greatest strength, with wholesale and retail trade, health care, manufacturing, and leisure and hospitality being the leading employment sectors in the private economy. The Los Angeles Customs District ("LACD"), which includes LAX, Port Hueneme, Port of Los Angeles, and the Port of Long Beach, is the largest customs district in the nation. The Los Angeles region is the largest manufacturing center in the nation, with over 359,600 workers employed in this sector in 2012. The two major seaports (Port of Los Angeles and Port of Long Beach) encompass the largest port complex in the nation as measured by cargo tonnage and the number of containers handled, and is ranked sixth largest among world's port facilities.

Quality of Life

Higher Education

The County is home to an extensive education system, with 120 colleges and university campuses, including UCLA; five state university campuses; 21 community colleges; prestigious private universities such as USC, Occidental and Claremont College; religious-affiliated universities such as Pepperdine and Azusa Pacific; renowned technology schools such as the California Institute of Technology and the affiliated Jet Propulsion Laboratory; and specialized institutions such as the California Institute of the Arts, the Art Center College of Design, the Fashion Institute of Design and Merchandising, and the Otis College of Art and Design.

Culture

The County is the cultural center of the western United States and has been referred to as the "entertainment capital of the world", offering world-class museums, theaters, and music venues. The County is home to the world's leading movie studios, television networks, recording studios video game developers, publishers and artists, creating one of the largest centers for art and entertainment activity in the nation.

The Performing Arts Center of Los Angeles County, which includes the Dorothy Chandler Pavilion, Ahmanson Theater, Mark Taper Forum and Walt Disney Concert Hall, is one of the three largest performing art venues in the nation. The County features more musical and theatrical productions and has more weekly openings than most major cities in the world. The County is home to the Los Angeles Philharmonic Orchestra, which is recognized as one of the finest symphony orchestras in the world.

The County has among the largest number of museums per capita relative to other large metropolitan areas in the world. The area's museums showcase some of the world's finest collections of art, sculpture, manuscripts, and antiquities; as well as providing a historical overview of the area's ethnic heritage and experience. Major institutions include the Los Angeles County Museum of Art, the Los Angeles County Museum of Natural History, the Norton Simon Museum, the J. Paul Getty Museum, the Museum of Contemporary Art, and the Huntington Library. Construction on the new Broad Museum of Contemporary Art is underway with an expected completion date in 2014. The 3-story structure is located adjacent to the iconic Walt Disney Concert Hall, and will further strengthen and help establish downtown Los Angeles as a premiere cultural destination on the west coast.

Recreation

With its geographic size, location, topography, mild climate, and an average of 329 days of sunshine per year, Los Angeles County offers a full spectrum of recreational activities that are enjoyed by residents and visitors on a year-round basis. The County owns and maintains the world's largest man-made recreational harbor at Marina del Rey, and manages 63,000 acres of parks, trails, natural habitat and the world's largest public golf course system. Each year, millions of people visit the County's 31 miles of public beaches stretching along its 75-mile coastline, with bike enthusiasts able to enjoy the County's 22-mile beach bikeway.

Millions of visitors continue to enjoy the County's multitude of amusement parks, zoos, museums, theaters, sporting venues, motion picture and television studios, parklands, and world-renowned restaurants and retail centers. In addition, the County is the host to a number of major annual events such as the January 1st Rose Parade and Rose Bowl game, and the

Academy Awards. Los Angeles County has been a prior host to major sporting events such as the Summer Olympics, the World Cup, and the Super Bowl.

Population

The County is the most populous county in the U.S. with over 9.9 million people estimated to be residing within its borders. The County's population makes it equivalent to the eighth largest state in the nation and accounts for approximately 26.20% of the total population of California. The demographic profile of the County indicates that 47.7% of the population is Hispanic and 52.3% non-Hispanic, of which, 27.8% are White; 13.7% are Asian-Pacific Islander; 8.7% are African American; and 2.5% are other races. The County is also home to the highest number of foreign–born residents in the nation and has the largest population of persons of Chinese, Filipino, Japanese, Korean, Mexican, Salvadoran and Thai descent outside their native countries. With 97 consulates, the County has a larger consular corps than any other U.S. city outside of Washington D.C. with more than 220 languages and cultures represented across the County. It is estimated that 75.9% of the adult population has a high school diploma or higher, and 29% has a bachelor's degree or higher. Table B illustrates the recent historical growth of the County's population.

Employment

The current economic downturn, which started in late 2007, affected the entire nation and caused a significant adverse impact to the local economy. The unemployment rate climbed to 12.3% in 2011 but decreased to 11.1% in 2012. In comparison, the average unemployment rates for the State of California and the nation in 2012 were 10.5% and 8.1%, respectively. The employment situation in the County showed signs of improvement in 2012, with estimated total net job growth of 17,700 among the various sectors of the local economy. In 2013, total non-farm employment is projected to grow by 1.7% (22,900 jobs), resulting in a lower unemployment rate in the County of 10%. Table F details the non-agricultural employment statistics by sector for the County from 2008 through 2012.

Personal Income

Total personal income grew in the County by an estimated 3.4% in 2012. The 2012 total personal income of $435.3 billion represents an estimated 25.53% of the total personal income generated in California. The Los Angeles Economic Development Corporation ("LAEDC") is projecting continued growth in personal income of 3.6% for 2013 and 4.6% for 2014. Table C provides a summary of the personal income statistics for the County from 2008 through 2012.

Consumer Spending

The County is a national leader in consumer spending. As reported by LAEDC, the County experienced a 9.4% increase in taxable retail sales in 2012, with continued growth of 5.9% projected for 2013. The $97.9 billion of taxable retail sales in the County in 2012 represents over 25.3% of the total retail sales in California. Table D provides a summary of taxable retail sales activity in the County from 2008 through 2012.

Industry

With an estimated annual economic output of $577.5 billion in 2012, the County continues to rank among the world's largest economies. Its 2012 Gross Product represents approximately 28.2% of the total economic output in California and 3.8% of the Gross Product of the United States. The County's business environment is distinguished by its diversity and balance and it is recognized as a world leader in technology, electronics, energy, communications, and entertainment. The top industries in the manufacturing sector include computer and electronics, apparel, transportation equipment, fabricated metal products, and food. Table A provides the Gross Product statistics for the County from 2008 through 2012.

International Trade

Due to its strategic location, broad transportation network and extensive cargo facilities, the County has become the leading center of international trade in the United States. The County's airports and extensive port facilities serve as the gateway for the Southern California region's thriving international trade. The value of two-way trade in the LACD experienced steady increase over the past decade, resulting in a record level of $355.8 billion in 2008. In 2010, the LACD handled approximately $346.8 billion worth of international trade, which represents a 22.6% increase from 2009 and a significant improvement from the 20.5% decrease in the value of trade that occurred from 2008 to 2009. With the strong performance of the LACD in 2011 and 2012, the value of two-way trade surpassed the record level attained in 2008. In 2012, the LACD handled approximately $403.4 billion worth of international trade, which represents a 4.3% increase compared to 2011. With the strong performance of the LACD in 2012, the value of two-way trade has surpassed the previous record level attained in 2008 by 13.4%. Based on the latest LAEDC projections, international trade is expected to exceed $400 billion in 2013 and continue to grow in 2014. The LACD maintained its ranking as the top customs district in the nation for international trade in 2012, with China, Japan, South Korea, Taiwan and Thailand being the top trading partners. The LAEDC has projected an increase of 3% for 2013 in the value of international trade handled through the LACD.

Transportation/Infrastructure

The County is one of the world's largest transportation centers. The region's ports, airports, integrated rail and highway facilities are part of an extensive transportation infrastructure that provides valuable service to residents, visitors, and industry.

Airports and Harbors

All transcontinental airlines and many international carriers serve the Los Angeles area through major air terminals at LAX, Long Beach Airport and the Bob Hope Airport in Burbank. LAX is ranked as the sixth busiest airport in the world and third in the United States for passenger traffic. In 2012, LAX served 63.7 million passengers, representing a 3% increase from the previous year. The 1.9 million tons of air cargo handled at LAX in 2012, and the corresponding value of $80 billion, represents a decrease of 3.8% and 4.8%, respectively from the 2010 levels. A $4.1 billion capital improvement project is currently underway at LAX, which is expected to generate approximately 40,000 local jobs.

The Ports of Los Angeles and Long Beach are adjacent ports that encompass the nation's largest port complex in terms of annual cargo tonnage and container volume. The combined Los Angeles/Long Beach port complex has been the fastest growing port facility in the United States, and are the busiest port complex in the U.S. and western hemisphere, and the eighth busiest in the world. The port complex is a powerful economic force in the region, with a direct connection to hundreds of thousands of jobs in Southern California and billions of dollars in state and local tax revenue. In 2012, the port complex experienced a 0.8% increase in the volume of cargo from 2011, and is projecting continued growth in 2013 and 2014.

The Port of Los Angeles is one of the largest man-made harbors in the world. In 2012, it was ranked as the busiest container port in the United States for the thirteenth consecutive year, and the sixteenth busiest in the world, as measured by annual container volume. The Port of Los Angeles covers over 7,500 acres and includes 43 miles of waterfront. The Port has 24 passenger and cargo terminals, including facilities to handle automobiles, containers, dry bulk and liquid bulk products. In 2012, the Port handled over 8.1 million TEUs, which represents a 1.7% increase in container volume from 2011.

The Port of Long Beach is also among the world's busiest container ports, and was ranked behind the Port of Los Angeles as the second busiest port in the nation, and the eighteenth busiest in the world in 2011. The Port of Long Beach covers over 3,200 acres with 10 separate piers. In 2012, the port handled over 6.1 million TEUs of container cargo, which represents a slight decrease of 0.25% from 2011. The decrease in activity was attributed to the loss of one of its seven container terminal customers (Hyundai).

Port Expansion

The Ports of Los Angeles and Long Beach are currently in the process of major ongoing expansion programs that will facilitate further growth and expansion of trade activity. The expansion of port facilities will continue to have a positive economic impact on the region through the creation of new jobs in the trade-related sectors of the local economy. The various expansion related projects will enable the region to more effectively manage higher volumes of imports and exports and provide a faster and more efficient system for the transportation of cargo from the port complex to markets nationwide.

Metro System

The Metro System is a multi-modal and integrated passenger transportation system that provides service to the greater Los Angeles area. The Metro System was designed to meet the travel needs of the area's diverse population centers through a variety of transportation services that will be implemented over a 30-year period. The integrated Metro System is administered and operated by the Los Angeles County Metropolitan Transportation Authority ("MTA"), which is responsible for the planning, design, construction and operation of the public transportation system for the County. The Fiscal Year 2012-13 operating budget for the MTA is $4.5 billion, which is funded primarily through voter approved State and local sales taxes, State gasoline taxes, and various Federal, State and local grants.

Visitor and Convention Business

Tens of millions of visitors travel to Southern California each year, providing a significant contribution to the County's economy. In 2012, the Los Angeles region hosted a record high 27.9 million overnight visitors, representing a 1.3% increase from 2011. The newly built hotels in downtown Los Angeles and Hollywood are attracting business as well as leisure travelers to the County. According to the Los Angeles Convention and Visitors Bureau, the Los Angeles region was the third ranked destination for overseas visitors in 2012, with tourists and business travelers spending $16.5 billion (as reported by the Bureau of Economic Analysis), representing a significant increase of 6.7% from 2011. The new convention center hotel and the higher number of conferences scheduled for 2013 will help facilitate continued growth in this sector of the local economy.

Real Estate and Construction

The County's residential housing market experienced a significant downturn starting in late 2007. The average annual median price for new and existing homes decreased by nearly 46% from a peak of $532,281 in 2007 to a cyclical low of $290,015 in January 2012. However, the real estate market stabilized in 2012, and has continued to show signs of a recovery, as the average median home price increased by 8.3% to $358,185 in December 2012. Other positive trends also suggest a more stable housing market. After a record high of 105,433 in 2009, notices of default recorded decreased by nearly 53% to 49,354 in 2012, and have leveled off at approximately 5,000 per month over the last two quarters of 2012. Foreclosures, as measured by the number of trustees deeds recorded, decreased by over 57% from a cyclical high of 39,774 in 2008 to 17,123 in 2012. The positive trend continued over the last six months of 2012, as the number of foreclosures averaged only 1,345 per month from July through December.

The commercial real estate sector experienced mixed results in 2011. Construction lending experienced a significant increase of 41% from $3.258 billion in 2011 to $4.601 billion in 2012. Office market vacancy rates were essentially unchanged from 2011 to 2012 with an average of16.8%, which is still significantly higher than the 9.7% vacancy rate in 2007, prior to the severe economic downturn. Industrial market vacancy rates experienced improvement from 2.9% in 2011 to 2.1% in 2012, but are still nearly one half times greater than the 1.5% vacancy rate in 2007.

Despite the severe downturn in the housing market from 2007 to 2011, the County has maintained relatively stable assessed valuations. The stability of the property tax base is primarily due to the significant amount "stored value" in the secured property tax roll as a result of Proposition 13. For Fiscal Year 2012-13, the County Assessor is reporting a Net Local Roll of $1.08 trillion, which represents a 2.20% increase from the Net Local Roll of $1.056 trillion in Fiscal Year 2011-12.

TABLE A: GROSS PRODUCT OF LOS ANGELES COUNTY (in millions of $)

	2008	2009	2010	2011	2012
Los Angeles County	$548,598	$530,021	$543,740	$557,500	$577,500
State of California	1,911,720	1,847,044	1,901,072	1,958,900	2,045,700
United States	14,291,500	13,939,000	14,526,500	15,094,000	15,653,370
Los Angeles County as a % of California	28.70%	28.70%	28.60%	28.46%	28.23%

Source: Los Angeles Economic Development Corporation - 2013-14 Economic Forecast and Industry Outlook February 2013

TABLE B: POPULATION LEVELS

	2008	2009	2010	2011	2012
Los Angeles County	9,797,000	9,805,000	9,827,000	9,858,000	9,911,700
State of California	36,538,000	36,888,000	37,319,000	37,579,000	37,826,000
Los Angeles County as a % of California	26.81%	26.58%	26.33%	26.23%	26.20%

Source: Los Angeles Economic Development Corporation - 2013-2014 Economic Forecast and Industry Outlook February 2013

TABLE C: TOTAL PERSONAL INCOME: HISTORICAL SUMMARY BY COUNTY (in millions of $)

	2008	2009	2010	2011	2012
Los Angeles County	$417,500	$392,600	$403,100	$420,900	$435,300
Orange County	155,900	145,200	147,200	154,100	160,900
Riverside and San Bernardino Counties	125,600	120,400	123,600	128,900	134,200
Ventura County	37,600	35,500	36,500	38,100	39,400
State of California	1,610,700	1,516,700	1,564,200	1,645,100	1,705,200
Los Angeles County as a % of California	25.92%	25.89%	25.77%	25.59%	25.53%

Source: Los Angeles Economic Development Corporation - 2013-2014 Mid-Year Economic Forecast and Industry Outlook February 2013

TABLE D: TAXABLE RETAIL SALES IN LOS ANGELES COUNTY (in millions of $)

	2008	2009	2010	2011	2012
Los Angeles County	$89,800	$78,400	$82,200	$89,400	$97,900
State of California	357,300	311,200	327,900	354,800	387,500
Los Angeles County as a % of California	25.13%	25.19%	25.07%	25.20%	25.26%

Source: Los Angeles Economic Development Corporation - 2013-2014 Economic Forecast and Industry Outlook February 2013

TABLE E: UNEMPLOYMENT RATES

	2008	2009	2010	2011	2012
Los Angeles County	7.5%	11.6%	12.6%	12.3%	11.1%
State of California	7.2%	11.3%	12.4%	11.7%	10.5%
United States	5.8%	9.3%	9.6%	8.9%	8.1%

Source: Los Angeles Economic Development Corporation - 2013-2014 Economic Forecast and Industry Outlook February 2013

TABLE F: ESTIMATED AVERAGE ANNUAL EMPLOYMENT IN LOS ANGELES COUNTY BY SECTOR

Non-Agricultural Wage and Salary Workers (in thousands)

Employment Sector	2008	2009	2010	2011	2012
Government	603.7	595.8	579.6	565.2	559.7
Wholesale & Retail Trade	640.2	591.5	589.3	598.1	605.6
Health Care & Social Assistance	400.7	404.6	410.9	417.0	418.9
Manufacturing	434.4	389.1	373.2	365.4	359.6
Leisure & Hospitality	401.6	385.6	384.8	392.8	406.3
Professional, Scientific & Technical Services	269.6	250.2	245.6	253.7	259.7
Administrative & Support Services	247.0	215.9	219.6	223.0	242.8
Information	210.3	191.2	191.5	195.6	199.1
Transportation & Utilities	163.1	151.2	150.6	149.9	150.8
Finance & Insurance	153.9	142.3	137.8	137.5	140.1
Construction	145.2	117.3	104.5	103.5	107.8
Educational Services	105.1	110.1	111.1	117.7	127.5
Real Estate	79.4	73.8	71.7	71.9	74.6
Management of Enterprises	56.7	54.4	53.2	54.4	55.7
Other	146.1	137.9	136.7	135.0	134.3
Total	4,057.0	3,810.9	3,760.1	3,780.7	3,842.5

Source: Los Angeles Economic Development Corporation - 2013-2014 Economic Forecast and Industry Outlook February 2013

TABLE G: SUMMARY OF AIRPORT AND PORT ACTIVITY (in thousands)

Type of Activity	2008	2009	2010	2011	2012
International Air Cargo (Tons)					
Los Angeles International Airport	996.5	916.0	1,125.2	1,080.7	1,135.8
As Percentage of Total Air Cargo	47.97%	50.98%	67.63%	57.80%	57.85%
Total Air Cargo (Tons)					
Los Angeles International Airport	2,077.5	1,796.5	1,663.9	1,869.6	1,963.2
Bob Hope Airport (Burbank)	53.7	42.9	44.4	43.9	47.4
Total	2,131.3	1,839.4	1,708.2	1,913.5	2,010.6
International Air Passengers					
Los Angeles International Airport	16,684.8	15,100.9	15,936.0	16,731.3	17,152.9
As Percentage of Total Passengers	27.89%	26.72%	26.98%	27.05%	26.93%
Total Air Passengers					
Los Angeles International Airport	59,820.8	56,520.9	59,070.1	61,862.5	63,688.1
Bob Hope Airport (Burbank)	5,331.4	4,588.4	4,461.3	3,942.3	3,725.5
Total	65,152.2	61,109.3	63,531.4	65,804.8	67,413.6
Container Volume (TEUs)					
Port of Los Angeles	7,850.0	6,749.0	7,831.9	7,940.5	8,077.7
Port of Long Beach	6,487.8	5,067.6	6,263.5	6,061.1	6,045.7
Total	14,337.8	11,816.6	14,095.4	14,001.6	14,123.4

Source: Los Angeles World Airports, LAX - Statistics; Burbank Airport - Statistics; Port of Los Angeles - Statistics; Port ofLong Beach - Statistics

TABLE H: VALUE OF INTERNATIONAL TRADE AT MAJOR CUSTOMS DISTRICTS (in millions of $)

Customs District	2008	2009	2010	2011	2012
Los Angeles, CA	$355,798	$282,898	$346,800	$386,700	$403,500
New York, NY	$353,400	$266,700	$326,500	$387,500	$381,300
Detroit, MI	$236,400	$170,800	$219,000	$243,700	$250,600
Houston, TX	$242,100	$165,800	$211,500	$265,000	$272,600
New Orleans, LA	$214,200	$149,800	$191,500	$230,500	$239,800
Laredo, TX	$173,300	$146,000	$184,500	$215,000	$238,100
Chicago, IL	$153,300	$127,800	$160,700	$176,100	$187,300
Seattle, WA	$120,400	$101,500	$111,100	$128,200	$138,400
Savannah, GA	$101,000	$87,200	$108,900	$126,000	$132,000
Miami, FL	$87,700	$77,650	$93,390	$110,640	$122,110

Source: Los Angeles Economic Development Corporation - 2012 International Trade Report

TABLE I: TOTAL TONNAGE OF MAJOR WEST COAST PORTS (in thousands)

Port	2008	2009	2010	2011	2012
Los Angeles-Long Beach, CA	201,456	167,866	193,591	199,509	201,706
Tacoma, WA	34,701	28,701	27,507	28,428	30,975
Seattle, WA	26,731	25,070	31,337	29,856	25,549
Oakland, CA	28,416	27,872	29,475	30,285	30,305
Portland, OR	21,683	16,348	19,661	19,140	17,948
Kalama, WA	12,320	9,065	11,653	11,570	10,199
San Diego, CA	5,557	3,506	4,074	4,287	4,822
Vancouver, WA	5,903	5,135	6,110	6,198	4,915
Port Hueneme	3,571	2,998	3,356	4,095	4,520

Source: Los Angeles Economic Development Corporation - 2012 International Trade Report

TABLE J: INTERNATIONAL CONTAINER TRAFFIC AT MAJOR U.S. PORTS (in thousands)

Port	2008	2009	2010	2011	2012
Los Angeles-Long Beach, CA	14,338	11,817	14,095	14,002	14,124
New York, NY	5,265	4,562	5,292	5,503	5,530
Savannah, GA	2,616	2,357	2,825	2,945	2,966
Oakland, CA	2,236	2,045	2,330	2,343	2,344
Houston, TX	1,795	1,797	1,812	1,866	1,786
Norfolk, VA	2,083	1,745	1,895	1,918	2,106
Charleston, SC	1,636	1,368	1,280	1,380	921
Seattle, WA	1,704	1,585	2,140	2,034	1,869
Tacoma, WA	1,861	1,546	1,455	1,489	1,455

Source: Los Angeles Economic Development Corporation - 2012 International Trade Report

TABLE K: REAL ESTATE AND CONSTRUCTION INDICATORS IN LOS ANGELES COUNTY

Indicator	2008	2009	2010	2011	2012
1. Construction Lending (in millions)	$ 3,520	$ 2,465	$ 2,128	$ 3,258	$ 4,601
2. Residential Purchase Lending (in millions)	$ 22,256	$ 22,111	$ 22,491	$ 20,469	$ 23,675
3. New & Existing Median Home Prices	$ 397,474	$ 321,550	$ 335,363	$ 316,469	$ 352,106
4. New & Existing Home Sales	65,278	81,072	77,313	74,216	83,680
5. Notices of Default Recorded	84,806	105,433	68,603	64,490	49,354
6. Unsold New Housing (at year-end)	3,117	1,629	1,997	1,517	845
7. Office Market Vacancy Rates	12.2%	16.0%	17.0%	17.0%	16.7%
8. Industrial Market Vacancy Rates	2.2%	3.3%	3.2%	2.9%	2.1%

Source: Real Estate Research Council of Southern California - 4th Quarter 2012

TABLE L: BUILDING PERMITS AND VALUATIONS

	2008	2009	2010	2011	2012
Residential Building Permits					
1. New Residential Permits (Units)					
a. Single Family	3,539	2,131	2,439	2,370	2,756
b. Multi-Family	10,165	3,522	5,029	8,033	7,950
Total Residential Building Permits	13,704	5,653	7,468	10,403	10,706
Building Valuations					
2. Residential Building Valuations (in millions of $)					
a. Single Family	$ 1,134	$ 798	$ 922	$ 1,032	$ 1,128
b. Multi-Family	1,409	522	811	1,222	1,416
c. Alterations and Additions	1,411	1,073	1,110	1,122	674
Residential Building Valuations Subtotal	$ 3,954	$ 2,393	$ 2,843	$ 3,376	$ 3,218
3. Non-Residential Building Valuations (in millions of $)					
a. Office Buildings	$ 446	$ 192	$ 133	$ 156	$ 38
b. Retail Buildings	469	222	263	223	115
c. Hotels and Motels	256	11	28	24	5
d. Industrial Buildings	135	40	56	136	169
e. Alterations and Additions	2,158	1,658	1,662	1,774	1,095
f. Other	1,275	245	532	280	1,171
Non-Residential Building Valuations Subtotal	$ 4,739	$ 2,368	$ 2,674	$ 2,593	$ 2,593
Total Building Valuations (in millions)	$ 8,693	$ 4,761	$ 5,517	$ 5,969	$ 5,811

Source: Real Estate Research Council of Southern California - 4th Quarter 2012

TABLE M: LARGEST PRIVATE SECTOR EMPLOYERS IN LOS ANGELES COUNTY

Company (in order of 2012 Ranking)	Industry	Headquarters	No. of Employees L.A. County	No. of Employees Total
1 Kaiser Permanente	Health Care Provider	Oakland, CA	36,508	174,389
2 Northrop Grumman Corp.	Aerospace/Defense Contractor	Falls Church, VA	18,000	75,000
3 University of Southern California	Education-Private University	Los Angeles, CA	16,623	16,180
4 Target Corp.	Retailer	Minneapolis, MN	14,250	365,000
5 Ralphs/Food 4 Less (Kroger Co.)	Grocery Retailer	Cincinnati, OH	13,200	N/A
6 Cedars-Sinai Medical Center	Medical Center	Los Angeles, CA	12,000	N/A
7 Bank of America Corp.	Banking and Financial Services	Charlotte, NC	12,000	275,500
8 Providence Health & Services	Health Care	Renton, WA	11,403	N/A
9 Boeing Co.	Aerospace/Defense Contractor	Chicago, IL	11,249	165,442
10 Walt Disney Co.	Entertainment	Burbank, CA	10,500	156,000
11 Home Depot	Home Improvement Specialty Retailer	Atlanta, GA	10,250	300,000
12 Wells Fargo	Diversified Financial Services	San Francisco, CA	9,520	275,000
13 Edison International	Electric Utility	Rosemead, CA	8,979	19,930
14 AT&T Inc.	Telecommunications	Dallas, TX	8,900	256,420
15 California Institute of Technology	Private University and Jet Propulsion Lab	Pasadena, CA	8,900	N/A
16 ABM Industries, Inc.	Facility Services, Janitorial, Parking	San Francisco, CA	8,300	97,000
17 Raytheon Co.	Aerospace/Defense Contractor	Waltham, MA	8,200	71,000
18 Warner Bros. Entertainment Inc.	Entertainment	Burbank, CA	8,000	N/A
19 Vons	Grocery Retailer	Pleasanton, CA	7,747	25,309
20 FedEx Corp.	Shipping and Logistics	Memphis, TN	8,000	230,600
21 Dignity Health	Hospitals	San Francisco, CA	7,300	60,000
22 JP Morgan Chase	Banking and Financial Services	New York, NY	6,600	262,882
23 Amgen Inc.	Biotechnology	Thousand Oaks, CA	6,000	17,800
24 Sony Pictures Entertainment	Entertainment	Culver City, CA	6,000	N/A
25 Costco Wholesale	Membership Chain of Warehouse Stores	Issaquah, WA	5,667	159,913

N/A - Not Available
Source: Los Angeles Business Journal - The largest employers ranked by employees in L.A. County - The List, September 2012

APPENDIX B

COUNTY OF LOS ANGELES FINANCIAL STATEMENTS

APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

Upon delivery of the Notes, Squire Sanders (US), LLP., Bond Counsel to the County, proposes to issue an approving opinion in substantially the following form:

[TO COME]

APPENDIX D

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 County and the Underwriters take no responsibility for the completeness or accuracy thereof. 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 Notes, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Notes, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Notes, 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 Official Statement. 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.

1. The Depository Trust Company, New York, NY, will act as securities depository for the Notes (the "Notes"). The Notes 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 certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity of such issue, and will be deposited with DTC.

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 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 a Standard & Poor's rating of AA+. 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. The information on this website is not incorporated herein by reference.

3. Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

4. To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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.

5. 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 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes 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.

6. Redemption notices shall be sent to DTC. If less than all of the Notes 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.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and other payments on the Notes 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 County, 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, the County or its agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and other payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, 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.

9. If applicable, a Beneficial Owner shall give notice to elect to have its Notes purchased or tendered, through its Participant, to the County's designated agent, and shall effect delivery of such Notes by causing the Direct Participant to transfer the Participant's interest in the Notes, on DTC's records, to the County's designated agent. The requirement for physical delivery of Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Notes to the DTC account of the County's designated agent.

10. DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC and the requirements of the Resolution and Financing Certificate with respect to certificated Notes will apply.

12. The information in this Appendix D concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

The Notes are not subject to redemption prior to maturity.

NONE OF THE COUNTY OR THE UNDERWRITERS 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 NOTES FOR REDEMPTION.

$____________

COUNTY OF LOS ANGELES, CALIFORNIA
2013-14 TAX AND REVENUE ANTICIPATION NOTES, SERIES A
2013-14 TAX AND REVENUE ANTICIPATION NOTES, SERIES B

DISCLOSURE CERTIFICATE OF THE COUNTY

This Disclosure Certificate (this **"Disclosure Certificate"**) is executed and delivered by the County of Los Angeles (the **"County"**) in connection with the issuance of $_____________ aggregate principal amount of the County's 2013-14 Tax and Revenue Anticipation Notes, Series A and $_____________ aggregate principal amount of its 2013-14 Tax and Revenue Anticipation Notes, Series B (collectively, the **"Notes"**). The Notes are being issued pursuant to a Resolution adopted by the County on _________, 2013 (the **"Resolution"**), and a Financing Certificate executed by the Treasurer on _________, 2013 (the **"Certificate"**). The County covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Holders and Beneficial Owners of the Notes and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the **"Rule"**).

SECTION 2. Definitions. In addition to the definitions set forth in the Certificate, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

"Commission" shall mean the U.S. Securities and Exchange Commission.

"Dissemination Agent" shall initially mean the County, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

"EMMA System" shall mean the MSRB's Electronic Municipal Market Access system.

"Holders" or **"Noteholders"** shall mean the registered owners of the Notes.

"Listed Events" shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

“MSRB” shall mean 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 Underwriters” shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

SECTION 3. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 3, the County shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Notes:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties of the County;

4. unscheduled draws on any credit enhancement reflecting financial difficulties of the County;

5. substitution of credit or liquidity providers or failure of a credit or liquidity provider to perform its obligations with respect to the Notes;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;

7. modifications to rights of Noteholders, if material;

8. redemption or call of the Notes, if material, and tender offers;

9. defeasances;

10. release, substitution or sale of property securing repayment of the Notes, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership or similar event of the County; *provided* that for the purposes of the events described in this clause, such an event is considered to occur upon: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County;

13. the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of the trustee, if material.

Certain of the foregoing events may not be applicable to the Notes.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, the County shall file a notice of such occurrence not later than ten (10) business days after such occurrence with the MSRB through its EMMA System.

SECTION 4. <u>Termination of Reporting Obligation</u>. The County's obligations under this Disclosure Certificate shall terminate upon the payment in full of all the Notes. If such termination occurs prior to the final maturity of the Notes, the County shall give notice of such termination in the same manner as for a Listed Event under Section 3(a).

SECTION 5. <u>Dissemination Agent</u>. 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, if other than the County, shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate.

SECTION 6. <u>Amendment; Waiver</u>. 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 Section 3(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 Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Notes in the same manner as provided in the Resolution and the Certificate for amendments to the Resolution and the Certificate with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Notes.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any 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 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 notice of occurrence of a Listed Event.

SECTION 8. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandate 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 Resolution or the Certificate, 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.

SECTION 9. 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 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 Notes.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

DATED: _________, 2013

COUNTY OF LOS ANGELES, CALIFORNIA

By: ____________________________________

MARK J. SALADINO
Treasurer and Tax Collector

[Signature Page to Disclosure Certificate for the 2013-14 Tax and Revenue Anticipation Notes]