COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

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

September 27, 2004

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

Dear Supervisors:

ISSUANCE AND SALE OF EL MONTE CITY SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
2004 GENERAL OBLIGATION BONDS, (ELECTION 1999, SERIES C)
(FIRST DISTRICT) (3-VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the Resolution authorizing the issuance and sale of general obligation bonds of the El Monte City School District in an amount not to exceed $13,000,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On September 13, 2004, the Governing Board of the El Monte City School District adopted a resolution determining that the District needs to borrow funds in an aggregate principal amount not to exceed $13,000,000 to be used for authorized purposes.

On November 2, 1999, an election was held whereby qualified voters of the District approved the proposition authorizing the District to issue $40,000,000 million in general obligation bonds for various purposes set forth in the ballot submitted to the voters. This will be the third issuance of bonds authorized under this bond measure. The first two issuances were series A in the amount of $14,000,000 issued in May 2000 and series B in the amount of $13,000,000 issued in May 2002.

Pursuant to Section 15140 of the Education Code, the Board of Supervisors is responsible for offering the District's bonds for sale. Such bonds shall be issued in the name and on behalf of such school district by the Board of Supervisors of the County following receipt of the district resolution requesting such borrowing.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal of Service Excellence by providing seamless, one-stop service delivery to the school district. It supports the Strategic Plan Goal of Organizational Effectiveness through collaborative actions among County departments and other governmental jurisdictions. It also supports the Strategic Plan Goal of Fiscal Responsibility by providing investment in and development of public school infrastructure in this County.

FISCAL IMPACT/FINANCING

None to the County. All debt will be paid by the District.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Resolution provides for the issuance of General Obligation Bonds at a maximum interest cost of 12%. The final structure will be determined at the time of pricing to achieve the lowest cost of financing within the limits of the proposition's tax levy. The term of the bonds will not exceed twenty-five years. Provisions for optional redemption of these bonds will be described in the Contract of Purchase.

The Resolution provides for the negotiated sale of the bonds, with participation by the Treasurer and Tax Collector in pricing of the bonds, to the Underwriter. The District has selected RBC Dain Rauscher Inc. as Underwriter; the firm of Stradling, Yocca, Carlson & Rauth as Bond Counsel; and U.S. Bank Trust National Association as Paying Agent.

The County will annually levy and collect ad valorem taxes for the repayment of the bonds on behalf of the District.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not Applicable

CONCLUSION

Upon approval of this Resolution, the Department will need two (2) originally executed copies of the adopted Resolution.

Respectfully submitted,

Anthony Gatzimowich (for)

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:BY
pb: Board: El Monte City SD 1999-C GO Board Letter

Attachments (2)

c: Chief Administrative Officer
Auditor-Controller
County Counsel
El Monte City School District
Los Angeles County Office Of Education
Stradling Yocca Carlson & Rauth
U. S. Bank Trust, National Association

A RESOLUTION OF THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF EL MONTE CITY SCHOOL DISTRICT ELECTION OF 1999 GENERAL OBLIGATION BONDS, SERIES C, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $13,000,000.

WHEREAS, a duly called special election was held in the El Monte City School District (the "District"), Los Angeles County (the "County"), State of California on November 2, 1999 (the "Election") and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by more than the requisite two-thirds vote of the voters of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of $40,000,000 payable from the levy of an ad valorem tax against the taxable property in the District;

WHEREAS, pursuant to Chapter 1 of Part 10 of Division 1 of Title 1 of the California Education Code (the "Act"), bonds are authorized to be issued for the purposes set forth in the ballot submitted to voters;

WHEREAS, the County, on behalf of the District, in May 2000, previously issued $14,000,000 aggregate principal amount of such Bonds (the "Series A Bonds");

WHEREAS, the County, on behalf of the District, in May 2002, previously issued $13,000,000 aggregate principal amount of such Bonds (the "Series B Bonds");

WHEREAS, the Board of Supervisors of the County (the "County Board") has received a resolution (the "District Resolution") by the Board of Education of the District (the "District Board") which requests the County Board to issue a third series of bonds in the name of the District in an aggregate principal amount of not to exceed $13,000,000 at an interest cost not to exceed that authorized by the Election, to be designated as "El Monte City School District, Los Angeles County, California Election of 1999 General Obligation Bonds, Series C" (the "Bonds"); and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY, CALIFORNIA, AS FOLLOWS:

SECTION 1. **Purpose of Bonds**. To raise money for the purposes authorized by voters of the District at the Election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the County authorizes the issuance of the Bonds in the name of the District.

SECTION 2. **Terms and Conditions of Sale**. The Treasurer, as defined below, is hereby authorized to negotiate the sale of the Bonds in consultation with the District's Superintendent (the "Superintendent") or the Deputy Superintendent, Business Services. The Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described below.

SECTION 3. Approval of Purchase Contract. The form of Purchase Contract (the "Purchase Contract") by and among the County, the District and RBC Dain Rauscher Inc. (the "Underwriter"), for the purchase and sale of the Bonds, substantially in the form presented at this meeting, is hereby approved and the Treasurer and Tax Collector of the County, or any authorized designee (the "Treasurer") is hereby authorized to execute and deliver the Purchase Contract, and either the Superintendent or the Deputy Superintendent, Business Services of the District (the "Deputy Superintendent") is hereby requested to acknowledge the execution of such Purchase Contract, with such changes therein, deletions therefrom and modifications thereto as the Treasurer may approve, such approval to be conclusively evidenced by his execution and delivery thereof; provided, however, that the maximum interest cost on the Bonds shall not exceed twelve percent (12%), and the discount, excluding original issue discount, thereon shall not exceed 1.65% of the sum of the aggregate of principal amount of Bonds issued and the net premium, if any, on such Bonds. The Treasurer is further authorized to determine the principal amount of the Bonds to be specified in the Purchase Contract for sale by the County Board up to $13,000,000 and to enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied.

SECTION 4. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract or in the Official Statement):

(a) **"Accreted Interest"** means, with respect to the Capital Appreciation Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

(b) **"Accreted Value"** means with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each May 1 and November 1 (commencing on May 1, 2005 (unless otherwise provided in the Official Statement)) at the stated Accretion Rate to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

(c) **"Accretion Rate"** means, unless otherwise provided by the Purchase Contract, that rate which, when applied to the Denominational Amount of any Capital Appreciation Bond and compounded semiannually on each May 1 and November 1 (commencing on May 1, 2005), produces the Maturity Value on the maturity date.

(d) **"Bond Insurer"** means any insurance company which issues a municipal bond insurance policy insuring the payment of Denominational Amount and Accreted Interest of and interest on the Bonds.

(e) **"Bond Payment Date"** means (unless otherwise provided by the Purchase Contract or Official Statement), with respect to the Current Interest Bonds, May 1 and November 1 of each year commencing May 1, 2005 with respect to the interest on the Current Interest Bonds, and May 1 of each year commencing May 1, 2005 with respect to the principal payments on the Current Interest Bonds, and, with respect to the Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

(f) **"Bond Registrar"** means the Treasurer and his designated agent or his successor or assignee, acting in the capacity of paying agent, registrar, authenticating agent and transfer agent. The Treasurer is authorized to contract with any third party to perform the services of Bond Registrar under this Resolution.

(g) **"Capital Appreciation Bonds"** means the Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Value for such Bonds in the Purchase Contract.

(h) **"Continuing Disclosure Certificate"** means that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

(i) **"Current Interest Bonds"** means the Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

(j) **"Denominational Amount"** means, with respect to the Capital Appreciation Bonds, the initial principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.

(k) **"Depository"** means the securities depository acting as Depository pursuant to Section 5(c) hereof.

(l) **"DTC"** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Bonds.

(m) **"Information Services"** means Financial Information, Inc.'s Financial Daily Called Bond Service; Moody's Municipal and Government; or Standard & Poor's J. J. Kenny Information Services Called Bond Service.

(n) **"Maturity Value"** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(o) **"Nominee"** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 5(c) hereof.

(p) **"Owner"** means the registered owner of a Bond as set forth on the registration books maintained by the Paying Agent pursuant to Section 7 hereof.

(q) **"Participants"** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(r) **"Principal"** or **"Principal Amount"** means, with respect to any Current Interest Bond, the principal or principal amount thereof and, with respect to any Capital Appreciation Bond, the Denominational Amount.

(s) **"Record Date"** means, with respect to the Current Interest Bonds, the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(t) **"Securities Depositories"** means The Depository Trust Company, 55 Water Street, New York, New York 10041, Tel: (212) 855-1000 or Fax: (212) 855-7320.

(u) **"Term Bonds"** means those Bonds for which mandatory redemption dates have been established in the Purchase Contract.

(v) **"Transfer Amount"** means, with respect to any Outstanding Current Interest Bond, the Principal Amount and, with respect to any Capital Appreciation Bond, the Maturity Value.

(w) **"Treasurer"** means the Treasurer and Tax Collector of the County of Los Angeles or any authorized deputy thereof.

SECTION 5. Terms of the Bonds. (a) Denomination, Interest, Dated Dates. The Bonds shall be issued as Bonds registered as to both principal and interest, in the denominations of, with respect to the Current Interest Bonds, Five Thousand Dollars ($5,000) Denominational Amount or any integral multiple thereof (except for one odd denomination), and with respect to the Capital Appreciation Bonds, Five Thousand Dollars ($5,000) Maturity Value, or any integral multiple thereof.

Each Capital Appreciation Bond shall be dated, and shall accrete interest from, its date of initial issuance unless otherwise set forth in the Purchase Contract. Capital Appreciation Bonds will not bear interest on a current basis.

Each Current Interest Bond shall be dated their date of delivery or such date as shall appear in the Purchase Contract and in the Official Statement (the "Dated Date"), and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before April 15, 2005, in which event it shall bear interest from the Dated Date. Interest on the Current Interest Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months.

The Bonds shall bear interest or accrete interest at a rate or rates such that the interest rate shall not exceed that authorized by the Election. Interest shall be payable on the respective Bond Payment Dates.

The Capital Appreciation Bonds shall mature in the years and shall be issued in the aggregate Denominational Amount set forth in the Official Statement and shall have an Accretion Rate and shall have Denominational Amounts per each Five Thousand Dollars ($5,000) in Maturity Value as shown in the Accreted Value Table attached to the Official Statement; provided, that in the event that the amount shown in such Accreted Value Table and the Accreted Value calculated by the District and approved by the Bond Insurer by application of the definition of Accreted Value set forth in Section 4 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond.

(b) Redemption.

(i) Optional Redemption. The Bonds shall be subject to optional and mandatory redemption prior to maturity as provided in the Official Statement.

(ii) Mandatory Redemption. Unless otherwise provided in the Official Statement, the Term Bonds are subject to mandatory redemption from monies in the Debt Service Fund established in Section 11 hereof prior to their stated maturity date, at the Principal Amount or Accreted Value thereof without premium on each May 1, in Principal Amounts as set forth in the Official Statement.

(iii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the optional redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Bond Registrar identified below, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Bond Registrar shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Bond Registrar shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of $5,000 or any integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per $5,000 Maturity Value thereof.

(iv) Notice of Redemption. When redemption is authorized or required pursuant to Section 5(b)(i) hereof, the Bond Registrar, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Bond Registrar, the redemption price, the CUSIP numbers (if any) assigned to the Bonds to be redeemed, the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed, the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

The Bond Registrar shall take the following actions with respect to such Redemption Notice:

(a) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.

(c) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Bond Registrar for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(v) Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Bond Registrar shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(vi) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 5(b)(i) and (ii) hereof, together with interest accrued to such redemption date, shall be held by the Bond Registrar so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Bond Registrar for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 5 shall be cancelled upon surrender thereof and be delivered to or upon the order of the County and the District. All or any portion of a Bond purchased by the County or the District shall be cancelled by the Bond Registrar.

(vii) Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Bond Registrar, in form satisfactory to it, and sufficient moneys shall be held by the Bond Registrar irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, in the case of Current Interest Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Bond Registrar for cancellation.

(c) Book-Entry System.

(i) Definitions. As used in this Section, the terms set forth below shall have the meanings ascribed to them:

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

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

(ii) Election of Book-Entry System. The Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination (except for any odd denomination Capital Appreciation Bond). The ownership of each such Bond shall be registered in the Bond Register (as defined below) in the name of the Nominee, as nominee of the Depository and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 5(c)(ii)(4).

With respect to book-entry Bonds, the District and the Bond Registrar shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the District and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an owner as shown in the Bond Register, of any notice with respect to book-entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be prepaid in the event the District redeems the Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Accreted Value, Principal, premium, if any, or interest on the book-entry Bonds. The District and the Bond Registrar may treat and consider the person in whose name each book-entry Bond is registered in the Bond Register as the absolute owner of such book-entry Bond for the purpose of payment of Accreted Value or Principal of and premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all Accreted Value or Principal of and premium, if any, and interest on the Bonds only to or upon the order of the respective owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Accreted Value or Principal of, and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Accreted Value or Principal of, and premium, if any, and interest on the Bonds. Upon delivery by the Depository to the owner and the Bond Registrar, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository's book-entry system, the District shall execute and deliver to the

Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Bond Registrar any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the owners, as shown on the Bond Register. By executing a Letter of Representations, the Bond Registrar shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such book-entry Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 5(c).

3. Payments to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all outstanding Bonds are held in book-entry and registered in the name of the Nominee, all payments with respect to Accreted Value or Principal of and premium, if any, or interest on the Bonds and all notices with respect to such Bonds shall be made and given, respectively to the Nominees, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Bond Registrar notwithstanding any inconsistent provisions herein.

4. Transfer of Bonds to Substitute Depository.

(A) The Bonds shall be initially issued as described in the Official Statement described herein. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 5(c)(ii)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository designated by the District, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that

any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 5(c)(ii)(4)(A)(1) or (2), upon receipt of all outstanding Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 5(c)(ii)(4)(A)(3), upon receipt of all outstanding Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Bond Registrar shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the Maturity Value or Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in Maturity Value or Principal, in form acceptable to the Bond Registrar, all in accordance with the Letter of Representations. The Bond Registrar shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Bond Registrar shall be entitled to treat the person in whose name any Bond is registered as the owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Bond Registrar or the District; and the District and the Bond Registrar shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the District nor the Bond Registrar shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Bond Registrar may rely conclusively on its records as to the identity of the owners of the Bonds.

SECTION 6. Execution of Bonds. The Bonds shall be signed by the Chairman of the County Board and the Treasurer by their manual or facsimile signatures and countersigned by the manual or facsimile signature of and the seal of the County affixed thereto by the Executive Officer-Clerk of the Board of Supervisors, all in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar as

authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 7. Bond Registrar; Transfer and Exchange. This Board does hereby appoint the Treasurer to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Bonds. The Treasurer is authorized to contract with any third party to perform the services of Bond Registrar under this Resolution.

So long as any of the Bonds remains outstanding, the District will cause the Bond Registrar to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 8 below, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal or Accreted Value of and premium, if any, and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Bond Registrar, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the principal office of the Bond Registrar together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer, the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

If any Bond shall become mutilated, the County, at the expense of the Owner of said Bond, shall execute, and the Bond Registrar shall thereupon authenticate and deliver, a new Bond of like series, tenor and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Bond Registrar of the Bond so mutilated. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Bond Registrar and, if such evidence be satisfactory to the Bond Registrar and indemnity for the Bond Registrar, the County and the District satisfactory to the Bond Registrar shall be given by the owner, the County, at the expense of the Bond owner, shall execute, and the Bond Registrar shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Bond Registrar may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Bond Registrar). The Bond Registrar may require payment of a reasonable fee for each new Bond issued under this paragraph and of the expenses which may be incurred by the County and the Bond Registrar.

If manual signatures on behalf of the County are required in connection with an exchange or

transfer, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the County. In all cases of exchanged or transferred Bonds, the County shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Bond Registrar for payment, retirement, exchange, replacement or transfer shall be cancelled by the Bond Registrar. The District and the County may at any time deliver to the Bond Registrar for cancellation any previously authenticated and delivered Bonds that the District and the County may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Bond Registrar. As requested by the County, written reports of the surrender and cancellation of Bonds shall be made to the District and the County by the Bond Registrar. The cancelled Bonds shall be retained for 6 years, then returned to the District or destroyed by the Bond Registrar as directed by the District.

Neither the District, the County nor the Bond Registrar will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day of the month next preceding any Bond Payment Date or the 16th day preceding any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

SECTION 8. Payment. Payment of interest on any Current Interest Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Bond Registrar as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Bond Registrar for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount or Maturity Value of One Million Dollars ($1,000,000) or more may request in writing to the Bond Registrar that such Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date. The principal, and redemption premiums, if any, payable on the Current Interest Bonds and the Accreted Value and redemption premiums, if any, on the Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Bond Registrar. The interest, Accreted Value, Principal and premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Bond Registrar is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District and do not constitute an obligation of the County except as provided in this Bond Resolution. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

SECTION 9. Form of Bonds. The Bonds shall be in substantially the following form, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution, the Purchase Contract, and the Official Statement.

(Form of Current Interest Bond)

REGISTERED
NO.

REGISTERED
$

EL MONTE CITY SCHOOL DISTRICT
LOS ANGELES COUNTY, CALIFORNIA
ELECTION OF 1999 GENERAL OBLIGATION BOND, SERIES C

INTEREST RATE:	MATURITY DATE:	DATED AS OF:	CUSIP
___% per annum	May 1, ____	_____ 1, 2004	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The El Monte City School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on May 1 and November 1 of each year (the "Bond Payment Dates"), commencing May 1, 2005. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before April 15, 2005, in which event it shall bear interest from its Dated Date. Interest on this bond shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Bond Registrar, initially the Treasurer and Tax Collector of Los Angeles County. Principal is payable upon presentation and surrender of this bond at the principal office of the Bond Registrar. Interest is payable by check or draft mailed by the Bond Registrar on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current Interest Bonds in the aggregate principal amount of One Million Dollars ($1,000,000) or more may request in writing to the Bond Registrar that the Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date.

This bond is one of an authorization of $_____of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the Election, defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite two-thirds vote of the voters of the District cast at an election held on November 2, 1999 (the "Election"), upon the question of issuing bonds in the amount of $40,000,000 and the resolution of the Board of Education of the District adopted on September 13, 2004 (the "District Resolution") and the resolution of the

County Board of Supervisors adopted on _____, 2004 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District and do not constitute an obligation of the County except as provided in the Bond Resolution. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

The bonds of this issue are comprised of $_____ principal amount of Current Interest Bonds, of which this bond is a part (a "Current Interest Bond") and Capital Appreciation Bonds of which $_____ represents the Denominational Amount and $_____ represents the Maturity Value.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Bond Registrar in Los Angeles, California, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District, the County and the Bond Registrar may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Bond Registrar shall be affected by any notice to the contrary.

Neither the District, the County nor the Bond Registrar will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 16th day of the month next preceding any Bond Payment Date or the 16th day preceding any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before May 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after May 1, 20__ are subject to redemption on or after May 1, 20__ at the option of the District as a whole or in part on any date, at the following Redemption Prices (expressed as percentages of the Principal Amount of the Current Interest Bonds to be redeemed) plus interest accrued thereon to the dates fixed for redemption:

Redemption Periods	Redemption Prices
May 1, 20__ through April 30, 20__	___
May 1, 20__ and thereafter	___

The Current Interest Bonds maturing on May 1, 20__ are subject to redemption prior to maturity from mandatory sinking fund payments on May 1 of each year, on and after May 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

Redemption Date (May 1)	**Principal Amount**
	$
TOTAL	$

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of Five Thousand Dollars ($5,000) or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this Series, the rights, duties and obligations of the District, the County, the Bond Registrar and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the County of Los Angeles, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

COUNTY OF LOS ANGELES, CALIFORNIA

By: _____
Chairman of the Board of Supervisors

By: _____
Treasurer and Tax Collector

COUNTERSIGNED:

_____
Executive Officer-Clerk of the Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2004.

TREASURER AND TAX COLLECTOR OF
LOS ANGELES COUNTY

By: U.S. BANK NATIONAL ASSOCIATION, as
Agent

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____ _____

Signature Guaranteed:

_____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

(Form of Capital Appreciation Bond)

REGISTERED NO. REGISTERED $

EL MONTE CITY SCHOOL DISTRICT
LOS ANGELES COUNTY, CALIFORNIA
ELECTION OF 2004 GENERAL OBLIGATION BOND, SERIES A

ACCRETION RATE:	MATURITY DATE:	DATED AS OF:	CUSIP
	May 1, ____		

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The El Monte City School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value being comprised of the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each May 1 and November 1, commencing May 1, 2005, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denomination Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Bond Registrar, initially the Treasurer and Tax Collector of Los Angeles County. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Bond Registrar.

This bond is one of an authorization of $_____ of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the Election, as defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite two-thirds vote of the voters of the District cast at an election held on November 2, 1999 (the "Election"), upon the question of issuing bonds in the amount of $40,000,000 and the resolution of the Board of Education of the District adopted on September 13, 2004 (the "District Resolution") and the resolution of the County Board of Supervisors adopted on _____, 2004 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District and do not constitute an obligation of the County except as provided in the Bond Resolution. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

The bonds of this issue are comprised of $_____ principal amount of Current Interest Bonds (each a "Current Interest Bond") and Capital Appreciation Bonds, of which this bond is a part, in the Denominational Amount of $_____ and the Maturity Value of $_____.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Bond Registrar in Los Angeles, California, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District, the County and the Bond Registrar may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Bond Registrar shall be affected by any notice to the contrary.

Neither the District, the County nor the Bond Registrar will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 16th day of the month next preceding any Bond Payment Date or the 16th day preceding any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Capital Appreciation Bonds maturing on May 1, 20____ are subject to mandatory redemption from monies in the Debt Service Fund prior to their stated maturity date, at the Accreted Value thereof without premium on each May 1 on and after May 1, 20____, in the Accreted Value as set forth in the following table:

Redemption Date (May 1)	**Accreted Values**
	$
TOTAL	$

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Capital Appreciation Bonds of this Series, the rights, duties and obligations of the District, the County, the Bond Registrar and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on

indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the County of Los Angeles, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

COUNTY OF LOS ANGELES, CALIFORNIA

By: _____
Chairman of the Board of Supervisors

COUNTERSIGNED:

_____
Executive Officer-Clerk of the Board of Supervisors

_____
Treasurer and Tax Collector

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____ __, 2004.

TREASURER AND TAX COLLECTOR OF LOS ANGELES COUNTY

By: U.S. BANK NATIONAL ASSOCIATION, as Agent

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____ _____

Signature Guaranteed:

_____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

SECTION 10. Delivery of Bonds. The proper officials of the County shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered to the original purchaser upon payment of the purchase price therefor.

SECTION 11. Deposit of Proceeds of Bonds. The proceeds from the sale of the Bonds, to the extent of the Denominational Amount and the Principal Amount thereof, shall be paid to the County to the credit of the fund hereby created and established and to be known as the "El Monte City School District General Obligation Bonds, Series C Building Fund" (the "Building Fund") of the District, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued and provided further that such proceeds shall be applied solely to the purposes of the Election. The County shall have no responsibility for assuring the proper use of the Bond proceeds by the District. The accrued interest and any premium received by the County from the sale of the Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "El Monte City School District General Obligation Bonds, Series C Debt Service Fund" (the "Debt Service Fund") for the Bonds and used only for payment of Accreted Value or Principal of and interest on the Bonds. Interest earnings on monies held in the Building Fund shall be retained in the Building Fund. Interest earnings on monies held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued upon written notice from the District shall be transferred to the Debt Service Fund and applied to the payment of Accreted Value or Principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District. Costs associated with the issuance of the Bonds shall be paid by the District from moneys deposited in the Building Fund or by the Underwriter, on behalf of the District, from premium paid on the Bonds and not received by the County.

Subject to federal tax restrictions, monies in the funds created hereunder shall be invested in any lawful investment permitted by Sections 16429.1 and 53601 of the Government Code of the State of California (the "Government Code") or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code.

Except as required below to satisfy the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used by the County to pay the Accreted Value or Principal of and interest on the Bonds when due.

SECTION 12. Rebate Fund.

(a) The District shall create and establish a special fund designated the "El Monte City School District General Obligation Bonds, Series C Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District.

(b) Within forty-five (45) days of the end of each fifth Bond Year (as such term is

defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Treasury Regulations, using as the "computation date" for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the "rebate amount" so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the "rebate amount" calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section. The District shall not be required to calculate the "rebate amount" and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Bonds (including amounts treated as proceeds of the Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a "bona fide debt service fund." In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the "rebate amount" and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than sixty (60) days after the end of (i) the fifth (5th) Bond Year, and (ii) each fifth (5th) Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the "rebate amount" calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than sixty (60) days after the payment of all Bonds, an amount equal to one hundred percent (100%) of the "rebate amount" calculated as of the date of such payment (and any income attributable to the "rebate amount" determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the "rebate amount" calculated in accordance with said subsection, the District shall withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) The District shall retain records of all determinations made hereunder until six years after the complete retirement of the Bonds.

(i) Notwithstanding anything in this Resolution to the contrary, the rebate Requirement shall survive the payment in full or defeasance of the Bonds.

SECTION 13. Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct ad valorem tax annually during the period the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due, which monies when collected will be placed in the Debt Service Fund of the District, which fund is irrevocably pledged for the payment of the principal of and interest on the Bonds when and as the same fall due.

SECTION 14. Arbitrage Covenant. The County acknowledges that the District has covenanted that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

SECTION 15. Conditions Precedent. Based in part on representations of the District, this Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith, credit and revenues of the District are pledged for the timely payment of the principal of and interest on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

SECTION 16. Official Statement. The District has authorized Stradling Yocca Carlson & Rauth, a Professional Corporation, to prepare a Preliminary Official Statement and an Official Statement relating to the Bonds to be used in connection with the offering and sale of the Bonds in such time and manner as to conform with the requirements of Rule 15c2-12 of the Securities and Exchange Commission. The District has further authorized the Underwriter to distribute copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of the Bonds and deliver copies of any final Official Statement to the purchaser of the Bonds.

SECTION 17. Insurance. In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the principal, interest or Accreted Value on the Bonds, it shall become the owner of such Bonds with the right to payment of principal, interest or Accreted Value on the Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Bond Registrar shall note the Bond Insurer's rights as subrogee on the registration books for the Bonds maintained by the Bond Registrar upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal or Accreted Value, the Bond Registrar shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Bond Registrar upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 18. Defeasance. All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with the County or with an independent escrow agent selected by the District, and satisfactory to the County, an amount of cash which together with amounts then on deposit in the Debt Service Fund (as hereinafter defined) is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal and interest and premium, if any; or

(b) United States Obligations: by irrevocably depositing with the County or with an independent escrow agent selected by the District, and satisfactory to the County, noncallable United States Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, satisfactory to the County, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District and the County with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the County and the Bond Registrar or an independent escrow agent selected by the District, and satisfactory to the County, to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, United States Obligations shall mean:

Direct and general obligations of the United States of America (including SLGS), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the

underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's, a Division of the McGraw-Hill Companies or "Aaa" by Moody's Investors Service.

SECTION 19. Other Actions. Officers of the Board and County officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

SECTION 20. Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section.

SECTION 21. Unclaimed Funds. Notwithstanding any other provisions of this Resolution, any monies held in any fund created pursuant to this Resolution, or by the Bond Registrar in trust, for the payment of the principal of, redemption premium, if any, or interest in Maturity Value on the Bonds and remaining unclaimed for one year after the principal of all of the Bonds have become due and payable (whether by maturity or upon prior redemption) shall be, after payment in full of the Bonds, transferred to the general fund of the District to be applied in accordance with law; provided, however, that the Bond Registrar, before making such payment, shall cause notice to be mailed to the Owners of all Bonds that have not been paid, by first-class mail at the addresses on the Bonds Register, postage prepaid, no less than 90 days prior to the date of such payment. Thereafter, the District shall have all responsibility and liability for the payment of such Bonds.

SECTION 22. Effective Date. This Resolution shall take effect immediately upon its passage.

The foregoing resolution was on _____, 2004, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By: Sheilah Curtis
Deputy County Counsel

$_____

EL MONTE CITY SCHOOL DISTRICT
LOS ANGELES COUNTY, CALIFORNIA
ELECTION OF 1999, GENERAL OBLIGATION BONDS, SERIES C

BOND PURCHASE AGREEMENT

December ___, 2004

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

Superintendent
El Monte City School District
3540 N. Lexington Avenue
El Monte, California 91731-2684

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the County of Los Angeles (the "County") and El Monte City School District (the "District"), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriter. By execution of this Purchase Agreement, the County and the District acknowledge the terms hereof and recognize that they will be bound by certain of the provisions hereof, and to the extent binding thereupon, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the County and the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of $_____ in aggregate principal amount of District's Election of 1999, General Obligation Bonds, Series C (the "Bonds"). The Bonds shall bear or accrete interest at the rates with the yields to maturity, and shall mature as shown on Exhibit A hereto, which is incorporated herein by this reference. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the governing board of the District, adopted on September ___, 2004 (the "District Resolution") and the Resolution of the Board of Supervisors of the County, adopted on October ___, 2004 (the "County Resolution," and collectively with the District Resolution, the "Resolutions"), this Purchase Agreement and Section 15100 *et seq.* of the Education Code (the "Act") of the State of

California (the "State"). Inasmuch as this purchase and sale represents a negotiated transaction, the County and the District understand, and hereby confirm, that the Underwriter is not acting as a fiduciary of the County or the District, but rather is acting solely in its capacity as Underwriter, for its own account. The Underwriter has been duly authorized to execute this Purchase Agreement and to act hereunder.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Resolutions. The Bonds shall be in definitive form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). The payment of principal of and interest (but not any redemption premium) on the Bonds shall be secured by a financial guaranty insurance policy (the "Insurance Policy"), to be issued simultaneously with the issuance of the Bonds by _____ (the "Insurer").

The Underwriter shall purchase the Bonds at a price of $_____, (consisting of the aggregate [initial] principal amount of the Bonds of $_____, plus original issue premium of $_____, less an Underwriter's discount of $_____, less $_____ to be retained by the Underwriter and used to pay costs of issuance, and less bond insurance premium of $_____). The original issue premium retained by the Underwriter shall be applied to pay a portion of the costs of issuance as provided below. If, after payment of all costs of issuance, the amount retained by the Underwriter for such purpose is less than $_____, then the remaining amount of the original issue premium shall be paid by the Underwriter to the District for deposit into the District's Debt Service Fund. In the event the amount retained by the Underwriter for payment of costs of issuance is insufficient to pay costs of issuance, any shortfall shall be paid by the District.

2. **Use of Documents.** The County and the District hereby authorize the Underwriter to use, in connection with the offering and sale of the Bonds, this Purchase Agreement, the Official Statement, the District Resolution, the County Resolution and all information contained herein and therein and all of the documents, certificates or statements furnished by the County or the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

3. **Public Offering of the Bonds.** The Underwriter agrees to make a *bona fide* public offering of all the Bonds at the initial public offering prices or yields to be set forth on the cover or inside cover page of the Official Statement (defined below) and may subsequently change such offering prices without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated in the Official Statement.

4. **Official Statement.** The District has caused to be drafted and consents to the use of a Preliminary Official Statement (the "Preliminary Official Statement"), including the cover page and Appendices thereto, relating to the Bonds. The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuit to Rule 15c2-12 of the

Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the "Rule"). The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds.

The District hereby authorizes the preparation of a final Official Statement respecting the Bonds following the execution hereof (the "Official Statement") and the District hereby authorizes the use thereof by the Underwriter in connection with the public offering and sale of the Bonds. The District shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the District's acceptance of this Agreement (but, in any event, not later than seven business days after the execution hereof, and in sufficient time to accompany any confirmation of a sale of Bonds) copies of the Official Statement, which is complete as of the date of its delivery to the Underwriter, in such reasonable quantities as the Underwriter shall request in order to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

If, after the date of this Purchase Agreement to and including the date on which the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (being the earlier of (1) 90 days from the "end of the underwriting period" (as defined in the Rule) and (2) the time when the Official Statement is available to any person from a nationally recognized municipal securities repository, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the District becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the District will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request) and, if, in the opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the District will forthwith prepare and furnish, at the District's own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in 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 required to be stated therein or necessary in order to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the District shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary in order to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

The Underwriter hereby agrees to file the Official Statement with a nationally recognized municipal securities information repository. Unless otherwise notified in writing by the Underwriter, the County and the District may assume that the "end of the underwriting period" is the date of the Closing.

5. **Closing.** At 9:00 a.m., California Time, on December ____, 2004, or at such other time or on such other date as shall have been mutually agreed upon by the County and the Underwriter (the "Closing"), the County will deliver to the Underwriter, at the offices of DTC, or at such other place as the parties may mutually agree upon, the Bonds in book-entry form, duly executed and registered as provided in paragraph 2 above, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to an account or accounts within the United States designated by the County. The Underwriter will pay or provide for payment of the costs of issuance of the Bonds.

6. **Representations, Warranties and Covenants of the District.** The District hereby represents and warrants to and covenants with the Underwriter that:

A. The District is a school district duly organized and validly existing under the laws of the State, with the full legal right, power and authority to (i) request the County to issue the Bonds pursuant to the Act; (ii) enter into, execute and deliver this Purchase Agreement, the Continuing Disclosure Agreement appended to the Official Statement (the "Continuing Disclosure Agreement"); (iii) to adopt the District Resolution; and (iv) to construct, improve or acquire the Project (as described in the Official Statement) with the proceeds of sale of the Bonds.

B. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has the legal right, power and authority to enter into this Purchase Agreement, to adopt the District Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Agreement and the District Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Continuing Disclosure Agreement, the District Resolution and this Purchase Agreement (collectively, the "District Documents") have been duly authorized and such authorization shall be in force and effect at the time of the Closing; (iv) the District Documents constitute the valid and legally binding obligations of the District; enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and to principles of equity relating to or affecting the enforcement of creditors' rights; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement and by the Official Statement.

C. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with

the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions may be to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States and the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

D. The District has complied with the requirements of the Internal Revenue Code of 1986, as amended, applicable to the Bonds.

E. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of the District Documents, and the compliance with the provisions thereof and hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not 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 District is a party or by which it is bound or to which it is subject.

F. As of the time of acceptance hereof no action, suit, hearing or investigation is pending or, to the best knowledge of the District, threatened: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of revenues or assets of the District available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the District Resolution or contesting the powers of the District or its authority with respect to the Bonds, this Purchase Agreement or the District Resolution; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement or the District Resolution, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of such interest from California personal income taxation.

G. Between the date hereof and the Closing without the prior written consent of the Underwriter, neither the District nor the County in the name and on behalf of the District, will have issued in the name and on behalf of the District, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

H. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

I. With respect to any certificates by the District pursuant to Section 42131 of the Education Code of the State, the District has not received, and for the next reporting period does not expect to receive, a qualified or negative classification from the County Superintendent of Schools.

J. In accordance with the requirements of the Rule, the District will enter into the Continuing Disclosure Agreement, upon or prior to the sale of the Bonds, in which the District will undertake, for the benefit of the Owners of the Bonds, to provide certain information as set forth therein. The District is not in default with respect to any continuing disclosure obligation it may have incurred prior to the date hereof in connection with the delivery or issuance of any debt instruments, bonds, notes or lease-purchase obligations.

K. The District will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request in order to qualify the Bonds for offering and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and to continue such qualifications in effect so long as may be required for the distribution of the Bonds (provided, however, that the District will not be required to qualify as a foreign corporation or to file any general or special consent to service of process under the laws of any jurisdiction).

L. The District agrees to apply the proceeds from the sale of the Bonds for the purposes specified in the Resolutions.

M. The financial statements of, and other financial information regarding, the District contained in the Official Statement fairly represent the financial position and operating results of the District as of the dates and for the periods set forth therein. Prior to the Closing, there will have been no adverse change of a material nature in such financial position, results of operation or condition, financial or otherwise, of the District. The District is not a party to any litigation or other proceeding pending, or, to its knowledge, threatened which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District.

7. **Representations, Warranties and Covenants of the County.** The County represents and warrants to the Underwriter that:

A. The County has the power under the Constitution and laws of the State to issue the Bonds in the name and on behalf of the District.

B. (i) At or prior to the Closing, the County will have taken all actions required to be taken by it in order to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Purchase Agreement, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Agreement and the Resolutions; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in the Bonds, the County Resolution and this Purchase Agreement have been duly authorized, and such authorization shall be in full force and effect as at the Closing; (iv) this Purchase Agreement constitutes a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and to principles of equity relating to or affecting the enforcement of creditors' rights; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement.

C. The County has the power under the Constitution and laws of the State to issue the Bonds in the name and on behalf of the District.

D. As of the time of acceptance hereof, to the best knowledge of the County, no action, suit, hearing or investigation is pending or, to the best knowledge of the County, threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices or the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of revenues or assets of the District pledged or to be pledged or available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the County Resolution or contesting the powers of the County or its authority with respect to the Bonds, this Purchase Agreement or the County Resolution; or (iii) in which a final adverse decision would (a) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (b) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of such interest from California personal income taxation.

E. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

F. Any certificates signed by an officer of the County and delivered to the Underwriter shall be deemed a representation and warranty by the County to the

Underwriter, but not by the person signing the same, as to the statements made therein.

8. **Conditions to Closing.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and covenants of the District and the County contained herein and the performance by the District and the County of their respective obligations hereunder and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the date of Closing. Accordingly, the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds are and shall be conditioned upon the performance by the District and the County, respectively, of their obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject at the option of the Underwriter, to the following further conditions, including the delivery by the District and the County of such documents and instruments as are enumerated herein, in form and substance satisfactory to the Underwriter:

A. The representations and warranties of the District and the County contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuit hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District and the County shall be in compliance with each of the agreements made by them, individually, in this Purchase Agreement;

B. At the time of the Closing, (i) the Official Statement, this Purchase Agreement and the Resolutions shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Resolutions, this Purchase Agreement or the Official Statement to be performed at or prior to the Closing;

C. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened, which has any of the effects described in Section 8.A. hereof, or contesting in any way the completeness or accuracy of the Official Statement;

D. Between the date hereof and the Closing, the market price for the Bonds, or the market for or marketability of the Bonds at the initial offering prices set forth in the Official Statement, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected in the reasonable professional judgment of the Underwriter (evidenced by

a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or passed by either House of the Congress, or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or by the legislature of the State of California (the "State"), or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) the declaration of war or engagement in or material escalation of major military hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue of a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to

the extension of credit by, or the charge to the net capital requirements of, underwriters;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the Federal securities laws, as amended and then in effect;

(6) the withdrawal or downgrading of any rating of any of the District's outstanding indebtedness by a national rating agency;

(7) any event's occurring, or information's becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or results in an omission to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(8) there shall have occurred since the date of this Purchase Agreement any materially adverse change in the affairs or financial condition of the District;

(9) any state Blue Sky or securities commission, or other governmental agency or body, shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(10) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds; or

(11) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

E. At or prior to the date of the Closing, the Underwriter shall receive three copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) An approving opinion of Bond Counsel, addressed to the County and the District;

(2) A reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described in E(1) above;

(3) A supplemental opinion from Bond Counsel, addressed to the Underwriter and the District, to the effect that:

(a) this Purchase Agreement has been duly authorized, executed and delivered by the District and the County and, assuming due authorization, execution and delivery by the Underwriter, is a legally valid and binding agreement of the District and the County, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies, and is subject to general principles of equity (regardless of whether such enforcement is considered in equity or at law);

(b) the statements contained in the Official Statement in the sections thereof entitled: "THE BONDS" and "TAX MATTERS," insofar as such statements purport to summarize certain provisions of the Bonds, the District Resolution and the County Resolution and the tax treatment of interest on the Bonds, present a fair and accurate summary of such matters;

(c) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(4) A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the District Resolution and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statements of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolutions;

(5) A tax certificate of the District in form satisfactory to Bond Counsel;

(6) Evidence satisfactory to the Underwriter that the Bonds shall have been rated "____" by Standard & Poor's and "____" by Moody's Investors Service (or such other equivalent rating as such rating agency may give) and that such ratings have not been revoked or downgraded;

(7) A certificate, together with fully executed copies of the District Resolution, of the Secretary of the District Board of Education to the effect that:

(i) such copies are true and correct copies of the District Resolution; and

(ii) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(8) An opinion of Counsel to the District, to the effect that there is no action, suit, proceed inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds by the County on behalf of the District or the due adoption of the District Resolution;

(9) An opinion of County Counsel, addressed to the County, to the District and the Underwriter, respecting the due adoption of the County Resolution;

(10) A certificate, together with a fully executed copy of the County Resolution, of the Executive Officer-Clerk of the County Board of Supervisors to the effect that:

(a) such copy is a true and correct copy of the County Resolution; and

(b) that the County Resolution was duly adopted;

(11) A "deemed final" certificate of the appropriate official of the District with respect to the Preliminary Official Statement in accordance with the Rule;

(12) The Continuing Disclosure Agreement, signed by an appropriate official of the District;

(13) A certificate of the Paying Agent, signed by a duly authorized officer of the Paying Agent, and in form and substance satisfactory to the Underwriter, to the effect that, to the best of such officer's knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the delivery by the Paying Agent of any of the

Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or any agreement with the Paying Agent; and

(14) [A municipal bond insurance policy issued by _____ with respect to the Bonds, together with an opinion from general counsel to such insurer as to the enforceability thereof];

(15) An opinion of counsel to the Underwriter in form and substance satisfactory to the Underwriter; and

(16) Such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter may reasonably request in order to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

F. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever, the Bonds shall not have been delivered by the District to the Underwriter for checking prior to the close of business, California Time, on a day no later than two Business Days prior to the Closing, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 12 hereof.

If the County or the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing or by telephone or telecopy, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

9. **Conditions to Obligations of the County and the District.** The performance by the County and the District of their respective obligations under this Purchase Agreement is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the County and the District and by the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than themselves.

10. **Expenses.** The Bonds are being sold with an original issue premium in order to provide funds to pay costs of issuance thereof, as described in Section 1 above. The

District shall pay any expenses incident to the performance of its obligations hereunder from the proceeds of the Bonds, including but not limited to the following: (i) the fees and disbursements of Bond Counsel and Disclosure Counsel; (ii) the cost of the preparation, printing and delivery of the Bonds; (iii) the fees, if any, for Bond ratings and Bond insurance premiums, including all expenses related to obtaining such ratings and bond insurance; (iv) the cost of the printing and distribution of the Official Statement; (v) the initial fees of the Paying Agent and the fees of a fiscal agent to pay costs of issuance and (vi) all other fees and expenses incident to the issuance and sale of Bonds, but only to the extent that original issue premium retained by the Underwriter proves insufficient to pay the same. In the event that following payment of the expenses set forth above, the amount retained by the Underwriter to pay costs of issuance exceeds the actual costs described herein, the Underwriter shall remit any remaining amount to the District and the District shall deposit such amount into the District's Debt Service Fund. Any expenses owing following the depletion of said amount shall be for the account of the District. The Underwriter shall pay its out-of-pocket expenses, other than travel incurred in connection with obtaining ratings and bond insurance, and the fees and expenses of its counsel.

11. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the County, to the Treasurer and Tax Collector, County of Los Angeles, Hall of Administration, 500 West Temple Street, Los Angeles, California 90012; if to the District, to the Superintendent of El Monte City School District, 3540 N. Lexington Avenue, El Monte, California 91731, or if to the Underwriter, to RBC Dain Rauscher Inc., 777 South Figueroa Street, Suite 850, Los Angeles, California 90017, Atten: Rod Carter.

12. **Parties In Interest; Survival of Representations and Warranties.** This Purchase Agreement when accepted by the County and the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriter with respect to the Bonds. This Purchase Agreement is made solely for the benefit of the County, the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the County or the District in this Purchase Agreement shall survive regardless of (a) any investigation of any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Agreement.

13. **Execution in Counterparts.** This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

14. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

RBC DAIN RAUSCHER INC.

By_____
Rod Carter
Managing Director

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

EL MONTE CITY SCHOOL DISTRICT

By_____
Jeff Seymour
Superintendent

COUNTY OF LOS ANGELES

By_____
Mark J. Saladino
Treasurer and Tax Collector

Approved as to form:

County Counsel

By_____
Deputy County Counsel

EXHIBIT A

CURRENT INTEREST BONDS
$_____
Serial Bonds

Maturity Date (May 1)	Principal Amount	Interest Rate	Yield
2005			
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			

$_____ _____% Term Bonds due May 1, 20__ yielding ____%

TERMS OF REDEMPTION

The Bonds are subject to redemption prior to their stated maturity dates as follows:

Optional Redemption. The Bonds maturing on or before May 1, 20__, are not subject to redemption. The Bonds maturing on or after May 1, 20__ may be redeemed before maturity at the option of the District, from any source of available funds, in whole, or in part, at the direction of the District, on or after May 1, 20__ at par plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The Bonds maturing on May 1, 20__ shall be subject to mandatory sinking fund redemption, in part by lot, on May 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Redemption Date (May 1)	Mandatory Sinking Fund Payment
20__	$
20__	
20__	
20__	

EL MONTE CITY SCHOOL DISTRICT

TO: Jeff Seymour, Superintendent DATE: September 13, 2004

FROM: **Kristinn Olafsson, Deputy Superintendent, Business Services**

SUBJECT: Consideration of Approval to Adopt Resolution 04-05:10 Authorizing the Issuance of El Monte City School District, Los Angeles County, California Election of 1999 General Bonds, Series C

RECOMMENDATION:

It is recommended the Board of Education approve to adopt Resolution 04-05:10 authorizing the El Monte City School District to request the Board of Supervisors of the County of Los Angeles to issue the third series of such bonds in an aggregate principal amount not to exceed $13,000,000 to be styled as "El Monte City School District, Los Angeles County, California Election of 1999 General Obligation Bonds, C" on behalf of the District.

BACKGROUND:

This resolution is for raising money for the purposes authorized by voters of the District at the November 2, 1999 election. By approving this Resolution, the Board petitions the Board of Supervisors of the County of Los Angeles to authorize the issuance of the Bonds and to order such Bonds sold at a negotiated sale such that the Bonds shall be dated as of date to be determined by said Board of Supervisors. The Bonds shall bear interest at a rate not to exceed that authorized at the Election, and shall be payable upon such terms and provisions as shall be set forth in the Bonds. Attached is a form of the Bond Purchase Agreement to be finalized when bonds are sold in December 2004.

The Board authorizes the appointment of the Los Angeles County Treasurer and Tax Collector as the authenticating agent, bond registrar, transfer agent and paying agent (the "Bond Registrar") for the Bonds and the payment of all ongoing expenses and fees of the Bond Registrar incurred in connection with the Bonds.

The Board authorizes the Bond Counsel to prepare a Preliminary Official Statement and an Official Statement relating to the Bonds, to be used in connection with the offering and sale of the Bonds. The superintendent is authorized and directed, for, in the name, and on behalf of the District, to execute and deliver to said Official Statement. RBC Dain Rauscher, Inc. is authorized to distribute copies of the Official Statement to the purchasers of the Bonds.

In connection with the negotiated sale of the Bonds, the Board authorizes the Superintendent and the Deputy Superintendent Business Services, each alone, on behalf of the District, to execute and deliver to a Purchase Contract for the bonds, with such terms and conditions as may be acceptable to the Superintendent.

EL MONTE CITY SCHOOL DISTRICT
RESOLUTION NO. 04-05:10

A RESOLUTION OF THE BOARD OF EDUCATION OF THE EL MONTE CITY SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF EL MONTE CITY SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA ELECTION OF 1999 GENERAL OBLIGATION BONDS, SERIES C.

WHEREAS, a duly called special municipal election was held in the El Monte City School District (the "District"), Los Angeles County (the "County"), State of California, on November 2, 1999 (the "Election") and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by more than the requisite two-thirds vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $40,000,000, payable from the levy of an ad valorem tax against the taxable property in the District;

WHEREAS, in May 2000, $14,000,000 of such bonds were issued, styled as "El Monte City School District, Los Angeles County, California Election of 1999 General Obligation Bonds, Series A";

WHEREAS, in May 2002, $13,000,000 of such bonds were issued, styled as "El Monte City School District, Los Angeles County, California Election of 1999 General Obligation Bonds, Series B";

WHEREAS, at this time this Board has determined that it is necessary and desirable to request the Board of Supervisors of the County of Los Angeles to issue a third series of such bonds in an aggregate principal amount not to exceed $13,000,000 to be styled as "El Monte City School District, Los Angeles County, California Election of 1999 General Obligation Bonds, Series C" (the "Bonds") on behalf of the District;

WHEREAS, the Board of Supervisors of the County shall issue the Bonds on behalf of the District pursuant to Section 15140 of the California Education Code; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE EL MONTE CITY SCHOOL DISTRICT AS FOLLOWS:

SECTION 1. Purpose. That for the purpose of raising money for the purposes authorized by voters of the District at the Election, this Board hereby petitions the Board of Supervisors of the County to authorize the issuance of the Bonds and to order such Bonds sold at a negotiated sale such that the Bonds shall be dated as of a date to be determined by said Board of Supervisors, shall bear

interest at a rate not to exceed that authorized at the Election, and shall be payable upon such terms and provisions as shall be set forth in the Bonds.

SECTION 2. Paying Agent. This Board does hereby authorize the appointment of the Treasurer and Tax Collector of the County as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Bonds. The District acknowledges that ongoing expenses and fees of the Bond Registrar and all other fees and costs incurred in connection with the Bonds will be paid by the District.

SECTION 3. Tax Covenants. The District hereby covenants with the holders of the Bonds that, notwithstanding any other provisions of this Resolution, it will (1) comply with all of the provisions of the resolution of the Board of Supervisors of the County authorizing the issuance of the Bonds relating to the Rebate Fund (as defined therein) and perform all acts necessary to be performed by the District in connection therewith, and (2) make no use of the proceeds of the Bonds or of any other amounts, regardless of the source, or of any property or take any action, or refrain from taking any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

The District will not make any use of the proceeds of the Bonds or any other funds of the District, or take or omit to take any other action, that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code or "federally guaranteed" within the meaning of Section 149(b) of the Code. To that end, so long as any Bonds are unpaid, the District, with respect to such proceeds and such other funds, will comply with all requirements of such Sections and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Internal Revenue Code of 1954, as amended, to the extent such requirements are, at the time, applicable and in effect.

The District will not use or permit the use of its facilities or any portion thereof by any person other than a governmental unit as such term is used in Section 141 of the Code, in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of the interest paid on the Bonds. In furtherance of the foregoing tax covenants of this Section 3, the District covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered by the District on the date of issuance of the Bonds, which is incorporated herein as if fully set forth herein. These covenants shall survive the payment in full or defeasance of the Bonds.

SECTION 4. Legislative Determinations. This Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith, credit and revenues of the District are hereby pledged for the timely payment of the principal of and interest on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

SECTION 5. Official Statement. The Board authorizes the preparation of a Preliminary Official Statement and an Official Statement relating to the Bonds, to be used in connection with the offering and sale of the Bonds. The Superintendent and the Deputy Superintendent, Business Services (the "Deputy Superintendent"), each alone, are hereby authorized and directed, for and in

the name and on behalf of the District, to execute and deliver to RBC Dain Rauscher Inc. Inc. (the "Underwriter") said Official Statement. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of the Bonds and is directed to deliver copies of any final Official Statement to the purchasers of the Bonds. The Superintendent and Deputy Superintendent, each alone, are also authorized to deem "final" pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934 the Official Statement prior to its distribution. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

SECTION 6. Purchase Contract. In connection with the sale of the Bonds the Board authorizes the Superintendent and Deputy Superintendent, each alone, on behalf of the District, to execute and deliver to the Underwriter, a Purchase Contract for the Bonds, with such terms and conditions as may be acceptable to such official; provided, however, that the true interest cost of the Bonds shall not exceed that authorized by the Election, the underwriting discount (excluding original issue discount) shall not exceed 1.65%, and the aggregate principal amount of the Bonds shall not exceed $13,000,000.

SECTION 7. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

SECTION 8. Authorized Actions. Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

SECTION 9. Recitals. All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

SECTION 10. Effective Date. This Resolution shall take effect immediately upon its passage.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED this September 13, 2004 by the following vote:

AYES: 4

NOES: 0

ABSENT:

ABSTENTIONS:

BOARD OF EDUCATION OF THE EL MONTE CITY SCHOOL DISTRICT

Robert M Barnes

President

Attest:

Secretary to the Board

SECRETARY'S CERTIFICATE

I, Jeff Seymour, Secretary to the Board of Education of the El Monte City School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly and legally held at the regular meeting place thereof on September 13, 2004, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: 9-13, 2004

Secretary

DOCSSF/46358v2/24199-0003

$_____

EL MONTE CITY SCHOOL DISTRICT
LOS ANGELES COUNTY, CALIFORNIA
ELECTION OF 1999, GENERAL OBLIGATION BONDS, SERIES C

BOND PURCHASE AGREEMENT

December ___, 2004

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

Superintendent
El Monte City School District
3540 N. Lexington Avenue
El Monte, California 91731-2684

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the County of Los Angeles (the "County") and El Monte City School District (the "District"), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriter. By execution of this Purchase Agreement, the County and the District acknowledge the terms hereof and recognize that they will be bound by certain of the provisions hereof, and to the extent binding thereupon, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the County and the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of $_____ in aggregate principal amount of District's Election of 1999, General Obligation Bonds, Series C (the "Bonds"). The Bonds shall bear or accrete interest at the rates with the yields to maturity, and shall mature as shown on Exhibit A hereto, which is incorporated herein by this reference. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the governing board of the District, adopted on September ___, 2004 (the "District Resolution") and the Resolution of the Board of Supervisors of the County, adopted on October ___, 2004 (the "County Resolution," and collectively with the District Resolution, the "Resolutions"), this Purchase Agreement and Section 15100 *et seq.* of the Education Code (the "Act") of the State of

California (the "State"). Inasmuch as this purchase and sale represents a negotiated transaction, the County and the District understand, and hereby confirm, that the Underwriter is not acting as a fiduciary of the County or the District, but rather is acting solely in its capacity as Underwriter, for its own account. The Underwriter has been duly authorized to execute this Purchase Agreement and to act hereunder.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Resolutions. The Bonds shall be in definitive form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). The payment of principal of and interest (but not any redemption premium) on the Bonds shall be secured by a financial guaranty insurance policy (the "Insurance Policy"), to be issued simultaneously with the issuance of the Bonds by _____ (the "Insurer").

The Underwriter shall purchase the Bonds at a price of $_____, (consisting of the aggregate [initial] principal amount of the Bonds of $_____, plus original issue premium of $_____, less an Underwriter's discount of $_____, less $_____ to be retained by the Underwriter and used to pay costs of issuance, and less bond insurance premium of $_____). The original issue premium retained by the Underwriter shall be applied to pay a portion of the costs of issuance as provided below. If, after payment of all costs of issuance, the amount retained by the Underwriter for such purpose is less than $_____, then the remaining amount of the original issue premium shall be paid by the Underwriter to the District for deposit into the District's Debt Service Fund. In the event the amount retained by the Underwriter for payment of costs of issuance is insufficient to pay costs of issuance, any shortfall shall be paid by the District.

2. **Use of Documents.** The County and the District hereby authorize the Underwriter to use, in connection with the offering and sale of the Bonds, this Purchase Agreement, the Official Statement, the District Resolution, the County Resolution and all information contained herein and therein and all of the documents, certificates or statements furnished by the County or the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

3. **Public Offering of the Bonds.** The Underwriter agrees to make a *bona fide* public offering of all the Bonds at the initial public offering prices or yields to be set forth on the cover or inside cover page of the Official Statement (defined below) and may subsequently change such offering prices without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated in the Official Statement.

4. **Official Statement.** The District has caused to be drafted and consents to the use of a Preliminary Official Statement (the "Preliminary Official Statement"), including the cover page and Appendices thereto, relating to the Bonds. The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuit to Rule 15c2-12 of the

Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the "Rule"). The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds.

The District hereby authorizes the preparation of a final Official Statement respecting the Bonds following the execution hereof (the "Official Statement") and the District hereby authorizes the use thereof by the Underwriter in connection with the public offering and sale of the Bonds. The District shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the District's acceptance of this Agreement (but, in any event, not later than seven business days after the execution hereof, and in sufficient time to accompany any confirmation of a sale of Bonds) copies of the Official Statement, which is complete as of the date of its delivery to the Underwriter, in such reasonable quantities as the Underwriter shall request in order to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

If, after the date of this Purchase Agreement to and including the date on which the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (being the earlier of (1) 90 days from the "end of the underwriting period" (as defined in the Rule) and (2) the time when the Official Statement is available to any person from a nationally recognized municipal securities repository, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the District becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the District will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request) and, if, in the opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the District will forthwith prepare and furnish, at the District's own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in 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 required to be stated therein or necessary in order to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the District shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary in order to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

The Underwriter hereby agrees to file the Official Statement with a nationally recognized municipal securities information repository. Unless otherwise notified in writing by the Underwriter, the County and the District may assume that the "end of the underwriting period" is the date of the Closing.

5. **Closing.** At 9:00 a.m., California Time, on December ____, 2004, or at such other time or on such other date as shall have been mutually agreed upon by the County and the Underwriter (the "Closing"), the County will deliver to the Underwriter, at the offices of DTC, or at such other place as the parties may mutually agree upon, the Bonds in book-entry form, duly executed and registered as provided in paragraph 2 above, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to an account or accounts within the United States designated by the County. The Underwriter will pay or provide for payment of the costs of issuance of the Bonds.

6. **Representations, Warranties and Covenants of the District.** The District hereby represents and warrants to and covenants with the Underwriter that:

A. The District is a school district duly organized and validly existing under the laws of the State, with the full legal right, power and authority to (i) request the County to issue the Bonds pursuant to the Act; (ii) enter into, execute and deliver this Purchase Agreement, the Continuing Disclosure Agreement appended to the Official Statement (the "Continuing Disclosure Agreement"); (iii) to adopt the District Resolution; and (iv) to construct, improve or acquire the Project (as described in the Official Statement) with the proceeds of sale of the Bonds.

B. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has the legal right, power and authority to enter into this Purchase Agreement, to adopt the District Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Agreement and the District Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Continuing Disclosure Agreement, the District Resolution and this Purchase Agreement (collectively, the "District Documents") have been duly authorized and such authorization shall be in force and effect at the time of the Closing; (iv) the District Documents constitute the valid and legally binding obligations of the District; enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and to principles of equity relating to or affecting the enforcement of creditors' rights; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement and by the Official Statement.

C. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with

the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions may be to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States and the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

D. The District has complied with the requirements of the Internal Revenue Code of 1986, as amended, applicable to the Bonds.

E. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of the District Documents, and the compliance with the provisions thereof and hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not 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 District is a party or by which it is bound or to which it is subject.

F. As of the time of acceptance hereof no action, suit, hearing or investigation is pending or, to the best knowledge of the District, threatened: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of revenues or assets of the District available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the District Resolution or contesting the powers of the District or its authority with respect to the Bonds, this Purchase Agreement or the District Resolution; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement or the District Resolution, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of such interest from California personal income taxation.

G. Between the date hereof and the Closing without the prior written consent of the Underwriter, neither the District nor the County in the name and on behalf of the District, will have issued in the name and on behalf of the District, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

H. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

I. With respect to any certificates by the District pursuant to Section 42131 of the Education Code of the State, the District has not received, and for the next reporting period does not expect to receive, a qualified or negative classification from the County Superintendent of Schools.

J. In accordance with the requirements of the Rule, the District will enter into the Continuing Disclosure Agreement, upon or prior to the sale of the Bonds, in which the District will undertake, for the benefit of the Owners of the Bonds, to provide certain information as set forth therein. The District is not in default with respect to any continuing disclosure obligation it may have incurred prior to the date hereof in connection with the delivery or issuance of any debt instruments, bonds, notes or lease-purchase obligations.

K. The District will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request in order to qualify the Bonds for offering and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and to continue such qualifications in effect so long as may be required for the distribution of the Bonds (provided, however, that the District will not be required to qualify as a foreign corporation or to file any general or special consent to service of process under the laws of any jurisdiction).

L. The District agrees to apply the proceeds from the sale of the Bonds for the purposes specified in the Resolutions.

M. The financial statements of, and other financial information regarding, the District contained in the Official Statement fairly represent the financial position and operating results of the District as of the dates and for the periods set forth therein. Prior to the Closing, there will have been no adverse change of a material nature in such financial position, results of operation or condition, financial or otherwise, of the District. The District is not a party to any litigation or other proceeding pending, or, to its knowledge, threatened which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District.

7. **Representations, Warranties and Covenants of the County.** The County represents and warrants to the Underwriter that:

A. The County has the power under the Constitution and laws of the State to issue the Bonds in the name and on behalf of the District.

B. (i) At or prior to the Closing, the County will have taken all actions required to be taken by it in order to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Purchase Agreement, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Agreement and the Resolutions; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in the Bonds, the County Resolution and this Purchase Agreement have been duly authorized, and such authorization shall be in full force and effect as at the Closing; (iv) this Purchase Agreement constitutes a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and to principles of equity relating to or affecting the enforcement of creditors' rights; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement.

C. The County has the power under the Constitution and laws of the State to issue the Bonds in the name and on behalf of the District.

D. As of the time of acceptance hereof, to the best knowledge of the County, no action, suit, hearing or investigation is pending or, to the best knowledge of the County, threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices or the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of revenues or assets of the District pledged or to be pledged or available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the County Resolution or contesting the powers of the County or its authority with respect to the Bonds, this Purchase Agreement or the County Resolution; or (iii) in which a final adverse decision would (a) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (b) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of such interest from California personal income taxation.

E. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

F. Any certificates signed by an officer of the County and delivered to the Underwriter shall be deemed a representation and warranty by the County to the

Underwriter, but not by the person signing the same, as to the statements made therein.

8. **Conditions to Closing.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and covenants of the District and the County contained herein and the performance by the District and the County of their respective obligations hereunder and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the date of Closing. Accordingly, the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds are and shall be conditioned upon the performance by the District and the County, respectively, of their obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject at the option of the Underwriter, to the following further conditions, including the delivery by the District and the County of such documents and instruments as are enumerated herein, in form and substance satisfactory to the Underwriter:

A. The representations and warranties of the District and the County contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuit hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District and the County shall be in compliance with each of the agreements made by them, individually, in this Purchase Agreement;

B. At the time of the Closing, (i) the Official Statement, this Purchase Agreement and the Resolutions shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Resolutions, this Purchase Agreement or the Official Statement to be performed at or prior to the Closing;

C. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened, which has any of the effects described in Section 8.A. hereof, or contesting in any way the completeness or accuracy of the Official Statement;

D. Between the date hereof and the Closing, the market price for the Bonds, or the market for or marketability of the Bonds at the initial offering prices set forth in the Official Statement, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected in the reasonable professional judgment of the Underwriter (evidenced by

a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or passed by either House of the Congress, or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or by the legislature of the State of California (the "State"), or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) the declaration of war or engagement in or material escalation of major military hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue of a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to

the extension of credit by, or the charge to the net capital requirements of, underwriters;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the Federal securities laws, as amended and then in effect;

(6) the withdrawal or downgrading of any rating of any of the District's outstanding indebtedness by a national rating agency;

(7) any event's occurring, or information's becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or results in an omission to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(8) there shall have occurred since the date of this Purchase Agreement any materially adverse change in the affairs or financial condition of the District;

(9) any state Blue Sky or securities commission, or other governmental agency or body, shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(10) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds; or

(11) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

E. At or prior to the date of the Closing, the Underwriter shall receive three copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) An approving opinion of Bond Counsel, addressed to the County and the District;

(2) A reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described in E(1) above;

(3) A supplemental opinion from Bond Counsel, addressed to the Underwriter and the District, to the effect that:

(a) this Purchase Agreement has been duly authorized, executed and delivered by the District and the County and, assuming due authorization, execution and delivery by the Underwriter, is a legally valid and binding agreement of the District and the County, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies, and is subject to general principles of equity (regardless of whether such enforcement is considered in equity or at law);

(b) the statements contained in the Official Statement in the sections thereof entitled: "THE BONDS" and "TAX MATTERS," insofar as such statements purport to summarize certain provisions of the Bonds, the District Resolution and the County Resolution and the tax treatment of interest on the Bonds, present a fair and accurate summary of such matters;

(c) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(4) A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the District Resolution and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statements of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolutions;

(5) A tax certificate of the District in form satisfactory to Bond Counsel;

(6) Evidence satisfactory to the Underwriter that the Bonds shall have been rated "____" by Standard & Poor's and "____" by Moody's Investors Service (or such other equivalent rating as such rating agency may give) and that such ratings have not been revoked or downgraded;

(7) A certificate, together with fully executed copies of the District Resolution, of the Secretary of the District Board of Education to the effect that:

(i) such copies are true and correct copies of the District Resolution; and

(ii) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(8) An opinion of Counsel to the District, to the effect that there is no action, suit, proceed inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds by the County on behalf of the District or the due adoption of the District Resolution;

(9) An opinion of County Counsel, addressed to the County, to the District and the Underwriter, respecting the due adoption of the County Resolution;

(10) A certificate, together with a fully executed copy of the County Resolution, of the Executive Officer-Clerk of the County Board of Supervisors to the effect that:

(a) such copy is a true and correct copy of the County Resolution; and

(b) that the County Resolution was duly adopted;

(11) A "deemed final" certificate of the appropriate official of the District with respect to the Preliminary Official Statement in accordance with the Rule;

(12) The Continuing Disclosure Agreement, signed by an appropriate official of the District;

(13) A certificate of the Paying Agent, signed by a duly authorized officer of the Paying Agent, and in form and substance satisfactory to the Underwriter, to the effect that, to the best of such officer's knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the delivery by the Paying Agent of any of the

Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or any agreement with the Paying Agent; and

(14) [A municipal bond insurance policy issued by _____ with respect to the Bonds, together with an opinion from general counsel to such insurer as to the enforceability thereof];

(15) An opinion of counsel to the Underwriter in form and substance satisfactory to the Underwriter; and

(16) Such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter may reasonably request in order to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

F. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever, the Bonds shall not have been delivered by the District to the Underwriter for checking prior to the close of business, California Time, on a day no later than two Business Days prior to the Closing, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 12 hereof.

If the County or the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing or by telephone or telecopy, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

9. **Conditions to Obligations of the County and the District.** The performance by the County and the District of their respective obligations under this Purchase Agreement is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the County and the District and by the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than themselves.

10. **Expenses.** The Bonds are being sold with an original issue premium in order to provide funds to pay costs of issuance thereof, as described in Section 1 above. The

District shall pay any expenses incident to the performance of its obligations hereunder from the proceeds of the Bonds, including but not limited to the following: (i) the fees and disbursements of Bond Counsel and Disclosure Counsel; (ii) the cost of the preparation, printing and delivery of the Bonds; (iii) the fees, if any, for Bond ratings and Bond insurance premiums, including all expenses related to obtaining such ratings and bond insurance; (iv) the cost of the printing and distribution of the Official Statement; (v) the initial fees of the Paying Agent and the fees of a fiscal agent to pay costs of issuance and (vi) all other fees and expenses incident to the issuance and sale of Bonds, but only to the extent that original issue premium retained by the Underwriter proves insufficient to pay the same. In the event that following payment of the expenses set forth above, the amount retained by the Underwriter to pay costs of issuance exceeds the actual costs described herein, the Underwriter shall remit any remaining amount to the District and the District shall deposit such amount into the District's Debt Service Fund. Any expenses owing following the depletion of said amount shall be for the account of the District. The Underwriter shall pay its out-of-pocket expenses, other than travel incurred in connection with obtaining ratings and bond insurance, and the fees and expenses of its counsel.

11. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the County, to the Treasurer and Tax Collector, County of Los Angeles, Hall of Administration, 500 West Temple Street, Los Angeles, California 90012; if to the District, to the Superintendent of El Monte City School District, 3540 N. Lexington Avenue, El Monte, California 91731, or if to the Underwriter, to RBC Dain Rauscher Inc., 777 South Figueroa Street, Suite 850, Los Angeles, California 90017, Atten: Rod Carter.

12. **Parties In Interest; Survival of Representations and Warranties.** This Purchase Agreement when accepted by the County and the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriter with respect to the Bonds. This Purchase Agreement is made solely for the benefit of the County, the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the County or the District in this Purchase Agreement shall survive regardless of (a) any investigation of any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Agreement.

13. **Execution in Counterparts.** This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

14. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

RBC DAIN RAUSCHER INC.

By_____
Rod Carter
Managing Director

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

EL MONTE CITY SCHOOL DISTRICT

By_____
Jeff Seymour
Superintendent

COUNTY OF LOS ANGELES

By_____
Mark J. Saladino
Treasurer and Tax Collector

Approved as to form:

County Counsel

By_____
Deputy County Counsel

EXHIBIT A

CURRENT INTEREST BONDS
$_____
Serial Bonds

Maturity Date (May 1)	Principal Amount	Interest Rate	Yield
2005			
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			

$_____ _____% Term Bonds due May 1, 20__ yielding ____%

TERMS OF REDEMPTION

The Bonds are subject to redemption prior to their stated maturity dates as follows:

Optional Redemption. The Bonds maturing on or before May 1, 20__, are not subject to redemption. The Bonds maturing on or after May 1, 20__ may be redeemed before maturity at the option of the District, from any source of available funds, in whole, or in part, at the direction of the District, on or after May 1, 20__ at par plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The Bonds maturing on May 1, 20__ shall be subject to mandatory sinking fund redemption, in part by lot, on May 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Redemption Date (May 1)	Mandatory Sinking Fund Payment
20__	$
20__	
20__	
20__	