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

April 26, 2005

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 DOWNEY UNIFIED SCHOOL DISTRICT (COUNTY OF LOS ANGELES, CALIFORNIA) GENERAL OBLIGATION BONDS, 2002 ELECTION, SERIES C (FOURTH DISTRICT) (3-VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the Resolution authorizing the issuance and sale of general obligation bonds of the Downey Unified School District in an aggregate principal amount not to exceed $25,000,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Governing Board of the Downey Unified School District adopted a resolution on April 19, 2005 and determined that the District needs to borrow funds in an aggregate principal amount not to exceed $25,000,000 to be used for authorized purposes.

On November 5, 2002, an election was held whereby voters residing in the District approved a ballot measure authorizing the District to issue $65,000,000 in general obligation bonds for various qualifying purposes. This will be the third issuance of bonds authorized under this bond measure. The District has previously issued $40,000,000 in 2002 Election General Obligation Bonds.

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 one-stop service delivery to the District. It supports the Strategic Plan Goal of Organizational Effectiveness through collaborative actions among County departments and other governmental jurisdictions. It 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 issuance of bonds not to exceed a maximum interest rate of eight percent (8.0%) per annum. The Bonds will be awarded to the bidder whose bid produces the lowest true interest cost. The term of the bonds will not exceed twenty-five years. Provisions for optional redemption of these bonds will be described in the Official Notice of Sale.

The Resolution provides for the competitive sale of the bonds, with participation by the Treasurer and Tax Collector in monitoring the bids. The District has selected Jones Hall as Bond Counsel and U.S. Bank 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.

CONCLUSION

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

Respectfully submitted,

Anthony Zgrzinowich (for)

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:JW
pb/boardDowneyBoard Letter

Attachments(2)

c: Chief Administrative Officer
Auditor-Controller
County Counsel
Downey Unified School District
Los Angeles County Office of Education
Jones Hall
U. S. Bank National Association

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AUTHORIZING THE SALE OF DOWNEY UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2002 ELECTION, SERIES C, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED TWENTY-FIVE MILLION DOLLARS ($25,000,000)

RESOLVED, by the Board of Supervisors of the County of Los Angeles (the "Board"), as follows:

WHEREAS, an election was duly and regularly held in the Downey Unified School District (the "District") on November 5, 2002, in accordance with Section 1(b)(3) of Article XIIIA of the California Constitution, for the purpose of submitting to the qualified electors of the District the question whether general obligation bonds should be issued in the aggregate principal amount of $65,000,000 (the "Bonds"), at which more than 55% of the votes cast were in favor of the issuance of the Bonds; and

WHEREAS, the District is authorized to issue the Bonds under Section 15266 et. seq. of the Education Code of the State of California which requires that general obligation bonds of the District be offered for sale by the Board of Supervisors of the County of Los Angeles as soon as possible following receipt of a resolution adopted by the Board of Education of the District; and

WHEREAS, the Board of Supervisors of the County of Los Angeles (the "County") has previously sold Series A of the Bonds in the name of the District in the aggregate principal amount of $20,000,000 and Series B of the Bonds in the name of the District in the aggregate principal amount of $20,000,000; and

WHEREAS, the Board has received a resolution of the Board of Education of the District (the "District Resolution") authorizing the issuance of a third series of the Bonds to be designated the "Downey Unified School District (Los Angeles County, California) General Obligation Bonds, 2002 Election, Series C" (the "Bonds") in an aggregate principal amount of $25,000,000; and

WHEREAS, Board of Education of the District found and informed this Board in the District Resolution that 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 the proposed issue of the Bonds, is within all limits prescribed by law.

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

ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings given them below, unless the context clearly requires some other meaning.

"Authorized Investments" means any investments permitted by law to be made with

moneys belonging to, or in the custody of, the District.

"Board" means the Board of Supervisors of the County.

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, and (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

"Bond Law" means Chapter 1.5 of Part 10 of Division 1 of the California Education Code as in effect on the date of adoption hereof and as amended hereafter. As provided in Section 15266(b) of the California Education Code, the provisions of Chapter 1 of Part 10 of Division 1 of the California Education Code apply to the Bonds where not inconsistent.

"Bonds" means the Downey Unified School District (Los Angeles County, California) General Obligation Bonds, 2002 Election, Series C, at any time Outstanding under this Resolution.

"Project Fund" means the fund established and held by the Los Angeles County Office of Education as directed under Section 8 of the District Resolution.

"Closing Date" means the date upon which there is an exchange of Bonds for the proceeds representing the purchase price of the Bonds by the Original Purchaser.

"County" means the County of Los Angeles, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"County Treasurer" means the Treasurer and Tax Collector of the County of Los Angeles, or any authorized deputy thereof.

"Debt Service Fund" means the fund established and held by the County Treasurer under Section 4.03.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.04.

"Depository System Participant" means any participant in the Depository's book-entry system.

"District" means the Downey Unified School District, a unified school district organized under the Constitution and laws of the State of California, and any successor thereto.

"District Resolution" means Resolution No. 200405-12 adopted by the Board of Education of the District on April 19, 2005, authorizing the issuance of the Bonds and requesting the Board to sell the Bonds in the name and on behalf of the District.

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

"District Representative" means the Superintendent, the Assistant Superintendent, Administrative Services, or any other person authorized by resolution of the Board of Education of the District to act on behalf of the District with respect to this Resolution and the Bonds.

"Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations issued by any agency or department of the United States which are secured, directly or indirectly, by the full faith and credit of the United States.

"Information Services" means Financial Information, Inc.'s "Daily Called Bond Service", 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services' "Called Bond Service", 65 Broad Street, 16th Floor, New York, New York 10006; Moody's Investors Service "Municipal and Government", 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; Standard & Poor's Corporation "Called Bond Record", 25 Broadway, 3rd Floor, New York, New York 10004; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Interest Payment Dates" with respect to any Bond means August 1 and February 1 in each year during the term of such Bond, commencing February 1, 2006, or otherwise stated in the Official Notice of Sale.

"Issuance Costs" means all items of expense directly or indirectly reimbursable to the District relating to the issuance, execution and delivery of the Bonds including, but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, legal fees and charges, fees and expenses of the Paying Agent, financial, Bond Counsel and other professional consultant fees, costs of obtaining credit ratings, municipal bond insurance premiums, fees for execution, transportation and safekeeping of the Bonds and charges and fees in connection with the foregoing.

"Office" means the office or offices of the Paying Agent for the payment of the Bonds and the administration of its duties hereunder. Initially, the Office is 500 West Temple Street, Room 437, Los Angeles, California. The Office may be re-designated from time to time under written notice filed with the District by the Paying Agent.

"Official Notice of Sale" means the Official Notice of Sale for the public competitive sale of the Bonds, the form of which is attached hereto as Appendix B, as approved by the District in accordance with the District Resolution.

"Original Purchaser" means the purchaser of the Bonds upon the public competitive sale thereof.

"Outstanding", when used as of any particular time with reference to Bonds, means all Bonds except:

(a) Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 7.03; and

(c) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered under the District Resolution and this Resolution.

"Owner", whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Registration Books.

"Paying Agent" means the County Treasurer and his designated agents or his successors or assigns acting in the capacity of paying agent, registrar, authentication agent and transfer agent. The County Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution.

"Record Date" means the 15th day of the month preceding an Interest Payment Date, whether or not such day is a business day.

"Registration Books" means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Bonds under Section 2.09.

"Resolution" means this Resolution, as originally adopted by the Board, including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

"Securities Depositories" means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11230, Fax-(516) 227-4039 or 4190; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Supplemental Resolution" means any resolution supplemental to or amendatory of this Resolution, adopted by the Board in accordance with Article VI.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Written Request of the District" means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized by the District and listed on a Written Request of the District for that purpose.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03. Authority for this Resolution. This Resolution is adopted under the

provisions of the Bond Law.

ARTICLE II

THE BONDS

Section 2.01. Authorization. The Bonds are hereby authorized to be issued in the aggregate principal amount of $25,000,000 under and subject to the terms of the Bond Law, the District Resolution and this Resolution. The Bonds shall be designated the "Downey Unified School District (Los Angeles County, California) General Obligation Bonds, 2002 Election, Series C". The provisions of this Resolution relating to payment of principal of and interest on the Bonds are set forth in this Resolution solely at the request of the District for the convenience of the District in the administration of its bonds, and do not create any responsibilities for the Board beyond the express statutory requirements contained in Sections 15140, 15146 and 15250 of the Bond Law.

Section 2.02. Terms of Bonds.

(a) Form; Numbering. The Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of $5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of Bonds maturing in the year of maturity of the Bond for which the denomination is specified. Bonds shall be lettered and numbered as the Paying Agent may prescribe.

(b) Date of Bonds. The Bonds shall be dated as of the Closing Date or otherwise stated on the Official Notice of Sale.

(c) CUSIP Identification Numbers. CUSIP identification numbers shall be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of the Original Purchaser to accept delivery of and pay for the Bonds. In addition, failure on the part of the County or the District to use such CUSIP numbers in any notice to Owners of the Bonds shall not constitute an event of default or any violation of the contract with such Owners and shall not impair the effectiveness of any such notice.

(d) Maturities; Interest. The Bonds shall mature on August 1 in the years and in the amounts, and will bear interest at the rates, as determined upon the sale thereof as set forth in the Official Notice of Sale. The term of the Bonds may not exceed 25 years. Interest on the Bonds is payable semiannually on each Interest Payment Date. The maximum rate of the Bonds shall not exceed 8% per annum.

Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the 15th day of the month preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to January 15, 2006, in which event it will bear interest from the Closing Date. Notwithstanding the foregoing, if interest on any Bonds is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Interest on the Bonds is calculated on the basis of a 360-day year comprised of twelve 30-day months.

(e) Payment. Interest on the Bonds (including the final interest payment upon maturity or redemption) is payable by check or draft of the Paying Agent mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; except that at the written request of the Owner of at least $1,000,000 aggregate principal amount of the Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. Principal of and premium (if any) on the Bonds are payable in lawful money of the United States of America upon presentation and surrender at the Office of the Paying Agent.

Section 2.03. Redemption.

(a) Optional Redemption Dates and Prices. The Bonds maturing on or before August 1, 2013, are not subject to optional redemption. The Bonds maturing on or after August 1, 2014, are subject to redemption at the option of the District, as a whole or in part on such basis as designed by the District in written notice to the Paying Agent and by lot within a maturity, from any source of available funds, on any Interest Payment Date on or after August 1, 2013, at the following prices, expressed as a percentage of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, or otherwise stated in the Official Notice of Sale in regards to Redemption date and price:

Redemption Dates	Redemption Price
August 1, 2013 and February 1, 2014	102.0%
August 1, 2014 and February 1, 2015	101.0
August 1, 2015 and thereafter	100.0

(b) Mandatory Sinking Fund Redemption. If the bid of the Original Purchaser specifies that any one or more maturities of the Bonds are term bonds which are subject to mandatory sinking fund redemption, each such maturity of Bonds shall be subject to mandatory sinking fund redemption on August 1 in each of the years or otherwise stated in the Official Notice of Sale and in the respective principal amounts as set forth in the bid of the Original Purchaser, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If any such term bonds are redeemed under the provisions of the preceding clause (a), the total amount of all future payments under this subsection (b) with respect to such term bonds shall be reduced by the aggregate principal amount of such term bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 as determined by the District (written notice of which determination shall be given by the District to the County and the Paying Agent).

(c) Selection of Bonds for Redemption. Whenever less than all of the Outstanding Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Bond shall be deemed to consist of individual Bonds of $5,000 denominations each, which may be separately redeemed.

(d) Redemption Procedure. The Paying Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to (i) one or more of the Information Services, and (ii) to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Registration Books; but such mailing shall not be a condition precedent to such redemption

and failure to mail or to receive any such notice shall not affect the validity of the proceedings for the redemption of such Bonds. In addition, notice of redemption shall be given by telecopy or certified, registered or overnight mail to each of the Securities Depositories at least 2 days prior to such mailing to the Bond Owners.

Such notice must state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, must designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Upon surrender of Bonds redeemed in part only, the County shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds shall cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice. The Paying Agent shall cancel all Bonds redeemed under this Section 2.03 and submit a certificate or other evidence of such cancellation to the District.

Section 2.04. Book-Entry System.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Registration Books in the name of Cede & Co. (the "Nominee"). Except as provided in subsection (c) of this Section, the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, the District and the Paying Agent have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the District and the Paying Agent have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than an Owner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed if the District elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than an Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The District and the Paying Agent may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the

purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Paying Agent shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than an Owner shall receive a Bond evidencing the obligation of the District to make payments of principal, interest and premium, if any, under this Resolution. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Paying Agent.

(b) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the District determines to terminate the Depository as such, then the District shall thereupon discontinue the book-entry system with such Depository. In that event, the Depository shall cooperate with the District and the Paying Agent in the issuance of replacement Bonds by providing the Paying Agent with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Paying Agent on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the District fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Paying Agent with the names and addresses of the Participants and respective ownership interests thereof.

(c) Payments to the Nominee. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments by the District or the Paying Agent with respect to principal of and interest and premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as instructed by the Depository.

Section 2.05. Form of Bonds. The Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as are set forth in Appendix A attached hereto.

Section 2.06. Execution of Bonds. The Bonds shall be executed by the manual or facsimile signatures of the Chair of the Board of Supervisors and the County Treasurer, and shall be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Original Purchaser. Any Bond may be signed and attested on behalf of the County by such persons as at the actual date of the execution of such Bond is the proper officers of the County although at the nominal date of such Bond any such person was not such officer of the County.

Only those Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A attached hereto, executed and dated by the Paying Agent, are valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent is conclusive evidence that the Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

Section 2.07. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. Whenever any Bond or Bonds is surrendered for transfer, the County shall execute and the Paying Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

The Paying Agent is not required to transfer any Bond during the period established by the Paying Agent for selection of Bonds for redemption, or any Bond which has been selected for redemption.

Section 2.08. Exchange of Bonds. Bonds may be exchanged at the Office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The Paying Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (a) during the period established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond which has been selected for redemption.

Section 2.09. Registration Books. The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Bonds as herein before provided.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond is mutilated the County, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the County.

If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity satisfactory to it is given, the County, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The Paying Agent may require payment of a sum not exceeding the actual cost of

preparing each new Bond issued under this Section and of the expenses which may be incurred by the County, the District and the Paying Agent in the premises. Any Bond issued under the provisions of this Section 2.10 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Bonds issued under the District Resolution and this Resolution.

ARTICLE III

ISSUE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01. Delivery of Bonds. The County shall cause the Bonds to be signed and sealed as provided in this Resolution, and to be delivered to the Original Purchaser upon the County Treasurer's receipt of the purchase price therefor and upon the Original Purchaser's performance of the conditions imposed by the District.

Section 3.02. Application of Proceeds of Sale of Bonds. The proceeds of the Bonds shall be paid to the Paying Agent, and shall be applied on the Closing Date as follows:

(a) The premium (if any) received on the sale of the Bonds shall be deposited with the County Treasurer in the Debt Service Fund.

(b) All remaining proceeds received by the Paying Agent from the sale of the Bonds shall be transferred for deposit in the Project Fund.

Section 3.03. Project Fund. As provided in Section 8 of the District Resolution, the District has directed the Los Angeles County Office of Education to establish, hold and maintain a fund to be known as the "2002 Election Series C Building Fund", to be maintained by the Los Angeles County Office of Education as a separate account, distinct from all other funds of the County and the District. The proceeds from the sale of the Bonds, to the extent required under Section 3.02(b), shall be deposited in and credited to the Project Fund, and shall be expended by the District solely for the acquisition or improvement of real property for which the Bond proceeds are authorized to be expended under the ballot proposition authorizing the issuance thereof, and for payment of Issuance Costs to the extent not paid by the Original Purchaser. All interest and other gain arising from the investment of amounts deposited to the Project Fund shall be retained in the Project Fund and used for the purposes thereof. At the Written Request of the District filed with the Los Angeles County Office of Education, any amounts remaining on deposit in the Project Fund and not needed for the purposes thereof shall be withdrawn from the Project Fund and transferred to the Debt Service Fund, to be applied to pay the principal of and interest on the Bonds.

If there remain excess amounts on deposit in the Project Fund, after payment in full of the Bonds, any such excess amounts shall be transferred to the general fund of the District, to be applied for the purposes for which the Bonds have been authorized or otherwise in accordance with the Bond Law.

Section 3.04. Official Actions. All actions heretofore taken by the officers and agents of the County with respect to the sale and delivery of the Bonds are hereby approved, and the

County Treasurer and all other officers of the County are hereby authorized and directed for and in the name and on behalf of the Board, to do any and all things and take any and all actions relating to the execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful sale and delivery of the Bonds in accordance with this Resolution.

ARTICLE IV

SALE OF BONDS; DEBT SERVICE FUND

Section 4.01. Sale of Bonds. Under Section 4 of the District Resolution, the District has requested the Board to sell the Bonds by competitive public bidding in accordance with the Official Notice of Sale. The Board hereby approves such sale of the Bonds. The County Treasurer, or any designee thereof, is hereby authorized to review the bids and to accept the best bid in the name and on behalf of the District in accordance with the Official Notice of Sale.

Section 4.02. Security for Bonds. The Bonds are general obligations of the District, and the Board has the power to levy ad valorem taxes upon all property within the District subject to taxation without limitation of rate or amount, for the payment of the Bonds and the interest and redemption premium (if any) thereon, in accordance with and subject to Sections 15250 and Section 15252 of the Bond Law. The District shall request the County to levy ad valorem taxes for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

Section 4.03. Debt Service Fund. The County shall create and maintain while the Bonds are outstanding an interest and sinking fund for the Bonds to be known as the "2002 Election, Series C Debt Service Fund", which shall be maintained by the County as a separate account, distinct from all other funds of the District, into which shall be paid on receipt thereof, (a) any premium received on the sale of the Bonds, and (b) the proceeds of any taxes levied under Section 4.02.

Section 4.04. Disbursements From Debt Service Fund. The County shall administer the Debt Service Fund and make disbursements therefrom in the manner set forth in this Section 4.04. The County shall transfer amounts on deposit in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds when due and payable, to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the principal of and interest on the Bonds. DTC will thereupon make payments of principal and interest on the Bonds to the DTC Participants who will thereupon make payments of principal and interest to the beneficial owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, as provided in Section 15234 of the Bond Law. As provided in Section 15323 of the Bond Law, amounts in the Debt Service Fund shall also be applied to pay the expense of paying the Bonds elsewhere than at the office of the County Treasurer.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Section 5.01. Events of Default. Any one or more of the following events constitute an Event of Default under this Resolution:

(a) default by the District in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) default by the District in the due and punctual payment of any installment of interest on any Bond when and as such interest installment becomes due and payable;

(c) default by the District in the observance of any of the covenants, agreements or conditions on its part contained in this Resolution, in the District Resolution or in the Bonds, and the continuation of such default for a period of 30 days after written notice thereof has been given to a District Representative; or

(d) the filing by the District of a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction approves a petition, seeking reorganization of the District under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the District or of the whole or any substantial part of its property.

Section 5.02. Remedies of Bond Owners. Upon the occurrence and during the continuation of any Event of Default, any Bond Owner has the right, for the equal benefit and protection of all Bond Owners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution, in the District Resolution and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners' rights; or

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

Section 5.03. Remedies Not Exclusive. No remedy herein conferred upon the Owners of Bonds is exclusive of any other remedy and that each and every remedy is cumulative and in addition to every other remedy given hereunder or thereafter conferred on the Bond Owners.

Section 5.04. Non-Waiver. Nothing in this Article VI or in any other provision of this

Resolution, or in the Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, or affects or impairs the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Bond Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Bond Owners by this Article VI may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Bond Owners, the County, the District and the Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

ARTICLE VI

AMENDMENT OF THIS RESOLUTION

Section 6.01. Amendments Without Consent of the Owners. For any one or more of the following purposes and at any time or from time to time, the Board may adopt a Supplemental Resolution without the requirement of consent of the Owners of the Bonds, for any one or more of the following purposes:

(a) to add covenants and agreements of the Board in this Resolution, which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(b) to add limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the Board which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) to confirm, as further assurance, any pledge under this Resolution of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(d) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution; or

(e) to make such additions, deletions or modifications as may be necessary to assure exclusion from gross income for purposes of federal income taxation of interest on the Bonds.

The Board will adopt a Supplemental Resolution for any one or more of the foregoing purposes only at the written direction of the District and approve by the County, and only if the adoption of such Supplemental Resolution is in accordance with the provisions of this

Resolution.

Section 6.02. Supplemental Resolutions Effective With Consent to the Owners. Any modification or amendment of this Resolution and of the rights and obligations of the County, the District and of the Owners of the Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent of the Owners of at least 60% in aggregate principal amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or reduce the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or change any of the provisions in Section 6.01 hereof relating to Events of Default, or shall reduce the amount of moneys pledged by the District for the repayment of the Bonds without the consent of all the Owners of such Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

ARTICLE VII

MISCELLANEOUS

Section 7.01. The Paying Agent.

(a) Appointment of Paying Agent. The District has appointed the County Treasurer to act as Paying Agent for the Bonds under Section 11 of the District Resolution. The County Treasurer may, in his or her sole discretion, contract with any third party to perform the services of Paying Agent under this Resolution.

(b) Removal of Paying Agent. The District may, with the consent of the County Treasurer, remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars ($50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

(c) Resignation of Paying Agent. The Paying Agent may at any time resign by giving written notice to the District, the County and the Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

(d) Ownership of Bonds. The Paying Agent may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

Section 7.02. Benefits of Resolution Limited to Parties. Nothing in this Resolution, expressed or implied, is intended to give to any person other than the County, the District, the Paying Agent, any bond insurer and the Owners of the Bonds, any right, remedy, claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the County, the Paying Agent and the Owners of the Bonds.

Section 7.03. Defeasance.

(a) Defeasance. Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

(a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 7.03(c) hereof) to pay or redeem such Bonds; or

(c) by delivering such Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Bonds have not been surrendered for payment, this Resolution and all covenants, agreements and other obligations of the County and the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 7.03(b). In that event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the County and the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 7.03(c) hereof) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption is given as provided in Section 2.03(d) or provision satisfactory to the Paying Agent is made for the giving of such notice, then all liability of the County and the District in respect of such Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 7.03(d) shall apply in all events.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in Section 2.03(d) or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified

public accountant delivered to the County and the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in Section 2.03(d) or provision satisfactory to the Paying Agent is made for the giving of such notice.

(d) Transfer of Funds to District After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal or redemption price of, or interest on, any Bonds and remaining unclaimed for one (1) year after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in this Resolution), if such moneys were so held at such date, or one (1) year after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

Section 7.04. Execution of Documents and Proof of Ownership by Bond Owners. Any request, declaration or other instrument which this Resolution may require or permit to be executed by Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to such Owner the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of the Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the County, the District, the Paying Agent or a District Representative in good faith and in accordance therewith.

Section 7.05. Waiver of Personal Liability. No County officer, agent or employee of the County or the District shall be individually or personally liable for the payment of the principal of or interest on the Bonds.

Section 7.06. Destruction of Canceled Bonds. Whenever in this Resolution provision is made for the surrender to the County or the District of any Bonds which have been

paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Bonds and the County and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 7.07. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares that it would have adopted this Resolution and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in a District Representative in trust for the benefit of the Bond Owners. Nothing in this Section 7.07 is intended to create, nor shall the remaining portions of this Resolution create, any liability or obligation of the Board or the County beyond those specifically imposed by statute.

Section 7.08. Effective Date of Resolution. This Resolution takes effect from and after the date of its passage and adoption.

****

The foregoing resolution was adopted on the ___ day of _____, 2005, 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:

RAYMOND G. FORTNER, JR.,
COUNTY COUNSEL

By: _____
Principal Deputy County Counsel

APPENDIX A

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
LOS ANGELES COUNTY

DOWNEY UNIFIED SCHOOL DISTRICT

(Los Angeles County, California)

GENERAL OBLIGATION BOND,
2002 ELECTION, SERIES C

INTEREST RATE: **MATURITY DATE:** **ISSUE DATE:** **CUSIP:**

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: **DOLLARS**

The DOWNEY UNIFIED SCHOOL DISTRICT, a unified school district duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "District"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Owner"), on the Maturity Date stated above, the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless (i) this Bond is authenticated on an interest payment date, in which event it will bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the 15th day of the month preceding such interest payment date, in which event it will bear interest from such interest payment date, or (iii) this Bond is authenticated on or prior to January 15, 2006, in which event it will bear interest from the Issue Date stated above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond will bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond) until payment of such Principal Sum in full, at the rate per annum stated above, payable on February 1 and August 1 in each year, commencing February 1, 2006, calculated on the basis of a 360-day year comprised of twelve 30-day months.

The principal of this Bond is payable at the corporate trust office of the paying agent for the Bonds (the "Paying Agent"), initially being the Treasurer and Tax Collector of the County of Los Angeles, in Los Angeles, California. Interest hereon (including the final interest payment upon maturity) is payable by check or draft of the Paying Agent mailed by first-class mail to the Owner at the Owner's address as it appears on the registration books maintained by the Paying Agent as of the close of business on the 15th day of the month next preceding such interest payment date (the "Record Date"), or

at such other address as the Owner may have filed with the Paying Agent for that purpose.

This Bond is one of a duly authorized issue of Bonds of the District designated as "Downey Unified School District (Los Angeles County, California) General Obligation Bonds, 2002 Election, Series C" (the "Bonds"), in an aggregate principal amount of $25,000,000, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions) and all issued under the provisions of Chapter 1.5 of Part 10 of Division 1 of the California Education Code as in effect on the date of adoption hereof and as amended hereafter (the "Bond Law"), and under a Resolution of the Board of Supervisors of Los Angeles County (the "County") adopted on _____, 2005 (the "Resolution"), authorizing the issuance of the Bonds. The Bonds are being issued subject to the terms and conditions of the Resolution. All capitalized terms herein and not otherwise defined have the meaning given them in the Resolution. Reference is hereby made to the Resolution (copies of which are on file at the office of the Paying Agent) and the Bond Law for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Resolution) are general obligations of the District. The Board of Supervisors of the County has the power and is obligated to levy ad valorem taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District. The Bonds do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the principal of or interest on the Bonds.

The Bonds maturing on or before August 1, 2013, are not subject to optional redemption. The Bonds maturing on or after August 1, 2014, are subject to redemption at the option of the District, as a whole or in part on such basis as designed by the District in written notice to the Paying Agent and by lot within a maturity, from any source of available funds, on any Interest Payment Date on or after August 1, 2013, at the following prices, expressed as a percentage of the principal amount to be redeemed, plus accrued interest thereon to the redemption date:

Redemption Dates	Redemption Price
August 1, 2013, and February 1, 2014	102.0%
August 1, 2014, and February 1, 2015	101.0
August 1, 2015, and thereafter	100.0

[If applicable:] The Bonds maturing on August 1, ___ (the "Term Bonds") are also subject to mandatory sinking fund redemption on August 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the Term Bonds have been redeemed under the preceding paragraph, the aggregate principal amount of Term Bonds to be redeemed under this paragraph shall be reduced on a pro rata basis in integral multiples of $5,000, as designated in written notice filed by the District with the Paying Agent.

Redemption Date (August 1)	Principal Amount

If less than all of the Bonds of any one maturity are 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 $5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000.

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of redemption shall be given by mail to the respective owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 30 days, but not more than 60 days, prior to the redemption date. Neither the failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

The Bonds are issuable as fully registered Bonds, without coupons, in denominations of $5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Paying Agent in Los Angeles, California, but only in the manner and subject to the limitations provided in the Resolution, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The District and the Paying Agent may treat the Owner hereof as the absolute owner hereof for all purposes, and the County, District and the Paying Agent shall not be affected by any notice to the contrary.

The Resolution may be amended without the consent of the Owners of the Bonds to the extent set forth in the Resolution.

Unless this Bond 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. The District has certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that all things necessary to consummate the lawful issuance and sale of the Bonds, the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

This Bond shall not be entitled to any benefit under the Resolution or become valid or obligatory for any purpose until the Certificate of Authentication hereon has been signed manually by the Paying Agent.

IN WITNESS WHEREOF, the County of Los Angeles has caused this Bond to be executed on behalf of the District by the manual or facsimile signatures of the Chair of the Board of Supervisors of the County of Los Angeles 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.

COUNTY OF LOS ANGELES,
CALIFORNIA

By_____
Chair, Board of Supervisors

By_____
Treasurer and Tax Collector

COUNTERSIGNED:

By _____
Executive Officer-Clerk of the
Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution.

Authentication Date:

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

By: U.S. Bank, National Association, as agent

_____
Authorized Signatory

(FORM OF ASSIGNMENT)

For value received, the undersigned do(es) hereby sell, assign and transfer unto

_____

_____

_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____, attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

Note: Signature(s) must be guaranteed by an eligible guarantor institution (banks, stockbrokers, saving and loan associations and credit unions with membership in an approved signature medallion program) under Securities and Exchange Commission Rule 17Ad-15.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular without alteration or enlargement or any change whatsoever.

APPENDIX B

OFFICIAL NOTICE OF SALE

$25,000,000
DOWNEY UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
GENERAL OBLIGATION BONDS
2002 ELECTION, SERIES C

NOTICE IS HEREBY GIVEN that bids will be received by the Treasurer and Tax Collector of the County of Los Angeles (the "County") on behalf of the Downey Unified School District (the "District"), for the purchase of $25,000,000 principal amount of bonds of the District designated the "Downey Unified School District (Los Angeles County, California) General Obligation Bonds 2002 Election, Series C" (the "Bonds"). Bids will be received in electronic form via the Parity Electronic Bid Submission System, on

TUESDAY, APRIL 12, 2005

or, at the option of the District, on successive days thereafter until acceptance of a bid, in either case at 10:00 a.m. Pacific Time, at the office of the Treasurer and Tax Collector of the County, 500 West Temple Street, Room 437, Los Angeles, California 90012. The Bonds will be issued in the name and on behalf of the District by the Board of Supervisors of Los Angeles County under the provisions of a Resolution adopted by the Board of Supervisors on April 19, 2005 (the "Resolution"), and under the laws of the State of California. The Bonds are more particularly described in the proposed form of the Resolution on file with the District (which is incorporated herein by reference) and copies thereof will be furnished to the bidder upon request.

DESCRIPTION OF THE BONDS

PURPOSE: The proceeds of the Bonds will be applied by the District for the purpose of financing the acquisition and construction of facilities to be used for the educational purposes of the District, in accordance with the ballot proposition under which the issuance of the Bonds has been authorized.

ISSUE; BOOK-ENTRY FORM: The Bonds will be issued in the aggregate principal amount of $25,000,000, in the form of fully registered Bonds without coupons. The Bonds will be dated as their date of delivery (assumed to be April 27, 2005) and will be issued in minimum denominations of $5,000. The Bonds will be issued in a book entry only system with no physical distribution of the Bonds made to the public. The Depository Trust Company, New York, New York ("DTC"), will act as depository for the Bonds which will be immobilized in its custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC, on behalf of the participants in the DTC system and the subsequent beneficial owners of the Bonds.

MATURITIES: The Bonds will mature, or be subject to mandatory sinking fund redemption, on the dates and in the amounts, as set forth in the following table. The final

principal amount of the Bonds, and the final amount of each maturity of the Bonds, shall be subject to increase or reduction as described below under the heading "Adjustment of Principal Amounts". *Each bidder is required to specify in its bid whether, for any particular year, the Bonds will mature or, alternately, be subject to mandatory sinking fund redemption in such year.*

Maturity (August 1)	Principal Amount	Maturity (August 1)	Principal Amount
2006		2018	
2007		2019	
2008		2020	
2009		2021	
2010		2022	
2011		2023	
2012		2024	
2013		2025	
2014		2026	
2015		2027	
2016		2028	
2017		2029	

PAYMENT PROVISIONS: Interest on the Bonds will be payable on February 1, 2006, and on February 1 and August 1 in each year thereafter (the "Interest Payment Dates"), to the registered owners by check or draft of U.S. Bank National Association, as agent of the Treasurer and Tax Collector of the County acting as paying agent under the Resolution (the "Paying Agent") or, in the case of the owner of Bonds in an aggregate principal amount of at least $1,000,000, at the written request of such owner by wire transfer. Principal of and premium (if any) on any Bond will be paid upon presentation and surrender thereof at the corporate trust office of the Paying Agent in Los Angeles, California. Both the principal of and interest and premium (if any) on the Bonds are payable in lawful money of the United States of America.

OPTIONAL REDEMPTION: The Bonds maturing on or before August 1, 2013, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 2014, are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 2013, and on any Interest Payment Date thereafter, at a redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) as set forth in the following table, together with accrued interest thereon to the date fixed for redemption.

Redemption Dates	Redemption Price
August 1, 2013 and February 1, 2014	102.0%
August 1, 2014 and February 1, 2015	101.0
August 1, 2015 and thereafter	100.0

SINKING FUND REDEMPTION: *Any bidder may, at its option, specify that one or more maturities of the Bonds will consist of term Bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder.* In the event that the bid of the successful bidder

specifies that any maturity of Bonds will be term Bonds, such term Bonds will be subject to mandatory sinking fund redemption on August 1 in each year so designated in the bid, in the respective amounts for such years as set forth above under the heading "MATURITIES", at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

SECURITY: The Bonds are general obligations of the District, and the District has directed the County to levy ad valorem taxes for the payment of the Bonds and the interest thereon without limitation as to rate or amount for the payment of the Bonds and the interest thereon.

TAX-EXEMPT STATUS: In the opinion of Jones Hall, A Professional Law Corporation, bond counsel to the District, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal individual and corporate alternative minimum taxes, although it is included in certain income and earnings in computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. In the event that prior to the delivery of the Bonds (a) the interest on other obligations of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse effect upon owners of the Bonds as such, the successful bidder for the Bonds may, at its option, prior to the tender of the Bonds, be relieved of its obligation under the contract to purchase the Bonds, and in such case the deposit accompanying its proposal will be returned.

BOND COUNSEL OPINION: The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, approving the validity of the Bonds, will be furnished to the purchaser of the Bonds without cost. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond at the expense of the District.

FURTHER INFORMATION: A copy of the preliminary Official Statement describing the Bonds, and any other information concerning the proposed financing, will be furnished upon request to the financial advisor to the District: Dale Scott & Co., 400 Montgomery Street, Suite 805, San Francisco, California 94104, telephone: (415) 956-1030.

MUNICIPAL BOND INSURANCE; BIDDER'S OPTION: The District has applied to certain bond insurance companies for a commitment to issue a policy insuring the payment when due of principal of and interest on the Bonds. If a commitment for municipal bond insurance is obtained prior to the sale date, the District will cause notice thereof to be published on Munifax Wire System. Information concerning the availability of municipal bond insurance may be also obtained by contacting the financial advisor to the District, Dale Scott & Co., 400 Montgomery Street, Suite 805, San Francisco, California 94104, telephone: (415) 956-1030. If the District obtains a commitment for municipal bond insurance, each bidder has the option to elect whether such insurance will be issued. If the winning bidder elects to obtain any policy of municipal bond insurance, the premium for such insurance and the costs of any related ratings will be paid by the bidder, and neither the District nor the County will have any responsibility for payment of such premium and costs.

TERMS OF SALE

ELECTRONIC BIDS: The County on behalf of the District will accept bids in electronic form solely through Thomson Financial's Parity System ("Parity"). Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with Parity, that neither the District nor the County endorse nor explicitly encourage the use of Parity, and that Parity is not acting as an agent of the District. Instructions and forms for submitting electronic bids must be obtained from Parity, and neither the District nor the County assume any responsibility for ensuring or verifying bidder compliance with Parity's procedures. The District and the County will be entitled to assume that any bid received via Parity has been made by a duly authorized agent of the bidder.

The District, the County, the Financial Advisor and Bond Counsel assume no responsibility for proper functioning of the Parity system, for any error contained in any bid submitted electronically, or for failure of any bid to be transmitted, received or opened at the official time for receipt of bids. The official time for receipt of bids will be determined by the District at the place of bid opening, and the District will not be required to accept the time kept by Parity as the official time. Neither the District nor the County assume any responsibility for informing any bidder prior to the deadline for receiving bids that its bid is incomplete, or not received.

FORM OF BID; MINIMUM PURCHASE PRICE: Each proposal must be for not less than all of the Bonds hereby offered for sale. The purchase price to be paid for the Bonds may not be less than the par value thereof. No bid will be entertained which provides for a discount on the sale of the Bonds. Each bid must be delivered in writing to the District at the address set forth above, to be received not later than the date and time of sale set forth above.

DESIGNATION OF INTEREST RATES: Each bidder must specify the rate or rates of interest which the Bonds shall bear. The maximum rate bid on any Bonds may not exceed 8% per annum. A bidder will be permitted to bid different rates of interest for each maturity of Bonds; but:

- each interest rate must be in a multiple of 1/20% or 1/8%;
- no Bond may bear more than one rate of interest;
- interest on each Bond will be computed from the date of original delivery thereof (assumed for computational purposes to be April 27, 2005), to its stated maturity at the interest rate specified in the proposal;
- all Bonds maturing at any one time must bear the same rate of interest; and
- the rate of interest bid on any maturity of Bonds may not exceed the rate of interest bid on any other maturity of Bonds by more than 3% per annum.

DETERMINATION OF BEST BID: The Bonds will be awarded to the responsible bidder whose bid produces the lowest true interest rate on the Bonds. The true interest rate specified in any bid will be that rate which, when used in computing the present worth of all payments of principal and interest to be paid on all Bonds from the date of original delivery thereof (assumed for computational purposes to be April 27, 2005), to their respective maturity dates or mandatory sinking fund redemption dates, produces an amount equal to the purchase price specified in such bid. For purposes of computing the true interest rate represented by any proposal, the purchase price specified in such proposal shall be equal to the par amount of the Bonds plus any premium specified in such proposal, and the true interest rate shall be calculated by the use of a semiannual interval of compounding interest based on the Interest Payment Dates for the Bonds.

ADJUSTMENT OF PRINCIPAL MATURITIES: The District intends that the amount of annual debt service on the Bonds will be approximately equal in each year. Accordingly, the District reserves the right to increase or decrease the principal amount of any maturity of the Bonds (or, in the case of the term Bonds, the principal amount thereof which is subject to mandatory sinking fund redemption on August 1 in any year) in order to achieve such intention. The aggregate principal amount of the Bonds will equal $25,000,000 under any circumstances. Notice of such increase or decrease shall be given to the successful bidder as soon as practicable following the notification of award, as described below. No such adjustment will have the effect of altering the basis upon which the best bid is determined.

RIGHT OF REJECTION: The District and the County reserve the right, in their discretion, to reject any and all bids and to the extent not prohibited by law to waive any irregularity or informality in any bid.

PROMPT AWARD: The Board of Supervisors of the County has authorized the Treasurer to accept the best responsible bid for the purchase of the Bonds in the name and on behalf of the District, by notice to the successful bidder. Such officer or his designee has further been authorized, in their discretion, to reject any and all bids and waive any irregularity or informality in any bid. The sale of the Bonds will be awarded, or all bids rejected, not later than 24 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder; provided, that the award may be made after the expiration of the specified time if the bidder has not given to the Treasurer notice in writing of the withdrawal of its proposal.

PLACE OF DELIVERY; CANCELLATION FOR LATE DELIVERY: It is expected that the Bonds will be delivered to DTC for the account of the successful bidder within 21 days from the date of sale thereof. The successful bidder has the right, at the successful bidder's option, to cancel the contract of purchase if the Bonds are not tendered for delivery within 60 days from the date of the sale thereof, and in such event the successful bidder will be entitled to the return of the deposit accompanying its bid.

GOOD FAITH DEPOSIT: A good faith deposit (the "Deposit") in the form of a certified or cashier's check or a Financial Surety Bond in the amount of $150,000 payable to the order of the Treasurer and Tax Collector of the County of Los Angeles, is required for each bid to be considered. If a check is used, it must be drawn on a California bank. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of California, and such bond must be submitted to Dale Scott & Co. as financial advisor to the District prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then such

bidder must submit its Deposit to the Treasurer and Tax Collector in the form of a cashier's check (or wire transfer such amount as instructed by the financial advisor) not later than 1:00 p.m. California time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the County to satisfy the Deposit requirement. No interest on the Deposit will accrue to the purchaser. The amount of the Deposit will be applied as a credit towards the payment of the purchase price by the successful bidder. If after the award of the Bonds, the successful bidder fails to complete its purchase on the terms stated in its proposal, the full amount of the good faith deposit will be retained by the County on behalf of the District.

STATEMENT OF TRUE INTEREST RATE: Each bidder is requested, but not required, to state in its proposal the percentage true interest rate represented by its proposal, determined as described above, which shall be considered as informative only and not binding on either the bidder, the County or the District.

CERTIFICATION OF REOFFERING PRICE: The successful bidder is required, as a condition to the delivery of the Bonds by the District and the County, to deliver to the District and the County a certificate, in form and substance satisfactory to the District and the County, stating (i) that, as of the date of award, the Bonds were expected to be reoffered in a bona fide public offering, (ii) the initial offering price at which a substantial amount (at least 10%) of each maturity of the Bonds were sold to the public, and (iii) that no Bonds of a single maturity were offered at one price to the general public and at a discount from that price to institutional or other investors.

NO LITIGATION: There is no litigation pending concerning the validity of the Bonds, the corporate existence of the District or the County, or the entitlement of the officers thereof to their respective offices, and the purchaser will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of delivery of the Bonds.

CUSIP NUMBERS AND OTHER FEES: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the District; *provided, however,* that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and will be paid for by the purchaser. The successful bidder will also be required to pay all fees required by the Depository Trust Company, Bond Market Association, Municipal Securities Rulemaking Board, and other similar entity imposing a fee in connection with the issuance of the Bonds (including the California Debt and Investment Advisory Commission as described below).

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION FEES: All fees payable to the California Debt and Investment Advisory Commission in connection with the issuance of the Bonds are the sole responsibility of the purchaser of the Bonds.

OFFICIAL STATEMENT: The District has approved a preliminary Official Statement relating to the Bonds. Copies of the preliminary Official Statement will be distributed to any bidder, upon request, prior to the sale in a form "deemed final" by the District for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). Within seven business days from the sale date, the District will deliver to the purchaser copies of the final Official Statement, executed by an authorized representative of the District and dated the date of delivery thereof to the purchaser, in sufficient number to allow the purchaser to

comply with paragraph (b)(4) of the Rule and to satisfy the Municipal Securities Rulemaking Board (the "MSRB") Rule G-32 or any other rules adopted by the MSRB, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and such other amendments or supplements as are approved by the District (the "Final Official Statement"). The purchaser agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Final Official Statement. The District will furnish to the successful bidder, at no charge, not in excess of 150 copies of the Official Statement for use in connection with any resale of the Bonds.

CERTIFICATE REGARDING OFFICIAL STATEMENT: A responsible officer of the District will certify to the original purchaser of the Bonds, as a condition of closing, that based on such officer's participation in the preparation of the Official Statement, nothing has come to his or her attention to lead him or her to believe that the Official Statement (except for certain financial statements, statistical data and other information) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE. In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the District has committed to undertake, under the Resolution and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the preliminary Official Statement and will also be set forth in the final Official Statement. Such Continuing Disclosure Certificate will be a document required to be delivered at closing by the District, and the failure by the District to deliver such document in form and substance acceptable to Bond Counsel and the successful bidder will relieve the successful bidder of its obligation to purchase the Bonds.

Given by order of the Board of Supervisors of the County of Los Angeles.

Dated: March 8, 2005

BOARD OF EDUCATION
DOWNEY UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 200405-12

RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, 2002 ELECTION, SERIES C, IN THE AGGREGATE PRINCIPAL AMOUNT OF $25,000,000, AND REQUESTING THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY TO SELL SAID BONDS ON BEHALF OF THE DISTRICT

WHEREAS, a special bond election was duly and regularly held in the Downey Unified School District (the "District") on November 5, 2002, under the procedures specified in Proposition 39 (Article XIII A Section 1 paragraph (b) of the California Constitution) for the purpose of submitting a ballot measure (the "Bond Measure") to the qualified electors of the District authorizing the issuance of general obligation bonds of the District in the aggregate principal amount of $65,000,000 (the "Bonds"), and more than 55% of the votes cast at said election were in favor of the issuance of the Bonds; and

WHEREAS, the Board of Supervisors of the County of Los Angeles (the "County") has previously sold Series A and Series B of the Bonds in the name of the District in the total aggregate principal amount of $40,000,000; and

WHEREAS, the Board of Education of the District wishes at this time to institute proceedings for the issuance and sale of a third series of the Bonds in the aggregate principal amount of $25,000,000; and

WHEREAS, Section 15140 of the Education Code of the State of California (the "Education Code") requires that general obligation bonds of the District be offered for sale by the Board of Supervisors of the County as soon as possible following receipt of a resolution adopted by the Board of Education of the District;

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE DOWNEY UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Authorization and Terms of Series C Bonds. The Board of Education hereby authorizes the issuance of a third series of bonds authorized under the Bond Measure, in the aggregate principal amount of $25,000,000, to be designated the "Downey Unified School District (Los Angeles County, California) General Obligation Bonds, 2002 Election, Series C" (the "Series C Bonds"). The Series C Bonds shall bear interest at the respective rates to be determined upon the sale of the Series C Bonds, payable on February 1 and August 1 in each year beginning February 1, 2006, and shall mature on February 1 in each of the years and in the respective

amounts as determined upon the sale of the Series C Bonds. The term of the Series C Bonds shall not exceed 25 years.

Section 2. Request to County to Sell Series C Bonds. In accordance with Section 15140 of the California Education Code, the Board of Education hereby requests the Board of Supervisors of the County of Los Angeles to sell the Series C Bonds in the name and on behalf of the District. Proceeds of the Series C Bonds shall be expended by the District for purposes which are authorized under the Bond Measure.

Section 3. Approval of County Resolution. The Board of Education hereby approves the resolution of the Board of Supervisors authorizing the sale of the Series C Bonds, in substantially the form on file with the Superintendent, together with any additions thereto or changes therein deemed necessary or advisable by the Board of Supervisors and the Superintendent of the District or her authorized designee (the "County Resolution"). The provisions of the County Resolution relating to payment of principal of and interest on the Series C Bonds are set forth in the County Resolution solely at the request of the District for the convenience of the District in the administration of the Series C Bonds, and do not create any responsibilities for the Board of Supervisors of the County beyond the express statutory requirements contained in Sections 15140, 15146 and 15250 of the California Education Code. The District agrees to carry out and perform all of its obligations under the County Resolution.

Section 4. Sale of the Series C Bonds. The Board hereby requests the Board of Supervisors to sell the Series C Bonds by competitive public bidding in accordance with the Official Notice of Sale in substantially the form on file with the Superintendent, together with any additions thereto or changes therein deemed necessary or advisable by the Board of Supervisors and the Superintendent of the District or her authorized designee (the "Official Notice of Sale"). The Superintendent or the Assistant Superintendent, Business Services of the District, or any other person designated by Superintendent or the Assistant Superintendent, Business Services of the District to act on his or her behalf (each, an "Authorized Officer"), are each individually authorized to accept the best bid submitted for the purchase of the Series C Bonds, provided that such bid complies with the Official Notice of Sale and the requirements of this Resolution and the County Resolution.

Section 5. Security for the Series C Bonds. The Series C Bonds are general obligations of the District, and the Board has the power to levy ad valorem taxes upon all property within the District subject to taxation without limitation of rate or amount, for the payment of the Series C Bonds and the interest and redemption premium (if any) thereon, in accordance with and subject to Sections 15250 and Section 15252 of the California Education Code. The District hereby requests the County to levy ad valorem taxes for the payment of the Series C Bonds and the interest thereon without limitation as to rate or amount.

Section 6. Tax Covenants.

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the Series C Bonds are not so used as to cause the Series C Bonds to meet the private business tests of section 141(b) of the Internal Revenue Code of 1986, as amended (the "Tax Code") or the private loan-financing test of section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series C Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Tax Code.

(c) Rebate Requirement. The District shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series C Bonds.

(d) No Arbitrage. The District shall not take, or permit or suffer to be taken by the County of Los Angeles, the Paying Agent or otherwise, any action with respect to the proceeds of the Series C Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series C Bonds would have caused the Series C Bonds to be "arbitrage bonds" within the meaning of section 148 of the Tax Code.

(e) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Series C Bonds from the gross income of the owners of the Series C Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the date of issuance of the Series C Bonds.

Section 7. Preparation of Official Statement. The Board of Education hereby approves, and hereby deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the preliminary Official Statement describing the Series C Bonds in substantially the form submitted by Dale Scott & Company, as financial adviser to the District, and on file with the Superintendent. An Authorized Officer is hereby authorized to execute an appropriate certificate stating the Board of Education's determination that the Preliminary Official Statement has been deemed nearly final within the meaning of such Rule. Distribution of the preliminary Official Statement in connection with the sale of the Series C Bonds is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of his or her approval of any such changes and additions. The Board of Education hereby authorizes the distribution of the final Official Statement by the purchaser of the Series C Bonds. The final Official Statement shall be executed in the name and on behalf of the District by an Authorized Officer.

Section 8. Building Fund. The District hereby directs the Los Angeles County Office of Education to establish, hold and maintain a fund to be known as the "2002 Election, Series C Building Fund", to be maintained by the Los Angeles County Office of Education as a separate account, distinct from all other funds of the County and the District. The proceeds from the sale of the Series C Bonds, to the extent required under Section 3.02(c) of the County Resolution, shall be deposited in and credited to the Building Fund, and shall be expended by the District solely for the acquisition or improvement of educational facilities for which the Series C Bond proceeds are authorized to be expended under the Bond Measure, including payment of the costs of issuing the Series C Bonds. All interest and other gain arising from the investment of amounts deposited to the Building Fund shall be retained in the Building Fund and used for the purposes thereof.

Section 9. Debt Service Fund. The District hereby directs the Treasurer and Tax Collector of the County (the "County Treasurer") to establish, hold and maintain a fund to be known as the "2002 Election, Series C Debt Service Fund", which shall be maintained by the County Treasurer as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County, at the request of the District, for the payment of the principal of and interest and premium (if any) on the Series C Bonds in accordance with the County Resolution shall be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy. The Debt Service Fund shall be pledged for the payment of the principal of and interest on the Series C Bonds when and as the same become due, including the principal of any term Series C Bonds required to be paid upon the mandatory sinking fund redemption thereof. The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest and redemption premium (if any) on the Series C Bonds as the same become due and payable, shall be transferred by the County to the Paying Agent upon the written request of the District filed with the County, as required to pay the principal of and interest and redemption premium (if any) on the Series C Bonds. In addition, amounts on deposit in the Debt Service Fund shall be applied to pay the fees and expenses of the Paying Agent not paid from the proceeds of sale of the Bonds, insofar as permitted by law, including specifically by Section 15232 of the California Education Code.

If, after payment in full of the Series C Bonds, any amounts remain on deposit in the Debt Service Fund, such amounts shall be transferred to the General Fund of the District, as provided in Section 15234 of the California Education Code.

Section 10. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Certificate to be executed by an Authorized Officer and dated the date of issuance and delivery of the Series C Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 11. Appointment of Paying Agent. The Board of Education hereby appoints the County Treasurer to act as the authenticating agent, Bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Series C Bonds. The County Treasurer may, at the County Treasurer's option, contract with a

commercial bank or trust company to perform the duties of the Bond registrar hereunder, and thereafter all references to the Bond registrar shall be deemed to refer to such bank or trust company and not to the County Treasurer. The Paying Agent shall perform such functions as are imposed upon it under the County Resolution.

All fees and expenses incurred for services of the Paying Agent are the sole responsibility of the District. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution and the County Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution and the County Resolution. The District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

Section 12. Findings. The Board of Education hereby finds and determines that 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 the Series C Bonds is within all limits prescribed by law.

Section 13. Official Actions. The Superintendent, the Assistant Superintendent, Business Services, the Clerk of the Board and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series C Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 14. Effective Date of Resolution. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * * *

I hereby certify that the foregoing Resolution was passed and adopted by the Board of Education of the Downey Unified School District at a regular meeting thereof duly held on April 19, 2005, by a majority vote of all of its members.

Adopted by the following votes:

AYES: 7

NOES: 0

ABSENT: 0

Barbara R. Samperi, President of the Board

William A. Gutierrez, Clerk of the Board