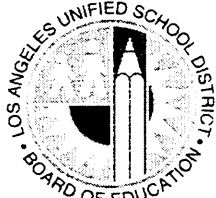


NEW ISSUE—BOOK-ENTRY ONLY

RATINGS:

See "RATINGS" herein.

*In the opinion of Special Co-Counsel, based on existing law and assuming compliance with certain covenants in the documents pertaining to the Series B Certificates and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), as described herein, the portion of each Lease Payment due under the Lease designated as and comprising interest with respect to the Series B Certificates is not includable in the gross income of the holders of the Series B Certificates for federal income tax purposes. In the further opinion of Special Co-Counsel, the portion of each Lease Payment due under the Lease designated as and comprising interest with respect to the Series B Certificates is not treated as an item of tax preference in calculating the federal alternative minimum taxable income of individuals and corporations. Such portion of each Lease Payment, however, is included in the calculation of federal corporate alternative minimum taxable income and may therefore affect a corporation's alternative minimum tax liability. In the further opinion of Special Co-Counsel, the portion of each Lease Payment due under the Lease designated as and comprising interest with respect to the Series B Certificates is exempt from personal income taxes imposed by the State of California. See "TAX MATTERS" herein.*



**\$68,890,000**  
**CERTIFICATES OF PARTICIPATION**  
**(ADMINISTRATION BUILDING PROJECT)**  
**2001 SERIES B**  
**Evidencing Proportionate Interests of the Owners**  
**Thereof in Lease Payments to Be Made by the**  
**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Dated: October 1, 2001

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

The captioned Series B Certificates and the District's Taxable Certificates of Participation (Administration Building Project), 2001 Series C (the "Series C Certificates") which are not offered hereunder, are being executed and delivered pursuant to a Trust Agreement, dated as of October 1, 2001, among the Los Angeles Unified School District (the "District"), the LAUSD Administration Building Finance Corporation, a nonprofit public benefit corporation (the "Corporation") and U.S. Bank Trust National Association, as trustee (the "Trustee") to finance the acquisition and improvement of certain real property and improvements to be used by the District as an administration building (the "Admin Building") and to finance ancillary costs associated therewith. The Series B and the Series C Certificates are collectively referred to herein as the "Certificates." The District will lease certain real property and office space within the Admin Building (the "Property") from the Corporation pursuant to a Lease Agreement, dated as of October 1, 2001 (the "Lease"). See "PLAN OF FINANCE" herein. The Certificates evidence proportionate interests in lease payments (the "Lease Payments") to be made by the District as lessee under the Lease for the use and possession of the Property. The District's obligation to make Lease Payments is subject to abatement in the event of substantial interference with its use and possession of all or part of the Property. See "RISK FACTORS—Abatement" herein.

The Certificates will be initially delivered in book-entry form only, registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Principal and interest with respect to the Certificates will be payable to DTC. DTC is required to remit such principal and interest to its Participants (as defined herein) for subsequent disbursement to the beneficial owners of the Certificates. See "THE CERTIFICATES—Book-Entry Only System." Principal with respect to the Certificates is payable upon surrender of the Certificates at maturity or earlier prepayment at the corporate trust office of the Trustee located in Los Angeles, California. The Certificates are to be delivered as fully registered certificates in the denomination of \$5,000 each, plus integral multiples thereof. Prior to the date of delivery of the Series B Certificates, the District will cause the execution and delivery of \$84,480,000 aggregate principal amount of the Series C Certificates, which will be parity obligations with the Series B Certificates. See the caption "PLAN OF FINANCE" herein. **The Series C Certificates are not offered hereunder.**

The Series B Certificates will be payable as to interest on April 1 and October 1 of each year, commencing on April 1, 2002, at fixed rates, set forth on the inside cover hereof; for informational purposes only, the maturity schedule for the Series C Certificates also appears on the inside cover.

The scheduled payment of principal and interest with respect to the Series B Certificates when due will be insured by a financial guaranty insurance policy (the "Policy") to be issued by Ambac Assurance Corporation (the "Insurer") simultaneously with the delivery of the Series B Certificates. See "THE CERTIFICATES—Security for the Certificates—Municipal Bond Insurance" and APPENDIX G—"FORM OF FINANCIAL GUARANTY INSURANCE POLICY."

**AMBAC**

The Series B Certificates are subject to optional, extraordinary and mandatory sinking fund prepayment prior to their stated maturities as described herein.

The District has covenanted under the Lease that, so long as the Property is available for the District's use, it will take such action as may be necessary to include all Lease Payments and Additional Payments (as defined herein) in its annual budgets, and to make the necessary annual appropriations therefor. See "SOURCES OF PAYMENT OF THE CERTIFICATES" herein.

THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS IS NOT A GENERAL OBLIGATION OF THE DISTRICT. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS CONSTITUTES A DEBT OF THE DISTRICT, THE CORPORATION, THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

THIS COVER PAGE CONTAINS INFORMATION FOR REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS TRANSACTION. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series B Certificates are offered when, as and if delivered and received by the Underwriters, subject to approval as to legality by Sidley Austin Brown & Wood LLP, San Francisco, California, and The Law Offices of Marilyn L. Garcia, Los Angeles, California, Special Co-Counsel. Certain legal matters will be passed upon for the District by General Counsel to the District, for the Corporation by Sidley Austin Brown & Wood LLP, San Francisco, California, and for the Underwriters by Fulbright & Jaworski L.L.P., Los Angeles, California. Sperry Capital Inc., Sausalito, California, and Annette Yee and Company, Carmel, California, served as Financial Co-Advisors to the District in connection with the execution and delivery of the Series B Certificates. It is anticipated that the Series B Certificates will be available through the facilities of DTC in New York, New York, on or about November 6, 2001.

**LEHMAN BROTHERS**  
E. J. DE LA ROSA & CO., INC.

**SALOMON SMITH BARNEY**  
THE CHAPMAN COMPANY

Dated: October 25, 2001