COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

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MARK J. SALADINO
TREASURER AND TAX COLLECTOR

September 15, 2009

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
LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2002 (MEASURE K),
ELECTION OF 2004 (MEASURE R), AND ELECTION OF 2005 (MEASURE Y)
(ALL DISTRICTS) (3 VOTES)

SUBJECT

The governing board of the Los Angeles 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 $1,900,000,000. 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 Los Angeles Unified School District (Los Angeles County, California) General Obligation Bonds, Election of 2002 (Measure K), Election of 2004 (Measure R), and Election of 2005 (Measure Y).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 5, 2002, March 2, 2004, and November 8, 2005, voters residing in the District approved a ballot measure authorizing the District to issue up to $3.35 billion

(Measure K), $3.87 billion (Measure R), and $3.985 billion (Measure Y), respectively, in general obligation bonds to fund various capital improvements. The governing board of the District adopted a resolution on August 25, 2009 and determined that the District needs to borrow funds in an aggregate principal amount not to exceed $200,000,000 (Measure K), $400,000,000 (Measure R), and $1,300,000,000 (Measure Y) from the 2002, 2004, and 2005 elections, respectively.

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 #1: Operational Effectiveness through collaborative actions among County departments and other governmental jurisdictions to provide 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 underwriters, with participation by the Treasurer and Tax Collector in pricing the bonds. The District has selected Citigroup and Goldman Sachs as the senior managing underwriters, and the firm of Hawkins Delafield & Wood 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

MJS:GB:DB:JP:JW
ad:doc/LAUSD GO Bonds Elec 2002 Measure K Elec 2004 Measure R & Elec 2005 Measure Y

Attachments (4)

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Los Angeles Unified School District
Los Angeles County Office of Education
Hawkins Delafield & Wood LLP

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AUTHORIZING THE SALE AND ISSUANCE OF ONE OR MORE SERIES OR SUBSERIES OF LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS IN THE FORM OF TAX-EXEMPT BONDS, TAXABLE BONDS, BUILD AMERICA BONDS AND QUALIFIED SCHOOL CONSTRUCTION BONDS OR ANY COMBINATION THEREOF UNDER THE HEREIN REFERENCED MEASURE K AUTHORIZATION, MEASURE R AUTHORIZATION AND MEASURE Y AUTHORIZATION OR ANY COMBINATION THEREOF IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $200,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE K AUTHORIZATION, $400,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE R AUTHORIZATION AND $1,300,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE Y AUTHORIZATION BY NEGOTIATED SALE PURSUANT TO THE BOND PURCHASE AGREEMENTS THEREFOR; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID BOND PURCHASE AGREEMENTS AND A TAX CREDITS SEPARATION CERTIFICATE; AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES RELATING TO SAID BONDS

WHEREAS, an election was duly called and regularly held in the Los Angeles Unified School District, County of Los Angeles, California (the "District") on November 5, 2002, pursuant to Section 1(b)(3) of Article XIIIA of the State of California (the "State") Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the State Education Code (the "Education Code") (the "Act"), and thereafter canvassed pursuant to law ("Measure K"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $3.35 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure K Authorization"); and

WHEREAS, an election was duly called and regularly held in the District on March 2, 2004, pursuant to Section 1(b)(3) of Article XIIIA of the State Constitution and the Act, and thereafter canvassed pursuant to law ("Measure R"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $3.87 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure R Authorization"); and

WHEREAS, an election was duly called and regularly held in the District on November 8, 2005, pursuant to Section 1(b)(3) of Article XIIIA of the State Constitution and the

Act, and thereafter canvassed pursuant to law ("Measure Y", and together with Measure K and Measure R, the Measures"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $3.985 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure Y Authorization" and, together with the Measure K Authorization and the Measure R Authorization, the "Authorizations"); and

WHEREAS, the Board of Education of the District (the "Board of Education") has requested this Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles, California (the "County") (A) to issue in one or more series or subseries as follows: (i) Bonds pursuant to the Measure K Authorization designated as "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series E (2009)" in an aggregate principal amount not to exceed $200,000,000, (ii) Bonds pursuant to the Measure R Authorization designated as "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series J (2009)" in an aggregate principal amount not to exceed $400,000,000, (iii) Bonds pursuant to the Measure Y Authorization designated as "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series G (2009)" in an aggregate principal amount not to exceed $1,300,000,000 and/or (iv) Bonds pursuant to the Measure K Authorization, Measure R Authorization and Measure Y Authorization or any combination thereof that may be grouped in one or more series to be designated the "Los Angeles Unified School District General Obligation Bonds, Series KRY (2009)" with such additional designations as Tax-Exempt Bonds, Taxable Bonds, Build America Bonds and Qualified School Construction Bonds-Tax Credit Bonds, as the case may be, and such other series, subseries or additional designations as may be approved in accordance with the provisions of this County Resolution (the "Series KRY Bonds"), in a principal amount not to exceed the aggregate maximum principal amount of Measure K Bonds, Measure R Bonds and Measure Y Bonds authorized herein for each Measure, and (B) to authorize the sale of such Bonds by negotiated sale pursuant to one or more Bond Purchase Agreements (each, a "Bond Purchase Agreement"), a form of which has been submitted to 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 August 25, 2009 a certified copy of which has been filed with the Executive Officer-Clerk of this Board of Supervisors (the "District Resolution"); and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") grants a national allocation to provide for the issuance of qualified school construction bonds (the "Qualified School Construction Bonds"), in accordance with the qualified tax credit bond program (the "Tax Credit Program") provided for in Section 54A of the Code, and an allocation of $318,816,000 has been granted to the District for calendar year 2009 (the "District Allocation") to provide financing for certain projects in accordance with the Recovery Act; and

WHEREAS, the District deems it necessary and desirable to use all or a portion of the District Allocation to issue and sell a portion of its Bonds pursuant to the Tax Credit Program if it is so determined by an Authorized District Officer to be in the best interest of the District, such determination to be evidenced by the issuance of such Bonds; and

WHEREAS, the District deems it necessary and desirable to issue a portion of the Bonds as "Build America Bonds" in accordance with the Recovery Act if it is so determined by an Authorized District Officer to be in the best interest of the District, such determination to be evidenced by the issuance of such Bonds; and

WHEREAS, this Board of Supervisors accepts the representation of the District that it is necessary and desirable that the Bonds be issued and sold by negotiated sale for the purposes for which the Bonds have been authorized pursuant to one or more Bond Purchase Agreements, (i) to provide flexibility in the timing of the sale of the Bonds, (ii) to effect a lower overall cost of borrowing, (iii) to provide flexibility in the debt structure, and (iv) to increase the opportunity to pre-market the Bonds; and

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

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. Definitions. For the purposes of this County Resolution, unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this County Resolution have the meanings specified herein. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa.

"Accreted Value" shall mean with respect to: (i) any Capital Appreciation Bond, as of any date of calculation, the sum of the principal amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each Interest Payment Date, or as otherwise stated in the Bond Purchase Agreement, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months; and (ii) any Convertible Capital Appreciation Bond, as of any date of calculation prior to the Conversion Date, the sum of the Principal Amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each Interest Payment Date, or as otherwise stated in the Bond Purchase Agreement, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

"Accountable Event of Loss of Qualified School Construction Bond Status" shall mean (i) any act or any failure to act on the part of the District constituting a breach of a covenant or agreement of the District contained in the Resolutions or the Tax Credits Separation Certificate which causes the Qualified School Construction Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds, (ii) the making by the District of any representation contained in the Resolutions or the Tax Credits Separation Certificate which was untrue when made and the untruth of which representation at such time causes the Qualified School Construction Bonds to lose their status, or fail to qualify, as Qualified School Construction

Bonds, or (iii) any other event as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds.

"Authorized Denominations" shall mean denominations of $5,000 principal amount, Maturity Value or Conversion Value, as applicable, or any integral multiple thereof; provided, however, that Authorized Denominations shall mean (i) with respect to Qualified School Construction Bonds and Principal Strip Certificates thereof, $40,000 or any integral multiple thereof; (ii) with respect to Interest Bearing Bonds prior to any separation of Cash Interest Certificates from the Principal Component thereof, $5,000 or any integral multiple thereof; (iii) with respect to Interest Bearing Bonds and the Principal Strip Certificates thereof subsequent to any separation of the Cash Interest Certificates from the Principal Component thereof, $40,000 or any integral multiple thereof; (iv) with respect to Tax Credit Certificates and Cash Interest Certificates for any single Tax Credit Allowance Date, the Authorized Denomination shall mean the amount set forth in the Tax Credits Separation Certificate and the applicable Bond Purchase Agreement, which is an amount equal to $40,000 times the Tax Credit Rate, divided by four (4), or any integral multiple thereof, except that Authorized Denominations for Tax Credit Certificates or Cash Interest Certificates with respect to the first Tax Credit Allowance Date shall be as provided in the Tax Credits Separation Certificate as provided in or supplemented by the applicable Bond Purchase Agreement.

"Authorized County Officer" shall mean the County Treasurer, any designee of the County Treasurer, or any other officer of the County designated by the Board of Supervisors.

"Authorized District Officer" shall mean any of the Chief Financial Officer, the Controller, or any other officer of the District authorized by the Chief Financial Officer or the Controller.

"Bonds" shall mean, collectively, the Series KRY Bonds, the Measure K Bonds, the Measure R Bonds, the Measure Y Bonds and the Interest Bearing Bonds, if any.

"Book-Entry Bonds" means the Bonds of any series registered in the name of the nominee of DTC, or any successor securities depository for the Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 6(a) and Section 11 hereof.

"Build America Bonds" shall mean those Bonds designated as such pursuant to Section 7 of this County Resolution in accordance with Section 54AA to the Code.

"Capital Appreciation Bonds" shall mean bonds that accrete interest on a compounded basis, payable, together with the initial principal amount thereof, solely at maturity.

"Cash Interest Certificates" shall mean the certificates evidencing interest payment entitlement with respect to any Interest Bearing Bonds, executed and delivered in accordance with the Resolutions and the Tax Credits Separation Certificate, from and after a Tax Credit Conversion Date, which certificates evidence the entitlement of the Owner thereof to cash interest payment or payments with respect to any Interest Bearing Bonds, the cash interest payments related to which have been separated therefrom pursuant to the Resolutions and the Tax Credits Separation Certificate.

"Chairman of this Board of Supervisors" shall mean the Chair, Chairman or Mayor of the Board of Supervisors of the County of Los Angeles, California.

"Chief Financial Officer" shall mean the Chief Financial Officer of the District.

"Clerk" shall mean the Executive Officer – Clerk of the Board of Supervisors of the County or by a deputy of such officer.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Controller" shall mean the Controller of the District.

"County Resolution" shall mean this resolution of Board of Supervisors approving the financing described herein.

"Convertible Capital Appreciation Bonds" shall mean bonds that accrete interest semiannually to the Conversion Date thereof and from and after the Conversion Date thereof bear interest payable semiannually on a current basis.

"Conversion Date" shall mean the date upon which a Convertible Capital Appreciation Bond commences bearing interest payable semiannually on a current basis, which date shall be set forth in the Bond Purchase Agreement.

"Conversion Value" shall mean, for each Convertible Capital Appreciation Bond, the accumulation of earned interest from their initial principal amount on the date of delivery thereof to the Conversion Date.

"County Treasurer" shall mean the Treasurer and Tax Collector of the County.

"Current Interest Bonds" shall mean those Bonds bearing interest payable semiannually on a current basis, as set forth in Section 7.

"Date of Determination of Loss of Qualified School Construction Bond Status" means the date on which the Internal Revenue Service or a court of competent jurisdiction has issued to the District a Determination of Loss of Qualified School Construction Bond Status.

"Date of Loss of Qualified School Construction Bond Status" shall mean the date specified in a Determination of Loss of Qualified School Construction Bond Status as the date from and after which the Qualified School Construction Bonds lost their status, or failed to qualify, as Qualified School Construction Bonds as a result of an Accountable Event of Loss of Qualified School Construction Bond Status, which date could be as early as the date of initial issuance and delivery of the Qualified School Construction Bonds.

"Defeasance Securities", for purposes of Section 9, shall mean:

(i) Direct and general obligations of the United States of America (including state and local government series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of direct ownership of

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

(ii) Non-callable obligations of government sponsored agencies of the United States that are rated "AAA," by Standard & Poor's or "Aaa" by Moody's Investors Service but are not backed by the full faith and credit of the government of the United States.

"Determination of Loss of Qualified School Construction Bond Status" shall mean (i) a final determination by the Internal Revenue Service (after the District has exhausted all administrative appeal remedies) determining that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status and the amount of Qualified School Construction Bonds that are subject to the Accountable Event of Loss of Qualified School Construction Bond Status, (ii) non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status, or (iii) any other event as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds.

"District Resolution" shall mean the resolution of the Board of Education of the District approving the financing described herein.

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

"Interest Bearing Bonds" shall mean the Qualified School Construction Bonds from and after the Tax Credit Conversion Date, if any.

"Interest Payment Date" shall mean each January 1 and July 1 of each year until the final maturity of the Bonds or such other dates as shall be set forth in the related Bond Purchase Agreement and the Tax Credits Separation Certificate; provided, however, that with respect to the Qualified School Construction Bonds, Interest Bearing Bonds, Principal Strip Certificates, or Cash Interest Certificates, if any, "Interest Payment Date" shall mean March 15, June 15, September 15 and December 15 in each year or such other dates as shall be set forth in the related Bond Purchase Agreement and the Tax Credits Separation Certificate.

"Interest and Sinking Fund" shall mean each fund designated as the "Los Angeles Unified School District General Obligation Bond Series KRY (2009) Interest and Sinking Fund" with such additional designations as Tax-Exempt Bonds, Taxable Bonds, Build America Bonds

and Qualified School Construction Bonds – Tax Credit Bonds, as the case may be, and such other additional designations to refer to each applicable Measure for the applicable Bonds and used only for payment of principal of and interest on the Bonds of such series or subseries for such Measure.

"Investment Agreements" shall mean, collectively, investment agreements, guaranteed investment contracts, float contracts or other investment products subject to the requirements set forth in Section 15 hereof.

"Letter of Representations" shall mean the representation letter from the District to DTC dated the date of initial issuance and delivery of the Bonds or the blanket letters of representations from the District to DTC dated June 16, 1998, as such blanket letter of representations may be amended, supplemented or otherwise modified and in effect from time to time.

"Maturity Value" shall mean the Accreted Value of any Capital Appreciation Bond on its maturity date.

"Owner" means (i) with respect to any Bond, the Person in whose name such Bond is registered on the Registration Books and (ii) with respect to any Principal Strip Certificate, Tax Credit Certificate, or Cash Interest Certificate, the Person in whose name such Principal Strip Certificate, Tax Credit Certificate, or Cash Interest Certificate shall be registered on the Registration Books.

"Paying Agent" shall mean the County Treasurer or any bank, trust company, national banking association or other financial institution appointed as authenticating agent, bond registrar, transfer agent and paying agent for the Bonds in the manner provided in this County Resolution.

"Person" means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Principal Components" shall mean the principal payment with respect to any Qualified School Construction Bond or Interest Bearing Bond, as applicable, the Tax Credits or cash interest payments related to which have been separated therefrom pursuant to the Resolutions and the Tax Credits Separation Certificate.

"Principal Strip Certificates" shall mean the certificates evidencing principal component entitlement related to any Qualified School Construction Bond or Interest Bearing Bond, as applicable, executed and delivered in accordance with the Resolutions and the Tax Credits Separation Certificate, which certificates evidence the entitlement of the Owner thereof to the Principal Components with respect to any Qualified School Construction Bond or Interest Bearing Bond, as applicable, the Tax Credits or cash interest payments related to which have been separated therefrom pursuant to the Resolutions and the Tax Credits Separation Certificate.

"Registration Books" means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Bonds, Principal Strip Certificates,

Tax Credit Certificates and Cash Interest Certificates pursuant to Section 10 of this County Resolution and the Tax Credits Separation Certificate.

"Qualified School Construction Bonds" shall mean those Bonds designated as qualified school construction bonds pursuant to Section 7 within the meaning of and as defined in Section 54F of the Code.

"Record Date" shall mean the close of business on the 15th day of the month preceding an Interest Payment Date or the close of business on the 1st day of the month preceding an Interest Payment Date with respect to the Qualified School Construction Bonds, Interest Bearing Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, if any, or such other date or dates as shall be set forth in the related Bond Purchase Agreement.

"Resolutions" shall mean the District Resolution and the County Resolution.

"Rule 15c2-12" shall mean Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

"Supplemental Coupon" means the interest, if any, which the Qualified School Construction Bonds bear at the time of issuance thereof notwithstanding any subsequent conversion thereof to an Interest Bearing Bond.

"Tax Credit Allowance Date" shall mean, with respect to Qualified School Construction Bonds, each March 15, June 15, September 15 and December 15 of each year and the maturity date of the Qualified School Construction Bonds, beginning as provided in the Tax Credits Separation Certificate and ending on the maturity date of the related Qualified School Construction Bond.

"Tax Credit Certificates" shall mean the certificates evidencing tax credit entitlement related to any Qualified School Construction Bond, executed and delivered in accordance with the Resolutions and the Tax Credits Separation Certificate, which certificates evidence the entitlement of the Owner thereof to the Tax Credits with respect to any Qualified School Construction Bond, the Principal Components related to which have been separated therefrom pursuant to the Resolutions and the Tax Credits Separation Certificate.

"Tax Credit Conversion Date" shall mean (i) the Date of Determination of Loss of Qualified School Construction Bond Status, (ii) the date that the Paying Agent receives written notice from the District of its election to convert the Qualified School Construction Bonds to Interest Bearing Bonds as provided in the Tax Credits Separation Certificate, or (iii) such other date as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds.

"Tax Credit Rate" means the tax credit rate for the Qualified School Construction Bonds established by the United States Department of Treasury set forth in the applicable Bond Purchase Agreement and the Tax Credits Separation Certificate.

"Tax Credit Separation Certificate" shall mean the certificate executed and delivered by the District and the County in connection with the issuance of the Qualified School Construction

Bonds providing the terms and conditions pursuant to which: (i) the ownership of the Principal Component of a Qualified School Construction Bond is separated from the ownership of the related Tax Credit Certificate; (ii) the ownership of the Principal Component of an Interest Bearing Bond may be separated from the entitlement of the Owner thereof to the related cash interest payment; (iii) the ownership of Principal Strip Certificates and Tax Credit Certificates may be recombined into Qualified School Construction Bonds; and (iv) the ownership of Principal Strip Certificates and Cash Interest Certificates may be recombined into Interest Bearing Bonds.

"Tax Credits" shall mean the entitlement, pursuant to Section 54A(a) of the Code, of a taxpayer to recognize a credit against the tax imposed by Chapter 1 of the Code.

"Taxable Bonds" shall mean the series or subseries of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds or any combination thereof bearing interest that is not excluded from gross income for federal income tax purposes under Section 103 of the Code.

"Tax-Exempt Bonds" shall mean the series or subseries of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds or any combination thereof bearing interest that is excluded from gross income for federal income tax purposes under Section 103 of the Code.

"Underwriters" shall mean, collectively, Citigroup Global Markets Inc. and Goldman, Sachs & Co., as senior and co-senior managers as shall be set forth in each Bond Purchase Agreement herein authorized, together with the co-managers to be named in the applicable Bond Purchase Agreement.

SECTION 3. District Resolution Incorporated. The District Resolution is incorporated herein by reference.

SECTION 4. Purpose of Bonds. The proceeds of the Bonds issued under and attributable to the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization will be applied for the purposes specified in the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization, as applicable.

SECTION 5. Authorization and Designation of the Bonds. This Board of Supervisors hereby authorizes on behalf of the District, the issuance and sale of (i) Bonds pursuant to the Measure K Authorization designated as "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series E (2009)" in an aggregate principal amount not to exceed $200,000,000, (ii) Bonds pursuant to the Measure R Authorization designated as "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series J (2009)" in an aggregate principal amount not to exceed $400,000,000, (iii) Bonds pursuant to the Measure Y Authorization designated as "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series G (2009)" in an aggregate principal amount not to exceed $1,300,000,000 and/or (iv) Bonds pursuant to the Measure K Authorization, Measure R Authorization and Measure Y Authorization or any combination thereof that may be grouped in one or more Series to be designated the "Los Angeles Unified School District General Obligation Bonds, Series KRY (2009)" with such additional designations as Tax-Exempt Bonds, Taxable Bonds, Build America Bonds and Qualified School Construction Bonds-Tax Credit Bonds, as the case may be, and such other series, subseries or additional designations as may be set forth in the

Bond Purchase Agreement in a principal amount not to exceed the aggregate maximum principal amount of Measure K Bonds, Measure R Bonds and Measure Y Bonds authorized herein for each Measure.

SECTION 6. Form and Execution of Bonds, Principal Strip Certificates and Tax Credit Certificates.

(a) Book-Entry. DTC is hereby appointed depository for the Bonds. The Bonds may be issued in book-entry form or definitive form. The Book-Entry Bonds shall be initially registered in the name of "Cede & Co.," as nominee of DTC, and registered ownership of the Book-Entry Bonds may not thereafter be transferred except as provided in Section 11 hereof.

(b) Form of Bonds, Principal Strip Certificates, Tax Credit Certificates. The Bonds shall be issued in fully registered form without coupons. The Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, Qualified School Construction Bonds, including the Principal Strip Certificate and the Tax Credit Certificate, and Interest Bearing Bonds, including the Principal Strip Certificate and Cash Interest Certificate, and the related paying agent's certificate of authentication and registration and form of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A, Exhibit B, Exhibit C, Exhibit D, and Exhibit E respectively, with necessary or appropriate variations, omissions and insertions as permitted or required by this County Resolution.

The Qualified School Construction Bonds may be issued in a form that permits the separation of the ownership of the Principal Component of the Qualified School Construction Bonds from the entitlement of the Owner thereof to the related Tax Credits pursuant to the Tax Credits Separation Certificate and the separation of the ownership of the Principal Component of an Interest Bearing Bond, from and after a Tax Credit Conversion Date, from the entitlement of the Owner thereof to the related cash interest payment pursuant to the Tax Credits Separation Certificate. Further, the Qualified School Construction Bonds may be issued in a form that permits the recombination of Principal Strip Certificates and Tax Credit Certificates into Qualified School Construction Bonds, the recombination of Principal Strip Certificates and Cash Interest Certificates into Interest Bearing Bonds pursuant to the Tax Credits Separation Certificate and the conversion of the Qualified School Construction Bonds to Interest Bearing Bonds.

(c) Execution of Bonds; Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates.

(i) The Bonds shall be signed on behalf of the County by the manual or facsimile signatures of the Chairman of the Board of Supervisors and the County Treasurer or any authorized deputy thereof, and countersigned on behalf of the County by the manual or facsimile signature of the Clerk or any authorized deputy thereof. The Bonds shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent.

(ii) The Interest Bearing Bonds shall also be signed and authenticated in accordance with the Tax Credits Separation Certificate.

(iii) The Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates shall be signed and authenticated in accordance with the Tax Credits Separation Certificate.

(d) Valid Authentication. Only such of the Bonds, Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates 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 County 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 County Resolution.

(e) Identifying Number. The Paying Agent shall assign each Bond, Principal Strip Certificate, Tax Credit Certificate and Cash Interest Certificate 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.

(f) Bonds, Principal Strip Certificates, Tax Credit Certificates of Cash Interest Certificates Mutilated, Lost, Destroyed or Stolen. If any Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall become mutilated, the County and the District, as applicable, at the expense of the Owner of said Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, of like tenor in exchange and substitution for the Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, so mutilated, but only upon surrender to the Paying Agent of the Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so mutilated. Every mutilated Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence and indemnity satisfactory to the Paying Agent, the District and the County shall be given, the County and the District, as applicable, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, of like tenor in lieu of and in replacement for the Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so lost, destroyed or stolen (or if any such Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, the Paying Agent may pay the same without surrender thereof). The District may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate issued under this Section and of the expenses which may be incurred by the County, the District and the Paying Agent. Any Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate issued under the provisions of this Section in lieu of any Bond, Principal Strip

Certificate, Tax Credit Certificate or Cash Interest Certificate alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the County and the District whether or not the Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this County Resolution and the Tax Credits Separation Certificate, if applicable, with all other Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates secured by this County Resolution.

(g) Temporary Bonds, Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. The Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates may be issued in temporary form exchangeable for definitive Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates when ready for delivery. Any temporary Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates may be printed, lithographed or typewritten, shall be in authorized denominations, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this County Resolution as may be appropriate. Every temporary Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall be executed by the County and the District, as applicable, and authenticated by the Paying Agent upon the same conditions and in substantially the same manner as the definitive Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates. If the County and the District, as applicable, issue temporary Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates they shall execute and deliver definitive Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates as promptly thereafter as practicable, and thereupon each temporary Bond, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates may be surrendered, for cancellation, at the Office of the Paying Agent and the Paying Agent shall authenticate and deliver in exchange for such temporary Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate a definitive Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate of the same tenor. Until so exchanged, the temporary Bonds, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall be entitled to the same benefits under this County Resolution and the Tax Credit Separation Certificate, if applicable, as definitive Bonds, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate authenticated and delivered hereunder and under the Tax Credits Separation Certificate.

SECTION 7. Terms of Bonds.

(a) Terms of Bonds; Date of Bonds. The Bonds shall be issued as Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds or Qualified School Construction Bonds (which may be converted to Interest Bearing Bonds pursuant to this County Resolution and the Tax Credits Separation Certificate) or any combination thereof as set forth in the Bond Purchase Agreements therefor. Each Bond shall be dated its date of delivery, or such other date and shall have such other terms and provisions as shall be set forth in the Bond Purchase Agreement relating to such series or subseries of Bonds.

(b) Denominations. The Bonds shall be issued in Authorized Denominations. Each series or subseries of Bonds shall mature on the dates and have Conversion Dates, if any, in each of the years, in the principal amounts, Conversion Values and Maturity Values, as applicable, as

shall be set forth in the Bond Purchase Agreement relating to such Bonds. No Bond shall mature later than such date as authorized by law.

(c) Interest. The Bonds shall bear or accrete interest computed on the basis of a 360 day year of twelve (12) 30-day months (or computed on such other basis as shall be set forth in the Bond Purchase Agreement relating to such Bonds), payable or compounded, as applicable, on each Interest Payment Date in each year or on such other dates and commencing on such dates, all as shall be set forth in the Bond Purchase Agreement relating to such Bonds. The Tax Credits Separation Certificate relating to the Qualified School Construction Bonds may provide that such Bonds shall not bear interest until such Bonds lose their status or fail to qualify as Qualified School Construction Bonds under Section 54F of the Code; provided, however, that (i) the Owner of the Principal Strip Certificate related to a Principal Component shall be entitled to the Supplemental Coupon, if any, related to such Qualified School Construction Bond or Interest Bearing Bond, if any, as applicable, payable on each Interest Payment Date in each year or on such other dates and commencing on such dates as provided in the related Bond Purchase Agreement and the Tax Credits Separation Certificate and (ii) in the event a Determination of Loss of Qualified School Construction Bond Status or the election by the District to convert the Qualified School Construction Bonds to Interest Bearing Bonds has occurred or as otherwise set forth in the Tax Credits Separation Certificate, such Interest Bearing Bonds shall bear interest at the Tax Credit Rate, which shall be in addition the Supplemental Coupon, if any, which shall be payable on each Interest Payment Date in each year or on such other dates and commencing on such dates as provided in the related Bond Purchase Agreement and the Tax Credits Separation Certificate.

The Current Interest Bonds and Qualified School Construction Bonds, as applicable, shall bear interest payable on each Interest Payment Date at the rates set forth in the related Bond Purchase Agreement. The Capital Appreciation Bonds are payable only at maturity or the prior redemption thereof, and shall not bear interest on a current basis. 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 Maturity Value at a compounded interest rate on each Interest Payment Date as set forth in the related Bond Purchase Agreement. The Convertible Capital Appreciation Bonds prior to their respective Conversion Dates shall not bear current interest but shall instead increase in value in the manner of a Capital Appreciation Bond as set forth in this subsection (c). From and after the respective Conversion Date of a Convertible Capital Appreciation Bond, such Convertible Capital Appreciation Bonds shall bear interest on its Conversion Value as of the Conversion Date, payable commencing on the Interest Payment Date following its Conversion Date, and thereafter on each Interest Payment Date in each year.

Each Current Interest Bond, Convertible Capital Appreciation Bond following its Conversion Date and Qualified School Construction Bond, if applicable, shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated as of a day during the period after the Record Date immediately preceding any Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, with respect to Current Interest Bonds and Qualified School Construction Bonds, if applicable, or the first Interest Payment Date following

the applicable Conversion Date, with respect to Convertible Capital Appreciation Bonds, in which event it shall bear interest from its Conversion Date; provided, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds, payable on each Interest Payment Date.

(d) Designation of Taxable Bonds; Determination in Connection with Federally Taxable Bonds. A portion of the Bonds may be designated as Qualified School Construction Bonds in accordance with Section 54F of the Code and a portion of the Bonds may be designated as Build America Bonds in accordance with Section 54AA of the Code. In accordance with Section 5903 of the Government Code, this Board of Supervisors hereby determines that the interest payable on the portion of Bonds to be issued as Taxable Bonds will be subject to federal income taxation, as set forth in the related Bond Purchase Agreement and, with respect to the Qualified School Construction Bonds and Build America Bonds, the Tax Credits Separation Certificate. An Authorized District Officer may elect pursuant to Section 54AA of the Code that with respect to the Bonds to be designated as Build America Bonds, in lieu of any tax credit allowed under Section 54AA of the Code, the District shall be allowed a tax credit as provided in Section 6431 of the Code.

SECTION 8. Payment.

(a) Principal; Accreted Value. The principal of the Current Interest Bonds and the Qualified School Construction Bonds, Interest Bearing Bonds and Principal Strip Certificates, if any, and the Accreted Value of the Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, if any, 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 Registration Books of the Paying Agent (as described in Section 10(c) hereof) as the Owner, upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(b) Interest; Record Date. The interest on the Current Interest Bonds, Convertible Capital Appreciation Bonds after the Conversion Date, Qualified School Construction Bonds, and Interest Bearing Bonds, if any, as applicable, shall be payable when due in lawful money of the United States of America to the Owner thereof or, if applicable, to the Owner of the related Qualified School Construction Bonds, Interest Bearing Bonds, Principal Strip Certificates or Cash Interest Certificates, as of the Record Date, whether or not such day is a business day, such interest to be paid by check 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 Registration Books described in Section 10(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 one million dollars ($1,000,000) of outstanding principal amount or Accreted Value of Bonds, Principal Strip Certificates or Cash Interest Certificates, or any combination thereof, 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 or as provided by the related Bond Purchase Agreements. 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 11(d) hereof.

(c) Interest and Sinking Fund. Principal and interest, if any, due on the Bonds shall be paid from the respective Interest and Sinking Fund of the District for the related series or subseries of Bonds as provided in Section 15146 of the Education Code. To the extent any portion of the Bonds are designated as Build America Bonds, any direct subsidy of interest paid to or on behalf of the District by the federal government under the provisions of the Recovery Act in connection with such Build America Bonds shall, promptly upon receipt by the County, be deposited into the Interest and Sinking Fund of the District established for payment of such Build America Bonds. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

(d) Sinking Fund Accounts. The Auditor-Controller of the County is hereby authorized to create such sinking funds or accounts for the Qualified School Construction Bonds and/or Interest Bearing Bonds as may be necessary or desirable to provide for the accumulation of funds sufficient to pay the Qualified School Construction Bonds and/or the Interest Bearing Bonds when due.

SECTION 9. Redemption and Tender for Purchase Provisions.

(a) Redemption; Tender for Purchase. The Bonds of each series or subseries shall be subject to redemption or, at the option of the District, tender for purchase on the dates and terms as shall be designated in the related Bond Purchase Agreement. The Auditor-Controller of the County is hereby authorized to create such bond purchase funds or accounts for the tendered Qualified School Construction Bonds and/or the Interest Bearing Bonds as shall be necessary or desirable to accomplish the purposes of this Section. With respect to Bonds, if any, designated as "Term Bonds" in the related Bond Purchase Agreement, the principal amount or Accreted Value 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 and allocated by the District to such sinking fund payment or as otherwise provided for in the Bond Purchase Agreement or as directed by the District.

(b) Notice of Redemption. Notice of redemption of any Bonds shall be given by the Paying Agent upon the written request of the District given at least 60 days prior to the date designated for such redemption. Notice of any redemption of Bonds shall be mailed postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the Registration Books described in Section 10(c) and (ii) as may be further required in accordance with the Continuing Disclosure Certificate of the District described in Section 17.

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 maturity dates of the Bonds to be redeemed;

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

(vii) (in the case of Bonds redeemed in part only) the respective maturities or 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;

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

(xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

(c) Effect of Notice. A certificate of the Paying Agent or the District that notice of call and redemption has been given to Owners as herein provided shall be conclusive as against all parties. The actual receipt by the Owner of any Bond 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 (d) 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 or the value thereof accrete 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.

Any notice of optional redemption of the Bonds delivered in accordance with this Section 9 may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice (i) shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds; (iii) the redemption shall not be made and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons and in the manner in which the conditional notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

The District may rescind any optional redemption and notice thereof for any reason on any date prior to or on 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. 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.

(d) Redemption Fund. Prior to or on the redemption date of any Bonds there shall be available in the applicable Interest and Sinking Fund, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the premiums payable as in this County Resolution provided, the Bonds designated in any notice of redemption. Such monies 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 monies in the applicable Interest and Sinking Fund 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 applicable Interest and Sinking Fund, unless otherwise provided for to be paid from such escrow. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the applicable Interest and Sinking Fund or otherwise held in trust for the payment of the redemption price of the Bonds, those monies shall be held in or returned or transferred to the applicable Interest and Sinking Fund for payment of any outstanding bonds of the District payable from that fund; provided, however, that if those monies are part of the proceeds of bonds of the District, the monies shall be transferred to the applicable Interest and Sinking Fund. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(e) 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 or Accreted Value of, premium, if any, and interest on such Bonds at the times and in the manner provided herein and in the Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in Section 13 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 or Accreted Value of, premium, if any, and interest on such Bonds, but only out of monies on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (h) hereof shall apply in all events.

All or any portion of the outstanding maturities of the Bonds other than Qualified School Construction Bonds except to the extent set forth in the Tax Credits Separation Certificate may be defeased prior to maturity in the following ways:

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

(ii) by irrevocably depositing with the Paying Agent, Defeasance Securities, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Interest and Sinking Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal or Accreted Value thereof, premium, if any, and interest thereon) at or before their maturity date.

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

(f) Unclaimed Monies. Any money held in any fund created pursuant to this County Resolution, or by the Paying Agent in trust, for the payment of the principal or Accreted Value of, 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 for payment of any outstanding bonds of the District payable from that fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

SECTION 10. Paying Agent and Disbursement Agent.

(a) Appointment; Payment of Fees and Expenses. This Board of Supervisors does hereby appoint the County Treasurer to act as the initial Paying Agent, and does confirm said appointment for purposes of this County Resolution. All fees and expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the Bonds, or from the Interest and Sinking Fund, insofar as permitted by law, including specifically by Section 15232 of the Education Code and insofar as money in the Interest and Sinking Fund is sufficient therefor, such fees and expenses shall be paid by the District.

(b) Resignation, Removal and Replacement of Paying Agent. The Paying Agent initially appointed or any successor Paying Agent may resign from service as Paying Agent and may be removed by the County. In such event, the County Treasurer shall appoint a successor Paying Agent, which shall be a bank or trust company doing business in and having a corporate trust office in the County, with at least $100,000,000 in net assets.

(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 District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the books, Bonds as provided in Sections 11 and 12 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the County in a format mutually agreeable to the Paying Agent and the County.

(d) Disbursement Agent. For any period of time in which the County Treasurer is not acting in the capacity of Paying Agent, the County Treasurer shall serve as disbursement agent hereunder and shall transfer monies from the Interest and Sinking Fund to the Paying Agent in order to make payments of principal and interest on the Bonds.

SECTION 11. Transfer Under Book-Entry System; Discontinuation of Book-Entry System.

(a) Notwithstanding anything to the contrary contained in this County Resolution, all payments with respect to the principal or Accreted Value of, premium, if any, and interest on any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the payment date for the Bonds at the address indicated on the Record Date for Cede & Co. in the Registration Books or as otherwise provided in the Letter of Representations.

In connection with any notice or other communication to be provided to Owners of Book-Entry Bonds pursuant to this County Resolution by the County, the District or the Paying Agent with respect to any consent or other action to be taken by Owners, the County, the District or the Paying Agent, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

Except as may be otherwise provided by the related Bond Purchase Agreement, the Bonds shall be initially issued in the form of separate single fully registered Bonds in the amount of each separate stated maturity of each series and subseries of Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, Qualified School Construction Bonds and Interest Bearing Bonds, if any; provided, however, that if different CUSIP numbers are assigned to a Bond of a subseries or type of Bond within a subseries maturing in a single year or, if Bonds of a subseries or type of Bond maturing in a single year are issued with different interest rates, additional Bond certificates shall be prepared for each maturity. Unless otherwise provided in the related Bond Purchase Agreement, upon initial issuance, the ownership of such Bonds shall be registered in the Registration Books in the name of Cede & Co., as nominee of DTC. The Paying Agent, the County and the District may treat DTC (or its nominee) as the sole and exclusive Owner of the Bonds registered in its name for the purposes of payment of the principal or Accreted Value of, premium, if any, and interest, if any, on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Bonds under this County Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by Owners of Bonds if any, and for all other purposes whatsoever, and the Paying Agent, the County and the District shall not be affected by any notice to the contrary. The Paying Agent, the County and the District shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or Accreted Value of, premium, if any, and interest on the Bonds; any notice which is permitted or required to be given to Owners of Bonds under this County Resolution; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as Owner of Bonds.

The Paying Agent shall pay all principal or Accreted Value of, premium, if any, and interest on the Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal or Accreted Value of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Except under the conditions set forth under Section 12 hereof no person other than DTC shall receive an executed Bond for each separate stated maturity of each series and subseries of Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, Qualified School Construction Bonds and Interest Bearing Bonds, if any, or, as provided herein, portion thereof. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this County Resolution shall refer to such new nominee of DTC.

(b) The Bonds, Principal Strip Certificates, Tax Credit Strip Certificates and Cash Interest Certificates, if any, shall be initially issued and registered as provided in Section 6 and subsection (a) of this Section 11 or as otherwise provided in the related Bond Purchase Agreement. 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 DTC, 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 DTC 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 DTC 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 DTC (or its successor) because DTC 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 DTC 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 DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(c) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (b) of this Section, upon receipt of the outstanding Bonds by the Paying Agent, together with a written request of the District or County to such Paying Agent, a new Bond for each Bond so delivered shall be executed and delivered in the aggregate principal amount, Maturity Value or Conversion Value, as applicable, of such Bond, 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 (b) of this

Section, upon receipt of the outstanding Bonds by the Paying Agent together with a written request of the District or County to such 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 Sections 6 and 7, 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 12 of this County Resolution; provided, that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days after the receipt of any such written request of the District or County.

(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 12. Transfer and Exchange.

(a) Transfer. Following the termination or removal of the depository pursuant to Section 11 hereof, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 10(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. The Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates shall be transferred as provided in the Tax Credits Separation Certificate.

Whenever any Bond or Bonds or shall be surrendered for transfer, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 6, a new Bond or Bonds of the same series, subseries, term, maturity, interest rate and interest payment mode, if any, and, in the case of Current Interest Bonds, Qualified School Construction Bonds and Interest Bearing Bonds, if any, for a like aggregate principal amount, and in the case of Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, for a like aggregate Maturity Value or Conversion Value, as applicable. 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.

The Paying Agent shall not be obligated to make any transfer or exchange of any Bond pursuant to this Section during the period from (1) the close of business on the applicable Record Date to and including the succeeding Interest Payment Date, or (2) the period established by the Paying Agent for the selection of Bonds for redemption, in whole or in part, to and including the designated redemption date or with respect to any Bonds selected for redemption as set forth in the related Bond Purchase Agreement.

(b) Exchange. The Bonds may be exchanged for Bonds of other authorized denominations of the same series, subseries, term, maturity, interest rate and interest payment mode, if any, 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. The Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates shall be exchanged as provided in the Tax Credits Separation Certificate.

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 6, a new Bond or Bonds of the same series, subseries, term, maturity, interest rate and interest payment mode, if any, and in the case of Current Interest Bonds, Qualified School Construction Bonds and Interest Bearing Bonds, if any, for a like aggregate principal amount, and in the case of Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, for a like aggregate Maturity Value or Conversion Value, as applicable. 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.

The Paying Agent shall not be obligated to make any transfer or exchange of any Bond pursuant to this Section during the period from (1) the close of business on the applicable Record Date to and including the succeeding Interest Payment Date, or (2) the period established by the Paying Agent for the selection of Bonds for redemption, in whole or in part, to and including the designated redemption date or with respect to any Bonds selected for redemption as set forth in the related Bond Purchase Agreement.

SECTION 13. **Security for the Bonds.** The obligation to pay principal or Accreted Value of, premium, if any, and interest on the Bonds is a statutory obligation of the District, payable as described in the Bond Purchase Agreement relating to such Bonds and 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. To the extent any portion of the Bonds are designated as Build America Bonds, any direct subsidy of interest paid to or on behalf of the District by the federal government under the provisions of the Recovery Act in connection with such Build America Bonds shall, promptly upon receipt by the District or the County, be deposited into the Interest and Sinking Fund of the District established for payment of such Build America Bonds. The Board of Supervisors of the County hereby covenants to levy *ad valorem* taxes for the payment of the Bonds (and set-aside requirements on the Qualified School Construction Bonds and Interest Bearing Bonds, if any, as applicable) 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 14. **Sale of the Bonds; Bond Purchase Agreement.**

(a) The form of Bond Purchase Agreement submitted to and on file with the Clerk of this Board of Supervisors providing for the sale by this Board of Supervisors and the purchase by the Underwriters of the Bonds at a purchase price to be set forth therein (which purchase price shall be approved by the Authorized County Officer or his designee, this Board of Supervisors hereby expressly delegating to such officer the authority to execute each Bond Purchase Agreement on its behalf), is hereby approved.

(b) (i) The purchase price for a series or subseries of Bonds shall be as set forth in the applicable Bond Purchase Agreement, provided that (i) the true interest cost for the Tax-Exempt

Bonds shall not be in excess of 7% per annum, the true interest costs for the Taxable Bonds shall not be in excess of 7% per annum and the true interest cost for the Qualified School Construction Bonds and for the Build America Bonds shall not be in excess of 9% per annum; (ii) the Underwriters' compensation for any Series of Bonds shall not exceed 1% of the aggregate principal amount of a series Bonds sold under a Bond Purchase Agreement; and (iii) the Bonds shall otherwise conform to the limitations specified herein.

(c) An Authorized County Officer is hereby authorized and directed to execute and deliver one or more Bond Purchase Agreements relative to one or more series or subseries of Bonds, as necessary, including for the sale of Tax-Exempt Bonds, Taxable Bonds, Build America Bonds, or Qualified School Construction Bonds if the Authorized District Representative has determined that the sale of such Bonds is in the best interests of the District; provided that, any such Bond Purchase Agreement so executed and delivered shall conform to the limitations provided in this Section 14. Each Bond Purchase Agreement for one or more series or subseries of Bonds, together with this County Resolution and the Tax Credits Separation Certificate, shall constitute the order of the Board of Supervisors for purposes of Section 15230 of the Education Code.

(d) The Authorized County Officer is hereby authorized and directed to accept any offer of the Underwriters when said offer is satisfactory to the Authorized County Officer, and to execute and deliver one or more Bond Purchase Agreements for the purchase of a portion or all of the Bonds on behalf of the County, each in substantially the form of the Bond Purchase Agreement now on file with this Board of Supervisors, with such changes therein as shall be approved by the Authorized County Officer executing the same, and such execution shall constitute conclusive evidence of the Authorized County Officer's approval and this Board of Supervisors' approval of any change therein from the form of such Bond Purchase Agreement.

SECTION 15. Deposit and Investment of Proceeds.

(a) The proceeds of sale of the Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury and credited to the building fund of the District (the "Building Fund"). The District shall have sole responsibility that such proceeds be used for the purpose for which the Bonds are being issued. Any premium and accrued interest received shall be deposited in the Interest and Sinking Fund within the County treasury.

(b) All funds held by the County Treasurer hereunder on behalf of the District shall be invested by the County Treasurer or its agent in the County Investment Pool, the Local Agency Investment Fund, any investment authorized pursuant to Sections 53601 and 53635 of the State Government Code, or in any Investment Agreement; provided that such agreements comply with the requirements of Section 148 of the Code, to the extent applicable to the related series or subseries of Bonds, and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds.

Subject to a determination by the Chief Financial Officer of the District, any Authorized District Officer of the District may request the County Treasurer to deposit any investment of all or any portion of the Building Fund or the Interest and Sinking Fund of the District pursuant to California Education Code Section 41015 in accordance with the instructions of the Authorized District Officer and California Education Code Section 41016.

(c) Any excess proceeds of the Bonds on deposit in the Building Fund not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Interest and Sinking Fund and applied to the payment of principal of, premium, if any, and interest on the Bonds; provided, however, that when all of the principal of and interest on all of the Bonds have been paid, any balance then remaining in said fund shall be transferred to the general fund of the District as permitted and provided for in Section 15234 of the Education Code.

The District Resolution provides that the Authorized District Officer may request that the County Treasurer, subject to his fiduciary responsibilities, invest funds held in the Interest and Sinking Fund of the District and in the Building Fund of the District in specific investments, so as to effectively coordinate the investments to the construction program of the District and the debt service payments on the Bonds. On behalf of the County Treasurer and as part of the County treasury, the Paying Agent may establish and maintain one or more separate accounts designated as the "Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) Sinking Fund Deposit Account" (each, a "Qualified School Construction Bond Sinking Fund Deposit Account") which shall constitute an account of the Interest and Sinking Fund for the Qualified School Construction Bonds and Interest Bearing Bonds, if any. In addition, the Paying Agent may establish and maintain any other account for tendered Qualified School Construction Bonds and Interest Bearing Bonds, if any, as may be necessary or desirable in connection with the provisions of this County Resolution, the District Resolution and the Tax Credits Separation Certificate. Upon the payment and discharge of the Qualified School Construction Bonds and Interest Bearing Bonds, if any, any amounts remaining in the Qualified School Construction Bond Sinking Fund Deposit Account shall be transferred by the Paying Agent to the County and the Qualified School Construction Bond Sinking Fund Deposit Account shall be closed.

SECTION 16. Tax Covenants.

(a) Tax-Exempt Bonds. 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 Tax-Exempt Bonds under Section 103 of the Code, and that it will comply with the requirements of the initial Tax Certificate and each subsequent Tax Certificate of the District with respect to the Tax-Exempt Bonds to be executed by the District as of the respective dates of issuance of the Bonds, and further that such representation and covenant shall survive payment in full or defeasance of the Tax-Exempt Bonds.

(b) Build America Bonds. 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, or permit such action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or failure to take such action would adversely affect either the status of the Build America Bonds under Section 54AA of the Code or the credit allowed to the District or the County under Section 6431 of the Code.

(c) Qualified School Construction Bonds. 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, or permit such action to be taken on its behalf or cause or permit any

circumstances within its control to arise or continue, if such action or failure to take such action would adversely affect either the status of the Qualified School Construction Bonds under Section 54F of the Code or the credit allowed under Section 54A of the Code.

SECTION 17. **Continuing Disclosure Certificate.** The County acknowledges and relies upon the fact that the District has represented that it shall execute one or more Continuing Disclosure Certificates containing the initial covenants of the District as shall be necessary to allow the Underwriters to comply with the requirements of Rule 15c2-12, and that the District has covenanted that it will comply with and carry out all of the provisions of each of the Continuing Disclosure Certificates. The District shall function as or cause the appointment of a dissemination agent, who shall perform all duties and obligations of the Dissemination Agent as set forth in the Continuing Disclosure Certificates, and the County shall have no responsibilities either for compliance with the Continuing Disclosure Certificate or for the duties of the Dissemination Agent.

SECTION 18. **Tax Credits Separation Certificate**. The form of Tax Credits Separation Certificate submitted to and on file with the Clerk of this Board of Supervisors providing for the execution, authentication and delivery of the Tax Credit Certificates is hereby approved. Any Authorized County Officer is hereby authorized and directed on behalf of the County to execute and deliver one or more Tax Credits Separation Certificate with respect to the Qualified School Construction Bonds in substantially the form attached hereto, with such changes therein, including as may be made in connection with the issuance or sale of separate tax credits associated with certain Qualified School Construction Bonds, as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 19. **Bond Insurance.** The Underwriter, in cooperation with the County Treasurer and the District, is hereby authorized to solicit proposals from one or more municipal bond insurers, and, if the County Treasurer and the District determine it is in the best interest of the District, to arrange for the issuance of a policy of municipal bond insurance for one or more maturities of the Bonds and to execute and deliver an insurance commitment and all other documents necessary in connection therewith.

SECTION 20. **Limited Responsibility for Official Statement.** Neither the Board of Supervisors nor any officer of the County has prepared or reviewed or will prepare or review any Official Statements of the District describing the Bonds (the "Official Statements"), and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof.

SECTION 21. **Supplemental Resolutions With Consent of Owners.** This County Resolution, and the rights and obligations of the County, the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the County, upon the request of the District, with the written consent of Owners owning at least 60% in aggregate principal amount of the Outstanding Bonds of the affected series or subseries, exclusive of Bonds, if any, owned by the County or the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon, change the monetary medium in which principal and interest is

payable or adversely affect the Tax Credits, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. In the event that the ownership of the Tax Credit Certificates of a Qualified School Construction Bond has been separated from the ownership of the Principal Strip Certificates related thereto or the ownership of the Cash Interest Certificates of an Interest Bearing Bond have been separated from the ownership of the Principal Strip Certificates related thereto, the determination of the ownership percentages shall be determined in accordance with the Tax Credits Separation Certificate. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and materially adversely affected by such amendment or modification.

SECTION 22. Supplemental Resolutions Effective Without Consent of Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the County may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the County, the District in this County Resolution, other covenants and agreements to be observed by the County, the District which are not contrary to or inconsistent with this County Resolution as theretofore in effect;

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

(c) To confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by this County Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this County Resolution;

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

(e) To amend or supplement this County Resolution in any other respect, provided such Supplemental Resolution does not, in the opinion of nationally-recognized bond counsel, materially adversely affect the interests of the Owners.

SECTION 23. Effect of Supplemental Resolution. Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions hereof, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms hereof, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the County or the District or any officer of either from taking any action pursuant thereto.

SECTION 24. **Approval of Actions; Further Actions.** The Authorized County Officer, the Chairman 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, representations and agreements, as may be acceptable to County Counsel, including but not limited to signature certificates, no-litigation certificates, and other certificates proposed to be distributed in connection with each sale of Bonds, necessary and desirable to accomplish the transactions authorized herein. The Authorized County Officer, the Chairman 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 shall be and each of them is hereby authorized, empowered and directed to execute such other documents and take such other actions as they deem necessary or advisable, as may be acceptable to County Counsel, to carry out and perform the purposes of this County Resolution, the Bond Purchase Agreements or the Tax Credits Separation Certificate.

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SECTION 25. **Effective Date**. This County Resolution shall take effect from and after its adoption.

The foregoing Resolution was on the __day of ____, 2009, 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 the 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:
ROBERT E. KALUNIAN
Acting County Counsel

By: _____
Principal Deputy County Counsel

EXHIBIT A

[FORM OF CURRENT INTEREST BOND]

Number		Principal Sum
R-___	UNITED STATES OF AMERICA STATE OF CALIFORNIA COUNTY OF LOS ANGELES	$_____

[LOS ANGELES UNIFIED SCHOOL DISTRICT

_____

_____]

Maturity Date	Interest Rate	Dated	CUSIP NO.
_____ 1, _____	_____%	_____	_____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the Maturity Date set forth above or upon prior redemption hereof, the Principal Sum specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (defined herein) next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any Interest Payment Date to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before _____ 15, _____, in which event it shall bear interest from the date hereof) at the interest rate per annum stated above, payable commencing on _____ 1, _____, and thereafter on _____ 1 and _____ 1 in each year (each, an "Interest Payment Date"), until payment of the Principal Sum hereof.

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (the "County"), as Paying Agent (collectively referenced herein as the "Paying Agent"), the paying agent/registrar and transfer agent of the County. The interest hereon is payable to 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 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.

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, subseries, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to $_____, and designated as the "Los Angeles Unified School District _____" (the "Bonds"). The Bonds are issued and sold by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to the provisions of the Constitution and laws of the State and of a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on_____ __, 2009.

The Current Interest Bonds (as defined in the County Resolution) of this issue are issuable only as fully registered bonds in the denominations of $5,000 principal amount or any integral multiple thereof. This bond is exchangeable and transferable as provided in the County Resolution.

The Bonds shall be subject to redemption as provided in the County Resolution and the Bond Purchase Agreement, dated _____, 2009 (the "Bond Purchase Agreement") by and among the District, the County and the underwriters named therein.

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

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. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the County Resolution), 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.

Reference is hereby made to the County Resolution and the District Resolution adopted by the District's Board of Education on August 25, 2009 (the "District Resolution") and the Bond Purchase Agreement for a description of the terms of the Bonds and the rights of the Owners of the Bonds. The terms of the County Resolution, the District Resolution and the Bond Purchase Agreement are hereby incorporated herein.

This bond shall not be entitled to any benefit under the County 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.

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

COUNTY OF LOS ANGELES, CALIFORNIA

_____

Chairman of the Board of Supervisors

[SEAL]

_____

Treasurer and Tax Collector

Countersigned:

_____

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 200_.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying 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.

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.

EXHIBIT B

[FORM OF CAPITAL APPRECIATION BOND]

Number		Maturity Value
R-___	UNITED STATES OF AMERICA STATE OF CALIFORNIA COUNTY OF LOS ANGELES	$_____

[LOS ANGELES UNIFIED SCHOOL DISTRICT

_____

_____]

Maturity Date	Dated	CUSIP NO.
_____ 1, _____	_____	_____

Registered Owner: CEDE & CO.

Initial Principal Amount: _____ DOLLARS

Maturity Value: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the Maturity Date set forth above or upon prior redemption hereof, the accreted value hereof on such date in lawful money of the United States of America, consisting of the initial principal amount hereof plus interest accreted thereon (in accordance with the County Resolution hereinafter defined and as reflected in the Table of Accreted Values attached hereto; provided, that any accreted value determined in accordance with the County Resolution shall prevail over any accreted values set forth in the Table of Accreted Values attached hereto) and accumulated from the date hereof to such date, compounded on January 1 and July 1 of each year commencing _____, 20__, assuming in any such semiannual period that this bond shall increase in value by the accumulation of earned interest in equal daily amounts on the basis of a 360-day year of twelve 30-day months, until the obligation represented hereby shall have been discharged, as provided in the County Resolution hereinafter defined upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (the "County"), as Paying Agent (collectively referenced herein as the "Paying Agent"), the paying agent/registrar and transfer agent of the County.

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, subseries, numbers,

denominations, accreted values at maturity, maturities and redemption provisions), amounting in the aggregate to $_____, and designated as the "Los Angeles Unified School District General Obligation Bonds (County of Los Angeles), _____" (the "Bonds"). The Bonds are issued by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to the provisions of the Constitution and laws of the State and of a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on_____ __, 2009.

The Capital Appreciation Bonds (as defined in the County Resolution) of this issue are issuable only as fully registered bonds without coupons in the denominations of $5,000 accreted value at the Maturity Value or any integral multiple thereof, except that the first numbered Bond may be issued in a denomination such that the Maturity Value of such Bond shall not be in an integral multiple of $5,000. This bond is exchangeable and transferable as provided in the County Resolution

The Bonds shall be subject to redemption as provided in the County Resolution and the Bond Purchase Agreement dated _____, 2009 (the "Bond Purchase Agreement") by and among the District, the County and the underwriters named therein.

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

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. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the County Resolution), and the money for the payment of the Maturity Value of this bond (or redemption price hereof upon redemption prior to maturity), shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the County Resolution and the District Resolution adopted by the District's Board of Education on August 25, 2009 (the "District Resolution") and the Bond Purchase Agreement for a description of the terms of the Bonds and the rights of the Owners of the Bonds. The terms of the County Resolution, the District Resolution and the Bond Purchase Agreement are hereby incorporated herein.

This bond shall not be entitled to any benefit under the County 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.

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

COUNTY OF LOS ANGELES, CALIFORNIA

_____

Chairman of the Board of Supervisors

[SEAL]

_____

Treasurer and Tax Collector

Countersigned:

_____

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 200_.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying 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.

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.

[TABLE OF ACCRETED VALUES]

EXHIBIT C

[FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND]

Number		Conversion Value
R-___	UNITED STATES OF AMERICA STATE OF CALIFORNIA COUNTY OF LOS ANGELES	$_____

[LOS ANGELES UNIFIED SCHOOL DISTRICT

_____

_____]

Maturity Date	Conversion Date	Interest Rate After Conversion Date	Dated	CUSIP NO.
_____ 1, _____	_____ 1, _____	%	_____	_____

Registered Owner: CEDE & CO.

Initial Principal Amount: _____ DOLLARS

Conversion Value: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the accreted value hereof on such date, consisting of the initial principal amount hereof plus interest accreted thereon (in accordance with the County Resolution hereinafter defined and as reflected in the Table of Accreted Values attached hereto; provided, that any accreted value determined in accordance with the County Resolution shall prevail over any accreted values set forth in the Table of Accreted Values attached hereto), commencing on the date hereof, compounded on January 1 and July 1 of each year commencing _____, 20__, assuming in any such semiannual period that this bond shall increase in value by the accumulation of earned interest in equal daily amounts on the basis of a 360-day year of twelve 30-day months, until the Conversion Date set forth above in lawful money of the United States of America, and from and after the Conversion Date to pay current interest on said Conversion Value in like lawful money from the Interest Payment Date (defined herein) next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any Interest Payment Date to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before _____ 15, _____, in which event it shall bear interest from the Conversion Date) at the interest rate per annum stated above, payable commencing on January 1 or July 1

following the Conversion Date, and thereafter on January 1 and July 1 in each year (each, an "Interest Payment Date"), until payment of said Conversion Value.

The accreted value hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (the "County"), as Paying Agent (collectively referenced herein as the "Paying Agent"), the paying agent/registrar and transfer agent of the County. The interest hereon is payable to 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 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.

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 $_____ principal amount, and designated as the "Los Angeles Unified School District _____" (the "Bonds"). The Bonds are issued by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to the provisions of the Constitution and laws of the State and of a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on September __, 2009.

The Convertible Capital Appreciation Bonds (as defined in the County Resolution) of this issue are issuable only as fully registered bonds without coupons in the denominations of $5,000 accreted value at the Conversion Date or any integral multiple thereof. This bond is exchangeable and transferable as provided in the County Resolution.

The Bonds shall be subject to redemption as provided in the County Resolution and the Bond Purchase Agreement dated _____, 2009 (the "Bond Purchase Agreement") by and among the District, the County and the underwriters named therein.

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

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. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the County Resolution), and the money for the payment of the maturity value of this bond (or redemption price hereof upon redemption prior to maturity), shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the County Resolution and the District Resolution adopted by the District's Board of Education on August 25, 2009 (the "District Resolution") and the Bond Purchase Agreement for a description of the terms of the Bonds and the rights of the

Owners of the Bonds. The terms of the County Resolution, the District Resolution and the Bond Purchase Agreement are hereby incorporated herein.

This bond shall not be entitled to any benefit under the County 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.

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

COUNTY OF LOS ANGELES, CALIFORNIA

_____

Chairman of the Board of Supervisors

[SEAL]

_____

Treasurer and Tax Collector

Countersigned:

_____

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 200_.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying 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.

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.

[TABLE OF ACCRETED VALUES]

EXHIBIT D

[FORM OF QUALIFIED SCHOOL CONSTRUCTION BOND]

Number
R-___

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Principal Sum
$_____

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

QUALIFIED SCHOOL CONSTRUCTION BOND
(TAX CREDIT BOND)

THE LOS ANGELES UNIFIED SCHOOL DISTRICT AND THE COUNTY OF LOS ANGELES, CALIFORNIA HAVE DESIGNATED THIS BOND AS A QUALIFIED SCHOOL CONSTRUCTION BOND WITHIN THE MEANING OF SECTION 54F OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

Maturity Date	Interest Rate	Tax Credit Rate	Dated as of	CUSIP NO.
_____ 1, ___	%	%	_____	_____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (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 (the "Supplemental Coupon") in like lawful money from the Interest Payment Date next preceding the date of authentication of this bond (unless this bond is authenticated on or before an interest payment date and after the close of business on the preceding Record Date (as defined herein), in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before _____ 1, 20__, in which event interest thereon shall be payable from the date hereof) at the interest rate per annum stated above, payable commencing on _____15, 20__, and thereafter on each March 15, June 15, September 15 and December 15 in each year (each, an "Interest Payment Date"), until payment of the Principal Sum.] [This bond shall not bear interest unless it shall become an Interest Bearing Bond in accordance with the County Resolution (defined herein) and the Tax Credits Separation Certificate (defined herein).] This bond is a tax credit bond issued as a "qualified school construction bond" as defined in Section 54F of the

Internal Revenue Code of 1986, as amended (the "Code") and is composed of a principal component (the "Principal Component") and a component relating to the entitlement, pursuant to the program for allocating tax credits and authorizing the issuance of qualified school construction bonds promulgated under Sections 54A and 54F of the Code, of a taxpayer to recognize a credit (the "Tax Credit) against the tax imposed by Chapter 1 of the Code.

So long as the ownership of the Tax Credit component of this bond has not been separated from the ownership of the Principal Component of this bond, the owner of this bond may be eligible to receive tax credits determined based on the Tax Credit Rate set forth above in accordance with Section 54A of the Code as described in the Tax Credits Separation Certificate.

Pursuant to the County Resolution and the Tax Credits Separation Certificate dated _____, 2009 executed by the District and the County (the "Tax Credits Separation Certificate"): (i) the ownership of the Principal Component of this Qualified School Construction Bond (defined herein) may be separated from the ownership of the related Tax Credit Certificates; (ii) the ownership of the Principal Component of an Interest Bearing Bond may be separated from the ownership of the related Cash Interest Certificates; (iii) the ownership of Principal Strip Certificates and Tax Credit Certificates may be recombined into Qualified School Construction Bonds; (iv) the ownership of Principal Strip Certificates and Cash Interest Certificates may be recombined into Interest Bearing Bonds; and (v) Qualified School Construction Bonds may be converted into Interest Bearing Bonds. Notwithstanding the separation, if any, of the ownership of the Principal Component of this Qualified School Construction Bond from the entitlement of the Owner thereof to the related Tax Credits or any conversion of this Qualified School Construction Bond to an Interest Bearing Bonds, the ownership of Principal Strip Certificates shall continue to evidence the rights of the Owner thereto to the related Principal Components and any Supplemental Coupon related thereto.

Pursuant to the County Resolutions and the Tax Credits Separation Certificate, upon (i) the Date of a Determination of Loss of Qualified School Construction Bond Status, or (ii) the receipt by the Paying Agent of a written notice from the District of its election to convert this Qualified School Construction Bonds to Interest Bearing Bonds, this Qualified School Construction Bond shall be converted into an Interest Bearing Bond requiring the District to make cash payments of interest thereon to the Owners thereof. Subsequent to a Tax Credit Conversion Date, if any, the interest on the Interest Bearing Bonds shall be payable on March 15, June 15, September 15 and December 15 in each year interest payments are to be made commencing on a date determined in accordance with the Tax Credits Separation Certificate. The Interest Bearing Bonds shall, in addition to any Supplemental Coupon, bear interest from the prior Tax Credit Allowance Date (with appropriate adjustment for any Tax Credits that in fact will be allowed to the Owner by the IRS subsequent to such prior Tax Credit Allowance Date) to maturity at an interest rate per annum equal to the Tax Credit Rate, payable quarterly on each Tax Credit Allowance Date commencing on the January 15 following the next succeeding August 1 after a Determination of Loss of Qualified School Construction Bond Status or the date that the Paying Agent receives written notice from the District of its election to convert this Qualified School Construction Bond to an Interest Bearing Bond.

Upon a conversion from Qualified School Construction Bonds to Interest Bearing Bonds, if any, this Qualified School Construction Bond shall (i) automatically be converted into an

Interest Bearing Bond as of the Tax Credit Conversion Date without the need for any further action or proceeding by the County, the District or the Paying Agent, (ii) be an Interest Bearing Bond for all purposes of the County Resolutions and this Tax Credits Separation Certificate and (iii) cease to be a Qualified School Construction Bond under Section 54F of the Code.

Payments of principal of the Qualified School Construction Bonds is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (collectively referenced herein as the "Paying Agent"), the paying agent/registrar and transfer agent of the County.

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 the "Los Angeles Unified School District General Obligation Bonds (County of Los Angeles), Election of 200_, Series __(200_) (Qualified School Construction Bonds – Tax Credit Bonds" (the "Qualified School Construction Bonds"). The Qualified School Construction Bonds are issued by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to the provisions of the Constitution and laws of the State and of a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on September __, 2009.

The Qualified School Construction Bonds of this issue are issuable only as fully registered bonds without coupons and in the denominations of $40,000 principal amount or any integral multiple thereof. This bond is exchangeable and transferable as provided in the County Resolution and the Tax Credits Separation Certificate.

The Qualified School Construction Bonds shall be subject to redemption as provided in the County Resolution and the Bond Purchase Agreement, dated _____, 2009 (the "Bond Purchase Agreement") by and among the District, the County and the underwriters named therein. In the event that the ownership of the Principal Strip Certificates or Tax Credit Certificates has been separated from the ownership of the Bonds and registered separately pursuant to the Tax Credits Separation Certificate, the Principal Strip Certificates or Tax Credit Certificates, as applicable, related to the redeemed Qualified School Construction Bonds shall be called for redemption in the same manner as the Qualified School Construction Bonds, and the redemption price shall be allocated to the Principal Components of the Qualified School Construction Bonds and the Principal Strip Certificates and Tax Credit Certificates in the proportions set forth in the TABLE OF ALLOCABLE VALUES attached hereto as Schedule I.

The District, the County and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Qualified School Construction Bond shall be overdue, and shall not be affected by any notice to the contrary.

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. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an

obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the County Resolution), and the money for the payment of principal of, premium, if any, and interest, if any, hereon, shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the County Resolution and the District Resolution adopted by the District's Board of Education on August 25, 2009 (the "District Resolution"), and Bond Purchase Agreement for a description of the terms of the Qualified School Construction Bonds and the rights of the Owners of the Qualified School Construction Bonds. The terms of the County Resolution, the District Resolution and the Bond Purchase Agreement are hereby incorporated herein. Capitalized terms used and not defined herein have the meanings ascribed thereto in the County Resolution.

This bond shall not be entitled to any benefit under the County 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.

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

COUNTY OF LOS ANGELES, CALIFORNIA

_____

Chairman of the Board of Supervisors

[SEAL]

_____

Treasurer and Tax Collector

Countersigned:

_____

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 200_.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying 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.

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.

SCHEDULE I

TABLE OF ALLOCABLE VALUES

APPENDIX I

Certificate Number
TC-__

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Tax Credit Amount
$_____

CERTIFICATE EVIDENCING TAX CREDIT ENTITLEMENT

related to the

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

QUALIFIED SCHOOL CONSTRUCTION BOND
(TAX CREDIT BOND)

Sale Date of Related Bonds	Issuance Date of Related Bonds	Maturity Date of Related Bond	Applicable Tax Credit Rate	CUSIP NO. of Related Bonds
_____, 2009	_____, 2009	_____ 15, 20__	____%	_____

Tax Credit Allowance Date (_____15)	CUSIP number (if stripped from Related Bond)
20__	____

Dated: _____, 2009

Registered Owner: CEDE & CO.

Notional Amount: _____ DOLLARS

This certificate evidences the entitlement of the Registered Owner identified above or registered assigns (the "Registered Owner") to the credit (the "Tax Credit") to be provided on the Tax Credit Allowance Date specified above, under Section 54A of the Internal Revenue Code of 1986, as amended (the "Code"), against the tax imposed by Chapter 1 of the Code ("Chapter 1"), with respect to the related component part of the bonds designated as the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) relating to the Tax Credit (the "Related Bonds"), the aggregate amount of which have been designated as qualified school construction bonds pursuant to Section 54F of the Code by the Los Angeles Unified School District, County of Los Angeles, State of California (the "District") and the County of Los Angeles, California (the "County", and together with the District, the "Issuer"). This certificate evidences the Tax Credit component of the Related

Bonds and the obligation of the District to maintain the status of the Related Bonds as qualified school construction bonds under the Code.

The holder hereof shall be allowed a credit against the tax imposed by Chapter 1 in an amount equal to twenty five percent (25%) of the annual credit determined with respect to the Related Bonds, being the product of: (a) the applicable tax credit rate set forth above (the "Applicable Rate"), and (b) the outstanding face amount of the Related Bonds (the "Notional Amount"); provided, however, that the amount for _____ 15, 20__ of this Tax Credit shall be pro rated by the number of days from the date of initial issuance and delivery to the first March 15, June 15, September 15 and December 15 in accordance with the Code. A similar rule or pro ration shall apply upon the redemption or the maturity, if applicable, of this Tax Credit.

This certificate is executed and delivered in conjunction with and as a component part of the Related Bonds and, together with other similar certificates relating to the Related Bonds, designated as "Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds)" (the "Tax Credit Certificates"). The Related 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 _____. The Tax Credit Certificate is executed and delivered by the Board of Supervisors of the County pursuant to and in strict conformity with the provisions of the Constitution and laws of the State and a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on September __, 2009, a resolution (the "District Resolution") adopted by the Board of Education of the District on August 25, 2009, the terms set forth in the Bond Purchase Agreement, dated _____, 2009 (the "Bond Purchase Agreement") by and among the District, the County and the underwriters named therein and the Tax Credits Separation Certificate (as defined in the County Resolution) as provided in the County Resolution. Reference is hereby made to the County Resolution, the District Resolution, the Bond Purchase Agreement and the Tax Credits Separation Certificate for a description of the terms on which the Tax Credit Certificates are executed and delivered, for the rights of the Owners of the Tax Credit Certificates, and for the amendment of the Tax Credits Separation Certificate (with or without consent of the Owners of the Tax Credit Certificates and the Related Bonds); and all the terms of the County Resolution, the District Resolution, the Bond Purchase Agreement and the Tax Credits Separation Certificate are hereby incorporated herein and constitute a contract among the County, the District and the Registered Owner of this certificate, to all the provisions of which the Registered Owner of this certificate, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the County Resolution, the District Resolution, the Bond Purchase Agreement and the Tax Credits Separation Certificate, as applicable.

The Tax Credit Certificates are subject to registration, transfer and exchange as provided in and subject to the terms and provisions of the County Resolution, the District Resolution, the Bond Purchase Agreement and the Tax Credits Separation Certificate.

[The Related Bonds are subject to redemption as provided in the County Resolution, the Bond Purchase Agreement and the Tax Credits Separation Certificate. In the event of a mandatory redemption of Qualified School Construction Bonds from unexpended Bond Proceeds and in the event that Qualified School Construction Bonds have been exchanged for Principal Strip Certificates and Tax Credit Certificates (in whole or in part) and registered separately pursuant to

the Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, pro rata between (i) Qualified School Construction Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Tax Credit Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative par amounts of the outstanding Qualified School Construction Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Tax Credit Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Qualified School Construction Bonds pursuant to the County Resolution and the Bond Purchase Agreement, and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Tax Credit Certificates so redeemed shall be allocated to the Qualified School Construction Bonds, Principal Strip Certificates and the Tax Credit Certificates in the proportions and values set forth in the Table of Allocable Values attached hereto as Schedule I.]

All acts, conditions and things required by law to be done or performed precedent to and in the execution and delivery of this Tax Credit Certificate have been done and performed in strict conformity with the laws authorizing the execution and delivery of this Tax Credit Certificate.

This Certificate shall not be entitled to any benefit or be valid for any purpose unless signed by manual or facsimile signature of an authorized signatory of the County and an authorized signatory of the District and authenticated by the manual signature of a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF the Los Angeles Unified School District has caused this certificate to be executed in his/her official capacity by the manual or facsimile signature of an Authorized Officer of the District and countersigned by the manual or facsimile signature of the Executive Officer-Board of Education and the County of Los Angeles has caused this certificate to be executed in their official capacities by manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

_____

Chairman of the Board of Supervisors

[SEAL]

_____

Treasurer and Tax Collector

Countersigned:

_____

Executive Officer-Clerk of the Board of Supervisors

LOS ANGELES UNIFIED SCHOOL DISTRICT

_____

Authorized District Officer

Countersigned:

_____

Executive Officer, Board of Education

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) described in the within-mentioned County Resolution, the Bond Purchase Agreement dated _____, 2009 by and among the County of Los Angeles, the Los Angeles Unified School District and the underwriters named therein and the Tax Credits Separation Certificate dated _____, 2009 executed by the Los Angeles Unified School District and the County of Los Angeles 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 Agent to the Paying 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.

SCHEDULE I

TABLE OF ALLOCABLE VALUES

Certificate Number	UNITED STATES OF AMERICA	Principal Component Amount
TC-__	STATE OF CALIFORNIA	$_____
	COUNTY OF LOS ANGELES	

CERTIFICATE EVIDENCING PRINICPAL COMPONENT ENTITLEMENT

related to the

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

QUALIFIED SCHOOL CONSTRUCTION BOND
(TAX CREDIT BOND)

Sale Date of Related Bonds	Issuance Date of Related Bonds	Maturity Date of Related Bond	Interest Rate	CUSIP NO. of Related Bonds
_____, 2009	_____, 2009	_____ 15, 20__	%	_____

Dated: _____, 2009

Registered Owner: CEDE & CO.

Principal Component Amount: _____ DOLLARS

This certificate evidences the entitlement of the Registered Owner identified above or registered assigns (the "Registered Owner") to the principal component specified above (the "Principal Component") [or portion thereof as set forth herein upon prior redemption thereof], with respect to a component part of the bonds designated as the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) relating to the Principal Component (the "Related Bonds"), the aggregate amount of which have been designated as qualified school construction bonds pursuant to Section 54F of the Internal Revenue Code of 1986, as amended (the "Code") by the Los Angeles Unified School District, County of Los Angeles, State of California (the "District") and the County of Los Angeles, California (the "County", and together with the District, the "Issuer"). This certificate evidences the Principal Component of the Related Bonds.

This certificate is executed and delivered in conjunction with and as a component part of the Related Bonds and, together with other similar certificates relating to the Related Bonds, designated as "Certificates Evidencing Principal Component related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds)" (the "Principal Strip Certificates"). The Related 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 _____. The Principal Strip Certificate is executed and delivered by the Board of Supervisors of the County pursuant to and in strict conformity with the provisions of the Constitution and laws of the State and a resolution (the "County Resolution") adopted by the Board

of Supervisors of the County on September __, 2009, a resolution (the "District Resolution") adopted by the Board of Education of the District on August 25, 2009, including the terms set forth in the Bond Purchase Agreement, dated _____, 2009 (the "Bond Purchase Agreement") by and among the District, the County and the underwriters named therein and the Tax Credits Separation Certificate (as defined in the County Resolution) as provided in the County Resolution. Reference is hereby made to the County Resolution and the District Resolution, related Bond Purchase Agreement and the Tax Credits Separation Certificate for a description of the terms on which the Tax Credit Certificates are executed and delivered, for the rights of the Owners of the Principal Strip Certificates, and for the amendment of the Tax Credits Separation Certificate (with or without consent of the Owners of the Principal Strip Certificates and the Related Bonds); and all the terms of the County Resolution and the District Resolution, the Bond Purchase Agreement and the Tax Credits Separation Certificate are hereby incorporated herein and constitute a contract among the County, the District and the Registered Owner of this certificate, to all the provisions of which the Registered Owner of this certificate, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the County Resolution and the District Resolution, related Bond Purchase Agreement and the Tax Credits Separation Certificate, as applicable.

The District promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the Principal Component Amount specified above in lawful money of the United States of America[, and to pay interest thereon in like lawful money from the Interest Payment date next preceding the date of authentication of this bond (unless this bond is authenticated on or before an interest payment date and after the close of business on the preceding Record Date (as defined herein), in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before ___ 1, 20__, in which event interest thereon shall be payable from the date hereof) at the interest rate per annum stated above, payable commencing on _____ 15, 20__, and thereafter on each March 15, June 15, September 15 and December 15 in each year (each, an "Interest Payment date") until payment of the Principal Component Amount or such portion thereof upon the prior redemption thereof.]

Payments of principal of this Principal Strip Certificate is payable to the Registered Owner upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (collectively referenced herein as the "Paying Agent"), the paying agent/registrar and transfer agent of the County. The Principal Strip Certificates are subject to registration, transfer and exchange as provided in and subject to the terms and provisions of the County Resolution and the District Resolution, related Bond Purchase Agreement and the Tax Credits Separation Certificate.

[The Related Bonds are subject to redemption as provided in the County Resolution, the Bond Purchase Agreement and the Tax Credits Separation Certificate. In the event of a mandatory redemption of Qualified School Construction Bonds from unexpended Bond Proceeds and in the event that Qualified School Construction Bonds have been exchanged for Principal Strip Certificates and Tax Credit Certificates (in whole or in part) and registered separately pursuant to the Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, pro rata between (i) Qualified School Construction Bonds and

(ii) an amount of (a) Principal Strip Certificates and (b) Tax Credit Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative par amounts of the outstanding Qualified School Construction Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Tax Credit Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Qualified School Construction Bonds pursuant to the County Resolution and the Bond Purchase Agreement, and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Tax Credit Certificates so redeemed shall be allocated to the Qualified School Construction Bonds, Principal Strip Certificates and the Tax Credit Certificates in the proportions and values set forth in the Table of Allocable Values attached hereto as Schedule I.]

All acts, conditions and things required by law to be done or performed precedent to and in the execution and delivery of this Principal Strip Certificate have been done and performed in strict conformity with the laws authorizing the execution and delivery of this Principal Strip Certificate. This Principal Strip Certificate is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes.

This Certificate shall not be entitled to any benefit or be valid for any purpose unless signed by manual or facsimile signature of an authorized signatory of the County and an authorized signatory of the District and authenticated by the manual signature of a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF the Los Angeles Unified School District has caused this certificate to be executed in his/her official capacity by the manual or facsimile signature of an Authorized Officer of the District and countersigned by the manual or facsimile signature of the Executive Officer-Board of Education and the County of Los Angeles has caused this certificate to be executed in their official capacities by manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

_____

Chairman of the Board of Supervisors

[SEAL]

_____

Treasurer and Tax Collector

Countersigned:

_____

Executive Officer-Clerk of the Board of Supervisors

LOS ANGELES UNIFIED SCHOOL DISTRICT

_____

Authorized District Officer

Countersigned:

_____

Executive Officer, Board of Education

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Certificates Evidencing Principal Component Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) within-mentioned County Resolution, the Bond Purchase Agreement dated _____, 2009 by and among the County of Los Angeles, the Los Angeles Unified School District and the underwriters named therein and the Tax Credits Separation Certificate dated _____, 2009 executed by the Los Angeles Unified School District and the County of Los Angeles 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 Agent to the Paying 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.

SCHEDULE I

TABLE OF ALLOCABLE VALUES

EXHIBIT E

[FORM OF INTEREST BEARNG BOND]

Number		Principal Sum
R-___	UNITED STATES OF AMERICA STATE OF CALIFORNIA COUNTY OF LOS ANGELES	$_____

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

Maturity Date	Supplemental Coupon	Interest Rate	Dated as of	CUSIP NO.
_____ 1, ___	%	%	_____	_____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (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 (the "Supplemental Coupon") in like lawful money from the Interest Payment Date next preceding the date of authentication of this bond (unless this bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date (as defined herein), in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before _____ 1, 20__, in which event interest thereon shall be payable from the date hereof) at the interest rate per annum stated above, payable commencing on ____ 15, 20__, and thereafter on each March 15, June 15, September 15 and December 15 in each year (each, an "Interest Payment Date"), until payment of the Principal Sum; provided, however, that the amount for _____ 15, 20__ of this bond shall be pro rated by the number of days from the date of initial issuance and delivery to the first March 15, June 15, September 15 and December 15 in accordance with the Code. A similar rule or pro ration shall apply upon the redemption or the maturity, if applicable, of this bond.

Upon (i) the Date of Determination of Loss of Qualified School Construction Bond Status, or (ii) the receipt by the Paying Agent of a written notice from the District of its election to convert the Qualified School Construction Bonds to Interest Bearing Bonds, the Interest Bearing Bonds shall bear interest from March 15, June 15, September 15 and December 15 in each year commencing on ____ 15, 20__ and in accordance with the County Resolution and the

Tax Credits Separation Certificate (with appropriate adjustment for any Tax Credits that in fact will be allowed to the Owner by the IRS subsequent to such prior Tax Credit Allowance Date) to maturity at an interest rate per annum equal to ___% (the "Tax Credit Rate"), payable quarterly on each Tax Credit Allowance Date commencing on the January 15 following the next succeeding August 1 after a Determination of Loss of Qualified School Construction Bond Status or the date that the Paying Agent receives written notice from the District of its election to convert the Qualified School Construction Bonds to Interest Bearing Bonds.

In addition, the District promises to pay to the Registered Owner hereof interest relating to the Supplemental Coupon, if any, at the rate set forth above, which shall be payable on March 15, June 15, September 15 and December 15 in each year commencing on ____ 15, 20__ and in accordance with the County Resolution and the Tax Credits Separation Certificate.

This bond is was originally issued as a "qualified school construction bond" as defined in Section 54F of the Internal Revenue Code of 1986, as amended (the "Code") and has been converted to an Interest Bearing Bond in accordance with a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on September __, 2009 and a resolution (the "District Resolution") adopted by the Board of Education of the District on August 25, 2009 and is composed of the Principal Component, cash interest components relating to the interest payments to be paid by the District to the Registered Owner attached hereto as Appendix I, the ownership of which may be separated from the Principal Component and payments relating to the Supplemental Coupon to be paid by the District to the Registered Owner of the Principal Component of this bond.

Pursuant to the County Resolution and the Tax Credits Separation Certificate: (i) the ownership of the Principal Component of an Interest Bearing Bond may be separated from the ownership of the related Cash Interest Certificates and (ii) the ownership of Principal Strip Certificates and Cash Interest Certificates may be recombined into Interest Bearing Bonds. Notwithstanding the separation, if any, of the ownership of the Principal Component of an Interest Bearing Bond from the entitlement of the Owner thereof to the related Cash Interest Certificates, the ownership of Principal Strip Certificates shall continue to evidence the rights of the Owner thereto to the related Principal Components and any Supplemental Coupon related thereto.

Payments of principal of this bond is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (collectively referenced herein as the "Paying Agent"), the paying agent/registrar and transfer agent of the County.

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 the "Los Angeles Unified School District General Obligation Bonds (County of Los Angeles), Election of 200_, Series __(200_) (Qualified School Construction Bonds – Tax Credit Bonds" (the "Bonds"). The Bonds are issued by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to

the provisions of the Constitution and laws of the State and of a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on September __, 2009.

This Interest Bearing Bond is issuable only as fully registered bonds in the denominations of $5,000 principal amount or any integral multiple thereof. This bond is exchangeable and transferable as provided in the County Resolution and the Tax Credits Separation Certificate.

The Bonds shall be subject to redemption as provided in the County Resolution and the Bond Purchase Agreement, dated _____, 2009 (the "Bond Purchase Agreement") by and among the District, the County and the underwriters named therein.

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

In the event that the ownership of the Principal Strip Certificates or Cash Interest Certificates has been separated from the ownership of the Bonds and registered separately pursuant to the Tax Credits Separation Certificate, the Principal Strip Certificates or Cash Interest Certificates, as applicable, related to the redeemed Bonds shall be called for redemption in the same manner as the Related Bonds, and the redemption price shall be allocated to the Principal Components of the Related Bonds and the Principal Strip Certificates or Cash Interest Certificates, as applicable, in the proportions set forth in the Table of Redemption Values, as applicable, and Principal Strips attached hereto as Schedule I.

[The Related Bonds are subject to redemption as provided in the County Resolution, the Bond Purchase Agreement and the Tax Credits Separation Certificate. In the event of a mandatory redemption of Interest Bearing Bonds from unexpended Bond Proceeds and in the event that Interest Bearing Bonds have been exchanged for Principal Strip Certificates and Cash Interest Certificates (in whole or in part) and registered separately pursuant to the Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, pro rata between (i) Interest Bearing Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Cash Interest Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative par amounts of the outstanding Interest Bearing Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Cash Interest Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Interest Bearing Bonds pursuant to the County Resolution and the Bond Purchase Agreement, and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Cash Interest Certificates so redeemed shall be allocated to the Interest Bearing Bonds, Principal Strip Certificates and the Cash Interest Certificates in the proportions and values set forth in the Table of Allocable Values attached hereto as Schedule I.]

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. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in

the County Resolution), and the money for the payment of principal of, premium, if any, and interest, if any, hereon, shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the County Resolution and the District Resolution adopted by the District's Board of Education on August 25, 2009 (the "District Resolution"), and Bond Purchase Agreement for a description of the terms of the Bonds and the rights of the Owners of the Bonds. The terms of the County Resolution, the District Resolution and the Bond Purchase Agreement are hereby incorporated herein. Capitalized terms used and not defined herein have the meanings ascribed thereto in the County Resolution.

This bond shall not be entitled to any benefit under the County 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.

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

COUNTY OF LOS ANGELES, CALIFORNIA

_____

Chairman of the Board of Supervisors

[SEAL]

_____

Treasurer and Tax Collector

Countersigned:

_____

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 200_.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying 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.

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.

SCHEDULE I

TABLE OF ALLOCABLE VALUES

Certificate Number	UNITED STATES OF AMERICA	Principal Amount
TC-__	STATE OF CALIFORNIA	$_____
	COUNTY OF LOS ANGELES	

CERTIFICATE EVIDENCING PRINICPAL COMPONENT ENTITLEMENT

related to the

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

Sale Date of Related Bonds	Issuance Date of Related Bonds	Maturity Date of Related Bond	Interest Rate	CUSIP NO. of Related Bonds
_____, 2009	_____, 2009	____ 15, 20__	%	_____

Dated: _____, 2009

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

This certificate evidences the entitlement of the Registered Owner identified above or registered assigns (the "Registered Owner") to the principal component specified above (the "Principal Component") [or portion thereof as set forth herein upon prior redemption thereof], with respect to the portion of the bonds designated as the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) relating to the Principal Component (the "Related Bonds"), the aggregate amount of which were designated as qualified school construction bonds pursuant to Section 54F of the Internal Revenue Code of 1986, as amended (the "Code") by the Los Angeles Unified School District, County of Los Angeles, State of California (the "District") and the County of Los Angeles, California (the "County", and together with the District, the "Issuer"). This certificate evidences the Principal Component of the Related Bonds.

This certificate is executed and delivered in conjunction with and as a component part of the Related Bonds and, together with other similar certificates relating to the Bonds, designated as "Certificates Evidencing Principal Component related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds)" (the "Principal Strip Certificates"). The Related 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 _____. The Principal Strip Certificate is executed and delivered by the Board of Supervisors of the County and the resolution adopted by the District's Board of Education on August 25, 2009 (the "District Resolution"), pursuant to and in strict conformity with the provisions of the Constitution and laws of the State and a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on September __, 2009 including the terms set forth in the Bond

Purchase Agreement, dated _____, 2009 (the "Bond Purchase Agreement") by and among the District, the County and the underwriters named therein and the Tax Credits Separation Certificate (as defined in the County Resolution) as provided in the County Resolution. Reference is hereby made to the County Resolution and the District Resolution, related Bond Purchase Agreement and the Tax Credits Separation Certificate for a description of the terms on which the Cash Interest Certificates are executed and delivered, for the rights of the Owners of the Principal Strip Certificates, and for the amendment of the Tax Credits Separation Certificate (with or without consent of the Owners of the Principal Strip Certificates and the Related Bonds); and all the terms of the County Resolution and the District Resolution, related Bond Purchase Agreement and the Tax Credits Separation Certificate are hereby incorporated herein and constitute a contract among the County, the District and the Registered Owner of this certificate, to all the provisions of which the Registered Owner of this certificate, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the County Resolution and the District Resolution, related Bond Purchase Agreement and the Tax Credits Separation Certificate, as applicable.

The District promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the Principal Component Amount specified above in lawful money of the United States of America[, and to pay interest thereon in like lawful money from the Interest Payment date next preceding the date of authentication of this bond (unless this bond is authenticated on or before an interest payment date and after the close of business on the preceding Record Date (as defined herein), in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before ___ 1, 20__, in which event interest thereon shall be payable from the date hereof) at the interest rate per annum stated above, payable commencing on _____ 15, 20__, and thereafter on each March 15, June 15, September 15 and December 15 in each year (each, an "Interest Payment date") until payment of the Principal Component Amount or such portion thereof upon the prior redemption thereof.]

Payments of principal of this Principal Strip Certificate is payable to the Registered Owner upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (collectively referenced herein as the "Paying Agent"), the paying agent/registrar and transfer agent of the County. The Principal Strip Certificates are subject to registration, transfer and exchange as provided in and subject to the terms and provisions of the County Resolution and the District Resolution, related Bond Purchase Agreement and the Tax Credits Separation Certificate.

[The Related Bonds are subject to redemption as provided in the County Resolution, the Bond Purchase Agreement and the Tax Credits Separation Certificate. In the event of a mandatory redemption of Interest Bearing Bonds from unexpended Bond Proceeds and in the event that Qualified School Construction Bonds have been exchanged for Principal Strip Certificates and Cash Interest Certificates (in whole or in part) and registered separately pursuant to the Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, pro rata between (i) Interest Bearing Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Tax Credit Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative par amounts of the outstanding Interest Bearing

Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Cash Interest Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Interest Bearing Bonds pursuant to the County Resolution and the Bond Purchase Agreement, and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Cash Interest Certificates so redeemed shall be allocated to the Interest Bearing Bonds, Principal Strip Certificates and the Cash Interest Certificates in the proportions and values set forth in the allocable value tables attached as the Table of Allocable Values attached hereto as Schedule I.]

All acts, conditions and things required by law to be done or performed precedent to and in the execution and delivery of this Principal Strip Certificate have been done and performed in strict conformity with the laws authorizing the execution and delivery of this Principal Strip Certificate. This Principal Strip Certificate is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes.

This Certificate shall not be entitled to any benefit or be valid for any purpose unless signed by manual or facsimile signature of an authorized signatory of the County and an authorized signatory of the District and authenticated by the manual signature of a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF the Los Angeles Unified School District has caused this certificate to be executed in his/her official capacity by the manual or facsimile signature of an Authorized Officer of the District and countersigned by the manual or facsimile signature of the Executive Officer-Board of Education and the County of Los Angeles has caused this certificate to be executed in their official capacities by manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

_____

Chairman of the Board of Supervisors

[SEAL]

_____

Treasurer and Tax Collector

Countersigned:

_____

Executive Officer-Clerk of the Board of Supervisors

LOS ANGELES UNIFIED SCHOOL DISTRICT

_____

Authorized District Officer

Countersigned:

_____

Executive Officer, Board of Education

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Certificates Evidencing Principal Component Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) within-mentioned County Resolution, the Bond Purchase Agreement dated _____, 2009 by and among the County of Los Angeles, the Los Angeles Unified School District and the underwriters named therein and the Tax Credits Separation Certificate dated _____, 2009 executed by the Los Angeles Unified School District and the County of Los Angeles 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 Agent to the Paying 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.

SCHEDULE I

TABLE OF ALLOCABLE VALUES

Certificate Number	UNITED STATES OF AMERICA	Notional Amount
TC-__	STATE OF CALIFORNIA	$_____
	COUNTY OF LOS ANGELES	

CERTIFICATE EVIDENCING CASH INTEREST ENTITLEMENT

related to the

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

Sale Date of Related Bonds	Issuance Date of Related Bonds	Maturity Date of Related Bond	Applicable Interest Rate	CUSIP NO. of Related Bonds
_____, 2009	_____, 2009	_____ 15, 20__	____%	_____

Interest Payment Date	CUSIP number
(____15), 20__	_____

Dated: _____, 2009

Registered Owner: CEDE & CO.

Notional Amount: _____ DOLLARS

This certificate evidences the entitlement of the Registered Owner identified above or registered assigns (the "Registered Owner") to the cash interest component to be provided on the Interest Payment Date specified above (the "Cash Interest Component") relating to the component part of the bonds designated as the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) relating to the cash interest payments thereon (the "Related Bonds"), the aggregate amount of which were initially designated as "qualified school construction bonds" pursuant to Section 54F of the Code by the Los Angeles Unified School District, County of Los Angeles, State of California (the "District") and the County of Los Angeles, California (the "County", and together with the District, the "Issuer"), but which have been converted to Interest Bearing Bonds. This certificate evidences the Cash Interest Component of the Related Bonds.

This certificate is executed and delivered in conjunction with and as a component part of the Related Bonds and, together with other similar certificates relating to the Bonds, designated as "Certificates Evidencing Cash Interest Component related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds)" (the "Cash Interest Certificates"). The Related 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 _____. The Cash Interest Certificate executed and delivered by the Board of Supervisors of the County pursuant to and in strict conformity with the provisions of the Constitution and laws of the State and a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on September __, 2009, a resolution (the "District Resolution") adopted by the Board of Education of the District on August 25, 2009, the terms set forth in the Bond Purchase Agreement, dated _____, 2009 (the "Bond Purchase Agreement") by and among the District, the County and the underwriters named therein and the Tax Credits Separation Certificate (as defined in the County Resolution) as provided in the County Resolution. Reference is hereby made to the County Resolution and the District Resolution, related Bond Purchase Agreement and the Tax Credits Separation Certificate for a description of the terms on which the Cash Interest Certificates are executed and delivered, for the rights of the Owners of the Principal Strip Certificates, and for the amendment of the Tax Credits Separation Certificate (with or without consent of the Owners of the Cash Interest Certificates and the Related Bonds); and all the terms of the County Resolution and the District Resolution, related Bond Purchase Agreement and the Tax Credits Separation Certificate are hereby incorporated herein and constitute a contract among the County, the District and the Registered Owner of this certificate, to all the provisions of which the Registered Owner of this certificate, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the County Resolution and the District Resolution, related Bond Purchase Agreement and the Tax Credits Separation Certificate, as applicable.

The District promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on each Interest Payment Date set forth above or upon prior redemption hereof, interest on the Related Bonds in lawful money of the United States of America on the Interest Payment Date.

The Principal Strip Certificates are subject to registration, transfer and exchange as provided in and subject to the terms and provisions of the County Resolution and the District Resolution, related Bond Purchase Agreement and the Tax Credits Separation Certificate.

The Related Bonds are subject to redemption as provided in the County Resolution, the Bond Purchase Agreement and the Tax Credits Separation Certificate. In the event of a mandatory redemption of Interest Bearing Bonds from unexpended Bond Proceeds and in the event that Qualified School Construction Bonds have been exchanged for Principal Strip Certificates and Cash Interest Certificates (in whole or in part) and registered separately pursuant to the Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, pro rata between (i) Interest Bearing Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Tax Credit Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative par amounts of the outstanding Interest Bearing Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Cash Interest Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Interest Bearing Bonds pursuant to the County Resolution and the Bond Purchase Agreement, and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Cash Interest Certificates so redeemed shall be allocated to the Interest Bearing Bonds, Principal Strip Certificates and the Cash Interest Certificates in the

proportions and values set forth in the allocable value tables attached as the Table of Allocable Values attached hereto as Schedule I.]

All acts, conditions and things required by law to be done or performed precedent to and in the execution and delivery of this Cash Interest Certificate have been done and performed in strict conformity with the laws authorizing the execution and delivery of this Cash Interest Certificate. This Cash Interest Certificate is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes.

This Certificate shall not be entitled to any benefit or be valid for any purpose unless signed by manual or facsimile signature of an authorized signatory of the County and an authorized signatory of the District and authenticated by the manual signature of a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF the County of Los Angeles has caused this certificate to be executed in his/her official capacity by the manual or facsimile signature of an Authorized Officer of the District and countersigned by the manual or facsimile signature of the Executive Officer-Board of Education and in their official capacities by manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

_____

Chairman of the Board of Supervisors

[SEAL]

_____

Treasurer and Tax Collector

Countersigned:

_____

Executive Officer-Clerk of the Board of Supervisors

LOS ANGELES UNIFIED SCHOOL DISTRICT

_____

Authorized District Officer

Countersigned:

_____

Executive Officer, Board of Education

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Certificates Evidencing Principal Component Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) described in the within-mentioned County Resolution, the Bond Purchase Agreement dated _____, 2009 by and among the County of Los Angeles, the Los Angeles Unified School District and the underwriters named therein and the Tax Credits Separation Certificate dated _____, 2009 executed by the Los Angeles Unified School District and the County of Los Angeles authenticated and registered on _____.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying 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.

SCHEDULE I

TABLE OF ALLOCABLE VALUES

LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)

$_____ **General Obligation Bonds,** **Series KRY (2009)** **(Tax-Exempt)**	**$_____** **General Obligation Bonds** **Taxable Series KRY (2009)** **(Build America Bonds)**
$_____ **General Obligation Bonds** **Election of 2005, Taxable Series G**	**$_____** **General Obligation Bonds** **Election of 2005, Series H (2009)** **Qualified School Construction Bonds** **(Tax Credit Bonds)**

BOND PURCHASE AGREEMENT

_____, 2009

County of Los Angeles
437 Kenneth Hahn Hall of Administration
Treasurer and Tax Collector
500 West Temple Street
Los Angeles, California 90012

Los Angeles Unified School District
c/o Office of the Chief Financial Officer
333 S. Beaudry Avenue, 26th Floor
Los Angeles, California 90017

Ladies and Gentlemen:

The undersigned, _____, on its own behalf and as representative (the "**Representative**") of the Underwriters identified on the signature page hereof (collectively, the "**Underwriters**"), hereby offers to enter into this Bond Purchase Agreement (the "**Purchase Agreement**") with the County of Los Angeles, California (the "**County**") and the Los Angeles Unified School District (the "**District**"), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriters. By execution of this Purchase Agreement, the County acknowledges the terms hereof and recognizes that it will be bound by certain of the provisions hereof, and to the extent binding on the County, acknowledges and agrees 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 PM, California Time, on the date hereof.

1. **Purchase and Sale of the Bonds.**

A. Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree 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 Underwriters for such purpose, all (but not less than all) of the District's [General Obligation Bonds, Series KRY (2009) (Tax-Exempt)] [General Obligation Bonds, Taxable Series KRY (2009) (Build America Bonds)] [General Obligation Bonds, Election of 2005, Taxable Series G (2009)] [General Obligation Bonds, Election of 2005, Series H (2009) Qualified School Construction Bonds (Tax Credit Bonds)] (the "**Bonds**") in an aggregate [initial] principal amount of $_____. The Bonds shall be dated their date of delivery, shall [bear [or accrete] interest at the rates] [have the tax credit rate], shall mature in the years and amounts and shall have the redemption provisions as set forth in Exhibit A hereto.

B. The Underwriters shall purchase the Bonds at a price of $_____ (which represents the aggregate principal amount of the Bonds, plus net original issue premium of $_____, less an Underwriters' discount in the amount of $_____ [and less costs of issuance with respect to the Bonds to be paid by the Underwriter pursuant to Section 14 hereof in the amount of $_____)].

C. Any authority, discretion, or other power conferred upon the Underwriters by this Purchase Agreement shall be exercised by the Representative alone.

2. **The Bonds.**

A. [The Bonds shall consist of $_____ aggregate principal amount of current interest bonds (the "**Current Interest Bonds**"), $_____ aggregate initial principal amount of capital appreciation bonds (the "**Capital Appreciation Bonds**") and $_____ aggregate initial principal amount of convertible capital appreciation bonds (the "**Convertible Capital Appreciation Bonds**"). The Bonds, shall be dated their date of delivery, shall bear or accrete interest at the rates, shall be subject to redemption prior to their maturity and shall mature on the dates and in the years shown on Exhibit A hereto, which is incorporated herein by this reference. The Current Interest Bonds shall bear interest from the date thereof and such interest shall be payable on each January 1 and July 1, commencing _____ 1, 20__. The Capital Appreciation Bonds shall accrete interest from their date, compounded semiannually on January 1 and July 1, commencing on _____ 1, 20__, and shall be paid at maturity as shown in Exhibit A hereto. The Convertible Capital Appreciation Bonds shall accrete interest from their date, compounded semiannually on January 1 and July 1, commencing on _____ 1, 20__, to the applicable conversion date thereof (the "**Conversion Date**") as shown in Exhibit A hereto. From and after the Conversion Date thereof, each Convertible Capital Appreciation Bond shall bear interest from such Conversion Date and such interest shall be payable on each January 1 and July 1, commencing on the January 1 or July 1 immediately following such Conversion Date. The stated value of each Convertible Capital Appreciation Bond at the Conversion Date thereof shall be paid at maturity as shown in Exhibit A hereto.] [The Bonds shall consist of $_____ aggregate

principal amount of current interest bonds and shall be dated their date of delivery, shall bear interest at the rates, shall be subject to redemption prior to their maturity and shall mature on the dates and in the years shown on Exhibit A hereto, which is incorporated herein by this reference. [The District shall designate the Bonds as Build America Bonds ("**Build America Bonds**") pursuant to Section 54AA(g) of the Internal Revenue Code of 1986 (the "**Code**").] The Bonds shall bear interest from the date thereof and such interest shall be payable on each January 1 and July 1, commencing _____ 1, 20__.] [The Bonds shall consist of $_____ aggregate principal amount of tax credit bonds, designated by the District as Qualified School Construction Bonds ("**Qualified School Construction Bonds**") pursuant to Section 54F(a) of the Code, and shall be dated their date of delivery, [shall bear interest at the rate,] shall have the tax credit rate (the "**Tax Credit Rate**"), shall be subject to redemption prior to their maturity and shall mature on the date and in the year shown on Exhibit A hereto, which is incorporated herein by this reference. [The Bonds shall bear interest from the date thereof and such interest shall be payable on each March 15, June 15, September 15 and December 15, commencing _____ 15, 20__.] [The Bonds will have no interest component.] Each Bond shall be comprised of a principal component (the "**Principal Component**") and a tax credit component (the "**Tax Credit Component**"), and, upon (i) the date of determination of the loss of their status as Qualified School Construction Bonds or (ii) the receipt of the Paying Agent (as defined herein) of a written notice from the District of its election to convert the Bonds to bonds that, in lieu of providing the owner thereof tax credits, bear [additional] interest at the Tax Credit Rate ("**Interest Bearing Bonds**"), all in accordance with the Tax Credits Separation Certificate, dated _____, 2009 (the "**Tax Credits Separation Certificate**"), executed by the District and the County, the Bonds shall be converted to Interest Bearing Bonds and the [additional] interest thereon (the "**Cash Interest Payments**") shall be payable on each March 15, June 15, September 15 and December 15, commencing on the March 15, June 15, September 15 or December 15 immediately following such conversion. The Bonds shall be issued in a form that, at the option of the owners of the Bonds, permits (i) the ownership of the Principal Component and the Tax Credit Component of a Qualified School Construction Bond to be separated from such Bond and evidenced by principal strip certificates (the "**Principal Strip Certificates**") and tax credit certificates (the "**Tax Credit Certificates**"); (ii) the ownership of the Principal Component and the Cash Interest Payments of an Interest Bearing Bond to be separated from such Bond and evidenced by Principal Strip Certificates and cash interest certificates (the "**Cash Interest Certificates**"); (iii) the ownership of Principal Strip Certificates and Tax Credit Certificates to be recombined into Qualified School Construction Bonds; and (iv) the ownership of Principal Strip Certificates and Cash Interest Certificates to be recombined into Interest Bearing Bonds.]

[The payment of principal or accreted value of and interest on the Bonds maturing on or after July 1, 20__ (collectively, the "**Insured Bonds**") will be secured by a municipal bond insurance policy (the "**Insurance Policy**") to be issued simultaneously with the issuance of the Bonds by _____ (the "**Bond Insurer**").]

B. The Bonds[, and the Interest Bearing Bonds,] shall be as described in, and shall be issued and secured pursuant to the provisions of (i) Section 1(b)(3) of Article XIII A of the State Constitution, Title 1, Division 1, Part 10, Chapters 1 and 1.5 of the

California Education Code, as amended and other applicable law (collectively, the "**Bond Law**"), (ii) a Resolution of the Board of Education of the District (the "**Board of Education**"), adopted on _____, 2009 which authorizes the issuance of the Bonds and certain related documents and actions (the "**District Resolution**"), and (iii) a Resolution of the Board of Supervisors of the County (the "**Board of Supervisors**"), adopted on _____, 2009, and authorizing the issuance of the Bonds on behalf of the District and certain related documents and actions (the "**County Resolution**" and together with the District Resolution, the "**Resolutions**").

C. On or before the date hereof, the Representative, on behalf of the Underwriters, delivered to Hawkins Delafield & Wood LLP, Bond Counsel ("**Bond Counsel**"), on behalf of the County, a check payable to the order of the County in the amount of _____ Dollars ($_____) as a good-faith deposit for the performance by the Underwriters of their obligations to accept and pay for the Bonds at the Closing (as defined herein) in accordance with the provisions of this Purchase Agreement. Such check shall not be cashed by the County pending the Closing except as provided below. At the Closing, the good-faith check will be returned to the Representative for cancellation. In the event the County and the District do not accept this offer, such check shall be returned to the Representative immediately. In the event of the District's inability to deliver the Bonds at the Closing, or if the District or the County is unable to satisfy the conditions to the Underwriters' obligations contained herein (unless such conditions are waived by the Underwriters), or if the Underwriters' obligations shall be terminated for any reason permitted hereby, such check or the amount thereof, without interest, shall be returned to the Representative immediately and such return shall constitute a full release and discharge of all claims by the Underwriters against the County and the District arising out of the transactions contemplated by this Purchase Agreement. In the event that the Underwriters fail (other than for a reason permitted hereby) to accept and pay for the Bonds at the Closing as herein provided, the proceeds of such check in the above amount shall be retained and applied by the County and the District in full and complete liquidated damages (and not as a penalty) for such failure and as a discharge of all damages suffered on the part of the County and the District as a result of such failure.

D. The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement, the Bond Law and the Resolutions. The Bonds shall be in definitive form, shall bear CUSIP numbers and 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**").

3. **Use of Documents.** The District and the County (as appropriate) hereby authorize the Underwriters to use, in connection with the offer and sale of the Bonds, the Resolutions, this Purchase Agreement, the Tax Credits Separation Certificate, a Preliminary Official Statement and an Official Statement (both as defined herein), and all information contained herein and therein and all of the documents, certificates or statements furnished by the District or the County to the Underwriters in connection with the transactions contemplated by this Purchase Agreement.

4. **Public Offering of the Bonds.** The Underwriters agree to make a bona fide public offering of all the Bonds at the initial public offering prices or yields as set forth in Exhibit A hereto. Subsequent to such initial public offering, the Underwriters reserve the right to change such initial public offering prices or yields as they deem necessary in connection with the marketing of the Bonds.

5. **Review of Official Statement.**

A. The Underwriters hereby represent that they have received and reviewed the official statement in preliminary form with respect to the Bonds, dated _____, 2009 (the "**Preliminary Official Statement**"). The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revisions to or additions of the initial public offering prices, interest rates, yields, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings, credit enhancement 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 ("**Rule 15c2-12**").

B. The Underwriters agree that prior to the time the final official statement (the "**Official Statement**") relating to the Bonds is available, the Underwriters will make available to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) or electronic copy posted on an accessible website not later than the next business day following the date upon which each such request is received.

C. The Underwriters agree to file the Official Statement with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system within one business day after receipt thereof from the District, but in no event later than the Closing Date (as defined below).

D. References herein to the Preliminary Official Statement and the Official Statement include the cover page through all appendices, exhibits, reports and statements included therein or attached thereto, as the same may be amended or supplemented from time to time.

6. **Closing.**

A. At 8:00 a.m., California Time, on _____, 2009, or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (the

"**Closing**," or the "**Closing Date**"), the District will direct the Treasurer and Tax Collector of the County (the "**Treasurer**"), as paying agent for the Bonds (the "**Paying Agent**"), to deliver to the account of the Representative, through the facilities of DTC in New York, New York, or at such other place as the District and the Underwriters may mutually agree upon, the Bonds duly executed and in fully registered, book-entry form, and will cause the other documents hereinafter mentioned pertaining to the Bonds to be delivered at the offices of Bond Counsel in Los Angeles, California or at such other place as shall have been mutually agreed upon by the parties hereto.

B. Upon fulfillment of all conditions to Closing herein, the Underwriters will accept such delivery and pay the purchase price thereof in immediately available funds (by check, wire transfer or such other manner of payment as the Underwriters and the Treasurer shall reasonably agree upon) to the order of the County and as provided by Section 1 hereof.

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

A. The District is a unified school district validly existing under the laws of the State of California (the "**State**"), with the power to issue the Bonds [and the Interest Bearing Bonds] pursuant to the Bond Law;

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 [and the conversion of the Bonds to Interest Bearing Bonds]; (ii) the District has full legal right, power and authority to enter into this Purchase Agreement, to execute the Tax Credits Separation Certificate and the Continuing Disclosure Certificate (as defined below), to adopt the District Resolution, to issue and to deliver the Bonds [and, upon conversion to such, the Interest Bearing Bonds], to perform its obligations under each such document or instrument (collectively, the "**District Documents**"), and to carry out and effectuate the transactions contemplated by the District Documents; (iii) the execution and delivery or adoption of, and the performance by the District of its obligations contained in, the Bonds[, the Interest Bearing Bonds] and the other District Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) each of the Bonds and the other District Documents constitutes[, and, upon conversion to such, each Interest Bearing Bond shall constitute,] a valid and legally binding obligation of the District, enforceable against the District in accordance with its terms; and (v) the District has duly authorized the consummation by it of all transactions contemplated by the District Documents;

C. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters 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. To the best knowledge of the District, the issuance of the Bonds, the execution, delivery and performance of the District Documents, and the compliance with the provisions the District Documents do not conflict with or constitute on the part of the District a violation of, or material default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject and do not conflict with or result in a violation or breach of, or constitute a material 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. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the District Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds[, the Interest Bearing Bonds] or the other District Documents or contesting the powers of the District or its authority with respect to the Bonds[, the Interest Bearing Bonds] or the other District Documents; (iii) contesting the completeness or accuracy of the Preliminary Official Statement; or (iv) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by the District Documents, (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 the interest paid on the Bonds from State personal income taxation;

F. Between the date hereof and the Closing, without the prior written consent of the Underwriters, the District will not have issued in the name of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement;

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

H. The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7(L) of this

Purchase Agreement, at the date of the delivery of the Official Statement, as amended) up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain, and up to and including the Closing will contain, no untrue statement of any material fact and do not, and up to and including the Closing will not, omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. At the time of the Closing, there shall not have been any material adverse changes in the financial condition of the District since the date of the Official Statement;

I. To assist the Underwriters in complying with Rule 15c2-12, the District will undertake, pursuant to the District Resolution and the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will be set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement, the District has never failed to comply with any prior disclosure undertakings pursuant to Rule 15c2-12;

J. Any certificates signed by any officer of the District and delivered to the Underwriters shall be deemed a representation and warranty by the District to the Underwriters, but not by the person signing the same in such person's individual capacity, as to the statements made therein;

K. Preparation and distribution of the Official Statement has been duly authorized by the District, and at the time of delivery of the Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7(L) of this Purchase Agreement, at the time of the delivery of the Official Statement, as amended) to the Underwriters and at all times subsequent thereto up to and including the Closing Date, the information contained therein [(excluding the statements and information in Appendix __ – "BOOK-ENTRY ONLY SYSTEM," any information relating to the Bond Insurer or the Insurance Policy and any information provided by the Underwriters in writing for inclusion in the Official Statement)] will be true and correct in all material respects and such information will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

L. The District agrees that if at any time before the Closing any event occurs as a result of which the Official Statement as then in effect would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, then the District shall promptly prepare or cause to be prepared and furnish (at the expense of the District) an amendment or supplement to the Official Statement that will correct such statement or omission. The District will advise the Underwriters promptly of any proposal to so amend or supplement the Official Statement and will effect such amendment or supplement in a form and manner approved by the Underwriters;

M. The audited financial statements of the District for the fiscal year ended June 30, 2008 (selected information from which is included as Appendix __ to the Official Statement) were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position and results of operation of the District for the period and at the date set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the District since the date of such financial statements, except as otherwise disclosed in the Official Statement; and

N. The District Resolution has been duly adopted, has not been modified, repealed or rescinded in any respect, and is in full force and effect.

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

A. The County has the power under the laws of the State to issue the Bonds [and the Interest Bearing Bonds] pursuant to the Bond Law;

B. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds [and the conversion of the Bonds to Interest Bearing Bonds]; (ii) the County has full legal right, power and authority to enter into this Purchase Agreement[, to execute the Tax Credits Separation Certificate], to adopt the County Resolution, to issue and deliver the Bonds to the Underwriters on behalf of the District [and, upon conversion to such, the Interest Bearing Bonds,] and to perform its obligations under each such document or instrument (collectively, the "**County Documents**"), and to carry out and effectuate the transactions contemplated by the County Documents; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in the Bonds[, the Interest Bearing Bonds] and the other County Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) each of the Bonds and the other County Documents constitutes[, and, upon conversion to such, each Interest Bearing Bonds shall constitute,] a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms; and (v) the County has duly authorized the consummation by it of all transactions contemplated by the County Documents;

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

D. To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of the County Documents and the Bonds, and the compliance with the provisions of the County Documents do not conflict with or constitute on the part of the County a violation of, or material default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject;

E. As of the time of acceptance hereof, to the best knowledge of the County, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against 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, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the County Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds[, the Interest Bearing Bonds] or the County Documents or contesting the powers of the County or its authority with respect to the Bonds[, the Interest Bearing Bonds] or the County Documents; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County or the consummation of the transactions contemplated by the County Documents or the Bonds or (b) declare the County Documents or the Bonds [or the Interest Bearing Bonds] to be invalid or unenforceable in whole or in material part;

F. Between the date hereof and the Closing, without the prior written consent of the Underwriters, 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 borrowing as may be described in or contemplated by the Official Statement; and

G. Any certificates signed by any officer of the County and delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters, but not by the person signing the same in such person's individual capacity, as to the statements made therein.

H. The County Resolution has been duly adopted, has not been modified, repealed or rescinded in any respect, and is in full force and effect.

9. **Covenants of the County and the District.** The County and the District respectively covenant and agree with the Underwriters that:

A. The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriters if and as the Underwriters may reasonably request in order to qualify the Bonds for offer and sale

under the Blue Sky or other securities laws and regulations or such states and jurisdictions, provided, however, that the District and the County shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

B. The District hereby agrees to deliver or cause to be delivered to the Underwriters, not later than the earlier of (i) the third (3rd) business day preceding the Closing Date or (ii) the seventh (7th) business day following the date this Purchase Agreement is signed, printed copies of the Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriters, the County and the District, in such reasonable quantities as may be requested by the Underwriters in order to permit the Underwriters to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the Municipal Securities Rulemaking Board;

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

D. If at any time prior to the expiration of 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12), any event known to the District or the County relating to or affecting the District, the County or the Bonds occurs which might cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the District or the County will promptly notify the Underwriters in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the reasonable opinion of Hawkins, Delafield & Wood LLP, Disclosure Counsel to the District ("**Disclosure Counsel**"), or the Underwriters, to amend or supplement the Official Statement so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and if either shall have so advised the District, the District will forthwith cooperate with the Underwriters in the prompt preparation and furnishing to the Underwriters, at the expense of the District, of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance satisfactory to the Underwriters, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The District and the County will presume that unless otherwise notified in writing by the Underwriters, the end of the underwriting period will occur on the date of delivery of the Bonds; and

E. To assist the Underwriters in complying with Rule 15c2-12 and for the benefit of the holders and beneficial owners of the Bonds, the District will undertake to

provide annual reports and notices of certain events pursuant to a continuing disclosure certificate dated the date of Closing (the "**Continuing Disclosure Certificate**").

10. **Representations, Warranties and Agreements of the Underwriters.** The Underwriters represent to and agree with the District and the County that, as of the date hereof and as of the date of Closing:

A. The Representative is duly authorized and has been duly authorized by the Underwriters, pursuant to an agreement among the Underwriters (the "**AAU**"), to execute this Purchase Agreement, to act hereunder on behalf of the Underwriters and to take all actions, and waive any condition or requirement, required or permitted to be taken or waived hereunder by the Representative or the Underwriters; and

B. Based on representations in the AAU, the Underwriters have, and have had, no financial advisory relationship (as such term is defined in California Government Code Section 53590) with the District or the County with respect to the Bonds, and no investment firm controlling, controlled by or under common control with any of the Underwriters has or has had any such financial advisory relationship (as such term is defined in California Government Code Section 53590).

11. **Division of Responsibility Between District and County.** It is specifically acknowledged and agreed by and between the District and the County that the County shall have no responsibility or liability to ensure or provide compliance with those provisions of this Purchase Agreement which are to be performed solely by the District and the District shall have no responsibility or liability to ensure or provide compliance with those provisions of this Purchase Agreement which are to be performed solely by the County.

12. **Conditions to Closing.** The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the County and the District contained herein and the performance by the District and the County of their respective obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Purchase Agreement are and shall be subject, at the option of the Underwriters, to the following further conditions at the Closing:

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 Underwriters 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 respective agreements made by them in this Purchase Agreement;

B. At the time of the Closing, (i) the District Documents and the County Documents shall be in full force and effect and the Resolutions and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; (ii) all actions under the Bond Law 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; (iii) the District and the County shall have adopted, and there shall be in full force and effect such additional resolutions, agreements, opinions and certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to [establish the status of the Bonds as [Build America Bonds][Qualified School Construction Bonds] under the Code] [establish the tax exempt character of the interest on the Bonds]), which resolutions, agreements, opinions and certificates shall be satisfactory in form and substance to Bond Counsel to the District and to the Underwriters, and there shall have been taken in connection therewith and in connection with the execution and delivery of the Bonds all such actions as shall, in the reasonable opinion of each, be necessary in connection with the transactions contemplated hereby; (iv) all actions under the Resolutions which, in the opinion of Bond Counsel to the District, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (v) the Bonds shall have been duly authorized, executed and delivered, and (vi) the District and the County shall perform or have performed all of their respective obligations required under or specified in the District Documents and the County Documents 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 County or the District, be pending (in which service of process has been completed against the County or the District) or threatened which has any of the effects described in Section 7. E. or 8. E. hereof or contests in any way the completeness or accuracy of either of the Official Statement;

D. Between the date hereof and the Closing, the market for or the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or by the legislature of 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, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, [the federal income tax consequences with respect to the income tax credits provided by the Bonds] [the federal income tax consequences or] [State tax consequences of interest on obligations of the general character of the Bonds [or, upon conversion, the Interest Bearing 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 the Interest Bearing Bonds], or obligations of the general character of the Bonds [or the Interest Bearing Bonds] [(including the related Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates)], including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) the declaration of war or engagement in major military hostilities or escalation of 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 or a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or a material disruption in commercial banking or securities settlement or clearance services shall have occurred;

(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 the Interest Bearing Bonds], or obligations of the general character of the Bonds [or the Interest Bearing Bonds], or securities generally, or the material increase of any such restrictions now in force;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency 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 Interest Bearing Bonds] [(including the related Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates)], or the issuance, offering or sale of the Bonds [or the Interest Bearing Bonds] [(including the related Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates)], 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 or any proceeding shall have been commenced, against the District or the County, in connection with Bonds or obligations of the general character of the Bonds of the District or the County, by the Securities and Exchange Commission or other governmental agency having jurisdiction over the issue, offering or sale thereof;

(6) any rating of the Bonds or other debt obligations of the District [or the Bond Insurer] has been downgraded, suspended or withdrawn by a national rating service or a negative qualification (e.g., "credit watch" or "negative outlook" designation) or other announcement made by a national rating service that the Bonds or other debt obligations of the District [or the Bond Insurer] are under review without indication of a potentially favorable result, which, in the reasonable opinion of the Representative, materially adversely affects the marketability or market price of the Bonds;

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

(8) [except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the District].

E. At or prior to the date of the Closing, the Underwriters shall have received the following documents, in each case dated as of the Closing Date unless otherwise specified herein and satisfactory in form and substance to the Underwriters:

(1) The approving opinion of Bond Counsel with respect to the Bonds[, Interest Bearing Bonds, related Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates and Tax Credits Separation Certificate], dated the Closing Date and addressed to the District, substantially in the form attached as Appendix __ to the Preliminary Official Statement, and the opinion of Sidley Austin LLP, Special Tax Counsel ("**Special Tax Counsel**"), with respect to the Bonds, dated the Closing Date and addressed to the District, substantially in the form attached as Appendix __ to the Preliminary Official Statement;

(2) A reliance letter from Bond Counsel to the effect that the Underwriters may rely upon the approving opinion of Bond Counsel described in E. (1) above and a reliance letter from Special Tax Counsel to the effect that the Underwriters may rely upon the opinion of Special Tax Counsel described in E. (1) above;

(3) A supplemental opinion of Bond Counsel in a form acceptable to the Underwriters, dated the Closing Date and addressed to the Underwriters, to the effect that:

(i) this Purchase Agreement and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto, if any, constitute valid and binding obligations of the

District, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles (regardless of whether such enforceability is considered in equity or at law), to the exercise of judicial discretion in appropriate cases and the limitation on legal remedies against school districts in the State;

(ii) the statements contained in the Official Statement in the sections entitled: ["INTRODUCTION – Authority and Purpose for Issuance of the [Tax Credit] Bonds," "– Security and Sources of Payment for the [Tax Credit] Bonds," and ["– Description of the Tax Credit Bonds"]; "PLAN OF FINANCE – [Measure K _____," "– Measure R _____" and "– Measure Y _____"]; "THE [TAX CREDIT] BONDS – General Provisions," ["– Tax Credit Stripping Permitted,"] ["– Interest and Accreted Value on the Bonds,"] "– Redemption of the [Tax Credit] Bonds" and "– Defeasance"; "SECURITY AND SOURCES OF PAYMENT FOR THE [TAX CREDIT] BONDS – General Description"; ["LEGAL MATTERS –Legality for Investment in the State"]; and "APPENDIX __ – PROPOSED FORM OF OPINION OF BOND COUNSEL"] insofar as such statements purport to expressly summarize certain provisions of the Resolutions, the Bonds and the opinion of Bond Counsel with respect to the Bonds present a fair and accurate summary of such matters and opinions;

(iii) the Bonds[and the Interest Bearing Bonds, including the related Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates,] are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended[; provided that no opinion need be expressed with respect to the Insurance Policy];

(4) One or more supplemental opinions of Special Tax Counsel in a form or forms acceptable to the Underwriters, dated the Closing Date and addressed to the Underwriters, to the effect that the statements contained on the cover and in the Official Statement in the sections entitled: "INTRODUCTION – Tax Matters" [and "– The Tax Credit Program"]; "TAX MATTERS [RELATING TO THE TAX-EXEMPT NEW MONEY BONDS AND THE REFUNDING BONDS]"; and "APPENDIX __ – PROPOSED FORM OF OPINION OF SPECIAL TAX COUNSEL" insofar as such statements purport to expressly summarize certain provisions of the opinion of Special Tax Counsel with respect to the Bonds present a fair and accurate summary of such opinion; and

(5) A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement, [the

Tax Credits Separation Certificate,] the Official Statement and the Continuing Disclosure Certificate, (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 Documents to be complied with by the District prior to or concurrently with the Closing and the District Documents are in full force and effect, (iv) no litigation is pending (with service of process having been accomplished) or, to the best of the District's knowledge, threatened (either in state or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, [the Interest Bearing Bonds, the Tax Credits Separation Certificate,] the Official Statement, the Continuing Disclosure Certificate or this Purchase Agreement, or (C) in any way contesting the existence or powers of the District; (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (vi) each of the conditions listed in Section 12 of this Purchase Agreement required to be satisfied by the District has been satisfied on the date thereof and the District is not aware of any other condition of this Purchase Agreement that has not been satisfied on the date thereof, and (vii) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolutions, [the Tax Credits Separation Certificate,] the Official Statement and this Purchase Agreement;

(6) [The Tax Credits Separation Certificate signed by an appropriate official of the District and by an appropriate official of the County and in form and substance reasonably satisfactory to the Underwriters;]

(7) The Continuing Disclosure Certificate signed by an appropriate official of the District and in form and substance reasonably satisfactory to the Underwriters;

(8) A certificate signed by an appropriate official of the County to the effect that (i) such official is authorized to execute and to approve 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 complied with all the terms of the County Documents to be complied with by the County prior to or concurrently with the Closing, (iv) to the best of the County's knowledge, no litigation is pending (with service of process having been accomplished) or threatened (either in state or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds[, the Interest Bearing Bonds, the Tax Credits Separation Certificate,] or this Purchase Agreement, or (C) in any way contesting the existence or powers of the County, (v) such official has reviewed "APPENDIX __

– LOS ANGELES COUNTY TREASURY POOL" to the Official Statement and on such basis certifies that "APPENDIX __ – LOS ANGELES COUNTY TREASURY POOL" to the Official Statement does not contain any untrue statements of a material fact or omit to state a material fact concerning the County required to be stated therein or necessary to make the statements concerning the County therein, in light of the circumstances in which they were made, not misleading, (vi) each of the conditions listed in Section 12 of this Purchase Agreement required to be satisfied by the County has been satisfied on the date thereof and the County is not aware of any other condition of this Purchase Agreement that has not been satisfied on the date thereof, and (vii) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution and this Purchase Agreement;

(9) A certificate of the Paying Agent, or its agent, as applicable, dated the date of the Closing, signed by a duly authorized officer of the Paying Agent, or its agent, as applicable, and in form and substance satisfactory to the Underwriters;

(10) A tax certificate of the District in form satisfactory to Bond Counsel with respect to the Bonds;

(11) [Evidence satisfactory to the Underwriters of the formal election by the District to designated the Bonds [as Build America Bonds pursuant to Section 54AA of the Code] [as Qualified School Construction Bonds pursuant to Section 54F of the Code]];

(12) Evidence satisfactory to the Underwriters that the Insured Bonds shall have been rated "____" by Standard & Poor's Ratings Services and "___" by Moody's Investors Service (or such other equivalent rating as such rating agencies may give) and that the uninsured ratings on the Bonds shall have been rated "___" by Standard & Poor's Ratings Services and "___" by Moody's Investors Service (or such other ratings as such rating agencies may assign so long as such rating is in the investment grade category of each rating agency) and that such ratings have not been revoked or downgraded;

(13) The opinion of General Counsel to the District, addressed to the District, the County and the Underwriters, dated the Closing Date, to the effect that:

(i) the District is a unified school district validly existing under the Constitution and the laws of the State;

(ii) the District has the full right and lawful authority to enter into and perform its duties and obligations under the District Documents and to authorize the sale of the Bonds;

(iii) 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 such counsel's knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement or the due adoption of the District Resolution, and there is no breach or default by the District under any other instruments which is caused by the issuance of the Bonds or the execution and delivery of this Purchase Agreement or the Continuing Disclosure Certificate;

(iv) General Counsel to the District is not representing the District in connection with any litigation of any nature to restrain or enjoin the execution, delivery or performance of the District Documents, the Bonds or any of the proceedings taken with respect to the issuance of the Bonds, the application of monies to the payment of the Bonds or in any manner questioning the proceedings and authority under which the Bonds were authorized or challenging the validity of the Bonds, the existence or boundaries of the District or the title of the officials of the District who have acted with respect to the proceedings for the issuance of the Bonds on behalf of the District to their respective offices;

(v) the Official Statement has been duly approved by the District; and

(vi) [the information contained in the Official Statement does not as of the date thereof and as of the Closing Date contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein pertaining to the District, in light of the circumstances under which they were made, not misleading;]

(14) The opinion of County Counsel for the County ("**County Counsel**"), as counsel to the Board of Supervisors, addressed to the County, the District and the Underwriters, dated the Closing Date, to the effect that:

(i) the County is a political subdivision of the State, duly organized and validly existing under the Constitution and the laws of the State;

(ii) the County Resolution approving and authorizing the execution and delivery of this Purchase Agreement [and the Tax Credits Separation Certificate] and the sale and issuance of the Bonds was duly adopted at a meeting of the Board of Supervisors, 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, and the County Resolution has not been modified, amended, rescinded or revoked and is in full force and effect on the date thereof;

(iii) to the best knowledge of County Counsel, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public authority or body, pending or threatened against the County in which service of process has been completed (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 offices; (b) seeking to prohibit, restrain or enjoin the execution, delivery or performance of this Purchase Agreement [or the Tax Credits Separation Certificate] or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds[, the Interest Bearing Bonds] or the County Documents; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Documents; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds [or the Interest Bearing Bonds], or the application thereof to such payment; and

(iv) this Purchase Agreement [and the Tax Credits Separation Certificate] [has][have] 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, this Purchase Agreement [and the Tax Credits Separation Certificate] constitute[s] the legal, valid and binding obligations of the County enforceable against the County in accordance with [its][their] terms.

provided that any County Counsel opinions regarding the enforcement of the County Documents and the Bonds may be expressly limited by the effect of 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;

(15) The opinion of Orrick, Herrington & Sutcliffe LLP, counsel for the Underwriters ("**Underwriters' Counsel**"), dated the date of Closing and addressed to the Underwriters, satisfactory in form and substance to the Underwriters;

(16) The opinion of Disclosure Counsel substantially in the form attached hereto as Exhibit B, subject to the satisfaction of the Underwriters, dated the date of Closing and addressed to the District and a reliance letter from Disclosure Counsel addressed to the Underwriters to the effect that the Underwriters may rely upon the opinion of Disclosure Counsel;

(17) A certificate, together with a fully executed copy of the District Resolution, of the Executive Officer of the Board of Education to the effect that:

(i) such copy is a true and correct copy of such 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;

(18) An original or copy of the County Resolution, certified by the Executive Officer - Clerk of the Board of Supervisors;

(19) A certificate of the appropriate official of the District evidencing the District's determination respecting the Preliminary Official Statement in accordance with Rule 15c2-12

(20) [The Insurance Policy;]

(21) [A certificate of the Bond Insurer in form and substance satisfactory to Bond Counsel, County Counsel and the Underwriters;]

(22) [An opinion of counsel to the Bond Insurer addressed to the District, the County and the Underwriters in form and substance satisfactory to Bond Counsel, County Counsel and the Underwriters;]

(23) A transcript of all proceedings relating to the authorization, issuance and delivery of the Bonds; and

(24) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters may reasonably request to evidence compliance (i) by the County, the District and the Paying Agent (and its agent, if applicable) with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained, and (iii) the due performance or satisfaction by the County, the District and the Paying Agent (and its agent, if applicable) at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by them.

If the County and/or the District shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Underwriters 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 electronic communication, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative in writing at its sole discretion.

13. **Conditions to Obligations of the County and the District.** The performance by the County and the District of their obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder; and (ii) receipt by the District and the Underwriters

of opinions and certificates being delivered at the Closing by persons and entities other than the County and the District.

14. **Expenses.**

A. The Underwriters shall be under no obligation to pay any expenses incident to, or in connection with, the offering, issuance, delivery and sale of the Bonds, including, but not limited to: (i) the costs of the preparation and reproduction of the Resolutions; (ii) the fees and disbursements of Bond Counsel, Special Tax Counsel, Disclosure Counsel and Underwriters' Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees for Bond ratings, including all necessary expenses for travel outside of California; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement, or any supplement or amendment thereto; (vi) the initial fees of the Paying Agent; (vii) [the premium for the Insurance Policy;] and (viii) all other fees and expenses incident to the issuance and sale of the Bonds or the performance of its obligations hereunder The aforesaid costs and expenses shall be paid out of the proceeds of the Bonds or, if the Bonds are not delivered to the Underwriters by the District, shall be paid by the District.

B. The Underwriters shall pay all its expenses incurred in connection with the offering and distribution of the Bonds, including California Debt and Investment Advisory Commission fees, CUSIP Service Bureau registration fees, Municipal Securities Rulemaking Board fees, expenses for travel and other expenses of the Underwriters, provided, however, that (i) the District shall pay for expenses incurred on behalf of the District employees in connection with implementing this Purchase Agreement, including, but not limited to, meals, transportation, and lodging, and (ii) if: (A) the Bonds are not delivered to the Underwriters by the District (unless such delivery is prevented by the Underwriters' default under this Purchase Agreement, in which case the Underwriters shall pay such costs and expenses); (B) the District is unable to satisfy the conditions in Section 12: or (C) the District is unable to fulfill their obligations set forth in this Purchase Agreement, the District shall reimburse the Underwriters for all of the foregoing expenses.

15. **Terms and Conditions of Bonds.** By executing this Purchase Agreement, the Treasurer is exercising the authority granted to him under the County Resolution to determine the terms of the Bonds (which terms are set forth in Exhibit A hereto).

16. **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 of the County of Los Angeles at 437 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012; if to the District, to the Chief Financial Officer of the Los Angeles Unified School District, 333 S. Beaudry Avenue, 26th Floor, Los Angeles, California 90017, or if to the Underwriters, to _____, _____, _____, _____, _____, California _____.

17. **Severability.** In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

18. **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 Underwriters with respect to the Bonds. This Purchase Agreement is made solely for the benefit of the County, the District and the Underwriters (including the successors or assigns of the Underwriters). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the County and the District in this Purchase Agreement shall survive, unless waived by the Underwriters, regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery of and payment by the Underwriters for the Bonds hereunder and (c) any termination of this Purchase Agreement.

19. **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 this page intentionally left blank]

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

Very truly yours,

_____, on its own behalf and
as representative of _____

By:_____
_____, as Representative

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

COUNTY OF LOS ANGELES

By: _____
Treasurer and Tax Collector

Approved as to form:

ROBERT E. KALUNIAN
Acting County Counsel

By: _____
Principal Deputy County Counsel

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Chief Financial Officer

[EXHIBIT A]

MATURITY SCHEDULES AND REDEMPTION PROVISIONS

$_____
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds
Series KRY (2009)
(Tax-Exempt)

$_____
Current Interest Bonds

$_____ Serial Bonds

Maturity (July 1)	Principal Amount	Interest Rate	Price or Yield

_____
C – Yield to first optional call.

$_____ _____% Term Bonds due July 1, 20__ – Price or Yield _____%

$_____
Capital Appreciation Bonds

Maturity (July 1)	Initial Principal Amount	Accretion Rate	Maturity Value	Reoffering Yield

$_____

Convertible Capital Appreciation Bonds

Maturity (July 1)	Initial Principal Amount	Accretion Rate to (but excluding) Conversion Date	Conversion Date	Interest Rate from and after Conversion Date	Stated Value at Conversion Date	Reoffering Yield

REDEMPTION PROVISIONS

[EXHIBIT A]

MATURITY SCHEDULE AND REDEMPTION PROVISIONS

$_____

LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds
Taxable Series KRY (2009)
(Build America Bonds)

$_____ Serial Bonds

Maturity (July 1)	Principal Amount	Interest Rate	Price or Yield

_____
C – Yield to first optional call.

$_____ _____% Term Bonds due July 1, 20__ – Price or Yield _____%

REDEMPTION PROVISIONS

[EXHIBIT A]

MATURITY SCHEDULE AND REDEMPTION PROVISIONS

$_____
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds
Election of 2005, Taxable Series G (2009)

$_____ Serial Bonds

Maturity (July 1)	Principal Amount	Interest Rate	Price or Yield

_____
C – Yield to first optional call.

$_____ _____% Term Bonds due July 1, 20__ – Price or Yield _____%

REDEMPTION PROVISIONS

[EXHIBIT A]

MATURITY SCHEDULE AND REDEMPTION PROVISIONS

$_____
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds
Election of 2005, Series H (2009)
Qualified School Construction Bonds
(Tax Credit Bonds)

Maturity Date (September 15)	Principal Amount	Tax Credit Rate	[Interest Rate]	Price or Yield

REDEMPTION PROVISIONS

EXHIBIT B

FORM OF OPINION OF DISCLOSURE COUNSEL

TAX CREDITS SEPARATION CERTIFICATE

This Tax Credits Separation Certificate dated [October 15, 2009] (the "Tax Credits Separation Certificate") is executed and delivered by the Los Angeles Unified School District (the "District") and the County of Los Angeles (the "County") in connection with the issuance of the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) as defined in Section 54F of the herein referenced Code (the "Qualified School Construction Bonds"). The Qualified School Construction Bonds are being issued pursuant to a resolution adopted by the Board of Supervisors of the County on _____, 2009 (the "County Resolution"), at the request of the Board of Education of the District by its resolution adopted on _____, 2009 (the "District Resolution" and, together with the County Resolutions, the "Resolutions"). The District and the County covenant and agree as follows:

Section 1. **Purpose of the Tax Credits Separation Certificate.** The County and the District have caused the Qualified School Construction Bonds to be issued in a form that permits the separation, under the Tax Credit Program (herein defined), of the ownership of the Principal Component (herein defined) of the Qualified School Construction Bonds from the entitlement of the Owner thereof to the related Tax Credits (herein defined). This Tax Credits Separation Certificate provides for the terms and conditions pursuant to which: (i) the ownership of the Principal Component (herein defined) of a Qualified School Construction Bond may be separated from the ownership of the related Tax Credit Certificates (herein defined); (ii) the ownership of the Principal Component of an Interest Bearing Bond (herein defined) may be separated from the ownership of the related Cash Interest Certificates (herein defined); (iii) the ownership of Principal Strip Certificates and Tax Credit Certificates may be recombined into Qualified School Construction Bonds; (iv) the ownership of Principal Strip Certificates and Cash Interest Certificates may be recombined into Interest Bearing Bonds and (v) Qualified School Construction Bonds may be converted into Interest Bearing Bonds.

Section 2. **Definitions.** In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Tax Credits Separation Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Accountable Event of Loss of Qualified School Construction Bond Status" means (i) any act or any failure to act on the part of the District constituting a breach of a covenant or agreement of the District contained in the Resolutions or the Tax Certificate which causes the Qualified School Construction Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds, or (ii) the making by the District of any representation contained in the Resolutions or the Tax Certificate which was untrue when made and the untruth of which representation at such time causes the Qualified School Construction Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds.

"Authorized Denomination" means (i) with respect to Qualified School Construction Bonds and Principal Strip Certificates thereof, $40,000 or any integral multiple thereof; (ii) with respect to Interest Bearing Bonds prior to any separation of Cash Interest Certificates from the Principal Component thereof, $5,000 or any integral multiple thereof; (iii) with respect to

Interest Bearing Bonds and the Principal Strip Certificates thereof subsequent to any separation of the Cash Interest Certificates from the Principal Component thereof, $40,000 or any integral multiple thereof; (iii) with respect to Tax Credit Certificates and Cash Interest Certificates for any single Tax Credit Allowance Date, $_____, which is an amount equal to $40,000 times the Tax Credit Rate, divided by four (4), or any integral multiple thereof, except that the Authorized Denomination for Tax Credit Certificates or Cash Interest Certificates with respect to the first Tax Credit Allowance Date shall be $_____.

"Bond Proceeds" means the proceeds from the sale of the Qualified School Construction Bonds, exclusive of any premium and accrued interest received, deposited in the County treasury and credited to the building fund of the District.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated [September 29, 2009] by and among the County, the District and the Goldman, Sachs & Co., as representative of the underwriters named therein relating to the Qualified School Construction Bonds.

"Book-Entry Bonds" means the Qualified School Construction Bonds registered in the name of the nominee of DTC, or any successor securities depository for the Qualified School Construction Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 15 of this Tax Credits Separation Certificate.

"Cash Interest Certificates" means the certificates evidencing interest payment entitlement with respect to any Qualified School Construction Bond, executed and delivered in accordance with the Resolutions and Section 6 of this Tax Credits Separation Certificate, from and after a Tax Credit Conversion Date, which certificates evidence the entitlement of the owner thereof to cash interest payment or payments with respect to any Qualified School Construction Bond, the cash interest payments (if an Interest Bearing Bond) related to which have been separated therefrom pursuant to the Resolutions and the Tax Credits Separation Certificate. The maximum face amount of Cash Interest Certificates with respect to any single interest payment date shall not exceed $_____ (being the maximum principal amount of any Interest Bearing Bonds, or $_____, multiplied by the Tax Credit Rate, divided by four (4)).

"Code" means the Internal Revenue Code of 1986, as amended.

"Date of Determination of Loss of Qualified School Construction Bond Status" means the date on which the Internal Revenue Service or a court of competent jurisdiction has issued to the District a Determination of Loss of Qualified School Construction Bond Status.

"Date of Loss of Qualified School Construction Bond Status" means the date specified in a Determination of Loss of Qualified School Construction Bond Status as the date from and after which the Qualified School Construction Bonds lost their status, or failed to qualify, as Qualified School Construction Bonds as a result of an Accountable Event of Loss of Qualified School Construction Bond Status, which date could be as early as the date of initial issuance and delivery of the Qualified School Construction Bonds.

"Determination of Loss of Qualified School Construction Bond Status" means (i) a final determination by the IRS (after the District has exhausted or waived all administrative appeal remedies) determining that an Accountable Event of Loss of Qualified School Construction

Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status and the amount of Qualified School Construction Bonds that are subject to the Accountable Event of Loss of Qualified School Construction Bond Status, or (ii) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status.

"DTC" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Qualified School Construction Bonds, including any such successor appointed pursuant to Section 15 hereof.

"DTC Participant" means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

"Interest Bearing Bonds" means the Qualified School Construction Bonds from and after the Tax Credit Conversion Date, if any.

"IRS" means the Internal Revenue Service of the United States Department of the Treasury.

"Office of the Paying Agent" means the principal corporate trust office of the Paying Agent in Los Angeles, California, or such other office as may be specified to the County and the District by the Paying Agent in writing.

"Owner" means (i) with respect to a Qualified School Construction Bond, the Person in whose name such Bond is registered on the Registration Books and (ii) with respect to any Principal Strip Certificate, Tax Credit Certificate, or Cash Interest Certificate, the Person in whose name such Principal Strip Certificate, Tax Credit Certificate, or Cash Interest Certificate shall be registered on the Registration Books.

"Paying Agent" shall mean the County Treasurer or any bank, trust company, national banking association or other financial institution appointed as authenticating agent, bond registrar, transfer agent and paying agent for the Bonds in the manner provided in the County Resolution.

"Person" means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Principal Component" means any principal payment with respect to any Qualified School Construction Bond or Interest Bearing Bond, as applicable, the Tax Credits and/or cash interest payments related to which have been separated therefrom pursuant to the Resolutions and this Tax Credits Separation Certificate.

"Principal Strip Certificates" means certificates evidencing principal component entitlement related to any Qualified School Construction Bonds, executed and delivered by the District and the County in accordance with the Resolutions and this Tax Credits Separation

Certificate, which certificates evidence the entitlement of the Owner thereof to the Principal Component with respect to any Qualified School Construction Bond, the Tax Credits or cash interest payments related to which have been separated therefrom pursuant to the Resolutions and this Tax Credits Separation Certificate.

"Prior Tax Credit Allowance Date" means the Tax Credit Allowance Date immediately preceding a Date of Determination of Loss of Qualified School Construction Bond Status.

"Registration Books" means the books of the District for the registration and transfer of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates kept by the Paying Agent in accordance with Section 13 of this Tax Credits Separation Certificate.

"Supplemental Coupon" means the interest, if any, which the Qualified School Construction Bonds bear (at the Supplemental Coupon Rate) at the time of the issuance thereof.

"Supplemental Coupon Rate" __ percent (__%) per annum.

"Tax Certificate" means the Tax Certificate executed and delivered by the District in connection with the issuance of the Qualified School Construction Bonds.

"Tax Credit" means the entitlement, pursuant to the Tax Credit Program, of a taxpayer to recognize a credit against the tax imposed by Chapter 1 of the Code.

"Tax Credit Allowance Date" means, with respect to Qualified School Construction Bonds, each March 15, June 15, September 15 and December 15 of each year and the maturity date of such Qualified School Construction Bonds, beginning on [_____, 20__] and ending on the maturity date thereof. Subsequent to a Tax Credit Conversion Date, if any, the term "Tax Credit Allowance Date" shall mean, with respect to Interest Bearing Bonds and Cash Interest Certificates, each March 15, June 15, September 15 and December 15 of each year beginning on the March 15, June 15, September 15 or December 15 immediately following such Tax Credit Conversion Date.

"Tax Credit Certificates" means the certificates evidencing tax credit entitlement related to the Qualified School Construction Bonds, executed and delivered in accordance with the Resolutions and this Tax Credits Separation Certificate, which certificates evidence the entitlement of the Owner thereof to the Tax Credits with respect to any Qualified School Construction Bond, the Principal Components related to which have been separated therefrom pursuant to this Tax Credits Separation Certificate. The maximum [face amount] of Tax Credit Certificates with respect to any single Tax Credit Allowance Date shall not exceed $_____ (being the maximum principal amount of the Qualified School Construction Bonds, or $_____, multiplied by the Tax Credit Rate, divided by four (4)).

"Tax Credit Conversion Date" means (i) the Date of Determination of Loss of Qualified School Construction Bond Status, or (ii) the date that the Paying Agent receives written notice from the District of its election to convert the Qualified School Construction Bonds to Interest Bearing Bonds as provided in Section 6 of this Tax Credit Separation Certificate.

"Tax Credit Program" means the program for allocating Tax Credits and authorizing the issuance of qualified school construction bonds promulgated under Sections 54A and 54F of the Code.

"Tax Credit Rate" means the Tax Credit Rate for the Qualified School Construction Bonds established by the United States Department of Treasury set forth in Section 3 of this Tax Credits Separation Certificate.

Section 3. **Tax Credit Rate for the Qualified School Construction Bonds**. The Tax Credit Rate for the Qualified School Construction Bonds shall be ____%. Except as otherwise provided in Section 6 of this Tax Credits Separation Certificate, the Owner of a Qualified School Construction Bond on each Tax Credit Allowance Date, or the Owner of the applicable Tax Credit Certificate stripped from such Qualified School Construction Bond pursuant to Section 4 hereof shall be entitled to claim a Tax Credit on such Tax Credit Allowance Date in an amount equal to the one-fourth (1/4) of the product of: (i) principal amount of such Qualified School Construction Bond, times (ii) the Tax Credit Rate for the Qualified School Construction Bonds. The amount of any Tax Credit for the first Tax Credit Allowance Date shall be pro rated by the number of days from the date of initial issuance and delivery to the first Tax Credit Allowance Date in accordance with the Code. A similar rule or pro ration shall apply upon the redemption or the maturity, if applicable, of the Qualified School Construction Bonds.

Section 4. **Stripping of Tax Credits**. (a) Pursuant to the Resolutions and this Tax Credits Separation Certificate, the District and the County have caused the Qualified School Construction Bonds to be issued in a form that permits the separation, under the Tax Credit Program, of the ownership of the Principal Component of a Qualified School Construction Bond from the entitlement of the Owner thereof to the related Tax Credits. At any time, by written request to the Paying Agent in the form attached hereto as Attachment I-A, the Owner of a Qualified School Construction Bond may, upon presentation of such Qualified School Construction Bond, direct the Paying Agent to authenticate and deliver: (i) Principal Strip Certificates in a face amount equal to the principal amount of the Qualified School Construction Bonds to be so separated and (ii) Tax Credit Certificates representing the entitlement to the allocable Tax Credits with respect to such Qualified School Construction Bonds. The form of such Tax Credit strip request may be modified or amended in the sole discretion of the Paying Agent, upon consultation with the District and the County.

(b) Upon the receipt of a request and the presentation pursuant to subsection (a) of this Section, the Paying Agent shall: (i) authenticate and deliver to or upon the order of the Owner so requesting, Principal Strip Certificates in a face amount equal to the principal amount of the related Qualified School Construction Bond so surrendered; (ii) authenticate and deliver to or upon the order of the Owner so requesting, Tax Credit Certificates for each remaining Tax Credit Allowance Date in accordance with this Tax Credits Separation Certificate, in a face amount equal to the principal amount of the related Qualified School Construction Bond so surrendered, multiplied by the Tax Credit Rate, and divided by four (4); and (iii) contemporaneously with the delivery thereof, reduce, by the amount so converted the number of stripped Qualified School Construction Bonds that have not been stripped.

(c) The Principal Strip Certificates shall be executed and delivered as fully registered Principal Strip Certificates, in face amounts corresponding to Authorized Denominations and in an aggregate face amount equal to the principal amount of the related Qualified School Construction Bonds so surrendered.

(d) The Tax Credit Certificates shall be executed and delivered as fully registered Tax Credit Certificates, in [face amounts] corresponding to Authorized Denominations and in an aggregate [face amount] equal to the principal amount of the related Qualified School Construction Bonds so surrendered, multiplied by the Tax Credit Rate, and divided by four (4).

(e) Notwithstanding the separation, if any, of the ownership of the Principal Component of a Qualified School Construction Bond from the entitlement of the Owner thereof to the related Tax Credits, the previously combined Qualified School Construction Bond shall remain outstanding and the ownership of Principal Strip Certificates evidencing the rights to the related Principal Components and any Supplemental Coupon related thereto and the ownership of the Tax Credit Certificates evidencing the rights to such Tax Credits related thereto shall constitute such outstanding Qualified School Construction Bond and the ownership of Principal Strip Certificates evidencing the rights to the related Principal Components and the ownership of the Cash Interest Certificates related thereto shall be treated as one and the same with such outstanding Qualified School Construction Bond.

(f) Upon the separation, if any, of the ownership of the Principal Component of a Qualified School Construction Bond or an Interest Bearing Bond from the entitlement of the Owner thereof to the related Tax Credits or cash interest payments, as applicable, the Owner of the Principal Strip Certificate related thereto shall be entitled to the Supplemental Coupon, if any, related to such Qualified School Construction Bond or Interest Bearing Bond, as applicable.

Section 5. **Recombining Principal Components and Tax Credits**. (a) Pursuant to the Resolutions and this Tax Credits Separation Certificate, the District and the County have caused the Qualified School Construction Bonds to be issued in a form that permits the recombination of Principal Strip Certificates and Tax Credit Certificates into unstripped Qualified School Construction Bonds. At any time, by written request to the Paying Agent in the form attached hereto as Attachment I-C, the Owner of (i) a Principal Strip Certificate and (ii) sufficient Tax Credit Certificates having Tax Credit Allowance Dates corresponding to each and every Tax Credit Allowance Date that would remain with respect to a Qualified School Construction Bond, and having a [face amount] with respect to each such Tax Credit Allowance Date equal to the Tax Credits that would be related to a Qualified School Construction Bond with a principal amount equal to the Principal Strip Certificates to be recombined, may, upon presentation of such Principal Strip Certificate and Tax Credit Certificates, direct the Paying Agent to authenticate and deliver (1) a Qualified School Construction Bond in a principal amount equal to the face amount of the Principal Strip Certificates to be so converted, and (2) reducing, by the amount so converted, the number of Principal Strip Certificates and Tax Credit Certificates. The form of such recombination request may be modified or amended in the sole discretion of the Payment Agent, upon consultation with the District and the County.

(b) Upon the receipt of a request and the presentation pursuant to subsection (a) of this Section, the Paying Agent shall authenticate and deliver an unstripped Qualified School

Construction Bond in a principal amount equal to the face amount of the Principal Strip Certificates to be so converted and reduce, by the amount so converted, the number of separate Principal Strip Certificates and Tax Credit Certificates. Upon the recombination, if any, of a Qualified School Construction Bond, the Qualified School Construction Bond shall be delivered by the Paying Agent as a fully registered Qualified School Construction Bond, in a face amount corresponding to Authorized Denominations with the CUSIP number for the original combined Qualified School Construction Bond; provided, however, that the Paying Agent may request a new CUSIP number that is distinct from the CUSIP number for the original combined Qualified School Construction Bond.

Section 6. Conversion of Qualified School Construction Bonds into Interest Bearing Bonds; Conversion of Tax Credit Certificates into Cash Interest Certificates; Disallowed Tax Credits. (a) Upon (i) the Date of Determination of Loss of Qualified School Construction Bond Status, or (ii) the receipt by the Paying Agent of a written notice from the District of its election to convert the Qualified School Construction Bonds to Interest Bearing Bonds, the Qualified School Construction Bonds shall be converted into Interest Bearing Bonds requiring the District to make cash payments of interest thereon to the Owners thereof as provided in this Section 6. If the Qualified School Construction Bonds are converted into Interest Bearing Bonds as provided in the preceding sentence, from and after the Prior Tax Credit Allowance Date, the Qualified School Construction Bonds shall (1) automatically be converted into Interest Bearing Bonds without the need for any further action or proceeding by the District or the Paying Agent or exchange, by the Owners thereof, of the Qualified School Construction Bonds for Interest Bearing Bonds, (2) be Interest Bearing Bonds for all purposes of the Resolutions and this Tax Credits Separation Certificate, (3) cease to be Qualified School Construction Bonds under Section 54F of the Code; and (4) the Owner of the Principal Strip Certificate related thereto shall be entitled to the Supplemental Coupon, if any, related to such Qualified School Construction Bond or Interest Bearing Bond, as applicable.

(b) In the event the Qualified School Construction Bonds cease to be Qualified School Construction Bonds under Section 54F of the Code pursuant to subsection (a) of this Section, the Qualified School Construction Bonds shall, in addition to any Supplemental Coupon, bear interest from the Prior Tax Credit Allowance Date (with appropriate adjustment for any Tax Credits that in fact will be allowed to the Owner by the IRS subsequent to such Prior Tax Credit Allowance Date) to maturity at an interest rate per annum equal to the Tax Credit Rate, payable quarterly on each Tax Credit Allowance Date commencing on the January 15 following the next succeeding August 1 after a Determination of Loss of Qualified School Construction Bond Status or the date that the Paying Agent receives written notice from the District of its election to convert the Qualified School Construction Bonds to Interest Bearing Bonds.

(c) Upon a conversion of the Qualified School Construction Bonds into Interest Bearing Bonds in accordance with this Section 6, the Paying Agent shall send a written notice to the Owners of the Qualified School Construction Bonds, Principal Strip Certificates and Tax Credit Certificates, stating that (i) as of the Tax Credit Conversion Date, the Qualified School Construction Bonds have been converted into Interest Bearing Bonds for all purposes of the Resolutions and this Tax Credit Separation Certificate, and (ii) such Owners are required to deliver their Qualified School Construction Bonds and Tax Credit Certificates to the Paying

Agent in exchange for an Interest Bearing Bond or Bonds and Cash Interest Certificates in Authorized Denominations in the same respective face amount as the Qualified School Construction Bond or Bonds and Tax Credit Certificates so delivered by such Owners. Upon the conversion of the Qualified School Construction Bonds into Interest Bearing Bonds and Tax Credit Certificates into Cash Interest Certificates, the District and the County shall execute, and the Paying Agent shall authenticate and deliver, to the Owners of the Qualified School Construction Bonds and Tax Credit Certificates entitled thereto, fully registered Interest Bearing Bonds and Cash Interest Certificates in substantially the forms authorized in the County Resolution.

(d) In addition, in the event that any Tax Credits that have been recognized prior to the Date of Determination of Loss of Qualified School Construction Bond Status are determined to be ineligible as Tax Credits as a result of the Determination of Loss of Qualified School Construction Bond Status, the District shall pay to the Owners (as of the applicable Tax Credit Allowance Dates for such disallowed Tax Credits) of the Qualified School Construction Bonds or Tax Credit Certificates, as appropriate, an amount equal to the amount of such disallowed Tax Credits, plus interest thereon from the applicable Tax Credit Allowance Date to the date of payment, compounded quarterly at the rates equal to the large corporate underpayment rates determined from time to time by the IRS during such interest compounding period to be paid on or before the January 15th following the next succeeding August 1 after the Date of Determination of Loss of Qualified School Construction Bond Status.

(e) Upon a conversion of the Qualified School Construction Bonds into Interest Bearing Bonds in accordance with this Section 6, any Tax Credit Certificates representing Tax Credits shall automatically be converted into Cash Interest Certificates (1) without the need for any further action or proceeding by the District or the Paying Agent or exchange, by the Owner, of such Tax Credit Certificate for a Cash Interest Certificate, (2) be Cash Interest Certificates for all purposes of the Resolutions and this Tax Credits Separation Certificate and (3) pay, in cash, to the Owners thereof on the respective Tax Credit Allowance Date an amount equal to the Tax Credit on such Tax Credit Allowance Date.

Section 7. **Stripping of Cash Interest Payments.** (a) Pursuant to the Resolutions and this Tax Credits Separation Certificate, the District and the County have caused the Qualified School Construction Bonds to be issued in a form that permits the separation of the ownership of the Principal Component of an Interest Bearing Bond from the entitlement of the Owner thereof to the related cash interest payments. At any time, by written request to the Paying Agent in the form attached hereto as Attachment I-B, the Owner of an Interest Bearing Bond may, upon presentation of such Interest Bearing Bond, direct the Paying Agent to authenticate and deliver (i) Principal Strip Certificates in a face amount equal to the principal amount of the Interest Bearing Bonds to be so separated and (ii) Cash Interest Certificates representing the entitlement to the cash interest payments with respect to such Interest Bearing Bonds to be converted. The form of such cash interest strip request may be modified or amended in the sole discretion of the Paying Agent, upon consultation with the District and the County.

(b) Upon the receipt of a request and the presentation of an Interest Bearing Bond pursuant to subsection (a) of this Section, the Paying Agent shall: (i) authenticate and deliver to or upon the order of the Owner so requesting, Principal Strip Certificates in a face amount equal

to the principal amount of the related Interest Bearing Bond so surrendered; (ii) authenticate and deliver to or upon the order of the Owner so requesting, Cash Interest Certificates for each remaining Tax Credit Allowance Date in accordance with this Tax Credits Separation Certificate, in a face amount equal to the principal amount of the related Interest Bearing Bond so surrendered, multiplied by the Tax Credit Rate, and divided by four (4); and (iii) contemporaneously with the delivery thereof, reduce, by the amount so converted the number of Interest Bearing Bonds that have not been stripped.

(c) The Principal Strip Certificates shall be executed and delivered as fully registered Principal Strip Certificates, in face amounts corresponding to Authorized Denominations and in an aggregate face amount equal to the principal amount of the related Interest Bearing Bond so surrendered.

(d) The Cash Interest Certificates shall be executed and delivered as fully registered Cash Interest Certificates, in [face amounts] corresponding to Authorized Denominations and in an aggregate face amount equal to the principal amount of the related Interest Bearing Bonds so surrendered, multiplied by the Tax Credit Rate, and divided by four (4). To the extent required by DTC, new CUSIP numbers shall be obtained for each Cash Interest Certificate.

(e) Notwithstanding the separation, if any, of the ownership of the Principal Component of an Interest Bearing Bond from the entitlement of the Owner thereof to the related cash interest payments, the previously combined Interest Bearing Bond shall remain outstanding and the ownership of Principal Strip Certificates evidencing the rights to the related Principal Components and any Supplemental Coupon related thereto and the ownership of the Cash Interest Certificates evidencing the rights to such cash interest payments related thereto shall constitute such outstanding Interest Bearing Bond and the ownership of Principal Strip Certificates evidencing the rights to the related Principal Components and the ownership of the Cash Interest Certificates related thereto shall be treated as one and the same with such outstanding Interest Bearing Bond.

Section 8. Recombining Principal Components and Cash Interest Payments. (a) Pursuant to the Resolutions and this Tax Credits Separation Certificate, the District and the County have caused the Interest Bearing Bonds to be issued in a form that permits the recombination of Principal Strip Certificates and Cash Interest Certificates into unstripped Interest Bearing Bonds. At any time, by written request to the Paying Agent in the form attached hereto as Attachment I-D, the Owner of (i) a Principal Strip Certificate and (ii) sufficient Cash Interest Certificates having payment dates corresponding to each and every Tax Credit Allowance Date that would remain with respect to an Interest Bearing Bond, and having a [face amount] with respect to each such interest payment date equal to the amount of interest that would be paid on an Interest Bearing Bond with a principal amount equal to the Principal Strip Certificates to be recombined, may, upon presentation of such Principal Strip Certificates and Cash Interest Certificates, direct the Paying Agent to authenticate and deliver (1) an Interest Bearing Bond in a principal amount equal to the face amount of the Principal Strip Certificates to be so converted, and (2) reducing by the amount so converted, the number of Principal Strip Certificates and Cash Interest Certificates. The form of such recombination request may be modified or amended in the sole discretion of the Paying Agent, upon consultation with the District and the County.

(b) Upon the receipt of a request and the presentation pursuant to subsection (a) of this Section, the Paying Agent shall authenticate and deliver an unstripped Interest Bearing Bond in a principal amount equal to the face amount of the Principal Strip Certificates to be so converted, and reduce, by the amount so converted, the number of separate Principal Strip Certificates and Cash Interest Certificates. Upon the recombination, if any, of Principal Strip Certificates and the Cash Interest Certificates, Interest Bearing Bonds shall be delivered by the Paying Agent as fully registered Interest Bearing Bonds, in face amounts corresponding to Authorized Denominations with the CUSIP number for the original combined Qualified School Construction Bond; provided, however, that the Paying Agent may request a new CUSIP number that is distinct from the CUSIP number for the original combined Qualified School Construction Bond.

Section 9. Rights and Remedies of Separate Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. For purposes of the Resolutions, if and to the extent that any Qualified School Construction Bonds or Interest Bearing Bonds are separated into Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, the Owners of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates shall have the same rights and remedies granted to the Owners of Qualified School Construction Bonds or Interest Bearing Bonds and shall receive all notices required to be sent to Owners of the Qualified School Construction Bonds or Interest Bearing Bonds. For purposes of determining if there is 60% in aggregate principal amount of the Outstanding Bonds affected by a proposed action, consent, or direction, if the proposed action, consent, or direction would affect the Owners of Qualified School Construction Bonds or Interest Bearing Bonds, the Owners of the Principal Strips Certificates, Tax Credit Certificates and Cash Interest Certificates shall be entitled to collective voting rights equal to the [face amount] of the Principal Strips Certificates, and such voting rights shall be further allocated to the Owners of the Principal Strip Certificates, Tax Credit Certificates, and Cash Interest Certificates in proportion to the values set forth in Attachment III to this Tax Credits Separation Certificate.

In the event of a mandatory redemption of Qualified School Construction Bonds from unexpended Bond Proceeds and in the event that Qualified School Construction Bonds have been exchanged for Principal Strip Certificates and Tax Credit Certificates (in whole or in part) and registered separately pursuant to Section 4 of this Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, pro rata between (i) Qualified School Construction Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Tax Credit Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative par amounts of the outstanding Qualified School Construction Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Tax Credit Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Qualified School Construction Bonds pursuant to the County Resolution and the Bond Purchase Agreement, and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Tax Credit Certificates so redeemed shall be allocated to the Qualified School Construction Bonds, Principal Strip Certificates and the Tax Credit Certificates in the proportions and values set forth in the allocable value tables attached as Attachment III to this Tax Credits Separation Certificate.

Section 10. Forms of Interest Bearing Bonds, Principal Strip Certificates, Tax Credit Certificates Cash Interest Certificates. The Interest Bearing Bonds, Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates, including the Paying Agent's Certificate of Authentication and Registration thereon, shall be in substantially the form as Appendix I to the form of Qualified School Construction Bond set forth in Exhibit D to the County Resolution, with appropriate or necessary insertions, omissions and variations as permitted or required in the County Resolution or this Tax Credits Separation Certificate.

Section 11. Execution of Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. The Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates shall be signed by the manual or facsimile signature of the Chairman of the Board of Supervisors and the County Treasurer and countersigned by the Clerk and by the manual or facsimile signature of an Authorized District Officer and countersigned by the Executive Officer-Clerk of the Board of Supervisors pursuant to the County Resolution. The Principal Strip Certificates, Tax Credit Certificates and Tax Credit Certificates shall then be delivered to the Paying Agent for authentication by it.

Section 12. Authentication of Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. Only such of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates as shall bear thereon a Certificate of Authentication and Registration as described in Section 10, executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of the Resolutions and this Tax Credits Separation Certificate, and such certificate of the Paying Agent shall be conclusive evidence that the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates so authenticated have been duly authenticated and delivered as set forth hereunder and in the Principal Strip Certificate, Tax Credit Certificates and Cash Interest Certificates and are entitled to the benefits of the Resolutions and the Tax Credits Separation Certificate.

Section 13. 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 ownership of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates which shall at all times be open to inspection by the District and the County 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, transferred or exchanged the Principal Strip Certificate, Tax Credit Certificates, and Cash Interest Certificates as provided in Sections 14 and 15 hereof.

The District shall assign each Qualified School Construction Bond, Interest Bearing Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate authenticated and registered by it a distinctive letter or number, or letter and number.

Section 14. Transfer and Exchange of Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. Any Principal Strip Certificate, Tax Credit Certificate and Cash Interest Certificate may, in accordance with its terms and the Tax Credits Separation Certificate, be transferred, [in whole but not in part], upon the Registration Books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Principal Strip Certificate, Tax Credit Certificate or Cash Interest

Certificate, as applicable, for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Paying Agent. Whenever any Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall be surrendered for transfer, the District and the County shall execute and the Paying Agent shall authenticate and shall deliver a new Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, [in an Authorized Denomination][of the same tenor], maturity and interest rate, if any. The Paying Agent shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Any Principal Strip Certificate, Tax Credit Certificate and Cash Interest Certificate may be exchanged at the Office of the Paying Agent for a like Authorized Denomination of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, of the same tenor, maturity and interest rate, if any, of other Authorized Denominations. The Paying Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be obligated to make any transfer or exchange of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates pursuant to this Section during the period established by the Paying Agent for the selection of Principal Strip Certificates, Tax Credit Certificates, Cash Interest Certificates or related Qualified School Construction Bonds or Interest Bearing Bonds, as applicable, for redemption, or with respect to any Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates selected for redemption.

Section 15. **Book-Entry System.** (a) Upon the separation of the ownership of the Qualified School Construction Bonds from the entitlement of the Owner thereof to the related Tax Credits or the separation of the ownership of the Interest Bearing Bonds from the entitlement of the Owner thereof to the related interest payments, the ownership of Principal Strip Certificates evidencing the rights to the related Principal Components and the ownership of the Tax Credit Certificates evidencing the rights to such Tax Credits or the ownership of the Cash Interest Certificates evidencing the rights to such cash interest payments, as applicable, shall be registered in the Registration Books in the name of Cede & Co., as nominee of DTC, except as provided in subsection (c) of this Section. The Paying Agent, the County and the District may treat DTC (or its nominee) as the sole and exclusive Owner of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, registered in its name for the purposes of payment of amounts, if any, with respect to the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, selecting the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates or portions thereof, as applicable, to be redeemed, giving any notice permitted or required to be given to Owners of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, under this Tax Credits Separation Certificate, registering the transfer of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, obtaining any consent or other action to be taken by Owners of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, and for all other purposes whatsoever, and the Paying Agent, the County and the District shall not be affected by any notice to the contrary. The Paying Agent, the County and the District shall not have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates under or

through DTC or any DTC Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any DTC Participant; the payment by DTC or any DTC Participant of any amount in respect of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates; any notice which is permitted or required to be given to Owners of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates under this Tax Credits Separation Certificate; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates; or any consent given or other action taken by DTC as Owner of Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. The Paying Agent shall pay all amounts, if any, with respect to the Principal Strip Certificates and Cash Interest Certificates, as applicable, only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the County and the District's obligations with respect to any such amounts with respect to the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, to the extent of the sum or sums so paid. Except under the conditions of subsection (c) of this Section, no person other than DTC shall receive an executed Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this Tax Credits Separation Certificate shall refer to such new nominee of DTC.

(b) Notwithstanding anything to the contrary contained in this Tax Credits Separation Certificate, so long as the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates, as applicable, are registered in the name of Cede & Co., or its registered assigns, the County, the District and the Paying Agent shall cooperate with Cede & Co., as sole holder, or its registered assigns, in effecting payment of the redemption price, if any, of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates by arranging for payment in such manner that funds for such payments are properly identified and are made by wire transfer of same-day funds on the date they are due.

(c) In the event (i) DTC, including any successor as securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, determines not to continue to act as securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates; or (ii) the County (upon consultation with the District) determines that the incumbent securities depository shall no longer so act, and delivers a written certificate to the Paying Agent to that effect, then the County will discontinue the book-entry system with the incumbent securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates. If the County (upon consultation with the District) determines to replace the incumbent securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates with another qualified securities depository, subject to the applicable procedures of the then-current securities depository, the County shall prepare or direct the preparation of a new single, separate fully registered Principal Strip Certificate, a new single, separate fully registered Tax Credit Certificate for the aggregate outstanding [face amount] of Tax Credits that have been separated from the ownership of the related Qualified School Construction Bonds and a new single, separate fully registered Cash Interest Certificate, as applicable, or, as authorized herein, portion thereof, registered in the name

of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the County, the District, the Paying Agent and the successor securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates as are not inconsistent with the terms of this Tax Credits Separation Certificate. If the County fails to identify another qualified successor securities depository of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates to replace the incumbent securities depository, then the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates shall no longer be restricted to being registered in the Registration Books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, or its nominee, shall designate. In such event the Paying Agent shall authenticate and deliver a sufficient quantity of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates as necessary to carry out the transfers and exchanges provided in the County Resolution and Section 14 hereof.

(d) So long as the Tax Credit Certificates are registered in the name of Cede & Co. or its registered assigns, the Paying Agent shall provide notice to DTC of the expiration of each Tax Credit Certificate, not less than forty-five (45) days prior to the Tax Credit Allowance Date for such Tax Credit Certificate, in the form included as Attachment II hereto.

Section 16. Defeasance of the Qualified School Construction Bonds. Notwithstanding anything in the Resolutions to the contrary, the District shall not cause all or a portion of the Qualified School Construction Bonds to be defeased and deemed paid unless, prior thereto, the District shall have either (i) obtained a ruling from the IRS to the effect that such defeasance of the Qualified School Construction Bonds will not cause a loss of the associated Tax Credits, or (ii) elected to convert the Qualified School Construction Bonds into Interest Bearing Bonds as provided in Section 6 of this Tax Credits Separation Certificate.

Section 17. Purchase of the Qualified School Construction Bonds or Principal Strip Certificates. Notwithstanding anything in the Resolutions to the contrary, the District may not purchase and hold any Qualified School Construction Bonds or Principal Strip Certificates on its own behalf unless the District shall have obtained, prior to any such purchase, a ruling from the IRS to the effect that such purchase of the Qualified School Construction Bonds or Principal Strip Certificates will not cause a loss of the associated Tax Credits.

Section 18. Amendment; Waiver. This Tax Credits Separation Certificate may be amended, by written agreement of the parties, and any provision of this Tax Credits Separation Certificate may be waived, each without the consent of the holders of the Qualified School Construction Bonds, Interest Bearing Bonds, Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates, if (i)(a) an amendment to Section 54A or 54F of the Code is adopted, or a new or modified official interpretation of Section 54A or 54F of the Code is issued, after the effective date of this Tax Credits Separation Certificate which is applicable to this Tax Credits Separation Certificate and the transactions contemplated hereby; (b) legislation shall have been enacted by the United States or the State, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or a regulation, proposed regulation or a temporary regulation or an official statement shall have

been published in the Federal Register or any other release or announcement shall have been made by or on behalf of the Treasury Department of the United States, U.S. Securities and Exchange Commission or the Internal Revenue Service with respect to the stripping of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates from the related Qualified School Construction Bonds or Interest Bearing Bonds, as applicable, or (c) rules, procedures or guidance shall have been adopted by DTC with respect to the stripping of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates from the related Qualified School Construction Bonds or Interest Bearing Bonds, as applicable and (ii) the District shall have delivered to the Paying Agent an opinion of counsel addressed to the District, the County and the Paying Agent to the effect that performance by the District, the County and Paying Agent under this Tax Credits Separation Agreement as so amended or giving effect to such waiver, as the case may be, will not result in a violation of Sections 54A or 54F of the Code. The District shall cause to be given to the Owners prompt notice of any such amendment to or waiver of any provision of this Tax Credits Separation Certificate.

Section 19. **Beneficiaries**. This Tax Credits Separation Certificate shall inure solely to the benefit of the District, the County and Owners from time to time of the Qualified School Construction Bonds, Interest Bearing Bonds, Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates, and shall create no rights in any other person or entity.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By:_____
Megan K. Reilly
Chief Financial Officer

COUNTY OF LOS ANGELES

By:_____
Mark J. Saladino
Treasurer and Tax Collector

AGREED AND ACCEPTED:

U.S. BANK NATIONAL ASSOCIATION,
as the Agent to the Paying Agent

By: _____
Name: _____
Title: _____

ATTACHMENT I-A

FORM OF TAX CREDIT STRIP REQUEST

To: [via email] _____@_____.com

Re: Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds)

The undersigned, _____, hereby certifies as follows:

1. I am the Registered Owner of Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) (the "Bonds"), in the principal amount, maturing on and with the Original CUSIP number, all as set forth in the attached Schedule I hereto and presented herewith.

2. Pursuant to the provisions of Section 4 of the Tax Credits Separation Certificate, dated _____, 2009 of the County of Los Angeles and the Los Angeles Unified School District (the "Tax Credits Separation Certificate"), I hereby request the separation of the Tax Credit Certificates from the Principal Component of the Bonds identified in Paragraph 1 above and direct the Paying Agent to take such necessary action in connection therewith as set forth in the Tax Credits Separation Certificate.

Capitalized terms used but not defined herein shall have the meanings set forth in the Tax Credits Separation Certificate.

Dated: _____

By:_____
[CEDE & CO.]

SCHEDULE I

IDENTIFICATION OF TAX CREDIT BONDS TO BE STRIPPED

Withdrawal:	CUSIP	Maturity Date	Amount (dollars):	Participant Number:
Original CUSIP				
Deposits:				
Principal Strip Certificate CUSIP				
Tax Credit Certificate CUSIP				
December 15, 2009				
March 15, 2010				
June 15, 2010				
September 15, 2010				
December 15, 2010				
March 15, 2011				
June 15, 2011				
September 15, 2011				
December 15, 2011				
March 15, 2012				
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December 15, 2023				
March 15, 2024				
June 15, 2024				
September 15, 2024				
December 15, 2024				

ATTACHMENT I-B

FORM OF CASH INTEREST STRIP REQUEST

To: [via email] _____@_____.com

Re: Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds)

The undersigned, _____ of The Depository Trust Company as registered owner, hereby certifies as follows:

1. I am the Registered Owner of Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) (the "Bonds"), in the principal amount, maturing on and with the Original CUSIP number, all as set forth in the attached Schedule I hereto and presented herewith. The Bonds have been converted to Interest Bearing Bonds pursuant to Section 5 of the Tax Credits Separation Certificate dated _____, 2009 of the County of Los Angeles and the Los Angeles Unified School District (the "Tax Credits Separation Certificate").

2. Pursuant to the provisions of Section 7 of the Tax Credits Separation Certificate, I hereby request the separation of the Cash Interest Certificates from the Principal Component of the Bonds identified in Paragraph 1 above and direct the Paying Agent to take such necessary action in connection therewith as set forth in the Tax Credits Separation Certificate.

Capitalized terms used but not defined herein shall have the meanings set forth in the Tax Credits Separation Certificate.

Dated: _____

By:_____
[CEDE & CO.]

SCHEDULE I

IDENTIFICATION OF INTEREST BEARING BONDS TO BE STRIPPED

Withdrawal:	**CUSIP**	**Maturity Date**	**Amount (dollars):**	**Participant Number:**
Interest Bearing Bond CUSIP				
Deposits:				
Principal Strip Certificate CUSIP				
Cash Interest Certificate CUSIP				
December 15, 2009				
March 15, 2010				
June 15, 2010				
September 15, 2010				
December 15, 2010				
March 15, 2011				
June 15, 2011				
September 15, 2011				
December 15, 2011				
March 15, 2012				
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December 15, 2024				

ATTACHMENT I-C

FORM OF TAX CREDIT RECOMBINATION REQUEST

To: [via email] _____@_____.com

Re: Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds)

The undersigned, _____, hereby certifies as follows:

1. I am the Registered Owner of Tax Credit Certificates related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) (the "Bonds"), in the principal amount, maturing on and with the Original CUSIP number, and the Registered Owner of the Principal Strip Certificates related to the Bonds all as set forth in the attached Schedule I hereto and both the Tax Credit Certificates and Principal Strip Certificates are presented herewith.

2. Pursuant to the provisions of Section 5 of the Tax Credits Separation Certificate, dated _____, 2009 (the "Tax Credits Separation Certificate") of the County of Los Angeles and the Los Angeles Unified School District, I hereby request the recombination of the Tax Credit Certificate with the Principal Component of the Bonds identified in Paragraph 1 above and direct the Paying Agent to take such necessary action in connection therewith as set forth in the Tax Credits Separation Certificate.

Capitalized terms used but not defined herein shall have the meanings set forth in the Tax Credits Separation Certificate.

Dated: _____

By:_____
[CEDE & CO.]

SCHEDULE I

IDENTIFICATION OF QUALIFIED SCHOOL CONSTRUCTION BONDS TO BE RECOMBINED

Withdrawal:	CUSIP	Maturity Date	Amount (dollars):	Participant Number:
Principal Strip Certificate CUSIP				
Tax Credit Certificate CUSIP				
December 15, 2009				
March 15, 2010				
June 15, 2010				
September 15, 2010				
December 15, 2010				
March 15, 2011				
June 15, 2011				
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December 15, 2011				
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June 15, 2023				

September 15, 2023				
December 15, 2023				
March 15, 2024				
June 15, 2024				
September 15, 2024				
December 15, 2024				
Deposits:				
Qualified School Construction Bond CUSIP				

ATTACHMENT I-D

FORM OF CASH INTEREST RECOMBINATION REQUEST

To: [via email] _____@_____.com

Re: Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds)

The undersigned, _____ of The Depository Trust Company as registered owner, hereby certifies as follows:

1. I am the Registered Owner of Cash Interest Certificates related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) (the "Bonds"), in the principal amount, date of maturity and the Original CUSIP number, and the Registered Owner of the Principal Strip Certificates related to the Bonds as set forth in the attached Schedule I hereto and both the Cash Interest Certificates and Principal Strip Certificates are presented herewith. The Bonds have been converted to Interest Bearing Bonds pursuant to Section 5 of the Tax Credits Separation Certificate dated _____, 2009 (the "Tax Credits Separation Certificate"), of the County of Los Angeles and the Los Angeles Unified School District.

2. Pursuant to the provisions of Section 8 of the Tax Credits Separation Certificate, I hereby request the recombination of the Cash Interest Certificates with the Principal Component of the Bonds identified in Paragraph 1 above and direct the Paying Agent to take such necessary action in connection therewith as set forth in the Tax Credits Separation Certificate.

Capitalized terms used but not defined herein shall have the meanings set forth in the Tax Credits Separation Certificate.

Dated: _____

By:_____
[CEDE & CO.]

SCHEDULE I

IDENTIFICATION OF INTEREST BEARING BONDS TO BE RECOMBINED

Withdrawal:	CUSIP	Maturity Date	Amount (dollars):	Participant Number:
Principal Strip Certificate CUSIP				
Cash Interest Certificate CUSIP				
December 15, 2009				
March 15, 2010				
June 15, 2010				
September 15, 2010				
December 15, 2010				
March 15, 2011				
June 15, 2011				
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December 15, 2011				
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March 15, 2023				

June 15, 2023				
September 15, 2023				
December 15, 2023				
March 15, 2024				
June 15, 2024				
September 15, 2024				
December 15, 2024				
Deposits:				
Interest Bearing Bond CUSIP				

ATTACHMENT II

FORM OF TAX CREDIT CERTIFICATE EXPIRATION NOTICE

To: The Depository Trust Company – *via email only to*: redemptionnotification@dtcc.com

Re: Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds) – Expiration/Total Redemption

NOTICE IS HEREBY GIVEN that the amounts of Tax Credit Certificates identified below by the CUSIP number shall expire on _____ 15, 20__, the applicable Tax Credit Allowance Date, in full with no value.

Expiration Date:	Price:	Rate:	Amount:	CUSIP
_____ 15, 20__	ZERO	ZERO	ZERO	_____

For purposes of DTC records, the expiration of the Tax Credit Certificates is considered a redemption of the securities, and the Tax Credit Certificates identified herein are being called for redemption at no principal amount or accrued interest. On the expiration date the position in this CUSIP must be cancelled. No further Tax Credits will be offered.

Dated: [45 days prior to Expiration Date/Tax Credit Allowance Date]

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

By: U.S. NATIONAL ASSOCIATION, as Agent

By: _____

Authorized Signatory

ATTACHMENT III

[TABLE OF ALLOCABLE VALUES]

COPY CERTIFICATION BY DOCUMENT CUSTODIAN

State of California
County of Los Angeles } ss.

I, Jefferson Crain, hereby declare that the attached reproduction of Board of Education Report No. 66 – 09/10, Issuance of General Obligation Bonds Under Measure K, Measure R, and Measure Y is a true, correct and complete photocopy of a document in my possession or control.

Signature of Affiant

Subscribed and sworn to (or affirmed) before me on this 27th day of August, 2009, by Jefferson Crain, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

(seal)

Signature of Notary

---------- *OPTIONAL INFORMATION* ----------

Date of Document August 25, 2009

Type or Title of Document Board of Education Report No. 66 – 09/10, Issuance of General Obligation Bonds Under Measure K, Measure R, and Measure Y

Number of Pages in Document 34

Document in a Foreign Language _____

Thumbprint of Signer

Type of Satisfactory Evidence:
_____ Personally Known with Paper Identification
__X__ Paper Identification
_____ Credible Witness(es)

_____ Check here if no thumbprint or fingerprint is available.

Capacity of Signer:
_____ Trustee
_____ Power of Attorney
_____ CEO / CFO / COO
_____ President / Vice-President / Secretary / Treasurer
__X__ Other: Executive Officer of the Board

Other Information: Certified 4 Copies

LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report

Report Number:	66-09/10
Date:	August 25, 2009
Subject:	Issuance of General Obligation Bonds under Measure K, Measure R and Measure Y
Responsible Staff:	
Name	Timothy Rosnick
Office/Division	Controller
Telephone No.	(213) 241-7990

A. EXECUTIVE SUMMARY

Action Proposed: The Board is requested to (1) approve the attached Resolution (Attachment A) and the attached Reimbursement Resolution (Attachment B) and forms of legal documents regarding the issuance of up to $1.9 billion of general obligation bonds (the "2009 Bonds"); (2) review the information to be disclosed to it pursuant to AB 1482; (3) authorize the sale of the 2009 Bonds by negotiated sale; (4) direct the Chief Financial Officer and other Officers of the District to assemble the financing team; and (5) authorize the Budget Services and Financial Planning Division to make the necessary budget adjustments to reflect the anticipated bond receipts.

Staff Recommendation and Rationale: Approval of (1) the Resolution, the Reimbursement Resolution and the forms of legal documents regarding the issuance of up to $1.9 billion of general obligation bonds; (2) the sale of the 2009 Bonds by negotiated sale; (3) the proposed financing team; and (4) the authorization of the Budget Services and Financial Planning Division to make the necessary budget adjustments; and the review of (5) information to be disclosed to it pursuant to AB 1482. Without these approvals and review, the Chief Financial Officer cannot execute the necessary actions to assure the ongoing funding of Bond Program projects. Timing is critical as Fiscal Year 2009-10 expenditure projections provided by Facilities indicate that new bond proceeds are needed to supplement funds on hand to complete critical projects. The District may take advantage of certain bond structures permitted under the American Recovery and Reinvestment Act ("ARRA"), specifically, Qualified School Construction Bonds ("QSCB") and Build America Bonds ("BABs"), both of which may offer lower financing cost than traditional bonds.

Background: On November 5, 2002, voters approved a $3.35 billion local Measure K

bond authorization. On March 2, 2004, voters approved a $3.87 billion local Measure R bond authorization. On November 8, 2005, voters approved a $3.985 billion local Measure Y bond authorization. The three authorizations provide funds to repair and modernize existing District schools, build new schools to relieve overcrowding and fund additional capital projects. The District has issued $3.0 billion of Measure K bonds, $2.6 billion of Measure R bonds, and $844.4 million of Measure Y bonds to date.

This Board Report and the attached Resolution (Attachment A) and Reimbursement Resolution (Attachment B) provide for approval of the forms of one or more Preliminary Official Statements, Bond Purchase Agreements, and Continuing Disclosure Certificates for the issuance in one or more series of up to $350 million in general obligation bonds under the Measure K authorization, $400 million under the Measure R authorization, and $1.3 billion under the Measure Y authorization, (collectively, the "2009 Bonds").

Effective January 1, 2007, AB 1482 applies to all new money general obligation bonds issued by school and community college districts in California. The intent of AB 1482 is to provide transparency in the bond issuance process, namely, by requiring a school district to publicly identify the names of the Financial Advisor, Bond Counsel, Disclosure Counsel, and Underwriter(s) and the detailed, estimated costs of issuance for the bonds. See "Issues and Analysis" for a discussion of the District's compliance with these requirements in connection with the 2009 Bonds.

Policy Implications: This action is in compliance with the relevant criteria set forth in Article 1 and Sections 3.02, 4.12, and 4.13 of the Debt Management Policy.

Budget Impact: No Impact. The 2009-10 budget will need to be adjusted to reflect the anticipated proceeds from the issuance of the 2009 Bonds, but the debt service payments attributable to these issuances will be supported by tax levies imposed on the District's taxpayers and not by the District's General Fund.

Issues/Considerations: Timing is critical. The longer the District waits to take action, the more the risk that current funds on hand for the Bond Program will be expended, resulting in possible disruption of Bond Program projects that need funding.

Effect of "yes" vote: Will allow the 2009 Bonds to be executed as quickly as possible and ensure ongoing funding of Bond Program projects.

Effect of "no" vote: Will leave the District exposed to the risk that current funds on hand for the Bond Program will be expended, resulting in possible disruption of Bond Program projects that need funding.

B. BOARD REPORT

Action Proposed: The Board is requested to (1) approve the attached Resolution (Attachment A) approving the forms of one or more Preliminary Official Statements, Bond Purchase Agreements and Continuing Disclosure Certificates for the issuance in one or more series or subseries of up to $350 million in general obligation bonds of the District under the Measure K authorization, $400 million under the Measure R authorization and $1.3 billion under the Measure Y authorization, (collectively, the "2009 Bonds"); (2) approve the attached Reimbursement Resolution (Attachment B) pertaining to the QSCBs; (3) review the information to be disclosed to it pursuant to AB 1482; (4) authorize the sale of the 2009 Bonds by negotiated sale; (5) direct the Chief Financial Officer and other Officers of the District to assemble the financing team for the upcoming transaction to be comprised of Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, as Financial Advisor; Hawkins Delafield & Wood LLP as Bond Counsel and Disclosure Counsel, Sidley Austin LLP as Special Tax Counsel, U.S. Bank National Association as Paying Agent, Citigroup Global Markets, Inc. and Goldman Sachs & Co., as Senior Managing Underwriters and (6) authorize the Budget Services and Financial Planning Division to make the necessary budget adjustments to reflect the anticipated bond receipts.

Expected Outcomes: Will provide timely receipt of bond proceeds to ensure that funding of Bond Program projects is not disrupted.

Board Options and Consequences: The Board may approve the Resolution, the Reimbursement Resolution, the forms of legal documents and Preliminary Official Statements, Bond Purchase Agreements and continuing Disclosure Certificates, the financing team, and the sale of the 2009 Bonds on a negotiated basis so that the sale can be executed as timely as possible.

The Board may prefer to wait for further information and details on the specific action to be taken. This option, however, may risk disruption of Bond program projects that need funding.

Policy Implications: This action is in compliance with the relevant criteria set forth in Article 1 and Sections 3.02, 4.12, and 4.13 of the Debt Management Policy.

Budget Impact: No Impact. The 2009-10 budget will need to be adjusted to reflect the anticipated proceeds from the issuance of the 2009 Bonds, but the debt service payments attributable to these issuances will be supported by tax levies imposed on the District's taxpayers and not by the District's

General Fund.

Issues and Analysis:

No legal issues

☐ Legal informative attached

On November 5, 2002, voters approved a $3.35 billion local Measure K bond authorization. On March 2, 2004, voters approved a $3.87 billion local Measure R bond authorization. On November 8, 2005, voters approved a $3.985 billion local Measure Y bond authorization. The three authorizations provide funds to repair and modernize existing District schools, build new schools to relieve overcrowding and fund additional capital projects. The District has issued $3.0 billion of Measure K bonds, $2.6 billion of Measure R bonds and $844.4 million of Measure Y bonds to date.

This Board Report and the attached Resolution (Attachment A) provide for approval of the forms of Preliminary Official Statements, Bond Purchase Agreements, and Continuing Disclosure Certificate for the issuance in one or more series of up to $350 million in general obligation bonds of the District under the Measure K authorization, $400 million under the Measure R authorization, and $1.3 billion under the Measure Y authorization, (collectively, the "2009 Bonds").

The District may issue portions of the 2009 Bonds as (a) QSCBs, which do not require interest to be paid; the District received an allocation of $318 million of QSCBs as part of the ARRA signed by President Obama in February, 2009, and (b) BABs, a taxable bond structure which permits the District to receive a cash subsidy from the U.S. Treasury to offset taxable interest on the 2009 Bonds issued as BABs. Both the QSCB and BABs programs last only two years, so the District wants to take full advantage of the programs while it can.

The attached Reimbursement Resolution (Attachment B) provides for proceeds of any QSCBs to be used to reimburse Measure K, R and or Y, as the case may be, for any expenditures on QSCB-eligible projects beginning on the adoption date of said Reimbursement Resolution. Internal Revenue Services guidelines require such a Reimbursement Resolution to be in place in order to facilitate any reimbursements. Finance and Facilities expect to identify QSCB-eligible projects that would be treated as reimbursements. The Board has previously adopted similar reimbursement resolutions for Proposition BB and Measures K, R and Y in the past.

Effective January 1, 2007, AB 1482 applies to all new money general obligation bonds issued by school and community college districts in California. The intent of AB 1482 is to provide transparency in the bond

issuance process, namely, by requiring a school district to publicly identify the names of the Financial Advisor, Bond Counsel, Disclosure Counsel, and Underwriter(s) and the detailed, estimated costs of issuance for the bonds. Finance hereby provides the names of the Financial Advisor, Bond Counsel, Disclosure Counsel and Underwriters below, with Section [18] of the Resolution containing this information as well. In addition, the estimated costs of issuance of the 2009 Bonds are presented as Attachment C. A detailed summary of the actual final costs of issuance will be provided to the Board and the public once the 2009 Bonds have been sold.

AB 1482 also requires the governing body to declare the method of sale of the bonds and the reason(s) for the selected method of sale. Because (a) the District hopes to take advantage of certain bond structures permitted under ARRA and such structures (QSCBs and BABs) are not entirely conducive to a competitive sale format, and (b) the overall issuance of the 2009 Bonds will benefit from extensive pre-marketing efforts not available with a competitive sale, a negotiated sale format best addresses the District's objective to minimize taxpayer cost on the 2009 Bonds. In addition, a negotiated sale format allows the District to access the widest possible range of investors and the most efficient couponing and bond structure, as overseen by the District's Financial Advisor.

The District has successfully used the competitive sale format for prior general obligation bond issues as well as TRANs issues. In addition, the District has successfully used the negotiated sale format on prior general obligation bond, COPs, and TRANs issues. Thus, the District has successfully used both sale formats from time to time when circumstances favor one method over the other.

The Chief Financial Officer recommends the following team of firms from the financial advisor, bond counsel and underwriter benches to execute the 2009 Bonds financing: Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, as Financial Advisor; Hawkins Delafield & Wood LLP, as Bond and Disclosure Counsel; Sidley Austin LLP, as Special Tax Counsel; and Citigroup Global Markets, Inc. and Goldman Sachs & Co., as Senior Managing Underwriters. The Chief Financial Officer will recommend additional firms from the underwriting bench to serve as co-senior and/or co-managers via an Informative to the Board prior to the sale of the 2009 Bonds, expected to occur in early October. The Chief Financial Officer also recommends U.S. Bank National Association, to serve as Paying Agent for the 2009 Bonds.

Finally, the Chief Financial Officer recommends that the Board approve the forms of the legal documents and Preliminary Official Statements that are needed in order to execute the transaction and market the 2009 Bonds to investors.

Committee Information: No committee information.

Reporting Requirements and Benchmarks: The Chief Financial Officer will report back to the Board on the results of the sale of the 2009 Bonds.

Accountable Staff: Chief Financial Officer

Applicable Board Delegations: N.A.

Superintendent's Comments: None.

Miscellaneous Issues and Matters: None.

☐ Desegregation Impact Statement attached

☐ Division of Accountability and Systemwide Performance Informative

Respectfully submitted,

RAMON C. CORTINES
Superintendent of Schools

APPROVED &
PRESENTED BY:

MEGAN K. REILLY
Chief Financial Officer

APPROVED BY:

DR. JAMES MORRIS
Chief of Staff

Attachment A
Resolution Authorizing Issuance of the 2009 Bonds

Attachment B
Reimbursement Resolution for
Qualified School Construction Bonds

Attachment C
Estimated Costs of Issuance of the 2009 Bonds

RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT AUTHORIZING THE SALE AND ISSUANCE OF ONE OR MORE SERIES OR SUBSERIES OF LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS IN THE FORM OF TAX-EXEMPT BONDS, BUILD AMERICA BONDS AND QUALIFIED SCHOOL CONSTRUCTION BONDS OR ANY COMBINATION THEREOF UNDER THE HEREIN REFERENCED MEASURE K AUTHORIZATION, MEASURE R AUTHORIZATION AND MEASURE Y AUTHORIZATION OR ANY COMBINATION THEREOF IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $200,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE K AUTHORIZATION, $400,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE R AUTHORIZATION AND $1,300,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE Y AUTHORIZATION, APPROVING THE SALE OF SUCH BONDS BY NEGOTIATED SALE PURSUANT TO THE BOND PURCHASE AGREEMENTS THEREFOR, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID BOND PURCHASE AGREEMENTS, ONE OR MORE CONTINUING DISCLOSURE CERTIFICATES AND A TAX CREDITS SEPARATION CERTIFICATE, AUTHORIZING THE PREPARATION, DISTRIBUTION, EXECUTION AND DELIVERY OF THE OFFICIAL STATEMENTS FOR SAID BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES RELATING TO SAID BONDS

WHEREAS, an election was duly called and regularly held in the Los Angeles Unified School District, County of Los Angeles, California (the "District") on November 5, 2002, pursuant to Section 1(b)(3) of Article XIIIA of the State of California (the "State") Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the Education Code (the "Education Code") of the State (the "Act"), and thereafter canvassed pursuant to law ("Measure K"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $3.35 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure K Authorization") and the District has previously issued $3.00 billion of such general obligation bonds under the Measure K Authorization; and

WHEREAS, an election was duly called and regularly held in the District on March 2, 2004, pursuant to Section 1(b)(3) of Article XIIIA of the State Constitution and the Act, and thereafter canvassed pursuant to law ("Measure R"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $3.87 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure R

Authorization") and the District has previously issued $2.60 billion of such general obligation bonds under the Measure R Authorization; and

WHEREAS, an election was duly called and regularly held in the District on November 8, 2005, pursuant to Section 1(b)(3) of Article XIIIA of the State Constitution and the Act, and thereafter canvassed pursuant to law ("Measure Y", and together with Measure K and Measure R, the "Measures"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $3.985 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure Y Authorization") and the District has previously issued $844.385 million of such general obligation bonds under the Measure Y Authorization; and

WHEREAS, this Board of Education of the District (the "Board of Education") deems it necessary and desirable that the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") shall authorize and consummate the sale of bonds pursuant to the Measure K Authorization and provide for the issuance of such bonds in one or more series or subseries or as a portion of one or more series of bonds in combination with bonds authorized pursuant to the Measure R Authorization and the Measure Y Authorization pursuant to Section 15231 of the Education Code and as provided below (as a separate series or subseries or in combination with bonds authorized under the Measure R Authorization and Measure Y Authorization, the "Measure K Bonds"), in an aggregate principal amount attributable to the Measure K Authorization not to exceed $200,000,000, according to the terms and in the manner hereinafter set forth; and

WHEREAS, this Board of Education deems it necessary and desirable that the Board of Supervisors shall authorize and consummate the sale of bonds pursuant to the Measure R Authorization and provide for the issuance of such bonds in one or more series or subseries or as a portion of one or more series of bonds in combination with bonds authorized pursuant to the Measure K Authorization and the Measure Y Authorization pursuant to Section 15231 of the Education Code and as provided below (as a separate series or subseries or in combination with bonds authorized under the Measure K Authorization and Measure Y Authorization, the "Measure R Bonds"), in an aggregate principal amount attributable to the Measure R Authorization not to exceed $400,000,000, according to the terms and in the manner hereinafter set forth; and

WHEREAS, this Board of Education of the District deems it necessary and desirable that the Board of Supervisors shall authorize and consummate the sale of bonds pursuant to the Measure Y Authorization and provide for the issuance of such bonds in one or more series or subseries or as a portion of one or more series of bonds in combination with bonds authorized pursuant to the Measure K Authorization and the Measure R Authorization pursuant to Section 15231 of the Education Code and as provided below (as a separate series or subseries or in combination with bonds authorized under the Measure K Authorization and Measure R Authorization, the "Measure Y Bonds"), in an aggregate principal amount attributable to the

Measure Y Authorization not to exceed $1,300,000,000, according to the terms and in the manner hereinafter set forth; and

WHEREAS, this Board of Education of the District deems it necessary and desirable that the Board of Supervisors shall provide that the bonds issued pursuant to and attributable to the Measure K Authorization as one or more stand-alone series be designated the "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series E (2009)", with such other series, subseries or additional designations as may be approved in accordance with the provisions of this Resolution; and

WHEREAS, this Board of Education of the District deems it necessary and desirable that the Board of Supervisors shall provide that the bonds issued pursuant to and attributable to the Measure R Authorization as one or more stand-alone series be designated the "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series J (2009)", with such other series, subseries or additional designations as may be approved in accordance with the provisions of this Resolution; and

WHEREAS, this Board of Education of the District deems it necessary and desirable that the Board of Supervisors shall provide that the bonds issued pursuant to and attributable to the Measure Y Authorization as one or more stand-alone series be designated the "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series G (2009)", with such other series, subseries or additional designations as may be approved in accordance with the provisions of this Resolution; and

WHEREAS, this Board of Education deems it necessary and desirable that the Board of Supervisors of the County shall provide that bonds issued pursuant to and attributable to the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization or any combination thereof may be grouped in one or more Series to be designated the "Los Angeles Unified School District General Obligation Bonds, Series KRY (2009)" with such additional designations as Tax-Exempt Bonds, Build America Bonds and Qualified School Construction Bonds-Tax Credit Bonds, as the case may be, and such other series, subseries or additional designations as may be approved in accordance with the provisions of this Resolution (the "Series KRY Bonds"), in a principal amount not to exceed the aggregate maximum principal amount of Measure K Bonds, Measure R Bonds and Measure Y Bonds authorized herein for each Measure, according to the terms and in the manner hereinafter set forth; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") grants a national allocation to provide for the issuance of qualified school construction bonds (the "Qualified School Construction Bonds"), in accordance with the qualified tax credit bond program (the "Tax Credit Program") provided for in Section 54A of the Code, and an allocation of $318,816,000 has been granted to the District for calendar year 2009 (the "District Allocation") to provide financing for certain projects in accordance with the Recovery Act; and

WHEREAS, the District deems it necessary and desirable to use all or a portion of the District Allocation to issue and sell a portion of its Bonds pursuant to the Tax Credit Program if it is so determined by an Authorized Officer to be in the best interest of the District, such determination to be evidenced by the issuance of such Bonds; and

WHEREAS, the District deems it necessary and desirable to issue a portion of the Bonds as "Build America Bonds" in accordance with the Recovery Act if it is so determined by an Authorized Officer to be in the best interest of the District, such determination to be evidenced by the issuance of such Bonds; and

WHEREAS, pursuant to Section 15146 of the Education Code, the District has found and determined that it is necessary and desirable to authorize the sale of said Bonds by one or more negotiated sales to Citigroup Global Markets Inc. and Goldman, Sachs & Co., as senior and co-senior managers as shall be set forth in each Bond Purchase Agreement herein authorized, each of whom is a member of the District's underwriting bench as of the date hereof (together with the co-managers to be named in the herein referenced Bond Purchase Agreements and herein identified, the "Underwriters"), pursuant to one or more Bond Purchase Agreements (each, a "Bond Purchase Agreement"), (1) to provide flexibility in the timing of the sale of the Bonds, (2) to effect a lower overall cost of borrowing, (3) to provide flexibility in the debt structure, and (4) to increase the opportunity to pre-market the Bonds; and

WHEREAS, there has been presented to this meeting of this Board of Education proposed forms of the Preliminary Official Statements relating to the Bonds (collectively, the "Preliminary Official Statement"), a Bond Purchase Agreement, a Continuing Disclosure Certificate of the District with respect to the Bonds (each, a "Continuing Disclosure Certificate") and a Tax Credits Separation Certificate in connection with the Tax Credit Program under the Recovery Act (the "Tax Credits Separation Certificate");

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

NOW, THEREFORE, THE BOARD OF EDUCATION OF LOS ANGELES 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. **Definitions.** For the purposes of this District Resolution, unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this District Resolution, have the meanings specified herein. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa.

"Accreted Value" shall mean with respect to: (i) any Capital Appreciation Bond, as of any date of calculation, the sum of the principal amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each January 1 and July 1, or as otherwise stated in the Bond Purchase Agreement, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months; and (ii) any Convertible Capital Appreciation Bond, as of any date of calculation prior to the Conversion Date, the sum of the Principal Amount thereof and the interest accreted thereto as of such date of

calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each January 1 and July 1, or as otherwise stated in the Bond Purchase Agreement, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

"Accountable Event of Loss of Qualified School Construction Bond Status" shall mean (a) any act or any failure to act on the part of the District constituting a breach of a covenant or agreement of the District contained in the Resolutions or the Tax Credits Separation Certificate which causes the Qualified School Construction Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds, (b) the making by the District of any representation contained in the Resolutions or the Tax Credits Separation Certificate which was untrue when made and the untruth of which representation at such time causes the Qualified School Construction Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds, or (c) any other event as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds, .

"Authorized Denominations" shall mean denominations of $5,000 principal amount, maturity value or conversion value (maturity value and conversion value is referred to herein as "Accreted Value"), as applicable, or any integral multiple thereof; provided, however, that (i) with respect to the Qualified School Construction Bonds and Principal Strip Certificates, Authorized Denominations shall mean $40,000 or integral multiple thereof, (ii) with respect to Interest Bearing Bonds, Authorized Denominations shall mean $5,000 or any integral multiple thereof; and (iii) with respect to Tax Credit Certificates and Cash Interest Certificates for any single Tax Credit Allowance Date, Authorized Denominations shall mean an amount equal to $40,000 multiplied by the Tax Credit Rate and divided by four (4), or any integral multiple thereof, and provided further that the Authorized Denomination for Tax Credit Certificates or Cash Interest Certificates with respect to the first Tax Credit Allowance Date shall be as provided in the Tax Credits Separation Certificate as provided in or supplemented by the applicable Bond Purchase Agreement.

"Authorized Officer" shall mean any of the Chief Financial Officer, the Controller, or any other officer of the District authorized by the Chief Financial Officer or the Controller.

"Bonds" shall mean, collectively, the Series KRY Bonds, the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds.

"Build America Bonds" shall mean those Bonds designated as such pursuant to Section 5(e) of this Resolution in accordance with Section 54AA to the Code.

"Capital Appreciation Bonds" shall mean bonds that accrete interest on a compounded basis, payable, together with the initial principal amount thereof, solely at maturity.

"Cash Interest Certificates" shall mean the certificates evidencing interest payment entitlement with respect to any Qualified School Construction Bond, executed and delivered in accordance with the Resolutions and the Tax Credits Separation Certificate, from and after a Tax Credit Conversion Date, which certificates evidence the entitlement of the owner thereof to cash interest payment or payments with respect to any Qualified School Construction Bond, the cash

interest payments and Principal Components related to which have been separated therefrom pursuant to the Resolutions and the Tax Credits Separation Certificate.

"Chief Financial Officer" shall mean the Chief Financial Officer of the District.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Controller" shall mean the Controller of the District.

"County Resolution" shall mean the resolution of the Board of Supervisors of the County of Los Angeles, California approving the financing described herein.

"County Treasurer" shall mean the Treasurer-Tax Collector of the County.

"Date of Loss of Qualified School Construction Bond Status" shall mean the date specified in a Determination of Loss of Qualified School Construction Bond Status as the date from and after which the Qualified School Construction Bonds lost their status, or failed to qualify, as Qualified School Construction Bonds as a result of an Accountable Event of Loss of Qualified School Construction Bond Status, which date could be as early as the date of initial issuance and delivery of the Qualified School Construction Bonds.

"Determination of Loss of Qualified School Construction Bond Status" shall mean (a) a final determination by the Internal Revenue Service (after the District has exhausted all administrative appeal remedies) determining that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status and the amount of Qualified School Construction Bonds that are subject to the Accountable Event of Loss of Qualified School Construction Bond Status, (b) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status, or (c) any other event as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds.

"District Resolution" shall mean this resolution of the Board of Education upon its approval by the Board of Education of the District and execution by Executive Officer of the Board of Education.

"Interest and Sinking Fund" shall mean each fund designated as the "Los Angeles Unified School District General Obligation Bond Series KRY(2009) Interest and Sinking Fund" with such additional designations as Tax-Exempt Bonds, Build America Bonds and Qualified School Construction Bonds – Tax Credit Bonds, as the case may be, and such other additional designations to refer to each applicable Measure for the applicable Bonds and used only for payment of principal of and interest on the Bonds of such series or subseries for such Measure.

"Interest Bearing Bonds" shall mean the Qualified School Construction Bonds from and after the Tax Credit Conversion Date, if any.

"Investment Agreements" shall mean, collectively, investment agreements, guaranteed investment contracts, float contracts or other investment products subject to the requirements set forth in Section 10 hereof.

"Opinion of Bond Counsel" shall mean an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds.

"Opinion of Special Tax Counsel" shall mean an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds qualified to conclude whether an action or proposed action or the failure to act or proposed failure to act for which the opinion is required will affect the exclusion of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, affect the qualification of the Qualified School Construction Bonds under Section 54F of the Code or affect the designation of the Build America Bonds under Section 54AA of the Code, as applicable.

"Paying Agent" shall mean the County Treasurer or any bank, trust company, national banking association or other financial institution appointed as authenticating agent, bond registrar, transfer agent and paying agent for the Bonds in the manner provided in this Resolution.

"Principal Components" shall mean the principal payment with respect to any Qualified School Construction Bond, the Tax Credits and/or cash interest payments related to which have been separated therefrom pursuant to the Resolutions and the Tax Credits Separation Certificate.

"Principal Strip Certificates" shall mean the certificates evidencing principal component entitlement related to any Qualified School Construction Bond, executed and delivered in accordance with the Resolutions and the Tax Credits Separation Certificate, which certificates evidence the entitlement of the owner thereof to the Principal Components with respect to any Qualified School Construction Bond, the Tax Credits or Cash Interest Certificates related to which have been separated therefrom pursuant to the Resolutions and the Tax Credits Separation Certificate.

"Qualified School Construction Bonds" shall mean those Bonds designated as qualified school construction bonds pursuant to Section 5(e) within the meaning of and as defined in Section 54F of the Code.

"Resolutions" shall mean the District Resolution and the County Resolution.

"Rule 15c2-12" shall mean Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

"Tax Credit Allowance Date" shall mean, with respect to Qualified School Construction Bonds, each March 15, June 15, September 15 and December 15 of each year and the maturity date of the Qualified School Construction Bonds , beginning as provided in the Tax Credits Separation Certificate and ending on the maturity date of the related Qualified School Construction Bond.

"Tax Credit Certificate" shall mean the certificates evidencing tax credit entitlement related to any Qualified School Construction Bond, executed and delivered in accordance with the Resolutions and the Tax Credits Separation Certificate, which certificates evidence the entitlement of the owner thereof to a Tax Credit with respect to any Qualified School Construction Bond, the Principal Components related to which have been separated therefrom pursuant to the Resolutions and the Tax Credits Separation Certificate.

"Tax Credit Conversion Date" shall mean (i) the Date of Loss of Qualified School Construction Bond Status, (ii) the date that the Paying Agent receives written notice from the District of its election to convert the Qualified School Construction Bonds to Interest Bearing Bonds as provided in the Tax Credits Separation Certificate, or (iii) such other date as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds.

"Tax Credit Separation Certificate" shall mean the certificate executed and delivered by the District and the County in connection with the issuance of the Qualified School Construction Bonds providing the terms and conditions pursuant to which: (i) the ownership of the Principal Component of a Qualified School Construction Bond is separated from the ownership of the related Tax Credit Certificate; (ii) the ownership of the Principal Component of an Interest Bearing Bond may be separated from the entitlement of the Owner thereof to the related cash interest payment; (iii) the ownership of Principal Strip Certificates and Tax Credit Certificates may be recombined into Qualified School Construction Bonds; and (iv) the ownership of Principal Strip Certificates and Cash Interest Certificates may be recombined into Interest Bearing Bonds.

"Tax Credits" shall mean the entitlement, pursuant to Section 54A(a) of the Code, of a taxpayer to recognize a credit against the tax imposed by Chapter 1 of the Code.

"Tax-Exempt Bonds" shall mean the Series or subseries of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds or any combination thereof bearing interest that is excluded from gross income for federal income tax purposes under Section 103 of the Code.

Section 3. **Purpose of Bonds.** The proceeds of the Bonds issued under and attributable to the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization will be applied for the purposes specified in the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization, as applicable.

Section 4. **Negotiated Sale of Bonds.** The Board of Supervisors is hereby requested to sell by negotiated sale general obligation bonds of the District in one or more series or subseries as follows: (i) Measure K Bonds designated as "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series E (2009)" in an aggregate principal amount not to exceed $200,000,000, (ii) Measure R Bonds designated as "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series J (2009)" in an aggregate principal amount not to exceed $400,000,000, (iii) Measure Y Bonds designated as "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series G (2009)" in an aggregate principal amount not to exceed $1,300,000,000, or any combination thereof may be grouped in one or more Series to be designated the "Los Angeles Unified School District General Obligation

Bonds, Series KRY (2009) with such additional designations as Tax-Exempt Bonds, Build America Bonds and Qualified School Construction Bonds-Tax Credit Bonds, as the case may be, and such other series, subseries or additional designations as may be set forth in the Bond Purchase Agreement (the "Series KRY Bonds") in a principal amount not to exceed the aggregate maximum principal amount of Measure K Bonds, Measure R Bonds and Measure Y Bonds authorized herein for each Measure.

Section 5. Terms of Bonds.

(a) Date of Bonds. Each series or subseries of Bonds shall be dated the date as shall be set forth in the Bond Purchase Agreement relating to such series or subseries of Bonds.

(b) Denominations and Maturity. The Bonds shall be issued in Authorized Denominations. Each series or subseries of Bonds shall mature on the dates and have conversion dates, if any, in each of the years in the principal amounts, accreted amounts and maturity values as shall be set forth in the Bond Purchase Agreement with respect to such Bonds. No Bond shall mature later than such date as authorized by law.

(c) Interest. The Bonds shall bear or accrete interest computed on the basis of a 360 day year of twelve (12) 30-day months (or computed on such other basis as shall be set forth in the Bond Purchase Agreement with respect to such Bonds), payable or compounded, as applicable, on January 1 and July 1 in each year or on such other interest payment dates and commencing on such dates, all as shall be set forth in the Bond Purchase Agreement with respect to such Bonds. The Tax Credits Separation Certificate relating to the Qualified School Construction Bonds may provide that such Bonds shall not bear interest until such Bonds lose their status or fail to qualify as Qualified School Construction Bonds under Section 54F of the Code.

(d) Obligation. The obligation to pay principal or Accreted Value of, premium, if any, and interest on the Bonds is a statutory obligation of the District, payable as described in the Bond Purchase Agreement with respect to such Bonds. The District hereby requests the Board of Supervisors of the County to annually levy a tax upon all taxable property in the District sufficient to pay the principal or Accreted Value of, premium, if any, and interest on the Bonds as and when the same become due. To the extent any portion of the Bonds are designated as Build America Bonds, any direct subsidy of interest paid to or on behalf of the District by the federal government under the provisions of the Recovery Act in connection with such Build America Bonds shall, promptly upon receipt by the District or the County, be deposited into the Interest and Sinking Funds of the District established for payment of such Build America Bonds. Without limiting the generality of the foregoing, the District hereby requests the Board of Supervisors of the County to, in each fiscal year set forth in the Bond Purchase Agreement, include in the aforementioned levy the amounts to be set aside for payment of the Qualified School Construction Bonds at maturity, as set forth in the Bond Purchase Agreement therefor.

(e) Designation of Qualified School Construction Bonds and Build America Bonds; Determination in Connection with Federally Taxable Bonds. A portion of the Bonds may be designated as Qualified School Construction Bonds in accordance with Section 54F of the Code and a portion of the Bonds may be designated as Build America Bonds in accordance with

Section 54AA of the Code. In accordance with Section 5903 of the Government Code, this Board of Education hereby determines that the interest payable on the portion of Bonds to be issued as Qualified School Construction Bonds and Build America Bonds will be subject to federal income taxation, as set forth in the related Bond Purchase Agreement and the Tax Credits Separation Certificate. An Authorized Officer may elect pursuant to Section 54AA of the Code that with respect to the Bonds to be designated as Build America Bonds, in lieu of any tax credit allowed under Section 54AA of the Code, the District shall be allowed a tax credit as provided in Section 6431 of the Code.

(f) Designation of Paying Agent. The County Treasurer is designated to act as the initial Paying Agent. The County Treasurer is authorized to enter into a contract with a bank or trust company doing business in and having a corporate trust office in Los Angeles, California, with at least $100,000,000 in net assets, to perform the services of the Paying Agent. If at any time the County Treasurer shall resign or be removed as the Paying Agent, the Authorized Officers are authorized with the prior consent of the County Treasurer to appoint any successor Paying Agent. If no successor Paying Agent is appointed by an Authorized Officer in a timely manner, the County Treasurer shall appoint a successor Paying Agent without further action by any Authorized Officer. The successor Paying Agent shall be a bank or trust company doing business in and having a corporate trust office in the County, with at least $100,000,000 in net assets.

(g) Form of Bonds; Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. The Bonds, the Principal Strips Certificates, the Tax Credit Certificates and Cash Interest Certificates shall be issued with such terms and in such form as permitted or required by the County Resolution and the Tax Credits Separation Certificate. The Authorized Officer is authorized to execute such Principal Strips Certificates, the Tax Credit Certificates and Cash Interest Certificates. The Qualified School Construction Bonds may be issued in a form that permits the separation, under the Tax Credit Program, of the ownership of the Principal Component of the Qualified School Construction Bonds from the entitlement of the owner thereof to the related Tax Credits evidencing the entitlement of the owner thereof to a Tax Credit with respect to the Qualified School Construction Bond or the related Cash Interest Certificate evidencing the entitlement of the owner thereof to cash interest payment or payments with respect to the Qualified School Construction Bond pursuant to the Tax Credits Separation Certificate. The Qualified School Construction Bonds may be issued in a form that permits the separation of the ownership of the Principal Component of an Interest Bearing Bond, from and after a Tax Credit Conversion Date, from the related Cash Interest Certificate evidencing the entitlement of the owner thereof to cash interest payment or payments with respect to the Qualified School Construction Bond pursuant to the Tax Credits Separation Certificate. Further, the Qualified School Construction Bonds may be issued in a form that permits the recombination of Principal Strip Certificates and Tax Credit Certificates into Qualified School Construction Bonds and the recombination of Principal Strip Certificates and Cash Interest Certificates into Interest Bearing Bonds pursuant to the Tax Credits Separation Certificate.

Section 6. Bond Insurance. The Underwriters, in cooperation with the County Treasurer and the District, is hereby authorized to solicit proposals from one or more municipal bond insurers, and, if the County Treasurer and the District determine it is in the best interests of the District, to arrange for the issuance of a policy of municipal bond insurance for one or more

maturities of the Bonds and to execute and deliver an insurance commitment and all other documents necessary in connection therewith.

Section 7. Redemption Provisions. The Bonds shall be subject to redemption prior to their respective stated maturity dates as set forth in the related Bond Purchase Agreement.

Section 8. Bond Purchase Agreement.

(a) Form of Bond Purchase Agreement. The form of Bond Purchase Agreement on file with this Board of Education is hereby approved and any Authorized Officer is hereby authorized and directed on behalf of the District to execute and deliver one or more Bond Purchase Agreements with respect to one or more series or subseries of Bonds in substantially the form attached hereto, with such changes therein, including as may be made in connection with the issuance or sale of separate tax credits associated with certain Qualified School Construction Bonds, as such Authorized Officer may require or approve. The approval of such Authorized Officer shall be conclusively evidenced by the execution and delivery of such Bond Purchase Agreement.

(b) Purchase Price. The purchase price for a Series of Bonds shall be as set forth in the applicable Bond Purchase Agreement, provided that (i) the true interest cost for the Tax-Exempt Bonds shall not be in excess of 7% per annum and the true interest cost for the Qualified School Construction Bonds and for the Build America Bonds shall not be in excess of 9% per annum; (ii) the Underwriters' compensation for any Series of Bonds shall not exceed 1% of the aggregate principal amount of a series Bonds sold under a Bond Purchase Agreement; and (iii) the Bonds shall otherwise conform to the limitations specified herein.

(c) Costs of Issuance. In accordance with Section 15146(b)(4) of the State Education Code, the costs associated with the issuance of Measure K Bonds, Measure R Bonds and Measure Y Bonds, as applicable, including the estimated underwriters' compensation, have been estimated to be (i) $896,286 for the Measure K Bonds, (ii) $1,792,730 for the Measure R Bonds, and (iii) $5,821,200 for the Measure Y Bonds. The actual costs of issuance shall be presented to this Board of Education at its next scheduled public meeting following the sale of the Bonds.

Section 9. Authorization of Preliminary Official Statements and Official Statements.

(a) Preliminary Official Statements. The forms of the Preliminary Official Statement relating to the Tax-Exempt Bonds and the Build America Bonds and the Preliminary Official Statement relating to the Qualified School Construction Bonds presented to this Board of Education, with such changes as any Authorized Officer acting singly may approve, are hereby approved. The Underwriters are hereby authorized and directed to deliver copies of such Preliminary Official Statements in final form to persons who may be interested in purchasing the Bonds. Each Authorized Officer, acting singly, is hereby authorized to certify on behalf of the District, that each Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

(b) Official Statements. Official Statements in substantially the form of the Preliminary Official Statements (each an "Official Statement"), with such changes as each Authorized Officer, acting singly, may approve (including all information previously permitted to have been omitted by Rule 15c2-12), which approval shall be conclusively evidenced by execution by such Authorized Officer of the Official Statements and delivery thereof to the original purchasers of the Bonds within 7 business days of the sale of the Bonds, are hereby approved. Any Authorized Officer is hereby authorized and directed to execute such Official Statements with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. Investment of Proceeds.

All funds held by the County Treasurer hereunder on behalf of the District shall be invested by the County Treasurer or its agent in the County Investment Pool, the Local Agency Investment Fund, any investment authorized pursuant to Sections 53601 and 53635 of the State Government Code, or in any Investment Agreement; provided that such agreements comply with the requirements of Section 148 of the Code, to the extent applicable to the related series or subseries of Bonds, and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds.

Subject to a determination by the Chief Financial Officer of the District, any Authorized Officer of the District may request the County Treasurer to invest funds held in the Interest and Sinking Fund of the District and in the building fund of the District in specific Investment Agreements. Pursuant to Section 5922 of the Government Code, this Board of Education hereby finds and determines that the Investment Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Bonds and funds held to pay the Bonds. Subject to a determination by the Chief Financial Officer of the District, any Authorized Officer of the District may request the County Treasurer to deposit any investment of all or any portion of the building fund or the Interest and Sinking Fund of the District pursuant to California Education Code Section 41015 in accordance with the instructions of the Authorized Officer and California Education Code Section 41016.

Section 11. Tax Covenants.

(a) General. The District shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or inaction would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Bonds under Section 103 of the Code The District shall not take any action, or fail to take any action, or permit such action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or failure to take such action would adversely affect either the status of the Build America Bonds under Section 54AA of the Code or the credit allowed to the District or the County under Section 6431 of the Code. The District shall not take any action, or fail to take any action, or

permit such action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or failure to take such action would adversely affect either the status of the Qualified School Construction Bonds under Section 54F of the Code or the credit allowed under Section 54A of the Code. In furtherance of the foregoing, the District shall comply with the provisions of the respective tax certificates to be executed and delivered by the District in connection with the issuance of the Tax Exempt Bonds, the Build America Bonds and the Qualified School Construction Bonds (each, a "Tax Certificate").

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

(c) Reliance on Opinion of Special Tax Counsel. Notwithstanding any provision of this Section, if the District shall provide to the County Treasurer an Opinion of Special Tax 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 Tax-Exempt Bonds, for the Qualified School Construction Bonds to continue to be qualified under Section 54A of the Code or for the Build America Bonds to be designated as such under Section 54AA of the Code and for a credit to continue to be allowed to the District or the County under Section 6431 of the Code, the County Treasurer may conclusively rely on such opinion in complying with the requirements of this Section and of the applicable Tax Certificate and the covenants hereunder shall be deemed to be modified to that extent.

Section 12. Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate attached hereto as Exhibit A is hereby approved. Any Authorized Officer is hereby authorized on behalf of the District to execute one or more Continuing Disclosure Certificates with respect to the Bonds in substantially the form attached hereto as Exhibit A, with such changes thereto as deemed necessary in order to permit the original purchasers of the Bonds to comply with the requirements of Rule 15c2-12. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of each Continuing Disclosure Certificate.

Section 13. Tax Credits Separation Certificate. The form of Tax Credits Separation Certificate attached hereto as Exhibit B is hereby approved. Any Authorized Officer is hereby authorized on behalf of the District to execute the Tax Credits Separation Certificate with respect to the Qualified School Construction Bonds in substantially the form attached hereto as Exhibit B, with such changes therein as such Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Tax Credits Separation Certificate. Pursuant to Section 5922 of the Government Code, this Board of Education hereby finds and determines that the Tax Credits Separation Certificate will result in a reduction in the amount or duration of payment and lower the cost of borrowing when used in combination with the Qualified School Construction Bonds.

Section 14. **Approval of Actions; Further Actions.** The President of this Board of Education, the Executive Officer of this Board of Education and any Authorized Officer are hereby authorized and directed to execute and deliver any and all agreements, certificates and representations, including but not limited to (i) signature certificates, no litigation certificates, and certificates concerning the contents of the Official Statement, (ii) representation letters to The Depository Trust Company, (iii) each Tax Certificate, (iv) any other certificates proposed to be distributed in connection with the sale of the Bonds, including in connection with any policy of municipal bond insurance or other credit enhancement, (v) any investment agreements entered into pursuant to the authority granted hereunder, and (vi) and any other agreements, letters, certificates or representations, which any of them deem necessary and desirable to accomplish the transactions authorized herein. All actions heretofore taken by the officers and agents of the Board with respect to the Bonds are hereby approved, confirmed and ratified. The Authorized Officers shall be and each of them is hereby authorized, empowered and directed to execute such other documents and take such other actions as they deem necessary or advisable to carry out and perform the purposes of this Resolution, the Bond Purchase Agreements, the Continuing Disclosure Certificates or the Tax Credits Separation Certificate.

Section 15. **Notice to California Debt and Investment Advisory Commission.** This Board of Education hereby authorizes and directs the Authorized Officers to cause notices of the proposed sale and final sale and itemized costs of issuance 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 16. **Citizen's Oversight Committee.** This Board of Education certifies that it has established and appointed and shall maintain an independent citizens' oversight committee pursuant to Section 15278 of the Education Code, to inform the public concerning the expenditure of proceeds of the Bonds by the date specified in such Section 15278.

Section 17. **Bond Accountability Measures.** This Board of Education certifies that it will conduct an annual, independent performance and financial audit to ensure that the funds approved by the voters have been expended only for the purposes authorized by Measure K or Measure R or Measure Y, as applicable, in accordance with Section 1(b) of Article XIIIA of the California Constitution and Section 15264 et seq. of the Education Code. This Board of Education further certifies it will direct the Chief Financial Officer to cause to be filed with the Board no later than January 1, 2010, and at least once a year thereafter, the annual report required pursuant to Measure K or Measure R or Measure Y, as applicable, and Section 53410 et seq. of the State Government Code.

Section 18. **Filing with Board of Supervisors.** Pursuant to Section 15140(a) of the Education Code, the Executive Officer 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 of the County.

Section 19. **Filing with Auditor-Controller and Treasurer of the County.** Pursuant to Section 15140(c) of the Education Code, the Executive Officer of this Board of Education or any Authorized Officer is also directed to cause a certified copy of this Resolution and a copy of

the debt service schedule for the Bonds to be provided to the County Treasurer and to the Auditor-Controller of the County.

Section 20. **Appointment of Financial Advisor, Bond Counsel, Disclosure Counsel and Special Tax Counsel; Underwriters.** In connection with the District's issuance and sale of the Bonds, the Chief Financial Officer or her designee is hereby authorized to enter into agreements for Financial Advisor, Bond Counsel, Special Tax Counsel, Disclosure Counsel and other professional services on behalf of the District as may be necessary or appropriate. Bond Counsel and Disclosure Counsel to the District in connection with the issuance of the Bonds shall be Hawkins Delafield & Wood LLP. Special Tax Counsel to the District in connection with the issuance of the Bonds shall be Sidley Austin LLP. Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, shall be the Financial Advisor to the District in connection with the issuance of the Bonds. The Underwriters of the Bonds are Citigroup Global Markets Inc. and Goldman, Sachs & Co., as senior and co-senior managers as shall be set forth in each Bond Purchase Agreement herein authorized and such other underwriters, each of whom shall be a member of the District's underwriting bench as of the date hereof, identified in each Bond Purchase Agreement, the identity of whom shall be presented to this Board of Education at its next scheduled public meeting following the sale of the Bonds.

Section 21. **Effective Date.** This Resolution shall take effect from and after its adoption.

Adopted and signed this 25 day of August, 2009, by the Board of Education of the Los Angeles Unified School District.

By: _____
Jefferson Crain, Executive Officer of the Board

EXHIBIT A

FORM OF CONTINUING DISCLOSURE CERTIFICATE

EXHIBIT B

FORM OF TAX CREDITS SEPARATION CERTIFICATE

Attachment B
Reimbursement Resolution for
Qualified School Construction Bonds

RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT DECLARING THE INTENTION OF SUCH DISTRICT TO REIMBURSE ITSELF WITH PROCEEDS OF AN ISSUE OF "QUALIFIED TAX CREDIT BONDS" FOR CERTAIN EXPENDITURES TO BE MADE TO PAY COSTS OF PUBLIC SCHOOL FACILITIES SET FORTH IN THE BOND PROJECT LISTS RELATING TO BONDS AUTHORIZED PURSUANT TO ELECTIONS DULY CALLED AND HELD IN SUCH DISTRICT ON NOVEMBER 5, 2002, MARCH 2, 2004 AND NOVEMBER 8, 2005

WHEREAS, the Los Angeles Unified School District (the "District") is a unified school district organized and existing under the laws of the State of California (the "State"), and issues its general obligation bonds to finance the costs of construction, rehabilitation and repair of public school facilities of the District (including the reimbursement of the District for certain pre-issuance expenditures); and

WHEREAS, an election was duly called and regularly held in the District on November 5, 2002, pursuant to Section 1(b)(3) of Article XIIIA of the State Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the State Education Code (the "Measure K Authorization"); and

WHEREAS, an election was duly called and regularly held in the District on March 2, 2004, pursuant to Section 1(b)(3) of Article XIIIA of the State Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the State Education Code (the "Measure R Authorization"); and

WHEREAS, an election was duly called and regularly held in the District on November 8, 2005, pursuant to Section 1(b)(3) of Article XIIIA of the State Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the State Education Code (the "Measure Y Authorization"); and

WHEREAS, the District has received an allocation of the "national qualified school construction bond limitation" (defined in Section 54F(c) of the Internal Revenue Code of 1986, as amended (the "Code") for calendar year 2009 pursuant to Notice 2009-35 issued by the Internal Revenue Service on April 3, 2009 (the "2009 QSCB Allocation Date") of $318,816,000 (the "2009 QSCB Allocation");

WHEREAS, the District will pay, on and after the date hereof, which date is after the 2009 QSCB Allocation Date, expenditures for the construction, rehabilitation, or repair of its public school facilities set forth among the projects on the bond project list relating to the Measure K Authorization, the bond project list relating to the Measure R Authorization and the bond project list relating to the Measure Y Authorization, the acquisition of land on which such public school facilities are to be constructed, and the acquisition of equipment to be used in such portion of the public school facilities that are being constructed, rehabilitated or repaired (the "QSCB Projects Expenditures"); and

WHEREAS, the Board of Education of the District (the "Board") has determined that those money to be advanced on and after the date hereof to pay the QSCB Projects Expenditures are to be available only on a temporary basis and that it is thus necessary for the District to reimburse itself for the payment of such QSCB Projects Expenditures with the proceeds from one or more issues of Qualified School Construction Bonds to be issued under Section 54F of the Internal Revenue Code of 1986, as amended, pursuant to its 2009 QSCB Allocation (the "Qualified School Construction Bonds") ; and

WHEREAS, Section 54A(d)(2)(D) of the Code requires that in order to use the proceeds of any Qualified School Construction Bonds to reimburse an issuer for the payment of QSCB Projects Expenditures, an issuer must declare prior to the payment of any such expenditures its intent to reimburse such expenditure with the proceeds of a Qualified School Construction Bond (the "Reimbursement Declaration"), and, not later than 60 days after payment of the original expenditure, the issuer must adopt an official intent to reimburse the original expenditure with the proceeds of a Qualified School Construction Bond (the "Official Intent"); and

WHEREAS, the Board has determined to make the declaration set forth below for purposes of satisfying both the Reimbursement Declaration and Official Intent requirements with respect to QSCB Projects Expenditures made on and after the date hereof;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. The Board hereby declares the District's intent to reimburse itself with the proceeds of one or more issues of Qualified School Construction Bonds to be issued pursuant to Section 54F of the Code and within the 2009 QSCB Allocation of $318,816,000 for QSCB Projects Expenditures paid on and after the date hereof. It is reasonably expected on the date hereof that the District will reimburse the QSCB Projects Expenditures with the proceeds of one or more issues of Qualified School Construction Bonds to be issued pursuant to Section 54F of the Code and within the 2009 QSCB Allocation of $318,816,000.

Section 2. This resolution shall take effect immediately upon its passage.

Adopted and signed this 25 day of August, 2009, by the Board of Education of the Los Angeles Unified School District.

Jefferson Crain, Executive Officer of the Board

Attachment C
Estimated Costs of Issuance of the 2009 Bonds

Los Angeles Unified School District
General Obligation Bonds, Election of 2002, Series E (2009)
General Obligation Bonds, Election of 2004, Series J (2009)
General Obligation Bonds, Election of 2005, Series G (2009)
ESTIMATED COSTS OF ISSUANCE AND UNDERWRITING

	$1,900,000,000 PAR AMOUNT	Measure K $200,000,000 10.53%	Measure R $400,000,000 21.05%	Measure Y $1,300,000,000 68.42%
Items included in "Costs of Issuance" category within Uses of Funds that represent fixed costs:				
BOND AND DISCLOSURE COUNSEL: Hawkins Delafield & Wood - Fee and Disbursements	$ 115,000.00	$ 12,105.26	$ 24,210.53	$ 78,684.21
SPECIAL TAX COUNSEL: Sidley Austin LLP - Fee and Disbursements	87,500.00	9,210.53	18,421.05	59,868.42
PAYING AGENT: First annual administrative and COI disbursement fees, per County Master Contract	1,500.00	500.00	500.00	500.00
OVERLAPPING DEBT STATEMENT FOR POS/OS: California Municipal Statistics	525.00	55.26	110.53	359.21
S & P: Rating agency fee	75,000.00	7,894.74	15,789.47	51,315.79
MOODY'S: Rating agency fee	74,875.00	7,881.58	15,763.16	51,230.26
LAUSD RESOURCES	200,000.00	21,052.63	42,105.26	136,842.11
BOND PROGRAM AUDIT	153,208.00	16,127.16	32,254.32	104,826.53
PRINTING AND MAILING OF POS/OS: Printer	20,000.00	2,105.26	4,210.53	13,684.21
DISSEMINATION AGENT: Digital Assurance Certification (DAC) - Fees for set up of new issue on DAC's website	2,500.00	263.16	526.32	1,710.53
FINANCIAL ADVISORY FEE: Master GO Refunding (Tamalpais Advisors, Inc - Kelling Northcross & Nobriga)	15,000.00	1,578.95	3,157.89	10,263.16
FINANCIAL ADVISORY FEE: October 2009 Issue (Tamalpais Advisors, Inc - Kelling Northcross & Nobriga)	100,000.00	10,526.32	21,052.63	68,421.05
FINANCIAL ADVISORY FEE: Bond Program Debt Management Projects (Tamalpais Advisors, Inc - KNN)	35,000.00	3,684.21	7,368.42	23,947.37
FINANCIAL ADVISOR'S DISBURSEMENTS: Tamalpais Advisors, Inc. - KNN	15,000.00	1,578.95	3,157.89	10,263.16
FINANCIAL ADVISOR'S ADVANCES	15,000.00	1,578.95	3,157.89	10,263.16
MISCELLANEOUS	20,000.00	1,999.99	4,578.95	13,421.06
Grand Total COI	*$ 930,108.00*	*$ 98,142.94*	*$ 196,364.84*	*$ 635,600.22*
Items within Uses of Funds that represent variable costs:				
UNDERWRITING FEES AND EXPENSES	17,033,750.00	700,000.00	1,400,000.00	4,550,000.00
Grand Total Underwriting	*$ 17,963,858.00*	*$ 798,142.94*	*$ 1,596,364.84*	*$ 5,185,600.22*
Grand Total, All Costs	*$ 18,893,966.00*	*$ 896,285.88*	*$ 1,792,729.68*	*$ 5,821,200.44*

****Underwriters will obtain and pay for DTC eligibility, CUSIP, Dalenet, TBMA, MSRB, PSA, and CDIAC charges.***

EXECUTIVE OFFICER'S CERTIFICATE

I, Jefferson Crain, Executive Officer of the Board of Education of the Los Angeles Unified School District, County of Los Angeles, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on 25 August, 2009, 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: 1

ABSTAIN: 0

ABSENT: 1

An agenda of said meeting was posted at least 72 hours before said meeting at 333 S. Beaudry Avenue, Los Angeles, 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 have carefully compared the same with the original minutes on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 25 day of August, 2009.

Executive Officer of the Board of Education of
Los Angeles Unified School District