COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

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MARK J. SALADINO
TREASURER AND TAX COLLECTOR

August 19, 2008

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
GENERAL OBLIGATION BONDS, 2004 ELECTION, SERIES 2008
(FIRST DISTRICT) (3 VOTES)

SUBJECT

The governing board of the Montebello Unified School District (the "District") has requested that the County issue general obligation bonds on its behalf in an aggregate principal amount not to exceed $35,000,000. The bonds were authorized by a vote of the qualified electors of the District and will be issued to finance capital improvements to various school facilities. Repayment of the bonds will be funded from the proceeds of ad valorem taxes levied on all taxable property within the District.

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the resolution authorizing the issuance and sale of the Montebello Unified School District (Los Angeles County, California) General Obligation Bonds, 2004 Election, Series 2008.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 2, 2004, voters residing in the District approved a ballot measure authorizing the District to issue up to $98,000,000 in general obligation bonds to fund various capital improvements. The governing board of the District adopted a resolution on July 17, 2008 and determined that the District needs to borrow funds in an aggregate

principal amount not to exceed $35,000,000 to be used for authorized purposes. This will be the second issuance of bonds authorized under this ballot proposition.

Pursuant to Section 15100 et seq. of the California Education Code, the Board of Supervisors is responsible for offering the District's bonds for sale. The bonds are to be issued in the name and on behalf of the District by the County following receipt of the District's resolution requesting such borrowing.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal #3: Organizational Effectiveness through collaborative actions among County departments and other governmental jurisdictions. It supports the Strategic Plan Goal #4: Fiscal Responsibility by providing investment in public school infrastructure within the County.

FISCAL IMPACT/FINANCING

There will be no fiscal impact to the County budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The resolution provides for the issuance of bonds at an interest rate not to exceed the maximum rate permitted by law. The final structure of the bonds will be determined at the time of pricing to achieve the lowest cost of financing within the tax levy limits of the proposition. The term of the bonds will not exceed twenty-five (25) years.

The District is recommending a negotiated sale of the bonds to the underwriter, with participation by the Treasurer and Tax Collector in pricing the bonds. The District has selected RBC Capital Markets as underwriter, and the firm of Orrick, Herrington & Sutcliffe LLP as bond counsel. The Treasurer and Tax Collector will appoint 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.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not applicable.

CONCLUSION

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

Respectfully submitted,

MARK J. SALADINO
Treasurer and Tax Collector

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Attachments (3)

c: Chief Executive Officer
Auditor-Controller
County Counsel
Montebello Unified School District
Los Angeles County Office of Education
Orrick, Herrington & Sutcliffe LLP

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED THIRTY-FIVE MILLION DOLLARS ($35,000,000) OF BONDS OF THE MONTEBELLO UNIFIED SCHOOL DISTRICT BY A NEGOTIATED SALE PURSUANT TO A BOND PURCHASE AGREEMENT, PRESCRIBING THE TERMS OF SALE OF SAID BONDS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID BOND PURCHASE AGREEMENT, AND AUTHORIZING THE EXECUTION OF NECESSARY CERTIFICATES RELATING TO SAID BONDS.

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, at which a bond proposition summarized as follows 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 limits?"

and

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

WHEREAS, the District has heretofore issued, or caused the Board of Supervisors of the County of Los Angeles (the "County") to issue on its behalf, its "Montebello Unified School District General Obligation Bonds (Los Angeles County, California) Election of 2004, Series 2005" in the aggregate initial principal amount of $30,000,000;

WHEREAS, pursuant to Education Code Section 15140 and following, the Board of Education of the District has requested this Board of Supervisors of the County of Los Angeles (the "County") to issue a second series of said bonds in a single Series designated the "Montebello Unified School District General Obligation Bonds, Election of 2004, Series 2008" in an aggregate principal amount not exceeding $35,000,000, and to authorize the sale of said bonds by a negotiated sale to RBC Capital Markets Corporation (the "Underwriter") pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"), a form of which has been submitted to and is on file with the Executive Officer-Clerk of this Board of Supervisors, all according to the terms and in the manner set forth in a resolution duly adopted by the Board of Education of the District on July 17, 2008, a certified copy of which has been filed with the Executive Officer-Clerk of this Board of Supervisors; and

WHEREAS, this Board of Supervisors accepts the representation of the District that it is necessary and desirable that said bonds be issued and sold by a negotiated sale for the purposes for which said bonds have been authorized and on the terms and conditions set forth in said resolution of the Board of Education of the District;

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

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

Section 2. District Resolution Received: This Board of Supervisors hereby acknowledges receipt of the Resolution of the Board of Education of the District adopted on July 17, 2008.

Section 3. Authorization and Designation of Bonds: Pursuant to Section 15140 and following of the Education Code of the State of California, this Board of Supervisors hereby authorizes on behalf of the Montebello Unified School District, the issuance and sale of not to exceed $35,000,000 aggregate principal amount of bonds of the District and designates said bonds to be issued and sold as the "Montebello Unified School District General Obligation Bonds, Election of 2004, Series 2008" (herein called the "Bonds"). The Bonds shall be issued as Current Interest Bonds and Capital Appreciation Bonds, as provided in Section 5 hereof.

Section 4. Form of Bonds; Execution: (a) Book-Entry. The Depository Trust Company, New York, New York, is hereby appointed depository for the Bonds. The Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, and registered ownership of the Bonds may not thereafter be transferred except as provided in Section 9 hereof. One bond certificate shall be issued for each maturity of the Bonds; provided that if different CUSIP numbers are assigned to Bonds maturing in a single year, additional Bond certificates shall be prepared for each such maturity.

(b) Form of Certificates. The Bonds shall be issued in fully registered form without coupons. The Bonds and the Paying Agent's certificate of authentication and registration and the form of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution; provided, that if a portion of the text of any Bond is printed on the reverse of the Bond, the following legend shall be printed on the face of such Bond: "THE PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE."

(c) Execution of Bonds. The Bonds shall be signed by the manual or facsimile signatures of the Chair of this Board of Supervisors and of the Treasurer and Tax Collector of the County or any authorized deputy thereof (the "County Treasurer"), and countersigned by the manual or facsimile signature of the Executive Officer-Clerk of this Board of Supervisors or by a deputy of either said Clerk or of the County Treasurer. The Bonds shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent (as defined in Section 8(a) hereof).

(d) Valid Authentication. Only such of the Bonds as shall bear thereon a certificate of authentication and registration as described in subsection (b), executed 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.

(e) Identifying Number. The Paying Agent shall assign each Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal corporate trust office, which record shall be available to the District and the County for inspection.

Section 5. Terms of Bonds: (a) Date of Bonds. The Bonds shall be dated the date of their delivery, or such other date as shall be specified in the Bond Purchase Agreement.

(b) Denominations. The Current Interest Bonds shall be issued in denominations of $5,000 principal amount or any integral multiple thereof.

The Capital Appreciation Bonds shall be issued in denominations of $5,000 principal plus accrued interest at maturity ("maturity value") or any integral multiple thereof, except that the first numbered Capital Appreciation Bond may be issued in a denomination such that the maturity value of such Capital Appreciation Bond shall not be an integral multiple of $5,000.

(c) Maturity. The Bonds shall mature on the date or dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the Bond Purchase Agreement. No Bond shall mature prior to May 1, 2009, and no Bond shall mature later than the date which is 25 years from the date of the Bonds, to be determined as provided in subsection (a) of this Section. No Bond shall have principal maturing on more than one principal maturity date.

(d) Interest. As used in this Resolution and in the Bonds, the terms "interest payment date," and "interest date" shall be interchangeable, and shall mean February 1 and August 1 of each year, or such other dates specified in the Bond Purchase Agreement.

The Current Interest Bonds shall bear interest at an interest rate not to exceed the statutory limit of 12.00% per annum, payable on February 1 and August 1 in each year, commencing February 1, 2009 (or on such other initial and semiannual interest payment dates as shall be set forth in the Bond Purchase Agreement), to maturity or prior redemption, computed on the basis of a 360-day year of twelve 30-day months. Each Current Interest Bond authenticated and registered on any date prior to the close of business on the first Record Date (as defined in Section 6(b)) shall bear interest from the date of said Current Interest Bond. Each Current Interest Bond authenticated during the period between a Record Date and the close of business on its corresponding Interest Payment Date shall bear interest from such Interest Payment Date. Any other Current Interest Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Current Interest Bond, interest is in default on any outstanding Current Interest Bonds, such Current Interest Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the outstanding Current Interest Bonds.

The Capital Appreciation Bonds shall not bear current interest; each Capital Appreciation Bond shall increase in value by the accumulation of earned interest from its initial principal (denominational) amount on the date of issuance thereof to its stated maturity value at maturity thereof at a compounded interest rate which shall not exceed the statutory limit of 12.00% per annum, assuming in any semiannual period that the value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months. The interest on the Capital Appreciation Bonds shall be compounded on February 1 and August 1 in each year, commencing February 1, 2009 (or on such other initial and semiannual interest payment dates as shall be set forth in the Bond Purchase Agreement), and shall be payable only upon maturity or prior redemption thereof.

The "accreted value" (or principal plus accrued interest) per $5,000 maturity value of the Capital Appreciation Bonds on each interest date may be given for reference in a table of accreted values prepared by the District to appear in the Capital Appreciation Bonds; provided, that the accreted value determined in accordance with this Section shall prevail over any different accreted value given in said table, and the County takes no responsibility for the table of accreted values prepared by the District.

Section 6. Payment: (a) Principal. The principal of the Bonds shall be payable, when due or upon redemption prior thereto, in lawful money of the United States of America to the person whose name appears on the bond registration books of the Paying Agent (as described in Section 8(c) hereof) as the registered owner thereof (the "Owner"), upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(b) Interest; Record Date. The interest on the Bonds shall be payable in lawful money of the United States of America to the Owner thereof 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 on such interest payment date (if a business day, or on the next business day if the interest payment date does not fall on a business day) to such Owner at such Owner's address as it appears on the bond registration books described in Section 8(c) or at such address as the Owner may have filed with the Paying Agent for that purpose, except that the payment shall be made in immediately available funds (e.g., by wire transfer) to any Owner of at least $1,000,000 of outstanding Bonds who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any interest payment date. So long as Cede & Co. or its registered assigns shall be the Owner of the Bonds, payment shall be made in immediately available funds as provided in Section 9(d) hereof.

(c) Interest and Sinking Fund: Principal and interest due on the Bonds shall be paid from the interest and sinking fund of the District as provided in Section 15146 of the Education Code. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds.

Section 7. Redemption Provisions: (a) Optional Redemption. The Bonds shall be subject to redemption, at the option of the District on such dates and terms as shall be designated in the Bond Purchase Agreement. The Bond Purchase Agreement may provide that the Bonds shall not be subject to optional redemption.

The "redemption date" is that date on which the Bonds which are called are to be presented for redemption.

(b) Mandatory Sinking Fund Redemption. The Bonds, if any, which are designated in the Bond Purchase Agreement 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 Bond Purchase Agreement. The principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date. The Bond Purchase Agreement may provide that the Bonds shall not be subject to mandatory sinking fund redemption.

The Auditor-Controller of the County is hereby authorized to create such sinking funds or accounts for the Bonds as shall be necessary to accomplish the purposes of this section.

(c) Notice of Redemption. Notice of optional, unscheduled or contingent bond call redemption of any Bonds shall be given by the Paying Agent upon the written request of the District. Notice of any such redemption of Bonds shall be mailed postage prepaid, not less than 30 nor more than 60 days prior to the redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books described in Section 8(c), and (ii) as may be further required in accordance with the Continuing Disclosure Certificate of the District described in Section 15.

Each notice of redemption shall contain all of the following information:

(i) the date of such notice;

(ii) the name of the Bonds and the date of issue of the Bonds;

(iii) the redemption date;

(iv) the redemption price;

(v) the dates of maturity of the Bonds to be redeemed;

(vi) (if less than all of the Bonds of any maturity are to be redeemed) the distinctive numbers of the Bonds of each maturity to be redeemed;

(vii) (in the case of Bonds redeemed in part only) the respective portions of the principal amount of the Bonds of each maturity to be redeemed;

(viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed;

(ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; and

(x) notice that further interest on such Bonds will not accrue after the designated redemption date.

(d) Effect of Notice. A certificate of the Paying Agent or the District that notice of call and redemption has been given to Owners and to the appropriate securities depositories and information services as herein provided shall be conclusive as against all parties. The actual receipt by the Owner of any Bond or by any securities depository or information service of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in subsection (f) of this Section, 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, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. 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 interest and sinking fund or the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(e) Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the interest and sinking fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(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, moneys for the purpose and sufficient to redeem, at the premiums payable as in this resolution provided, the Bonds designated in said notice of redemption. Such moneys so set aside in any such escrow fund shall be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all moneys 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 moneys remaining in the interest and sinking fund of the District or otherwise held in trust for the payment of redemption price of the Bonds, said moneys 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 said fund; provided, however, that if said moneys are part of the proceeds of bonds of the District, said moneys shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at

such time outstanding, said moneys 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 all of the principal, 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 to levy taxes for payment thereof, as provided in Section 11 hereof, 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, interest and premium, if any, represented by the Bonds, but only out of moneys 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 (h) hereof shall apply in all events.

For purposes of this section, the District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of the United States of America (including zero interest-bearing State and Local Government Series securities ("SLGS")) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the interest and sinking fund of the District, be fully sufficient, in the opinion of a certified public accountant ("verification agent"), to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates. The escrow agent and the verification agent will be selected by the District subject to the approval of the County to be given by the County Treasurer.

(h) Unclaimed Moneys. Any money held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the principal 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 said fund; or, if no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

Section 8. Paying Agent: (a) Appointment. The County Treasurer is hereby appointed the initial Paying Agent for the Bonds. "Paying Agent" shall mean the County Treasurer and his designated agents or his successors or assigns, acting in the capacity of paying agent, registrar, authenticating agent and transfer agent. The County Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution.

(b) Principal Corporate Trust Office. Unless otherwise specifically noted, any reference herein to the "principal corporate trust office" of the Paying Agent shall mean the office of the Paying Agent in Los Angeles, California; provided, however, that in any case "principal corporate trust office" shall mean any other office of the Paying Agent designated for a particular

purpose, and shall include the principal corporate trust office or other designated office of any successor paying agent.

(c) 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 County and 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 said books, Bonds as provided in Section 9 hereof.

(d) Payment of Fees and Expenses. The fees and expenses of the Paying Agent shall be the responsibility of the District, and to the extent not paid from the proceeds of sale of the Bonds, shall be paid in each year from the interest and sinking fund of the District, insofar as permitted by law, including specifically by Section 15232 of the Education Code of the State of California.

Section 9. Transfer Under Book-Entry System; Discontinuation of Book-Entry System: (a) The Bonds shall be initially issued and registered as provided in Section 4. Registered ownership of such Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this section (a "substitute depository"); provided, that any successor of Cede & Co., as nominee of The Depository Trust Company or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District or the County, upon (1) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to remove The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this section, upon receipt of the outstanding Bonds by the Paying Agent, together with a written request of the District or County to the Paying Agent, a new Bond for each maturity shall be executed and delivered in the aggregate principal amount of the Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District or County. In the case of any transfer

pursuant to clause (iii) of subsection (a) of this section, upon receipt of the outstanding Bonds by the Paying Agent together with a written request of the District or County to the Paying Agent, new Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District or County, subject to the limitations of Section 5 and the receipt of such a written request of the District or County, and thereafter, the Bonds shall be transferred pursuant to the provisions set forth in Section 10 of this resolution; provided, that the Paying Agent shall not be required to deliver such new Bonds within a period of less than 60 days after the receipt of any such written request of the District or County.

(c) The County, the District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the owner thereof, notwithstanding any notice to the contrary received by the County, the District or the Paying Agent; and the County, the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds, and neither the County, the District or the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including The Depository Trust Company or its successor (or substitute depository or its successor), except for the Owner of any Bonds.

(d) So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the District, the County and the Paying Agent shall cooperate with Cede & Co., as sole Owner, or its registered assigns in effecting payment of the principal of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available (e.g., by wire transfer) on the date they are due.

Section 10. Transfer and Exchange: (a) Transfer. Following the termination or removal of the depository pursuant to Section 9 hereof, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 8(c) hereof, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Bond or Bonds shall be surrendered for transfer, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 4, a new Bond or Bonds of the same series, maturity, interest payment mode and interest rate for a like aggregate principal amount. The Paying Agent may require the payment by any Owner of Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Bond shall be required to be made by the Paying Agent during the period from (1) the close of business on the applicable Record Date to and including the succeeding interest date, or (2) the close of business on the date on which notice is given that such Bond has been selected for redemption in whole or in part, to and including the designated redemption date.

(b) Exchange. The Bonds may be exchanged for Bonds of other authorized denominations of the same maturity, interest payment mode and interest rate, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Bond to the

Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Bond or Bonds shall be surrendered for exchange, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 4, a new Bond or Bonds of the same maturity and interest payment mode and interest rate for a like aggregate principal amount. The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of any Bonds shall be required to be made by the Paying Agent during the period from (1) the close of business on the applicable Record Date to and including the succeeding interest date, or (2) the close of business on the date on which notice is given that such Bond has been selected for redemption in whole or in part, to and including the designated redemption date.

Section 11. Obligation to Levy Taxes to Pay Bonds: The money for the payment of principal, redemption premium, if any, and interest with respect to the Bonds shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the interest and sinking fund of the District, and the Board of Supervisors of the County hereby covenants to levy ad valorem taxes for the payment of the Bonds on all property in the District subject to taxation by the County without limitation as to rate or amount (except certain personal property which is taxable at limited rates).

Section 12. Sale of Bonds; Bond Purchase Agreement: The Bonds shall be sold to the Underwriter not later than October 1, 2008, pursuant to a Bond Purchase Agreement in substantially the form presented to this meeting, at a purchase price to be set forth therein (which purchase price shall be approved by the County Treasurer, this Board of Supervisors hereby expressly delegating to such officer the authority to execute the Bond Purchase Agreement on its behalf), is hereby approved; provided, that (i) the true interest cost for the Bonds shall not be in excess of 8%, (ii) the maximum interest rate on the Current Interest Bonds shall not be in excess of the statutory limit of 12.00% per annum; (iii) the effective compounded rate of interest on each Capital Appreciation Bond shall not exceed the statutory limit of 12.00% per annum; (iv) the price to be paid for the Bonds shall not be less than the principal amount thereof, plus accrued interest, if any, to the date of delivery; (v) the underwriter's discount for the sale of the Bonds shall not be in excess of 0.70% of the principal amount of the Bonds sold (excluding any costs of issuance the Underwriter agrees to pay pursuant to Section 11 of the Bond Purchase Agreement); and (vi) the Bonds shall otherwise conform to the limitations specified herein.

The Bond Purchase Agreement shall recite the aggregate principal amount of the Bonds, the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof. The Bond Purchase Agreement, together with this Resolution, shall constitute the order of the Board of Supervisors for purposes of Section 15230 of the Education Code.

The County Treasurer (or an authorized deputy or delegate of the County Treasurer) is hereby authorized and directed to accept the offer of the Underwriter when said offer is satisfactory to the County Treasurer, and to execute and deliver the Bond Purchase Agreement on behalf of the County in substantially the form presented at this meeting, with such changes therein as shall be approved by the authorized officer of the County executing the same, and such execution shall constitute conclusive evidence of the County Treasurer's approval and this Board of Supervisors' approval of any change therein from the form of such Bond Purchase Agreement.

Section 13. Deposit and Investment of Proceeds: (a) The Board of Education of the District shall have the right to invest proceeds of the Bonds in any investment permitted to the District by Government Code Section 53601 and following, as the same may be amended or supplemented from time to time. In addition,

(i) At the written request of the District, all or any portion of the building fund of the District 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 request of the District, all or any portion of the building fund of the District 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.

(b) The County makes no assurance regarding the application of the proceeds of the Bonds by the District.

Section 14. Tax Covenant: The County acknowledges and relies upon the fact that the District has represented and covenanted that it 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"), and that it will comply with the requirements of the Tax Certificate of the District with respect to the Bonds, to be entered into by the District as of the date of issuance of the Bonds, and further that such representation and covenant shall survive payment in full or defeasance of the Bonds.

Section 15. Continuing Disclosure Certificate: The County acknowledges and relies upon the fact that the District has represented that it shall execute a Continuing Disclosure Certificate containing such covenants of the District as shall be necessary to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The County acknowledges and relies upon the fact that the District has covenanted that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate. The District shall function as or cause the appointment of a dissemination agent, who will perform all duties and obligations of the dissemination agent as set forth in the Continuing Disclosure Certificate, and the County shall have no responsibilities either for compliance with the Continuing Disclosure Certificate or for the duties of the dissemination agent.

Section 16. Limited Responsibility for Official Statement: Neither the Board of Supervisors nor any officer of the County has prepared or reviewed the official statement of the District describing the Bonds (the "Official Statement"), and this Board of Supervisors and the

various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District held by the County Treasurer, the County Treasurer is hereby authorized and directed to prepare and review such information for inclusion in the District's Official Statement and in a preliminary Official Statement, and to certify in writing prior to or upon the issuance of the Bonds that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

Section 17. Approval of Actions: The Chair of this Board of Supervisors, the Executive Officer-Clerk of this Board of Supervisors, the County Auditor-Controller, the County Counsel, and the County Treasurer and the deputies and designees of any of them, are hereby authorized and directed to execute and deliver any and all certificates and representations, as may be acceptable to County Counsel, including signature certificates, no-litigation certificates, and other certificates proposed to be distributed in connection with the sale of the Bonds, necessary and desirable to accomplish the transactions authorized herein.

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Section 18. Effective Date: This resolution shall take effect from and after its adoption.

The foregoing resolution was on the ____ day of _____, 2008, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI, EXECUTIVE OFFICER-CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES.

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

By: _____
Principal Deputy County Counsel

EXHIBIT A

[Form of Bond]

Number	UNITED STATES OF AMERICA	Amount
R-__	STATE OF CALIFORNIA	$_____
	COUNTY OF LOS ANGELES	

MONTEBELLO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES 2008

Maturity Date	Interest Rate	Dated as of	CUSIP NO.
August 1, ____	____%	_____, 2008	_____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

On behalf of the Montebello Unified School District, County of Los Angeles, State of California (herein called the "District"), the County of Los Angeles hereby acknowledges itself obligated to and promises to pay, but only from taxes collected by the County for such purpose pursuant to Section 15250 of the Education Code of the State of California, 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 at the interest rate per annum stated above, payable on [February 1 and August 1] in each year, commencing [February 1, 2009], until payment of said principal sum. If this bond is authenticated and registered on any date prior to the close of business on [January 15, 2009], it shall bear interest from the date hereof. If authenticated during the period between a Record Date (as defined below) and the close of business on its corresponding interest payment date, it shall bear interest from such interest payment date. Otherwise, this bond shall bear interest from the interest payment date immediately preceding the date of its authentication.

The principal hereof is payable to the registered owner hereof upon the surrender hereof at the principal corporate trust office (as defined in the Resolution) of the paying agent/registrar and transfer agent of the District (herein called the "Paying Agent"), the Treasurer and Tax Collector of the County of Los Angeles, including the designated agents, successors and assigns of the Treasurer acting in such capacity. 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 (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 $_____, and designated as "Montebello Unified School District General Obligation Bonds, Election of 2004, Series 2008" (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. The Bonds are 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 said State, and of a resolution (herein called the "Resolution") adopted by said Board of Supervisors on [August 19, 2008], and subject to the more particular terms specified in the Bond Purchase Agreement executed by the District and the County on _____.

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 Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same series, interest payment mode, interest rate, and maturity of other authorized denominations.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations of the same series, interest payment mode, interest rate, and same aggregate principal amount will be issued to the transferee in exchange herefor.

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

The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the Resolution, and as further specified in the attached Redemption Schedule. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

In reliance upon the representations, certifications and declarations of the District, the Board of Supervisors hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this bond, is within the limit provided by law; that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond; and that this bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. The Bonds represent an obligation of the District payable out of the interest and sinking fund of the District, and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

This bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

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IN WITNESS WHEREOF the County of Los Angeles has caused this MONTEBELLO UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BOND, ELECTION OF 2004, SERIES 2008 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 Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

_____
Chair of the Board of Supervisors
County of Los Angeles

_____
Treasurer and Tax Collector
County of Los Angeles

[Seal]

Countersigned:

_____
Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the MONTEBELLO UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES 2008, described in the within-mentioned Resolution and authenticated and registered on _____.

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

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

By_____
Authorized Officer

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.

[STATEMENT OF INSURANCE]

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.

REDEMPTION SCHEDULE

MONTEBELLO UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS
ELECTION OF 2004, SERIES 2008

Optional Redemption: [to come from purchase contract]

Mandatory Sinking Fund Redemption: [to come from purchase contract]

$_____

MONTEBELLO UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY, CALIFORNIA
GENERAL OBLIGATION BONDS
ELECTION OF 2004, SERIES 2008

BOND PURCHASE AGREEMENT

_____, 2008

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

Board of Education
Montebello Unified School District
123 South Montebello Boulevard
Montebello, California 90640

Ladies and Gentlemen:

The undersigned, RBC Capital Markets Corporation (the "Underwriter"), acting on its own behalf and not as a fiduciary agent for you, offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the County of Los Angeles (the "County") and Montebello Unified School District (the "District"), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriter. By execution of this Purchase Agreement, the County, the District and the Underwriter acknowledge the terms hereof and recognize that they will be bound by certain of the provisions hereof, and to the extent binding thereupon, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the County and the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of $_____ in aggregate principal amount of the District's General Obligation Bonds, Election of 2004, Series 2008 (the "Bonds"). The Bonds shall bear or accrete interest at the rates and shall mature as shown on Exhibit A hereto, which is incorporated herein by this reference. The Underwriter shall purchase the Bonds at a price of $_____ (consisting of the aggregate initial principal amount of the Bonds of $_____, plus net original issue premium of $_____, less an Underwriter's discount of $_____, less

$_____ to be retained by the Underwriter and used to pay costs of issuance pursuant to Section 11 hereof[, and less bond insurance premium of $_____.)]

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

2. **The Bonds.** The Bonds shall be dated as of their date of delivery and shall mature on August 1 in the years shown on Exhibit A hereto. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of, the Resolution of the governing board of the District, adopted on July 17, 2008 (the "District Resolution"), and pursuant to the Resolution of the Board of Supervisors of the County adopted on _____, 2008 (the "County Resolution" and, collectively with the District Resolution, the "Resolutions"), this Purchase Agreement and Section 15100 *et seq.* and Section 15264 *et seq.*, of the California Education Code (the "Act"). The Paying Agent for the Bonds, as designated by the County Resolution, shall be the Treasurer and Tax Collector of the County of Los Angeles (the "Paying Agent").

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Resolutions. The Bonds shall be in 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 ("DTC"). [The payment of principal of and interest (but not any redemption premium) on the Bonds shall be secured by a financial guaranty insurance policy (the "Insurance Policy"), to be issued simultaneously with the issuance of the Bonds by _____ (the "Insurer").]

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

4. **Public Offering of the Bonds.** The Underwriter agrees to make a *bona fide* public offering of all the Bonds at the initial public offering prices or yields set forth on Exhibit A hereto, and may subsequently change such offering prices without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated in the Official Statement. The Underwriter agrees to provide reoffering price data respecting the Bonds to Bond Counsel (as defined below) in connection with the Closing (as defined below).

5. **Official Statement.** The District has caused to be drafted and consents to the use of the Preliminary Official Statement, dated _____, 2008, describing the Bonds (the "Preliminary Official Statement"), including the cover page, inside cover page and

Appendices thereto. The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the "Rule"). The Preliminary Official Statement has been prepared for use in connection with the public offering, sale and distribution of the Bonds.

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

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

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

may deem necessary in order to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

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

6. **Closing.** At 9:00 a.m., California Time, on _____, 2008, or at such other time or on such other date as shall have been mutually agreed upon by the County and the Underwriter (the "Closing"), the County will deliver to the Underwriter, through the facilities of DTC, the Bonds in book-entry form, duly executed and registered as provided in paragraph 2 above, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to an account or accounts within the United States designated by the County.

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

A. The District is a unified school district duly organized and validly existing under the laws of the State of California, with the full legal right, power and authority to (i) request the County to issue the Bonds pursuant to the Act; (ii) enter into, execute and deliver this Purchase Agreement and the Continuing Disclosure Certificate appended to the Official Statement (the "Continuing Disclosure Certificate"); and (iii) adopt the District Resolution.

B. (i) The District has the legal right, power and authority to enter into this Purchase Agreement, to adopt the District Resolution, to perform its obligations under each such document or instrument, and to cause the Bonds to be issued and delivered as contemplated by this Purchase Agreement, the District Resolution and the Continuing Disclosure Certificate (collectively, the "District Documents"); (ii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds and the District Documents have been duly authorized; and (iii) the District Documents constitute valid and legally binding obligations of the District enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and to principles of equity relating to or affecting the enforcement of creditors' rights.

C. Other than those already obtained, given, filed or made, no consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds, except for such actions which may qualify the Bonds for offer and sale under 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 District shall not be required to subject itself to

service of process in any jurisdiction in which it is not so subject as of the date hereof.

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

E. Other than as described in the Preliminary Official Statement, as of the time of acceptance hereof no action, suit, hearing or investigation is pending or, to the best knowledge of the District, threatened: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the Authorized District Representative, as defined in the District Resolution; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of the Bonds, or the collection of *ad valorem* taxes available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the District Resolution or contesting the powers of the District or its authority with respect to the Bonds, this Purchase Agreement or the District Resolution; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement or the District Resolution, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of such interest from California personal income taxation.

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

G. 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.

H. With respect to any certificates by the District pursuant to Section 42131 of the Education Code of the State, the District has not received a qualified or negative certification from the County Superintendent of Schools.

I. Other than as described in the Preliminary Official Statement, the District is not in default with respect to any continuing disclosure obligation it may have incurred prior to the date hereof in connection with the delivery or issuance of any debt instruments, bonds, notes or lease-purchase obligations.

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

K. The Preliminary Official Statement did not, and the Official Statement will not, as of its date (excluding therefrom information relating to The Depository Trust Company, the Insurer, and information provided by the Underwriter) contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Since the date of the Preliminary Official Statement, there has been no adverse change of a material nature in such financial position, results of operation or condition, financial or otherwise, of the District.

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

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

B. (i) The County has full legal right, power and authority to enter into this Purchase Agreement, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument; (ii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in the Bonds, the County Resolution and this Purchase Agreement have been duly authorized; and (iii) this Purchase Agreement constitutes a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and to principles of equity relating to or affecting the enforcement of creditors' rights.

C. To the best knowledge of the County, as of the time of acceptance hereof, no action, suit, hearing or investigation is pending in which service of process has been completed on the County or, threatened against the County: (i) in any way

affecting the existence of the County or in any way challenging the respective powers of the officers of the County enumerated in Section 17 of the County Resolution; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, or the collection of the *ad valorem* taxes pledged or to be pledged or available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the County Resolution or contesting the powers of the County or its authority with respect to the Bonds, this Purchase Agreement or the County Resolution; or (iii) in which a final adverse decision would (a) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (b) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of such interest from California personal income taxation.

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

E. Any certificates signed by an authorized 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. **Conditions to Closing.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District and the County contained herein and the performance by the District and the County of their respective obligations hereunder and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the date of Closing. The County and the District have entered into this Purchase Agreement in reliance upon the representations and warranties of the Underwriter contained herein and the performance by the Underwriter of its obligations hereunder and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the date of Closing. Accordingly, the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds are and shall be conditioned upon the performance by the District and the County, respectively, of their obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject at the option of the Underwriter, to the following further conditions, including the delivery by the District and the County of such documents and instruments as are enumerated below, in form and substance satisfactory to the Underwriter. The obligations on the part of the District and the County to deliver the Bonds and the various documents, instruments, certificates and opinions described below are conditioned upon the performance by the Underwriter of its obligations to be performed hereunder and under such documents, instruments and certificates as the Underwriter is required to deliver at or prior to Closing, as enumerated below.

A. The representations and warranties of the District and the County contained herein shall be true, complete and correct in all material respects at the

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

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

C. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, be pending or threatened, which has any of the effects described in Section 7.F. hereof, or contesting in any way the completeness or accuracy of the Official Statement;

D. Between the date hereof and the Closing, the market price for the Bonds, or the market for or marketability of the Bonds at the initial offering prices set forth in the Official Statement, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected in the reasonable professional judgment of the Underwriter (evidenced by a written notice to the 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 by the Congress of the United States, or passed by either House of the Congress, or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or by the legislature of the State of California (the "State"), or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal

or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

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

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

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

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters such as, and including, the Underwriter;

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

(6) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal, or negative change in

credit watch status by any national rating service of any of the District's outstanding indebtedness [or any rating of the Insurer;]

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

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

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

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

E. At or prior to the date of the Closing, the Underwriter shall receive an original of each of the following documents, in each case dated as of the Closing Date (unless otherwise noted below) and satisfactory in form and substance to the Underwriter:

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

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

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

(a) this Purchase Agreement has been duly authorized, executed and delivered by the District and the County and, assuming due authorization, execution and delivery by the Underwriter, is a legally valid and binding agreement of the District and the County, enforceable in accordance with its terms, except as such enforcement may be limited by

bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies, and is subject to general principles of equity (regardless of whether such enforcement is considered in equity or at law);

(b) the statements contained in the Official Statement in the sections thereof entitled: "THE BONDS" and "TAX MATTERS," insofar as such statements purport to summarize certain provisions of the Bonds, the District Resolution and the County Resolution, are accurate in all material respects; and

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

(4) A certificate or certificates signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has taken all actions required to be taken by it in order to authorize the issuance and delivery of the Bonds; (iv) the District has complied with all the terms of the District Resolution and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statements of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and (vi) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolutions and (vii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his or her knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds by the County on behalf of the District or the due adoption of the District Resolution;

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

(6) Evidence satisfactory to the Underwriter that the Bonds shall have been rated "_____" by Standard & Poor's and "_____" by Moody's Investors Service (or such other equivalent rating as such rating agency may give) [based upon the issuance of the policy by the insurer] and that such ratings have not been revoked or downgraded;

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

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

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

(8) An opinion of County Counsel, addressed to the County, to the District and the Underwriter, in substantially the form of Exhibit B attached hereto;

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

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

(b) that the County Resolution was duly adopted;

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

(11) The Continuing Disclosure Certificate, in substantially the form appended to the Preliminary Official Statement, signed by an appropriate official of the District and the Dissemination Agent, if any;

(12) A certificate of the Paying Agent, signed by a duly authorized officer of the Paying Agent, and in form and substance satisfactory to the Underwriter, to the effect that, to the best of such officer's knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or any agreement with the Paying Agent;

(13) A Receipt of the County for the purchase price of the Bonds;

(14) A certificate signed by an appropriate official of the County to the effect that (i) such official is authorized to execute this Purchase Agreement, (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 taken all actions required to be taken by it in

order to authorize the issuance and delivery of the Bonds; (iv) the County has complied with all the terms of the County Resolution and this Purchase Agreement to be complied with by the County prior to or concurrently with the Closing and such documents are in full force and effect, (v) such official has reviewed the information in the Official Statement under the caption, "APPENDIX E: LOS ANGELES COUNTY INVESTMENT POLICIES AND PRACTICES; DESCRIPTION OF INVESTMENT POOL" and on such basis certifies that such information does not contain any untrue statements of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and (vi) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution and (vii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his or her knowledge, threatened against the County contesting in any way the completeness or accuracy of the provisions in the Official Statement pertaining to the County, the issuance of the Bonds by the County on behalf of the District or the due adoption of the County Resolution;

(15) The receipt of the Underwriter for the Bonds;

(16) Reoffering price certificate of the Underwriter, in a form satisfactory to Bond Counsel;

(17) [A certificate of the Underwriter acknowledging satisfaction of all conditions to Closing herein, or the waiver of any conditions not so satisfied];

(18) A certificate of each of the County and the District, acknowledging satisfaction of all conditions to Closing herein, or the waiver of any conditions not so satisfied;

(19) [A municipal bond insurance policy issued by _____ (the "Insurer") with respect to the Bonds, together with an opinion from general counsel to such Insurer as to the enforceability thereof and a Certificate issued by such Insurer regarding the description of the Insurer in the Official Statement and certain other matters;]

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

(21) Such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter or Bond Counsel may reasonably request in order to evidence compliance (i) by the District

with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

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

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

11. **Expenses.** The Underwriter shall pay the following costs of issuance of the Bonds in an amount not exceeding $_____, from the proceeds of the Bonds: (i) the fees and disbursements of Bond Counsel and Disclosure Counsel; (ii) the cost of the preparation, printing and delivery of the Bonds; (iii) the fees, if any, for Bond ratings and Bond insurance premiums, if any, including all expenses related to obtaining such ratings [and bond insurance]; (iv) the cost of the printing and distribution of the Official Statement; (v) the fees of the Paying Agent and (vi) all other fees and expenses incident to the issuance and sale of Bonds. Any expenses owing following the depletion of said amount shall be paid by the District. The Underwriter shall pay all of its out-of-pocket expenses, including: (1) clearing house fees; (2) DTC fees; (3) CUSIP Bureau charges; (4) fees of the California Debt and Investment Advisory Commission; (5) Bond Market Association fees; (6) MSRB fees related to the within transaction, if any; (7) the costs associated with qualifying the Bonds under applicable Blue Sky requirements and/or legal investment surveys, if any; (8) fees of Underwriter's Counsel; and (9) travel and other expenses not specified in clauses (i) through (vi) above.

12. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the County, to the Treasurer and Tax Collector, County of Los Angeles, 432 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012; if to the District, to the Superintendent of Montebello Unified School District, 123 South Montebello Boulevard, Montebello, California 90640, or if to the Underwriter, to RBC Capital Markets Corporation, 777 South Figueroa Street, Suite 850, Los Angeles, California 90017, Attn: Roderick A. Carter.

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

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

[*Remainder of Page Intentionally Left Blank*]

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

Very truly yours,

RBC CAPITAL MARKETS CORPORATION

By_____
Roderick A. Carter
Managing Director

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

MONTEBELLO UNIFIED SCHOOL DISTRICT

By_____
Edward Velasquez
Superintendent

COUNTY OF LOS ANGELES

By_____
Mark J. Saladino
Treasurer and Tax Collector

Approved as to form:

RAYMOND G. FORTNER, JR.
County Counsel

By_____
Principal Deputy County Counsel

EXHIBIT A

$_____
MONTEBELLO UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY, CALIFORNIA
GENERAL OBLIGATION BONDS
ELECTION OF 2004, SERIES 2008

$_____
CAPITAL APPRECIATION BONDS

Maturity Date (August 1)	Denominational Amount	Accretion Rate	Final Accreted Value

$_____
CURRENT INTEREST BONDS

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield

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

TERMS OF REDEMPTION

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

Optional Redemption. The Current Interest Bonds maturing on or before August 1, 20__, are not subject to redemption. The Current Interest Bonds maturing on or after August 1, 20__ may be redeemed before maturity at the option of the District, from any source of available funds, in whole, or in part, at the direction of the District, on or after August 1, 20__ at a redemption price equal to the principal amount of the Current Interest Bonds called for redemption, without premium, plus accrued interest to the date of redemption.

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

Redemption Date (August 1)	Mandatory Sinking Fund Payment

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

Redemption Date (August 1)	Mandatory Sinking Fund Payment

The Capital Appreciation Bonds are not subject to redemption prior to maturity.

EXHIBIT B

OPINION OF COUNTY COUNSEL

[Closing Date]

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

Montebello Unified School District
123 South Montebello Boulevard
Montebello, California 90640

RBC Capital Markets Corporation
777 South Figueroa Street, Suite 850
Los Angeles, California 90017

Re: $_____ Montebello Unified School District
General Obligation Bonds Election of 2004, Series 2008

Ladies and Gentlemen:

This opinion is rendered and delivered in connection with the issuance by the Board of Supervisors of the County of Los Angeles (the "County") on behalf of the Montebello Unified School District (the "District") of $_____ aggregate principal amount of bonds designated "Montebello Unified School District General Obligation Bonds Election of 2004, Series 2008" (collectively, the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County of Los Angeles, California adopted _____, 2008 (the "County Resolution"), at the request of the District made pursuant to a resolution adopted July 17, 2008, by the District (the "District Resolution").

In rendering this opinion, we have examined the County Resolution, the Bond Purchase Agreement, dated _____, 2008 (the "Purchase Agreement"), by and among the District, the County and RBC Capital Markets Corporation, as underwriter, and such other documents, records and instruments and made such investigations of law and fact as we have deemed necessary to render the opinions expressed herein.

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

1. The County is a political subdivision duly organized and validly existing under the Constitution and the laws of the State of California;

2. The County Resolution approving and authorizing the execution, sale and delivery of the Purchase Agreement and the issuance of the Bonds was duly adopted at a meeting of the Board of Supervisors of the County, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption, has not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof;

3. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public agency or body pending, in which service of process has been completed against the County, or to the best knowledge of County Counsel, threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective officers; (b) seeking to prohibit, restrain or enjoin the execution of the Purchase Agreement or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, the Purchase Agreement, or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Resolution or the Purchase Agreement; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds; and

4. The Purchase Agreement has been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, the Purchase Agreement will constitute the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought and by the limitations on legal remedies imposed on actions against counties in the State.

With respect to the opinions we have expressed above, enforcement of the rights and obligations under the County Resolution, the Purchase Agreement and the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles if equitable remedies are sought, and by limitations on legal remedies imposed in actions against public entities in the State. We express no opinion as to the availability of equitable remedies in connection with enforcement of the County Resolution, the Purchase Agreement or the Bonds.

Very truly yours,

COUNTY COUNSEL

By:
CAMMY C. DUPONT
Principal Deputy County Counsel
Special Services Division

MEMORANDUM **ACTION**
July 10, 2008

TO: Edward Velasquez, Superintendent of Schools

FROM: Stephen R. Hodgson, Ed. D., Business Services

SUBJECT: **Approval of Resolution No. 4 (2008-09) Prescribing the Terms of Sale of Bonds of Montebello Unified School District, Requesting the Board of Supervisors of the County of Los Angeles to Issue and Sell Not to Exceed $35,000,000 of Said Bonds by a Negotiated Sale Pursuant to a Bond Purchase agreement, approving the form of and authorizing the execution and delivery of Said Bond Purchase Agreement, and Authorizing the Execution of Necessary Certificates Relating to Said Bonds.**

Background

The Board of Education, at its meeting on June 5, 2008, approved Resolution No. 31 (2007-08) - Requesting the Board of Supervisors of the County of Los Angeles to Establish the Tax Rate for Bonds of the Montebello Unified School District Expected to be Sold during Fiscal Year 2008-09, and Authorizing Necessary Actions in Connection Therewith.

In accordance with current requirements, a fully-executed copy of Resolution No. 31 (2007-08) was subsequently filed with the Office of the Auditors-Controllers, County of Los Angeles.

Resolution No. 4 (2008-09)

The District's Bond Counsel (John Hartenstein, Esq., of Orrick, Harrington & Sutcliffe), in conjunction with the District's Underwriter (Roderick Carter of RBC Capital Markets), has prepared Resolution No. 4 (2008-09) for formal consideration by the Board of Education. This resolution authorizes the issue of $35 million in twenty-five year bonds (Series 2008 of Measure M, Election of 2004) by the County of Los Angeles. Additionally, the Resolution authorizes Orrick Herrington & Sutcliffe to prepare an Official Statement related to the Bonds to be used by RBC Capital Markets in marketing the bonds to potential investors, under the direction and with the assistance of District staff.

Notes:
(1) The Governing Board will be asked to approve the Preliminary Official Statement at its meeting on August 21, 2008.
(2) The Bond Purchase Agreement, from RBC Capital Markets, is attached for reference.

5-a

Adoption of the following motion is recommended:

> That the Board of Education of the Montebello Unified School District approve of Resolution No. 4 (2008-09) prescribing the terms of sale of Bonds of Montebello Unified School District, requesting the Board of Supervisors of the County of Los Angeles to issue and sell not to exceed $35,000,000 of said bonds by a negotiated sale pursuant to a bond purchase agreement, approving the form of and authorizing the execution and delivery of said bond purchase agreement, and authorizing the execution of necessary certificates relating to said bonds.

Approved for presentation to the
Board of Education: July 17, 2008

Peter Wong
Controller

Edward Velasquez
Superintendent of Schools
Secretary to the Board

Stephen R. Hodgson, Ed.D.
Business Services

5-a

BOARD OF EDUCATION
OF THE
MONTEBELLO UNIFIED SCHOOL DISTRICT
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Res. No. 4

RESOLUTION PRESCRIBING THE TERMS OF SALE OF BONDS OF MONTEBELLO UNIFIED SCHOOL DISTRICT, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ISSUE AND SELL NOT TO EXCEED $35,000,000 OF SAID BONDS BY A NEGOTIATED SALE PURSUANT TO A BOND PURCHASE AGREEMENT, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID BOND PURCHASE AGREEMENT, AND AUTHORIZING THE EXECUTION OF NECESSARY CERTIFICATES RELATING TO SAID BONDS

WHEREAS, an election was duly called and regularly held pursuant to Section 15100 and following of the Education Code of the State of California in the Montebello Unified School District, County of Los Angeles, California (herein called the "District"), on November 2, 2004, at which a bond proposition summarized as follows 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 limits?"

and

WHEREAS, passage of said proposition required a 55% affirmative vote of the votes cast therein, and at least 55% of the votes cast on said proposition were in favor of issuing said bonds; and

WHEREAS, the District has heretofore issued, or caused the Board of Supervisors of the County of Los Angeles (the "County") to issue on its behalf, its "Montebello Unified School District General Obligation Bonds (Los Angeles County, California) Election of 2004, Series 2005" in the aggregate initial principal amount of $30,000,000.

WHEREAS, this Board of Education of the District deems it necessary and desirable that the Board of Supervisors of the County (the "Board of Supervisors") shall authorize and consummate the sale of a portion of said bonds in a single series designated the "Montebello Unified School District General Obligation Bonds, Election of 2004, Series 2008" in an aggregate

principal amount not exceeding $35,000,000, according to the terms and in the manner hereinafter set forth; and

WHEREAS, Orrick, Herrington & Sutcliffe LLP has been appointed to serve as bond counsel and disclosure counsel to the District in connection with the bonds authorized hereby; and

WHEREAS, this Board of Education further deems it necessary and desirable to authorize the sale of said bonds by a negotiated sale to RBC Capital Markets Corporation (the "Underwriter") pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"); and

WHEREAS, in accordance with Education Code Section 15146, this Board of Education has found and determined that the reason for conducting a negotiated sale is as follows: conditions in the municipal marketplace are sufficiently complex that the increased flexibility the Underwriter can provide in structuring and planning the sale of the Bonds dictates their sale on a negotiated basis; and

WHEREAS, in accordance with Education Code Section 15146, estimates of the costs associated with the issuance of said bonds are attached hereto as Exhibit A; and

WHEREAS, there have been submitted and are on file with the Clerk of this Board of Education proposed forms of a Bond Purchase Agreement with respect to not to exceed $35,000,000 aggregate principal amount of Montebello Unified School District General Obligation Bonds, Election of 2004, Series 2008, proposed to be sold;

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: Pursuant to Section 15140 and following of the Education Code of the State of California, the Board of Supervisors is hereby requested to sell not later than October 1, 2008, by negotiated sale to the Underwriter, not to exceed $35,000,000 aggregate principal amount of bonds of the Montebello Unified School District and to designate said bonds to be sold as the "Montebello Unified School District General Obligation Bonds, Election of 2004, Series 2008" (herein called the "Bonds"). The Bonds shall be issued as Current Interest Bonds and Capital Appreciation Bonds, as provided in Section 3 hereof.

The Board of Supervisors is hereby requested to provide by resolution for the terms of the sale and issuance of the Bonds in accordance with the particular terms and manner set forth herein and, with respect to such necessary or desirable terms as are not specified herein, as the Board of Supervisors shall otherwise see fit to determine. With respect to such necessary or desirable terms as are not finally determined by such resolution, the Board of Supervisors is hereby requested to provide for such terms to be finally determined and set forth in the Bond Purchase Agreement approved by Section 5 hereof. The Board of Education acknowledges and agrees that all ongoing fees and costs associated with the issuance and servicing of the Bonds are the responsibility of the District, payable from bond proceeds or tax proceeds.

Section 3. Terms of Bonds: (a) Date of Bonds. The Bonds shall be dated the date of their delivery, or such other date as shall be specified in the Bond Purchase Agreement.

(b) Denominations. The Current Interest Bonds shall be issued in denominations of $5,000 principal amount or any integral multiple thereof.

The Capital Appreciation Bonds shall be issued in denominations of $5,000 principal plus accrued interest at maturity ("maturity value") or any integral multiple thereof, except that the first numbered Capital Appreciation Bond may be issued in a denomination such that the maturity value of such Capital Appreciation Bond shall not be an integral multiple of $5,000.

(c) Maturity. The Bonds shall mature on the date or dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the Bond Purchase Agreement. No Bond shall mature prior to May 1, 2009, and no Bond shall mature later than the date which is 25 years from the date of the Bonds, to be determined as provided in subsection (a) of this Section. No Bond shall have principal maturing on more than one principal maturity date.

The Current Interest Bonds may mature in the same year or years as the Capital Appreciation Bonds, without limitation. The aggregate principal amount of the Bonds issued as both Current Interest Bonds and as Capital Appreciation Bonds shall not exceed $35,000,000.

(d) Interest Payment. The Current Interest Bonds shall bear interest at an interest rate not to exceed the statutory limit of 12.00% per annum, computed on the basis of a 360-day year of twelve 30-day months, payable on February 1 and August 1 in each year, commencing February 1, 2009 (or on such other initial and semiannual interest payment dates as shall be set forth in the Bond Purchase Agreement), until maturity or prior redemption.

The Capital Appreciation Bonds shall not bear current interest; each Capital Appreciation Bond shall increase in value by the accumulation of earned interest from its initial principal (denominational) amount on the date of issuance thereof to its stated maturity value at maturity thereof, at a compounded interest rate which shall not exceed the statutory limit of 12.00% per annum, and shall be payable only upon maturity or prior redemption thereof. The interest on the Capital Appreciation Bonds shall be compounded on February 1 and August 1 in each year, commencing February 1, 2009 (or on such other initial and semiannual interest payment dates as shall be set forth in the Bond Purchase Agreement), until maturity or prior redemption.

(e) Obligation to Levy Taxes. The Board of Supervisors and officers of the County, including their official designees and representatives, are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Bonds, and to pay the principal, redemption premium, if any, and interest thereon as and when the same become due.

Section 4. Redemption Provisions: The Bonds shall be subject to redemption prior to their respective stated maturity dates at the option of the District as shall be set forth in the Bond Purchase Agreement and in the Bonds, as the District and County shall hereafter determine.

The Bonds shall also be subject to mandatory sinking fund redemption, as shall be specified in the Bond Purchase Agreement and in the Bonds. The Bond Purchase Agreement may provide that the Bonds shall not be subject to optional or mandatory sinking fund redemption.

Section 5. Bond Purchase Agreement; Sale of Bonds: The Bond Purchase Agreement for the Bonds, in substantially the form submitted to this Board of Education, is hereby approved, and the Superintendent of the District, the Controller of the District, or such other officer of the District designated for the purpose (each an "Authorized District Representative"), is hereby authorized and directed on behalf of the District to execute and approve the Bond Purchase Agreement providing for the sale by the Board of Supervisors and the purchase by the Underwriter of the Bonds at a purchase price to be set forth therein; provided, that (i) the true interest cost for the Bonds shall not be in excess of 8%, (ii) the maximum interest rate on the Bonds shall not be in excess of the statutory limit of 12% per annum; (iii) the underwriter's discount shall not exceed 0.70% of the aggregate principal amount of the Bonds (excluding any costs of issuance the Underwriter agrees to pay pursuant to Section 11 of the Bond Purchase Agreement); and (iv) the Bonds shall otherwise conform to the limitations specified herein; and provided further, that such execution and approval shall constitute conclusive evidence of the approval by the District of any changes or revisions therein from the form of Bond Purchase Agreement filed herewith. The Board of Supervisors is hereby requested to cause the Bond Purchase Agreement to be 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.

Section 6. Official Statement: Orrick, Herrington & Sutcliffe LLP, disclosure counsel with respect to the Bonds, is hereby authorized and directed to prepare an Official Statement relating to the Bonds to be used by the Underwriter in marketing the Bonds to potential investors, under the direction and with the assistance of the officers and agents of the District, and to return to this Board at the next meeting hereof or as soon hereafter as such document shall be prepared, for approval of such document in substantially final form.

Section 7. Investment of Proceeds. (a) Proceeds of the Bonds held by the Treasurer and Tax Collector of the County (together with all authorized deputies thereof, the "County Treasurer") shall be invested at the County Treasurer's discretion pursuant to law and the investment policy of the County, unless otherwise requested in writing by the District.

(i) At the written request of the District, given by an Authorized District Representative, who is hereby expressly authorized to make such request, all or any portion of the building fund of the District 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 request of the District, given by an Authorized District Representative, who is hereby expressly authorized to make such request, all or any portion of the building fund of the District 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.

(b) The County makes no assurance regarding the application of the proceeds of the Bonds by the District.

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 (the "Code"). To that end, and without limiting the generality of the foregoing, the District hereby covenants that on the date of delivery of the Bonds, it will deliver a certificate to Orrick, Herrington & Sutcliffe LLP, Bond Counsel, containing representations and covenants with respect to such actions (the "Tax Certificate"), and that it will comply with the requirements of the Tax Certificate. The provisions of this subsection (a) shall survive payment in full or defeasance of the Bonds.

(b) 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 moneys held by the County Treasurer on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the County Treasurer in writing, and the District shall make its best efforts to ensure that the County Treasurer shall take such action as may be necessary in accordance with such instructions.

(c) Reliance on Opinion of Bond Counsel. Notwithstanding any provision of this Section, if the District shall provide to the County 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 County 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. Continuing Disclosure: The Authorized District Representative is hereby authorized on behalf of the District to execute a Continuing Disclosure Certificate in substantially the form attached hereto as Exhibit B, 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.

Section 11. Approval of Actions: The President of this Board of Education, the Clerk of this Board of Education, the Superintendent of the District, the Controller of the District and any other officer of the District to whom authority is delegated by one of the named officers for the purposes of the issuance and sale of the Bonds, are hereby authorized and directed to execute and deliver any and all certificates and representations, including signature certificates, no-litigation certificates, certificates concerning the contents of the Official Statement, representation letters to The Depository Trust Company, the Tax Certificate, the Continuing Disclosure Certificate, and any other certificates proposed to be distributed in connection with the sale of the Bonds, and to enter into any agreements, including depository agreements, commitment letters and agreements with bond insurers, and any other agreements, letters, or representations, which any of them deem necessary or desirable to accomplish the transactions authorized herein.

Section 12. Notice to California Debt and Investment Advisory Commission: The Authorized District Representative 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 13. Filing with Board of Supervisors: The Clerk of this Board of Education is hereby authorized and directed to file a certified copy of this Resolution with the Executive Officer-Clerk of the Board of Supervisors.

Section 14. Effective Date: This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this day, July 17, 2008, by the following vote:

AYES: 5

NOES: 0

ABSTAIN: 0

ABSENT: 0

APPROVED:

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

ATTEST:

Clerk of the Board of Education of
the Montebello Unified School District

CLERK'S CERTIFICATE

I, David Vela, Clerk of the Board of Education of the Montebello Unified School District, County of Los Angeles, California, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of the District duly and regularly held at the regular meeting place thereof on the 17th day of July, 2008, 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, 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 further certify that 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 17th day of July, 2008.

Clerk of the Board of Education
Montebello Unified School District

EXHIBIT A

ESTIMATE OF COSTS OF ISSUANCE

$35,000,000*
MONTEBELLO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS,
ELECTION OF 2004, SERIES 2008

Service	Payee/Provider	Total
Bond/Disclosure Counsel	Orrick Herrington & Sutcliffe LLP	$63,000.00
Rating	Moody's	20,000.00
Rating	Standard & Poor's	20,000.00
POS/OS Printing	Merrill Corporation	9,000.00
Data	Cal Muni	2,500.00
Paying Agent	U.S. Bank	4,000.00
Travel (Rating Presentation)	District, Underwriter	2,000.00
Miscellaneous	TBD	7,500.00
	Total	128,000.00

* Approximate; subject to adjustment.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (currently ending June 30), commencing with the report for the year ending June 30, 2008 (which is due not later than March 31, 2009), provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than 15 Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the District shall send a notice to the Municipal Securities Rulemaking Board and the State Repository, if any, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) (if the Dissemination Agent is other than the District), file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

* Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

* Adopted budget of the District for the current fiscal year, or a summary thereof.

* Information regarding total assessed valuation of taxable properties within the District, if and to the extent provided to the District by the County.

* Information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County.

* Largest local secured taxpayers.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

7. Modifications to rights of Bond holders;

8. Unscheduled or contingent Bond calls;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds;

11. Rating changes.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall promptly file a notice of such occurrence with each National Repository or with the Municipal Securities Rulemaking Board, and with the State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Electronic Filing. Submission of Annual Reports and notices of Listed Events to DisclosureUSA.org or another "Central Post Office" designated and accepted by the S.E.C. shall constitute compliance with the requirement of filing such reports and notices with each National Repository and any State Repository hereunder.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of

the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the District.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds 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 Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of Los Angeles or in U.S. District Court in or nearest to the County. The sole remedy under this Disclosure Certificate in the event of

any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____.

MONTEBELLO UNIFIED SCHOOL DISTRICT

By [to be signed upon delivery of the Bonds]
Edward Velasquez
Superintendent

CONTINUING DISCLOSURE EXHIBIT A

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: MONTEBELLO UNIFIED SCHOOL DISTRICT

Name of Bond Issue: MONTEBELLO UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES 2008

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed by _____.]

Dated:_____

MONTEBELLO UNIFIED SCHOOL DISTRICT

By _____[to be signed only if filed]_____

EXHIBIT B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Montebello Unified School District (the "District") in connection with the issuance of $_____ aggregate principal amount of Montebello Unified School District General Obligation Bonds, Election of 2004, Series 2008 (the "Bonds"). The Bonds are being issued pursuant to a resolution (the "Resolution") adopted by the Board of Supervisors of the County of Los Angeles (the "County") on _____, 2008, at the request of the Board of Education of the District by its resolution adopted on [July 17], 2008. The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth at http://www.sec.gov/info/municipal/nrmsir.htm.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private repository or entity designated by the State of California as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission, as listed at http://www.sec.gov/info/municipal/nrmsir.htm.

$_____

MONTEBELLO UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY, CALIFORNIA
GENERAL OBLIGATION BONDS
ELECTION OF 2004, SERIES 2008

BOND PURCHASE AGREEMENT

_____, 2008

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

Board of Education
Montebello Unified School District
123 South Montebello Boulevard
Montebello, California 90640

Ladies and Gentlemen:

The undersigned, RBC Capital Markets Corporation (the "Underwriter"), acting on its own behalf and not as a fiduciary agent for you, offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the County of Los Angeles (the "County") and Montebello Unified School District (the "District"), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriter. By execution of this Purchase Agreement, the County, the District and the Underwriter acknowledge the terms hereof and recognize that they will be bound by certain of the provisions hereof, and to the extent binding thereupon, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the County and the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of $_____ in aggregate principal amount of the District's General Obligation Bonds, Election of 2004, Series 2008 (the "Bonds"). The Bonds shall bear or accrete interest at the rates and shall mature as shown on Exhibit A hereto, which is incorporated herein by this reference. The Underwriter shall purchase the Bonds at a price of $_____ (consisting of the aggregate initial principal amount of the Bonds of $_____, plus net original issue premium of $_____, less an Underwriter's discount of $_____, less $_____ to be retained by the Underwriter and used to pay costs of issuance[, and less

bond insurance premium of $_____.)] If, after payment of all costs of issuance, the amount retained by the Underwriter for such purpose exceeds the actual costs, then the Underwriter shall remit any remaining amount to the County and the County shall deposit such amount into the District's Debt Service Fund. In the event the amount retained by the Underwriter for payment of costs of issuance is insufficient to pay costs of issuance, any shortfall shall be paid by the District.

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

2. **The Bonds.** The Bonds shall be dated as of their date of delivery and shall mature on August 1 in the years shown on Exhibit A hereto. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the governing board of the District, adopted on _____, 2008 (the "District Resolution"), and pursuant to the Resolution of the Board of Supervisors of the County adopted on _____, 2008 (the "County Resolution" and, collectively with the District Resolution, the "Resolutions"), this Purchase Agreement and Section 15264 *et seq.*, of the California Education Code (the "Act"). The Paying Agent for the Bonds, as designated by the County Resolution, shall be the Treasurer and Tax Collector of the County of Los Angeles (the "Paying Agent").

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Resolutions. The Bonds shall be in 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 ("DTC"). [The payment of principal of and interest (but not any redemption premium) on the Bonds shall be secured by a financial guaranty insurance policy (the "Insurance Policy"), to be issued simultaneously with the issuance of the Bonds by _____ (the "Insurer").]

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

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

5. **Official Statement.** The District has caused to be drafted and consents to the use of a Preliminary Official Statement (the "Preliminary Official Statement"), including the

cover page and Appendices thereto, relating to the Bonds. The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the "Rule"). The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds.

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

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

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

furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary in order to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

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

6. **Closing.** At 9:00 a.m., California Time, on _____, 2008, or at such other time or on such other date as shall have been mutually agreed upon by the County and the Underwriter (the "Closing"), the County will deliver to the Underwriter, at the offices of DTC, or at such other place as the parties may mutually agree upon, the Bonds in book-entry form, duly executed and registered as provided in paragraph 2 above, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to an account or accounts within the United States designated by the County. The Underwriter will retain original issue premium in order to pay or provide for payment of the costs of issuance of the Bonds.

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

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

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

authorized the consummation by it of all transactions contemplated by this Purchase Agreement and by the Official Statement.

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

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

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

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

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

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

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

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

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

L. The District agrees to apply the proceeds from the sale of the Bonds for the purposes specified in the Resolutions and the purposes specifically designated in its official project list approved by the electorate of the District on November 2, 2004.

M. The Preliminary Official Statement did not and the Official Statement does not as of its date (excluding therefrom information relating to The Depository Trust Company, the Insurer, and information provided by the Underwriter) contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of, and other financial information regarding, the District contained in

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

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

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

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

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

income for federal income tax purposes or the exemption of such interest from California personal income taxation.

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

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

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

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

C. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened, which has any of the effects described in Section 7.F. hereof, or contesting in any way the completeness or accuracy of the Official Statement;

D. Between the date hereof and the Closing, the market price for the Bonds, or the market for or marketability of the Bonds at the initial offering prices set forth in the Official Statement, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected in the reasonable professional judgment of the Underwriter (evidenced by a written notice to the 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 by the Congress of the United States, or passed by either House of the Congress, or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or by the legislature of the State of California (the "State"), or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, regulation (final, temporary or proposed) or official statement issued or made:

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

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

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

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

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

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

(6) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service of any of the District's outstanding indebtedness or any rating of the Insurer;

(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 set forth in the Official Statement, or results in an omission to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

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

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

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

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

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

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

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

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

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

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

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

(4) A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, (ii) the representations, agreements and warranties of the

District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the District Resolution and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statements of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolutions and (vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his or her knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds by the County on behalf of the District or the due adoption of the District Resolution;

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

(6) Evidence satisfactory to the Underwriter that the Bonds shall have been rated "_____" by Standard & Poor's and "_____" by Moody's Investors Service (or such other equivalent rating as such rating agency may give) [based upon the issuance of the policy by the insurer] and that such ratings have not been revoked or downgraded;

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

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

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

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

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

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

(b) that the County Resolution was duly adopted;

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

(11) The Continuing Disclosure Certificate, signed by an appropriate official of the District and the Dissemination Agent, if any;

(12) A certificate of the Paying Agent, signed by a duly authorized officer of the Paying Agent, and in form and substance satisfactory to the Underwriter, to the effect that, to the best of such officer's knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or any agreement with the Paying Agent;

(13) [A municipal bond insurance policy issued by _____ (the "Insurer") with respect to the Bonds, together with an opinion from general counsel to such Insurer as to the enforceability thereof and a Certificate issued by such Insurer regarding the description of the Insurer in the Official Statement and certain other matters;]

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

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

F. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever, specimens of the Bonds shall not have been delivered by the District to the Underwriter for checking prior to the close of business, California Time, on a day no later than two Business Days prior to the Closing, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 13 hereof.

If the County or the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this

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

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

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

12. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the County, to the Treasurer and Tax Collector, County of Los Angeles, 432 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012; if to the District, to the Superintendent of Montebello Unified School District, 123 South Montebello Boulevard, Montebello, California 90640, or if to the Underwriter, to RBC Capital Markets Corporation, 777 South Figueroa Street, Suite 850, Los Angeles, California 90017, Attn: Roderick A. Carter.

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

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

[*Remainder of Page Intentionally Left Blank*]

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

Very truly yours,

RBC CAPITAL MARKETS CORPORATION

By_____
Roderick A. Carter
Managing Director

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

MONTEBELLO UNIFIED SCHOOL DISTRICT

By_____
Edward Velasquez
Superintendent

COUNTY OF LOS ANGELES

By_____
Mark J. Saladino
Treasurer and Tax Collector

Approved as to form:

RAYMOND G. FORTNER, JR.
County Counsel

By_____
Principal Deputy County Counsel

EXHIBIT A

$_____
MONTEBELLO UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY, CALIFORNIA
GENERAL OBLIGATION BONDS
ELECTION OF 2004, SERIES 2008

$_____
CAPITAL APPRECIATION BONDS

Maturity Date (August 1)	Denominational Amount	Accretion Rate	Final Accreted Value

$_____
CURRENT INTEREST BONDS

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield

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

TERMS OF REDEMPTION

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

Optional Redemption. The Current Interest Bonds maturing on or before August 1, 20__, are not subject to redemption. The Current Interest Bonds maturing on or after August 1, 20__ may be redeemed before maturity at the option of the District, from any source of available funds, in whole, or in part, at the direction of the District, on or after August 1, 20__ at a redemption price equal to the principal amount of the Current Interest Bonds called for redemption, without premium, plus accrued interest to the date of redemption.

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

Redemption Date (August 1)	Mandatory Sinking Fund Payment

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

Redemption Date (August 1)	Mandatory Sinking Fund Payment

The Capital Appreciation Bonds are not subject to redemption prior to maturity.