COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012
TELEPHONE: (213) 974-2101 FAX: (213) 626-1812

MARK J. SALADINO
TREASURER AND TAX COLLECTOR

June 21, 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 MONTEBELLO UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
ELECTION OF 2004 GENERAL OBLIGATION BONDS, SERIES 2005
(FIRST DISTRICT) (3-VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the Resolution authorizing the issuance and sale of General Obligation Bonds of the Montebello Unified School District in an aggregate principal amount not to exceed $30,000,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 16, 2005, the Governing Board of the Montebello Unified School District adopted a Resolution and determined that the District needs to borrow funds in an aggregate principal amount not to exceed $30,000,000 to be used for authorized purposes.

On November 2, 2004, an election was held whereby voters residing in the District approved a ballot measure authorizing the District to issue $98,000,000 in general obligation bonds for various qualifying purposes. This is the first issuance of bonds authorized under this bond measure.

Pursuant to Section 15266 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 of Los Angeles 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 school 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 general obligation bonds at a true interest cost not to exceed six percent (6%). The final structure will be determined at the time of pricing to achieve the lowest cost of financing within the limits of the proposition's tax levy. The final maturity of the bonds shall not exceed twenty-five years. Provisions for optional redemption of these bonds will be described in the Contract of Purchase.

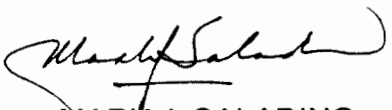
The Resolution provides for the negotiated sale of the bonds, with participation by the Treasurer and Tax Collector in pricing of the bonds, to the Underwriter. The District has selected Kinsell, Newcomb & De Dios, Inc. as Underwriter; the firm of Burke, Williams & Sorenson as Bond Counsel; and U.S. 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,



MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:BY:pab
pb/brd ltrs/ Montebello usd

Attachments (3)

c: Chief Administrative Officer
Auditor-Controller
County Counsel
Montebello Unified School District
Los Angeles County Office of Education
Burke, Williams & Sorenson
U.S. Bank National Association

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF MONTEBELLO UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES 2005 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED THIRTY MILLION DOLLARS ($30,000,000)

WHEREAS, an election was duly called and regularly held in the Montebello Unified School District, County of Los Angeles, California (herein called the "District"), on November 2, 2004, pursuant to Proposition 39 enacted by the voters of the State of California ("Proposition 39"), at which the following proposition ("Measure M") was submitted to the electors of the District:

> "To make the District eligible for $73,000,000 of State matching funds, and to raise funds for projects including acquisition of real property, and expansion/upgrading of facilities, including security, communications, heating/cooling systems, science labs, libraries and cafeterias, needed to improve student instruction and safety, shall the Montebello Unified School District be authorized to issue up to $98,000,000 in bonds subject to accountability measures, with interest rates at or below the legal limit?"

; and

WHEREAS, at least 55% of the votes cast on the proposition were in favor of issuing the bonds; and

WHEREAS, the Board of Education of the District (the "Board of Education") has duly adopted and submitted to this Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County"), State of California, a resolution (the "District Resolution") requesting the Board of Supervisors to issue and sell, in the name and on behalf of the District, bonds in an aggregate principal amount not exceeding $30,000,000 (the "Bonds"); and

WHEREAS, this Board of Supervisors accepts the representation of the District that it is necessary and desirable that the Bonds be issued and sold by a negotiated sale for the purposes for which the Bonds have been authorized; and

WHEREAS, this Board of Supervisors desires to make certain determinations and to authorize the issuance of said Bonds.

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

SECTION 1. Recitals: All of the above recitals are true and correct.

SECTION 2. District Resolution: A certified copy of the District Resolution has been provided to the County.

SECTION 3. Purpose of the Bonds. The proceeds of the sale of the Bonds shall be applied to: (i) finance the construction, acquisition, equipping, repair, rehabilitation and upgrading of school facilities; and (ii) pay all necessary legal, financial and contingent costs in connection therewith.

SECTION 4. Authorization and Designation of Bonds. This Board of Supervisors hereby authorizes on behalf of the Montebello Unified School District, the issuance and sale of not to exceed $30,000,000 aggregate principal amount of bonds of the District and designates the bonds to be issued and sold as the "Montebello Unified School District General Obligation Bonds, Election of 2004, Series 2005" (herein called the "Bonds").

SECTION 5. Certain Definitions. As used in this Resolution, the terms set forth below shall have the following meanings ascribed to them:

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

(b) "**Accreted Value**" means, with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest, compounded semiannually on each February 1 and August 1, commencing from the date of issuance of the Capital Appreciation Bonds.

(c) "**Bond Insurer**" means any insurance company which issues a municipal bond insurance policy insuring the payment of principal and interest on the Bonds.

(d) "**Bond Payment Date**" means, unless otherwise specified in the Purchase Contract, with respect to the principal of and interest on the Current Interest Bonds, February 1 and August 1, commencing February 1, 2006 for the first interest payment and August 1, 2006 for the first principal payment date, or otherwise stated on the Purchase Contract. With respect to the Capital Appreciation Bonds, "**Bond Payment Date**" means the stated maturity dates thereof or mandatory redemption dates, as applicable.

(e) "**Bond Register**" means the listing of names and addresses of the current registered owners of the debt, as maintained by the Paying Agent in accordance with Section 12 hereof.

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

(g) "**Code**" means the Internal Revenue Code of 1986, as hereafter amended, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published under the Code.

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

(i) "**Current Interest Term Bonds**" means those Current Interest Bonds for which mandatory sinking fund redemption dates have been established in the Purchase Contract.

(j) "**Date of Delivery**" means the date on which the Bonds are issued and delivered to the Underwriter in exchange for payment therefor pursuant to the Purchase Contract.

(k) "**Debt Service Fund**" shall have the meaning set forth in Section 7 hereof.

(l) "**Denominational Amount**" means, with respect to the Capital Appreciation Bonds, the initial offering price thereof, which represents the principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.

(m)"**Fair Market Value**" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

(n) "**Informational 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 Ratings Group "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.

(o) "**Letter of Representations**" shall have the meaning set forth in Section 13 hereof.

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

(q) "**Official Statement**" shall have the meaning set forth in Section 6 hereof.

(r) "**Owner**" means the current registered holder of a Bond or Bonds to whom payments of Principal and Accreted Value of, and premium and interest, if any, are made.

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

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

(u) "**Purchase Contract**" shall have the meaning set forth in Section 15 hereof.

(v) "**Record Date**" means the close of business on the 15th day of the month preceding each Bond Payment Date.

(w) "**Securities Depositories**" means, initially, The Depository Trust Company, 55 Water Street, 50th Floor, New York, New York 10041-0099, Fax (212) 855-7232, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Bonds (**"DTC"**); 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.

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

SECTION 6. Terms of the Bonds. (a) The Bonds shall consist of the Current Interest Bonds, and, if issued, Capital Appreciation Bonds. The Current Interest Bonds shall be dated the Date of Delivery and shall bear interest at a rate such that the true interest cost on said Bonds will not exceed six percent (6%), payable on February 1 and August 1 of each year commencing on February 1, 2006, through August 1 of a year no later than 2030 (each an "Interest Payment Date"), or otherwise stated on the Purchase Contract, the actual interest rate or rates and the actual maturity schedule to be fixed at the time of sale. Each Current Interest Bond shall be issued in denominations of $5,000 or integral multiples thereof.

(b) The Capital Appreciation Bonds, if issued, shall accrete interest from the date of issuance of the Capital Appreciation Bonds, with the first accretion date being February 1, 2006, to their maturity at a rate or rates such that the true interest cost shall not exceed six percent (6.0%). The Capital Appreciation Bonds shall be issued in any denominations of their Principal Amounts but shall reflect denominations of $5,000 Maturity Amount or any integral multiple thereof. The Capital Appreciation Bonds shall mature on August 1 of the years designated in the Purchase Contract. Interest on each Capital Appreciation Bond shall be compounded semiannually on February 1 and August 1 of each year until maturity, or otherwise stated on the Purchase Contract commencing on the date indicated above, computed using a year of 360 days, comprised of twelve 30-day months, and shall be payable only at maturity as part of their Maturity Amount or upon prior redemption.

(c) Only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form hereinafter recited, manually signed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

(d) The Bonds shall be issued as fully registered bonds without coupons and the Current Interest Bonds shall mature in consecutive order beginning on August 1, 2006, and ending on August 1 of their final year, unless otherwise specified in the Purchase Contract, and in the Principal or Maturity Amounts to be fixed in the Purchase Contract at the time of sale and approved by this Board of Supervisors, as more particularly set forth herein.

(e) The Bonds shall be sold as provided in Section 7 hereof; notwithstanding anything herein to the contrary, the terms of the Bonds as set forth in this Resolution may be amended prior to delivery in accordance with the provisions of the Purchase Contract, as finally approved and executed by the Treasurer on behalf of the County and the District. The Underwriter has been authorized to distribute a Preliminary and a final Official Statement of the District with respect to the Bonds, in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (collectively, the "Official Statement").

SECTION 7. Delivery of Bonds, Disposition of Proceeds of the Bonds; Security for the Bonds. The proper officials of the County shall cause the proper officials of the District to cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, to the original purchaser upon payment of the purchase price in immediately available funds.

(a) The Treasurer is hereby directed to deposit or cause to be deposited all proceeds received by the Treasurer from the sale of the Bond's (which will be net of any premium and accrued interest received by the District and other amounts paid by the initial purchaser of the Bonds, as provided in the Purchase Contract) into the fund established for the account of the District and designated as the "Montebello Unified School District General Obligation Bond Series 2005 Building Fund" (the "Building Fund"). The Building Fund shall be administered by the County Office of Education for the account of the District and shall be kept separate and apart from all other funds and accounts of the District and the County, including all accounts held hereunder. The District shall have sole responsibility that such proceeds be used for the purpose for which the Bonds are being issued and that such proceeds be applied to authorized purposes pursuant to Measure M.

Proceeds of the Bonds held by the Treasurer shall be invested pursuant to law and the investment policy of the County, unless otherwise requested in writing by the District, as follows:

(i) At the written direction of the District, given by an Authorized Officer, who is hereby expressly authorized to give such direction, all or any portion of the proceeds of the Bonds deposited in the Building Fund described above may be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State of California.

(ii) At the written direction of the District, given by an Authorized Officer, who is hereby expressly authorized to give such direction, all or any portion of the Building Fund may be invested on behalf of the District, in investment agreements, including guaranteed investment contracts, which comply with the requirements of each rating agency then rating the Bonds as necessary in order to maintain the then-current rating on the Bonds.

(b) The accrued interest and any premium received from the sale of the Bonds (if any, after all or a portion of Underwriter's discount and costs of issuance are paid) shall be kept separate and apart in the fund established and designated as the "Montebello Unified School District General Obligation Bond Series 2005 Debt Service Fund" (the "Debt Service Fund") for the Bonds. Interest earned on investments of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay Principal and Accreted Value of, and interest and premium, if any, when due. The initial purchaser of the Bonds shall pay all or a portion of the purchase price of the Bonds constituting original issue premium to one or more recipients for costs related to the issuance of the Bonds.

(i) There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are outstanding in an amount sufficient to pay the Principal and Accreted Value of, premium, if any, and interest on the Bonds when the same shall become due, which monies when collected will be placed in the Debt Service Fund, which fund is irrevocably pledged for the payment of the Principal and Accreted Value of, premium, if any, and interest on the Bonds.

(ii) The monies in the Debt Service Fund, to the extent necessary to pay the Principal and Accreted Value of, premium, if any, and interest on the Bonds, as the same becomes due and payable, shall be transferred by the Treasurer to the Paying Agent for subsequent disbursement to the beneficial owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and interest thereon have been paid, or provisions for such payment have been made, shall be transferred to the general fund of the District.

(c) Any excess proceeds or any amounts that remain in the Building Fund at the completion of the projects for which the Bonds are being issued, and not needed for other projects authorized by Measure M, may, at the direction of the District, be transferred to the Debt Service Fund to be used for the purposes of said fund. If, after completion of all projects contemplated under Measure M and payment in full of the Bonds and any other bonds authorized to be issued under Measure M, there remain excess proceeds in the Building Fund, the Debt Service Fund or any other fund established hereunder, any such excess amounts shall be transferred to the general fund of the District.

(d) Except as otherwise provided in paragraphs (a) and (b), above, the County covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Resolution, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value.

SECTION 8. Redemption.

(a) Optional Redemption. The Current Interest Bonds shall be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the Purchase Contract. The Purchase Contract may provide that the Bonds shall not be subject to optional redemption. If the Bonds shall be subject to optional redemption and less than all of the Bonds are called for such redemption, such bonds shall be redeemed as directed by the District and if less than all of the Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot.

(b) Mandatory Sinking Fund Redemption. The Current Interest Bonds and Capital Appreciation Bonds, if any, which are designated in accordance with the Purchase Contract as term bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Purchase Contract. The principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Current Interest Bonds and Capital Appreciation Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date. The Purchase Contract may provide that the Current Interest Bonds shall not be subject to mandatory sinking fund redemption.

(c) Notice of Redemption. Notice of redemption of Bonds will be given by the Paying Agent upon the written request of the District given at least 60 days prior to the date designated for such redemption. Notice of any redemption of Bonds will be mailed postage prepaid, not less than 30 nor more than 60 days prior to the redemption date as follows: (i) by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books; (ii) by secured mail to all organizations registered with the Securities and Exchange Commission as Securities Depositories; (iii) to at least two information services of national recognition which disseminate redemption information with respect to municipal securities; and (iv) as may be further required in accordance with the Continuing Disclosure Certificate of the District.

Each notice of redemption will contain the following information: (i) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (ii) CUSIP numbers and the numbers of the Bonds to be redeemed and in the case of any Bond to be redeemed in part only, the principal amount of such bond to be redeemed, (iii) the date of redemption, (iv) the redemption price, (v) the place or places where the redemption will be made, including the name and address of the Paying Agent, and (vi) descriptive information regarding the Bonds including the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Each notice of redemption shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed, the portion of the principal amount of such Bond to be redeemed, together with the interest accrued to the redemption date, and redemption premium, if any, and that from and after such date, interest with respect thereto shall cease to accrue.

(d) Effect of Redemption. When notice of redemption has been given as described above, and when the redemption price of the Bonds called for redemption is set aside for such

purpose, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date. The Owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to the Debt Service Fund or the escrow fund established for such purpose.

Failure to receive notice of redemption or any defect in the notice given shall not affect the validity of the proceedings for the redemption of the affected Bonds or the cessation of interest on the date fixed for redemption.

(e) Partial Redemption of Bonds. If less than all of the Bonds are called for redemption, such Bonds shall be redeemed as directed by the District, and if less than all of the Bonds of any given maturity are called for redemption, the portions of such Bonds of a given maturity to be redeemed shall be determined by lot. Upon surrender of any Bond redeemed in part only, the Paying Agent shall authenticate and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(f) Redemption Fund. Prior to or on the redemption date of any Bonds there shall be available in the interest and sinking fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the premiums payable as in this resolution provided, the Bonds designated in any notice of redemption. Such monies so set aside in any escrow fund shall be applied on or after the redemption date solely for payment of Principal and Accreted Value of, premium, if any, and interest on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the interest and sinking fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the interest and sinking fund of the District, unless otherwise provided for to be paid from such escrow. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the interest and sinking fund of the District or otherwise held in trust for the payment of redemption price of the Bonds, those monies shall be held in or returned or transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from that fund; provided, however, that if those monies are part of the proceeds of bonds of the District, the monies shall be transferred to the Debt Service Fund. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(g) Defeasance of Bonds. If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all outstanding Bonds, as appropriate, all of the Principal, Accreted Value, interest and premium, if any, represented by such Bonds at the times and in the manner provided herein and in the Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in herein, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only

that the District shall remain liable for payment of all Principal, Accreted Value, interest and premium, if any, represented by the Bonds, but only out of monies on deposit in the interest and sinking fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (i) hereof shall apply in all events.

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

(i) by irrevocably depositing with the Paying Agent, or an escrow bank, an amount of cash which together with amounts then on deposit in the Debt Service Fund, is sufficient to pay all Bonds outstanding and designated for defeasance, including all Principal and Accreted Value of, and interest and premium, if any; or

(ii) by irrevocably depositing with the Paying Agent, or an escrow bank, noncallable United States Obligations (as defined below) together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all Principal and Accreted value thereof and interest and premiums, if any, thereon) at or before their maturity date.

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

A. Direct and general obligations of the United States of America (including state and local government series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service; and

B. Non-callable obligations of government sponsored agencies that are rated "AAA," by Standard & Poor's or "Aaa" by Moody's Investors Service but are not backed by the full faith and credit of the U.S. Government. These

include the following: (a) Federal Home Loan Mortgage Corp. (FHLMC) Debt Obligations; (b) Farm Credit System (Formerly: Federal Land Banks, Intermediate Credit Banks, and Banks for Cooperatives) Consolidated Systemwide bonds and notes; (c) Federal Home Loan Banks (FHL Banks) Consolidated debt obligations; (d) Federal National Mortgage Association (FNMA) Debt Obligations; and (e) Resolution Funding Corp. (REFCORP) Debt Obligations.

In the event that Bonds are being defeased pursuant to paragraph (ii) of this Section, the independent certified public accountant referred to therein and any escrow bank selected in connection with said defeasance shall both be subject to County approval.

(h) Unclaimed Moneys. Any money held in any fund created pursuant to this County Resolution, or by the Paying Agent in trust, for the payment of the Principal and Accreted Value of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for one year after the Principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from that fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

SECTION 9. Form of Bond. The Bonds shall be substantially in conformity with Exhibit "B" attached hereto and incorporated herein by this reference as if set forth in full, with necessary or appropriate variations, omissions and insertions as may be permitted or required by this Resolution.

SECTION 10. Execution of Bonds. The Bonds shall be executed by the manual or facsimile signature of the Chair of the Board of Supervisors and the manual or facsimile signature of the Treasurer and Tax Collector, and countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board. The facsimile signatures of the Chair, Treasurer and the Executive Officer-Clerk of the Board of Supervisors may be printed, lithographed, engraved, or otherwise mechanically reproduced. The Paying Agent shall manually authenticate each Bond in the space provided, and no Bond shall be valid or obligatory for any purpose until so authenticated.

SECTION 11. Bond Registration; Transfers. As hereinafter provided, the Bonds shall be delivered in a form and with such terms as will permit them to be in book-entry only form, immobilized with DTC. If the book-entry only system is no longer in effect, the District will cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of certificated Bonds as provided in this Section (the "Bond Register"). While the book-entry only system is in effect, such books need not be kept, as the Bonds will be represented by one Bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

The person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal and Accreted Value of and interest on any Bond shall be made only to or upon the

order of the Owner thereof; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of the same series of any other authorized denomination upon presentation and surrender at the principal corporate trust office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Any Bond may, in accordance with its terms (but only if the District determines no longer to maintain the book-entry only status of the Bonds, DTC determines to discontinue providing such services and no successor Securities Depository is named or DTC requests the District to deliver certificated securities to particular DTC Participants) be transferred, upon the books required to be kept pursuant to the provisions of this Section, by the Owner, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

Neither the District, the County nor the Paying Agent will be required to: (a) issue or transfer any Bonds during a period beginning with the opening of business on the 15th day of the month next preceding either any Interest Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given, or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

SECTION 12. Paying Agent.

(a) Defined. As used in this Resolution and in the Bonds, "Paying Agent" shall mean the Treasurer and his designated agents or his successors or assigns, acting in the capacity of Paying Agent, registrar, authenticating agent and transfer agent. The Treasurer is authorized to contract with any qualified entity of its choice to perform the service of Paying Agent under this Resolution.

(b) Appointment; Payment of Fees and Expenses. This Board of Supervisors does hereby consent to the appointment of the Treasurer to act as initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds, under this Resolution. All fees and expenses of the Paying Agent shall be the sole responsibility of the District. If a Paying Agent, other than the Treasurer, is designated by the Treasurer and the District, such Paying Agent shall have a corporate trust office in Los Angeles, California.

(c) Resignation or Removal of Paying Agent. The Paying Agent initially appointed hereunder may resign from service as Paying Agent and, in the event the Treasurer selects a substitute entity to perform the services of the initial paying agent, the Treasurer may remove such Paying Agent or any subsequent Paying Agent as provided in the respective Paying Agent's master agreement with the County. Without further action by the District, if at any time the Paying Agent shall resign or be removed, the Treasurer shall appoint a successor Paying Agent, which shall be a bank or trust company doing business in and having a corporate

trust office in Los Angeles, California, with at least $100,000,000 in net assets. Any Paying Agent so appointed shall comply with its obligations as provided hereunder and as provided in the Paying Agent's agreement with the County.

(d) Payment of Fees and Expenses. The fees and expenses of the Paying Agent not paid from the proceeds of sale of the Bonds shall be paid in each year from the Debt Service Fund, insofar as permitted by law, including specifically Section 15232 of the *Education Code of the State of California*.

(e) Registration Books. The Paying Agent will keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District, 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 books, Bonds as provided in Section 11 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the County in a format mutually agreeable to the Paying Agent and the County.

(f) Paying Agent's Right to Hold 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.

(g) Liability of Paying Agent. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Paying Agent shall not be liable for any error of judgment made in good faith by a responsible officer in the absence of the negligence of the Paying Agent.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(h) Reliance of Paying Agent. In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution. The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys. In the absence of bad faith, the Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties.

SECTION 13. Book-Entry System. The Bonds will be issued in book-entry form by appointing DTC to act as securities depository for the Bonds. A single certificate, representing the aggregate principal amount of each maturity of Bonds, will be executed and delivered on the day of the closing to DTC. Upon closing, the County shall notify DTC that it has accepted payment of the purchase price of the Bonds, at which time DTC (in accordance with the Letter of Representations defined below) will credit the account of the Underwriter, and process the book-entry deliveries to the accounts of the subsequent purchasers of interests in the Bonds. The Bonds will be lodged with DTC until the maturity of each Bond. On the Business Day prior to each date of maturity of a Bond, the Treasurer shall remit to the Paying Agent from the Bond Fund sufficient moneys for the Paying Agent to pay all outstanding Principal and Accreted Value of, premium, if any, and interest on such Bond, as applicable.

To induce DTC to accept the Bonds as eligible for the book-entry form of issuance, the County will comply with the procedures established by DTC.

SECTION 14. Arbitrage and other Tax Matters.

(a) Private Activity Bond Limitation. The District has covenanted that it shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) Federal Guarantee Prohibition. The District has covenanted that it 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 Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) Rebate Requirement. The District has covenanted that it shall take any and all actions necessary to assure compliance with section 148(f) of the 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 Bonds.

(d) No Arbitrage. The District has covenanted that it shall not take, or permit or suffer to be taken any action with respect to the proceeds of the 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 Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

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

SECTION 15. Approval of Purchase Contract. The Bonds will be sold at negotiated sale by the Treasurer pursuant to the terms and conditions set forth in the Purchase Contract (the "Purchase Contract"), substantially in the form appended hereto as Exhibit "A" and incorporated by reference herein. The form of the Purchase Contract is hereby approved and the Treasurer, or any designated deputy thereof, is hereby authorized to execute and deliver the Purchase Contract

and the Superintendent or other authorized representative of the District is hereby requested to execute the Purchase Contract, with such changes therein, deletions therefrom and modifications thereto as the Treasurer, or designated deputy thereof, and the District may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, consistent with the District Resolution, that the true interest cost on the Bonds shall not exceed six percent (6.0%) and the Underwriter's discount (without regard to an original issue discount, if any) shall not exceed nine hundredths of one percent (0.9%) of the aggregate principal or issue amount of Bonds sold thereunder. The Treasurer, or designated deputy thereof, is further authorized to determine the principal or issue amount of the Bonds to be specified in the Purchase Contract for sale by the County, up to an aggregate principal or issue amount of $30,000,000, to modify redemption terms and to enter into and execute the Purchase Contract, if the conditions set forth in this Resolution are met.

If, upon consultation with the authorized representative of the District, it appears in the best interests of the District to acquire municipal bond insurance to secure the Bonds, the Treasurer may so provide in the Purchase Contract.

SECTION 16. Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below). Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section.

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

SECTION 17. Conditions Precedent. This Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds, in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law, that the full faith, credit and revenues of the District are pledged for the timely payment of the Principal and Accreted Value of and interest on the Bonds; and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

SECTION 18. Approval of Actions. Officers of the District and County officials and staff, including the Treasurer or his designee, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance and sale of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

SECTION 19. Effective Date. This Resolution shall take effect immediately upon its adoption.

The foregoing resolution was adopted on the ____ day of _____, 2005, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which the Board so acts.

[SEAL]

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

EXHIBIT "A"

$_____
MONTEBELLO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES 2005

FORM OF BOND PURCHASE CONTRACT

SEE ATTACHED.

EXHIBIT "B"

FORM OF CURRENT INTEREST BOND

REGISTERED
NO.

REGISTERED
$

MONTEBELLO UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
GENERAL OBLIGATION BOND, ELECTION OF 2004, SERIES 2005

INTEREST RATE:	MATURITY DATE:	DATED AS OF:	CUSIP:
_____	_____	_____, 2005	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Montebello Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself indebted to and promises to pay to the registered owner identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the principal sum specified 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 this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before January 15, 2006, in which event it shall bear interest from the date hereof) at the interest rate per annum stated above, payable commencing on February 1, 2006, and thereafter on August 1 and February 1 in each year, until payment of the principal sum hereof.

The principal hereof is payable to the registered owner hereof upon the surrender hereof at the principal corporate trust office of the Paying Agent (as defined in the County Resolution, defined below), initially, the Treasurer and Tax Collector of the County of Los Angeles. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the registered owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of Bonds (hereinafter defined) aggregating at least $1,000,000 in principal amount, interest will be paid in immediately available funds (e.g., by wire transfer) to an account maintained in the United States as specified by the owner in such request. So long as Cede & Co. or its registered assigns shall be the registered owner of this bond, payment shall be made in immediately available funds as provided in the Resolution hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor amounting in the aggregate to $30,000,000, and designated as "Montebello Unified School District General Obligation Bonds, Election of 2004, Series 2005" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 2, 2004, for the purpose of financing the construction, acquisition, equipping, repair, rehabilitation and upgrading of certain school facilities of the District. The Bonds are being issued and sold by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and of a resolution (herein called the "County Resolution") adopted by the Board of Supervisors on _____, 2005, and a Bond Purchase Contract relating to the offer and purchase of the Bonds.

This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The Bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

The Bonds are issuable as fully registered bonds without coupons in the denomination of $5,000 principal amount or any integral multiple thereof, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the County Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same series, interest payment mode, and maturity of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent. Any tax or governmental charges shall be paid by the transferor. The District, the County and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District, the County nor the Paying Agent will be required to issue or transfer any bond during a period beginning with the opening of business on the 15th day of the month next preceding any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

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

The Current Interest Bonds maturing on or before August 1, 2015 are not subject to optional redemption prior to their maturity dates. The Current Interest Bonds maturing on or

after August 1, 2016 are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 2015, at a redemption price equal to the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of $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. If less than all of the Bonds shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by lot in any manner which the District in its discretion shall determine.

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, if any, 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 issue of Bonds and the specific bonds redeemed, including the dated date, interest rate and stated maturity date of each. Such notice shall further state that on the specified date there shall become due and payable upon each 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.

Notice of redemption shall be registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, or if the original purchaser is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and by first class mail, postage prepaid, to the District, the County and the respective owners of any registered 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; provided that neither 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, nor entitle the owner thereof to interest beyond the date given for redemption.

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

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular

and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

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

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

[SEAL}

LOS ANGELES COUNTY, CALIFORNIA

By_____(SPECIMEN)_____
Chair, Board of Supervisors

By_____(SPECIMEN)_____
Treasurer and Tax Collector

COUNTERSIGNED:

By _____(SPECIMEN)_____
Executive Officer-Clerk, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the County Resolution referred to herein.

Date of Registration and Authentication:

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

By: U.S. Bank National Association, as
Paying Agent

_____
Authorized Signatory

DTC LEGEND

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

(FORM OF ASSIGNMENT)

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

_____

I.D. Number

_____

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

Dated: _____

Signature Guarantee:_____

Notice: Signature must be guaranteed by an eligible guarantor institution.

FORM OF CAPITAL APPRECIATION BOND

REGISTERED NO. **REGISTERED $ (MATURITY VALUE)**

MONTEBELLO UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES 2005

YIELD TO MATURITY:	MATURITY DATE:	DATE OF ISSUANCE:	CUSIP:
_____	_____	_____, 2005	_____

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The MONTEBELLO UNIFIED SCHOOL DISTRICT (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, which Maturity Value is comprised of the Denominational Amount specified above plus interest compounded from the Date of Issuance at the Yield to Maturity specified above, assuming that the sum of such compounded interest and the Denominational Amount hereof increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months (interest, together with the Denominational Amount hereof, being herein called the "Accreted Value").

Accreted Value is payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond is registered (the "Registered Owner") on the Register maintained by the Paying Agent (as defined in the County Resolution, defined below), initially, the Treasurer and Tax Collector of the County of Los Angeles. Accreted Value is payable upon presentation and surrender of this bond at the principal office of the Paying Agent in Los Angeles, California.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to $30,000,000, and designated as "Montebello Unified School District General Obligation Bonds, Election of 2004, Series 2005" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 2, 2004, for the purpose of financing the construction, acquisition, equipping, repair, rehabilitation and upgrading of certain school facilities of the

District. The Bonds are being issued and sold by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and of a resolution (herein called the "County Resolution") adopted by the Board of Supervisors on _____, 2005, and a Bond Purchase Contract relating to the offer and purchase of the Bonds.

This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The Bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

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

The bonds of this issue are issuable only as fully registered bonds in the denominations of $5,000 Maturity Value or any integral multiple thereof. This bond is exchangeable and transferable for bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the County Resolution. Any tax or governmental charges shall be paid by the transferor. The District, the County and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th day of the month next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

The Capital Appreciation Bonds are not subject to optional redemption prior to their stated maturity dates.

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

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

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

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

[SEAL]

LOS ANGELES COUNTY, CALIFORNIA

By _____(SPECIMEN)_____
Chair, Board of Supervisors

By_____(SPECIMEN_____
Treasurer and Tax Collector

COUNTERSIGNED:

By _____(SPECIMEN)_____
Executive Officer-Clerk, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the County Resolution referred to herein.

Date of Registration and Authentication:

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

By: U.S. Bank National Association, as
Paying Agent

_____
Authorized Signatory

DTC LEGEND

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

(FORM OF ASSIGNMENT)

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

_____

I.D. Number

_____

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

Dated: _____

Signature Guarantee:_____

Notice: Signature must be guaranteed by an eligible guarantor institution.

$_____
MONTEBELLO UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2004, SERIES 2005

CONTRACT OF PURCHASE

_____ ___, 2005

Board of Supervisors
County of Los Angeles

Board of Education
Montebello Unified School District

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this Contract of Purchase (the "Purchase Contract") with the County of Los Angeles, California (the "County"), and the Montebello Unified School District (the "District"), which, upon the acceptance of the parties hereto, will be binding upon the District, the County and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the County and the District and delivery of such acceptance to the Underwriter at or prior to 11:59 p.m., California Time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of $_____ in aggregate initial amount of the General Obligation Bonds Election of 2004, Series 2005 (the "Bonds"). The Bonds shall bear interest at the rates, and shall mature in the years shown on Exhibit A hereto, which is incorporated herein by this reference.

2. **The Bonds.** The Bonds shall be issued in the principal amounts and at the rates as identified on Exhibit A hereto. The Bonds shall be subject to redemption prior to their stated maturities as described below. In all other respects the Bonds shall be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the District adopted on June 16, 2005 (the "District Resolution") and the Resolution of the Board of Supervisors of the County adopted on July 5, 2005 (the "County Resolution" and collectively with the District Resolution, the "Resolutions") and Chapter 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code (the "Act"). All capitalized terms used herein without definition shall have the meanings given to them in the County Resolution.

The Bonds maturing on or before August 1, 2015 are not subject to redemption prior to their maturity dates. The Bonds maturing on or after August 1, 2016 are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 2015, at a redemption price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Resolutions. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. The Bonds shall initially be in authorized denominations of $5,000 principal amount or maturity value each or any integral multiple thereof.

3. **Use of Documents.** The District and the County hereby authorize the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Contract, the Official Statement (as defined in Section 9(c)), the Resolutions and all information contained herein and therein and, except as agreed in writing, all of the documents, certificates or statements furnished by the District or the County to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

4. **Public Offering of the Bonds.** The Underwriter agrees to make a bonafide public offering of all the Bonds at the initial public offering price or yield to be set forth on the cover page of the Official Statement. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering price or yield as it deems necessary in connection with the marketing of the Bonds.

5. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds (the "Preliminary Official Statement"). The District represents that it deems the Preliminary Official Statement to be final, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as permitted pursuant to Rule l5c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule").

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

6. **Closing.** At 8:30 a.m., California Time, on August 2, 2005 or at such other time or on such other date as shall have been mutually agreed upon by the County, the District and the Underwriter (the "Closing" or the "Closing Date"), the County will deliver to us, at the offices of The Depository Trust Company ("DTC") in New York, New York, or at such other place as the parties hereto may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and in San Diego, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof, being $_____ (representing the aggregate principal amount of the Bonds ($_____), plus net original issue premium ($_____) less original issue premium retained by the Underwriter as Underwriter's discount ($_____), to pay costs of issuance ($_____) and to pay the premium for the bond insurance policy of $_____). The remainder of the net original issue premium ($_____) will be deposited by the County in the Debt Service Fund. The purchase price shall be payable to the District in immediately available funds by check, draft or wire transfer to or upon the order of the District.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is a public instrumentality duly organized and validly existing under the laws of the State of California.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Contract, to adopt the District Resolution and the continuing disclosure certificate (the "Continuing Disclosure Certificate"), to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Contract, the District Resolution and the Continuing Disclosure Certificate; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the District Resolution, this Purchase Contract and the Continuing Disclosure Certificate have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract constitutes a valid and legally binding obligation of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

(c) Consents. Except for such consents and approvals that have been obtained, no consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request.

(d) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Contract, the District Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(e) Litigation. As of the time of acceptance hereof no action, suit, proceeding, hearing or investigation is pending in which service of process has been completed against the District or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of *ad valorem* property taxes pledged or to be pledged or available to pay the principal of and interest on the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the Resolutions or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract, the Continuing Disclosure Certificate or the Resolutions or contesting the powers of the District or the Resolutions, the Continuing Disclosure Certificate or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Contract, the Continuing Disclosure Certificate or the Resolutions, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the

interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

(f) Arbitrage Certificate. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon.

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

8. **Representations, Warranties and Agreements of the County.** The County hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The County is a political subdivision duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Purchase Contract, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Contract and the Resolutions; (iii) the execution and delivery or adoption of, and the performance by the County of the obligations contained in the Bonds, the County Resolution and this Purchase Contract have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract constitutes a valid and legally binding obligation of the County; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

(c) Consents. Except for such consents and approvals that have been obtained, no consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, or which have not been taken or obtained; except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, provided, however, that the County shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) No Conflicts. To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Purchase Contract, the County Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the County a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject.

(e) Litigation. To the best knowledge of the County, as of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or in which service

of process has been completed against or threatened against the County: (i) in any way affecting the existence of the County or the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of *ad valorem* property taxes pledged or to be pledged or available to pay the principal of and interest on the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the Resolutions, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract or the Resolutions or contesting the powers of the County or their authority with respect to the Bonds, the Resolutions or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County or the District or the consummation of the transactions contemplated by this Purchase Contract or the Resolutions (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

(f) Arbitrage Certificate. The County has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the County is a bond issuer whose arbitrage certificates may not be relied upon.

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

9. **Representations, Warranties and Agreements of the Underwriter.** The Underwriter hereby represents, warrants and agrees with the District and County that, as of the date hereof and as of the Closing Date:

(a) Rule G-37. The execution and delivery hereof and the consummation of the transactions contemplated hereto does not and will not violate any of the prohibitions set forth in Rule G-37 promulgated by the Municipal Securities Rulemaking Board (the "MSRB");

(b) Reporting to MSRB. All reports required to be submitted to the MSRB pursuant to Rule G-37 have been and will be submitted to the MSRB; and

(c) Consideration to Other Parties. The Underwriter has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm or person other than a bona fide officer, agent or employee working for Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Contract.

10. **Covenants of the County and the District.** The County and the District respectively covenant and agree with the Underwriter that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with, and at the expense of, the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the County and the District shall

not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof and shall not be required to register as broker-dealers;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Resolutions;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Contract is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being called the "Official Statement") in such reasonable quantities as may be requested by the Underwriter not later than five (5) business days following the date this Purchase Contract is signed, in order to permit the Underwriter to comply with paragraph (b) (4) of the Rule and with the rules of the Municipal Securities Rulemaking Board. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing;

(e) Amendments to Official Statement. For a period of twenty-five (25) days after the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale, and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance reasonably satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

11. **Conditions to Closing**. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the County and the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Purchase Contract are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the County and the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the County and the District shall be in compliance with each of the agreements made by it in this Purchase Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Contract, the District Resolution, the Continuing Disclosure Certificate and the

County Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the County, the District and the Underwriter; (ii) all actions under the Act which, in the opinion of Burke, Williams & Sorensen LLP, bond counsel ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the County and the District shall perform or have performed all of their obligations required under or specified in the District Resolution, the County Resolution, this Purchase Agreement, the Continuing Disclosure Certificate or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, be threatened which has any of the effects described in Section 8(e) or 9(e) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, of the Bonds shall not have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the County and the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; or

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

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

(3) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

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

character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

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

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

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

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

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the County and the District;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in (e)(l) above;

(3) Certificate of the County. A certificate signed by an appropriate official of the County to the effect that (i) such official is authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing, (iii) the County has complied with all the terms of the County Resolution and this Purchase Contract to be complied with by the County prior to or concurrently with the Closing and such documents are in full force and effect, and (iv) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the County Resolution;

(4) Certificate of the District. A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the District Resolution, the Continuing Disclosure Certificate and this Purchase Contract to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such District official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain

any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the Resolutions;

(5) Arbitrage. A nonarbitrage certificate of the District in form satisfactory to Bond Counsel;

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

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

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

(7) County Resolution. A certificate, together with fully executed copies of the County Resolution, of the Clerk of the County Board of Supervisors to the effect that:

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

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

(8) Official Statement. Certificates of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule (as defined in Section 5 hereof); and

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

(f) Ratings. Letter from Standard & Poor's confirming the insured rating of "___" and underlying rating of "___".

(g) Insurance. Evidence of a municipal bond insurance policy issued in regard to the bonds by _____.

(h) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter prior to the close of business, California Time, on the Closing Date then the

obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 5 hereof.

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

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

13. **Expenses.** The Underwriter shall pay costs of issuance of the Bonds on behalf of the District in the amount of $_____ from original issue premium retained by the Underwriter, which may be applied to any such costs of issuance at the District's direction, including, but not limited to the following: (i) the fees and disbursements of Bond and Disclosure Counsel; (ii) the cost of the preparation, printing and delivery of the Bonds; (iii) the fees, if any, for Bond ratings, including all necessary travel expenses; (iv) the cost of the printing and distribution of the Official Statement; (v) the initial fees of the Paying Agent; (vi) the cost of municipal bond insurance on the Bonds; (vii) the Underwriter's discount, and (vii) all other fees and expenses incident to the issuance and sale of the Bonds. Any such expenses which exceed in the aggregate $_____ shall be paid by the District and may be paid from the proceeds of the Bonds.

Notwithstanding the foregoing, the Underwriter shall pay, and the District has no obligation to pay, all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including, but not limited to (i) all advertising expenses in connection with the offering of the Bonds; (ii) the fees and disbursements of Underwriter's Counsel; (iii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, except as provided in the preceding paragraph or as otherwise agreed to by the Underwriter and the District; (iv) the fees of the California Debt and Investment Advisory Commission.

14. **Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Auditor-Controller of the County of Los Angeles, 500 West Temple Street, Suite 603, Los Angeles, California 90012, if to the District, to the Superintendent, Montebello Unified School District, 123 South Montebello Blvd., Montebello, California, 90640 or if to the Underwriter, to Kinsell, Newcomb & De Dios, Inc., 462 Stevens Avenue, Suite 308, Solana Beach, California 92075.

15. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Contract when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriter. This Purchase Contract is made solely for the benefit of the County, the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the

County and the District in this Purchase Contract shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Contract.

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

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

Very truly yours,

KINSELL, NEWCOMB & DE DIOS, INC.

By: _____

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

COUNTY OF LOS ANGELES

By: _____
Treasurer and Tax Collector

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

By: _____
Principal Deputy County Counsel

MONTEBELLO UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

APPENDIX A

Maturity Schedule

Bonds

Maturity Date (August 1)	Principal	Coupon	Yield

MONTEBELLO UNIFIED SCHOOL DISTRICT
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

RESOLUTION NO. 33 (04-05)

RESOLUTION PRESCRIBING THE TERMS OF SALE OF GENERAL OBLIGATION BONDS OF THE MONTEBELLO UNIFIED SCHOOL DISTRICT, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ISSUE AND SELL SAID BONDS IN AN AMOUNT NOT TO EXCEED $30,000,000 BY NEGOTIATED SALE PURSUANT TO A BOND PURCHASE CONTRACT, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID BOND PURCHASE CONTRACT, APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT FOR SAID BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND CERTIFICATES RELATED TO SAID BONDS.

WHEREAS, an election was duly called and regularly held in the Montebello Unified School District, County of Los Angeles, California (the "District"), on November 2, 2004, in accordance with Section 1(b)(3) of Article XIIIA of the California Constitution at which the following proposition ("Measure M") was submitted to the electors of the District:

> "To make the District eligible for $73,000,000 of State matching funds, and to raise funds for projects including acquisition of real property, and expansion/upgrading of facilities, including security, communications, heating/cooling systems, science labs, libraries and cafeterias, needed to improve student instruction and safety, shall the Montebello Unified School District be authorized to issue up to $98,000,000 in bonds subject to accountability measures, with interest rates at or below the legal limit?"

; and

WHEREAS, it has been certified that at least 55% of the votes cast on said proposition were in favor of issuing said bonds (the "Authorization"); and

WHEREAS, the District is authorized to cause the issuance of the Bonds under Chapter 1.5 of Part 10, Division 1, Title 1 of the Education Code of the State of California (the "Bond Law"), commencing with Section 15264 of the *California Education Code* (the "Education Code"), 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 (the "Board of Education") of the District; and

WHEREAS, Section 15266(b) of the Education Code provides that, where not inconsistent, the provisions of Chapter 1, commencing with Section 15100, of the Education Code shall apply to the Bond Law; and

WHEREAS, no portion of the authorized bonds have heretofore been issued and sold; and

WHEREAS, this Board of Education deems it necessary and desirable that the Board of Supervisors of the County of Los Angeles (the "County") shall authorize and consummate the sale of a portion of the bonds authorized pursuant to the Authorization in one series designated the "Montebello Unified School District General Obligation Bonds, Election of 2004, Series 2005" in an aggregate principal amount not exceeding $30,000,000, which may consist of current interest bonds and capital appreciation bonds, according to the terms and in the manner hereinafter set forth; and

WHEREAS, this Board of Education (the "Board") of the District further deems it necessary and desirable to authorize the sale of the Bonds by a negotiated sale pursuant to a Purchase Contract (as defined below) between the District and Kinsell, Newcomb & De Dios, Inc., as the Underwriter therein; and

WHEREAS, the proceeds of the sale of the Bonds shall be applied to: (i) finance the construction, acquisition, equipping, repair, rehabilitation and upgrading of school facilities, as provided in Measure M; and (ii) pay all necessary legal, financial and contingent costs in connection therewith; and

WHEREAS, all acts, conditions and things required by law to have been done or performed to date in the issuance of the Bonds have been done and performed in strict conformity with the laws authorizing the issuance thereof, and the indebtedness of the District herein proposed is within all limits prescribed by law.

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

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Request for Sale of Bonds. The Board of Supervisors (the "Board of Supervisors") of the County is hereby requested to cause to be issued, sold and delivered on behalf of the District, under the Bond Law and by negotiated sale, not to exceed $30,000,000 aggregate principal amount of general obligation bonds of the District and to designate said bonds to be sold as the "Montebello Unified School District General Obligation Bonds, Election of 2004, Series 2005" (the "Bonds") for the purpose of raising money to finance certain projects authorized pursuant to Measure M. The Bonds shall be issued upon the terms and conditions hereinafter provided, and subject to any provisions of a Resolution of the Board of Supervisors of the County entitled "Resolution of the Board of Supervisors of the County of Los Angeles, State of California, Authorizing the Issuance and Sale of Bonds on Behalf of the Montebello Unified School District in an Aggregate Principal Amount not to Exceed $30,000,000 by a Negotiated Sale" to be hereafter adopted in connection with the Bonds (the "County Resolution").

Section 3. Terms of Bonds.

(a) Date of Bonds. The Bonds shall be dated Date of Delivery, or such other date as shall be set forth in the Bond Purchase Contract described in Section 5 hereof (the "Purchase Contract").

(b) Maturity. The Bonds shall mature on the dates, in each of the years, in the principal amounts or accreted values and in the aggregate principal amount or accreted values as shall be set forth in the Purchase Contract. No Bond shall mature later than a date which is 25 years from the date of the Bonds.

(c) Interest Payment. The Bonds shall bear interest or accrete interest computed on the basis of a 360-day year of twelve (12) 30-day months (or computed on such other basis as shall be set forth in the Purchase Contract), first payable on February 1, 2006, and thereafter on August 1 and February 1 in each year (or on such other interest payment dates as shall be set forth in the Purchase Contract).

(d) Obligation. The obligation to pay principal and interest represented by the Bonds is a statutory obligation of the District and the County, payable as described in the County Resolution and the Purchase Contract. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to pay the principal, redemption premium, if any, and interest on the Bonds as and when the same become due.

Section 4. Redemption Provisions. All or a portion of the Bonds may be subject to redemption prior to their respective stated maturity dates at the option of the District as set forth in the County Resolution, the Purchase Contract and in the Bonds. All or a portion of the Bonds may also be subject to mandatory sinking fund redemption, as specified in the County Resolution, the Purchase Contract and in the Bonds. The Purchase Contract may provide that the Bonds or any portion thereof shall not be subject to optional or mandatory sinking fund redemption. The Purchase Contract may also provide separate and distinct redemption provisions for the Current Interest Bonds and Capital Appreciation Bonds (as defined in the Purchase Contract).

Section 5. Purchase Contract; Sale of Bonds. The Bonds shall be sold at a negotiated sale upon the terms and conditions set forth in the Purchase Contract, substantially in the form on file with the Clerk of the Board of Education and hereby approved. The Superintendent, the Assistant Superintendent of Business Services of the District (the "Chief Financial Officer"), or any other officer of the District authorized by the Superintendent (each, an "Authorized Officer" or, collectively, the "Authorized Officers") is hereby authorized and directed on behalf of the District to cause the sale of the Bonds through a negotiated sale to Kinsell, Newcomb & De Dios, Inc. (the "Underwriter"), and to approve, execute and deliver the final form of the Purchase Contract; provided, that (i) the Superintendent, the Chief Financial Officer or other Authorized Officer may authorize the sale of all or a portion of the Bonds as current interest or capital appreciation bonds; (ii) the maximum true interest cost on the Bonds shall not exceed six percent (6.0%); (iii) the underwriter's discount shall not exceed nine tenths of one percent (0.9%) of the principal amount of the Bonds, excluding any costs of issuance paid by the Underwriter on behalf of the District; and (iv) the Bonds shall otherwise conform to the limitations specified herein. Such execution and delivery shall constitute conclusive evidence of the approval by the District of the Purchase Contract in the form finally executed. The Board of Supervisors of the

County is hereby requested to cause the Purchase Contract to be approved, executed and delivered on behalf of the County, subject to such changes or revisions therein as may be acceptable to the District and to the Board of Supervisors of the County.

Section 6. Building Fund. The District hereby requests the County to establish or cause to be established a fund to be known as the "Montebello Unified School District General Obligation Bond Series 2005 Building Fund" to be administered by the County Office of Education for the account of the District, as a separate account, distinct from all other funds and accounts of the County and the District. The proceeds of the sale of the Bonds shall, to the extent required by the County Resolution, be deposited in and credited to said fund and shall be expended by the District solely for the purposes for which the Bond proceeds are authorized to be expended under Measure M, including payment of the costs of issuance of the Bonds. All interest and other gain arising from the investment of amounts so deposited shall be retained in such fund and used for the purposes thereof.

Section 7. Debt Service Fund. The District hereby requests the County to establish or cause to be established a fund to be known as the "Montebello Unified School District General Obligation Bond Series 2005 Debt Service Fund" to be administered by the County as a separate account, distinct from all other funds and accounts of the County and the District. Any premium and accrued interest received by the County from the proceeds of the Series 2005 Bonds shall be deposited in the Debt Service Fund. All taxes levied by the County, at the request of the District, for the payment of the principal and accreted value of and interest and premium (if any) on the 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 and accreted value of and interest and premium (if any) on the Bonds when and as the same become due, including the principal of any term Bonds required to be paid upon the mandatory sinking fund redemption thereof. The moneys in the Debt Service Fund shall be applied by the County or the Paying Agent to pay the principal of and interest and accreted value of and interest and premium (if any) on the Bonds, as the same shall become due and payable.

Section 8. Investment of Proceeds. Proceeds of the Bonds held by the County or the Treasurer and Tax Collector of the County or an authorized representative (the "Treasurer") shall be invested at the Treasurer's discretion pursuant to law and the investment policy of the County, unless otherwise directed in writing by the District.

(i) At the written direction of the District, given by an Authorized Officer, who is hereby expressly authorized to give such direction, all or any portion of the proceeds of the Bonds deposited in the Building Fund described above may be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State of California.

(ii) At the written direction of the District, given by an Authorized Officer, who is hereby expressly authorized to give such direction, all or any portion of the Building Fund may be invested on behalf of the District, in investment agreements, including guaranteed investment contracts, which comply with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds.

Section 9. Tax Covenants.

(a) General. The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate of the District with respect to the Bonds (the "Tax Certificate"), to be entered into by the District on the date of issuance of the Bonds. The provisions of this subsection (a) shall survive payment in full or defeasance of the Bonds. The District shall also avoid taking any action that would affect the status of the Bonds as qualified tax exempt obligations within the meaning of Section 265 of the Code.

(b) Private Activity Bond Limitation. The District shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business test of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

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

(d) Yield Restriction. In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the Treasurer or any other party on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the Treasurer or such other party in writing, and the District shall make its best efforts to ensure that the Treasurer or such other party shall take such action as may be necessary in accordance with such instructions.

(e) Reliance on Opinion of Bond Counsel. Notwithstanding any provision of this Section, if the District shall provide to the Treasurer an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds (an "Opinion of Bond Counsel") that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Treasurer may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 10. Official Statement. The Board hereby approves the Official Statement describing the Bonds, in substantially the form on file with the Clerk of the Board, with such changes thereto as deemed advisable by the Superintendent or any other Authorized Officer. The Board authorizes and directs the Superintendent and every Authorized Officer, each individually, as appropriate, on behalf of the District, to "deem final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") a Preliminary Official Statement prior to its distribution by the Underwriter (excepting therefrom only certain final pricing, rating and related information as permitted by the Rule). The Board also approves and authorizes the distribution by the Underwriter of a preliminary form of the Official Statement and the final form of the Official Statement to prospective purchasers of the Bonds. The execution and delivery of the Official Statement, in final form, with such changes and additions thereto as deemed

advisable by the Superintendent or other Authorized Officer shall be conclusive evidence of the approval of the Official Statement by the District.

Each Authorized Officer, as applicable, is authorized and directed to execute the Official Statement and a statement that the facts contained in the Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Bonds, true and correct in all material respects and that the Official Statement did not, on the date of sale of the Bonds, and does not, as of the date of delivery of the Bonds, contain any untrue statement of a material fact with respect to the District or omit to state material facts with respect to the District required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Authorized Officer shall take such further actions prior to the signing of the Official Statement as are deemed necessary or appropriate to verify the accuracy thereof.

Section 11. Continuing Disclosure. Any Authorized Officer is hereby authorized on behalf of the District to execute and deliver a Continuing Disclosure Certificate in substantially the form attached to the Official Statement and on file with the Clerk of the Board, with such changes thereto as deemed necessary in order to permit the Underwriter to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Bonds; however, any Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 12. Approval of Execution and Delivery of other Documents and Actions. The President of this Board of Education, the Clerk of this Board of Education, the Superintendent, the Chief Financial Officer, or any other Authorized Officer, each individually and as appropriate, is hereby authorized and directed to negotiate, execute and deliver, as appropriate, any and all certificates and representations and other documents necessary to accomplish the issuance and delivery of the Bonds and the completion of other transactions contemplated hereunder, including, but not limited to: (i) signature certificates, no litigation certificates and certificates concerning the contents of the Official Statement; (ii) representation letters to The Depository Trust Company; (iii) the Tax Certificate; (iv) any investment agreements entered into pursuant to the authority granted hereunder, which any Authorized Officer deems necessary and desirable to accomplish the transactions authorized herein; (v) any documents required, if any, to assist the County in assigning a Paying Agent (as that term is defined in the County Resolution) in connection with the Bonds, provided that the Treasurer will be the initial Paying Agent; and (vi) any other certificates or agreements proposed to be distributed in connection with the sale of the Bonds, including in connection with any policy of municipal bond insurance, surety bond or other credit enhancement. All actions heretofore taken by any Authorized Officer or any agents of the Board with respect to the Bonds and the transactions contemplated herein are hereby approved, confirmed and ratified.

Section 13. Notice to California Debt and Investment Advisory Commission. The Clerk of this Board of Education is hereby authorized and directed to cause notices of the

proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855.

Section 14. Filing with Board of Supervisors. Pursuant to Section 15140(c) of the *Education Code*, the Clerk of this Board is hereby authorized and directed to file a certified copy of this Resolution with the Clerk of the Board of Supervisors of the County.

Section 15. Filing with Auditor-Controller and Treasurer of the County. Pursuant to Section 15140(c) of the *Education Code*, the Clerk of this Board of Education or any Authorized Officer is also directed to cause a certified copy of this Resolution, and a copy of the debt service schedule, to be provided to Treasurer and the Auditor-Controller of the County.

Section 16. Effective Date. This resolution shall take effect from and after its adoption.

Adopted and signed this 16th day of June, 2005, by the Board of Education of the Montebello Unified School District.

Marcella Calderon
President of the Board of Education

OFFICER'S CERTIFICATE

I, Marcella Calderon, President of the Board of Education of the Montebello Unified School District, County of Los Angeles, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on June 16, 2005, and entered in the minutes thereof, of which meeting all of the members of said Board of Education had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES: 5

NOES: 0

ABSTAIN: 0

ABSENT: 0

An agenda of said meeting was posted at least 72 hours before said meeting at 123 South Montebello Boulevard, Montebello, California 90640, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 17 day of June, 2005.

Marcella Calderon

Marcella Calderon
President of the Board of Education of the
Montebello Unified School District