COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

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LOS ANGELES, CA 90012
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MARK J. SALADINO
TREASURER AND TAX COLLECTOR

September 29, 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
TORRANCE UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2008 (MEASURE Z)
(FOURTH DISTRICT) (3 VOTES)

SUBJECT

The governing board of the Torrance 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 $22,500,000. 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 Torrance Unified School District (Los Angeles County, California) General Obligation Bonds, Election of 2008 (Measure Z).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 4, 2008, voters residing in the District approved a ballot measure authorizing the District to issue up to $90,000,000 in general obligation bonds to fund various capital improvements. The governing board of the District adopted a resolution on September 8, 2009 and determined that the District needs to borrow funds in an

aggregate principal amount not to exceed $22,500,000 to be used for authorized purposes. This will be the second issuance of bonds authorized under this ballot proposition.

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

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal #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 underwriter, with participation by the Treasurer and Tax Collector in pricing the bonds. The District has selected George K. Baum & Company as underwriter, and the firm of Orrick, Herrington & Sutcliffe 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/Torrance USD GO Bonds Elec 2008 Measure Z

Attachments (3)

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Torrance Unified School District
Los Angeles County Office of Education
Orrick, Herrington & Sutcliffe

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF TORRANCE UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2008 (MEASURE Z), IN ONE OR MORE SERIES OR SUBSERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $22,500,000 BY A NEGOTIATED SALE PURSUANT TO ONE OR MORE BOND PURCHASE AGREEMENTS, PRESCRIBING THE TERMS OF SALE OF THE BONDS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE BOND PURCHASE AGREEMENTS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, an election was duly called and held in the Torrance Unified School District, County of Los Angeles, California (the "District"), on November 4, 2008, at which the following proposition (as abbreviated pursuant to Section 13247 of the California Elections Code) was submitted to the electors of the District:

> *"To fund additional upgrades to school facilities that support student learning and extra-curricular activities, shall Torrance Unified School District also issue $90 million in bonds at legal interest rates to renovate worn-out physical education facilities and playgrounds for health and safety; construct music/art classrooms and science labs; and replace deteriorating covered walkways to establish a safe school environment; with mandatory audits, independent citizen oversight, and all money staying local?"*

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

WHEREAS, on February 5, 2009, pursuant to a resolution of the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") adopted on January 13, 2009, at the request of the District pursuant to Resolution No. AS11-08/09 of the Board of Education (the "Board of Education") of the District adopted on December 15, 2008, a series of said bonds designated the "Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009" in an aggregate principal amount of $36,000,000 was issued and sold; and

WHEREAS, pursuant to California Education Code Section 15140 *et seq.*, the Board of Education of the District has requested the Board of Supervisors of the County to issue an additional portion of the bonds, in one or more series or subseries, designated the "Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009B" (collectively, the "Series 2009B Bonds"), with such additional or other series or subseries designations as may be approved as herein provided, in an aggregate principal amount not exceeding $22,500,000, and to authorize the sale of the bonds by a negotiated sale to George K.

Baum & Company (the "Underwriter") pursuant to one or more Bond Purchase Agreements (each such Bond Purchase Agreement, in the form submitted to and on file with the Executive Officer-Clerk of this Board of Supervisors, with such changes, insertions and omissions as are made pursuant to this County Resolution, being referred to herein as a "Bond Purchase Agreement"), all according to the terms and in the manner set forth in a resolution (the "District Resolution") duly adopted by the Board of Education of the District on September 8, 2009, a certified copy of which has been filed with the Executive Officer-Clerk of this Board of Supervisors; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"), added Section 54AA to the Internal Revenue Code of 1986 (the "Code"), authorizing state and local governments, at their option, to issue a new debt instrument known as "Build America Bonds" ("Build America Bonds") as federally taxable governmental bonds with federal subsidies for a portion of their borrowing costs; and

WHEREAS, the Board of Education of the District has deemed it necessary and desirable to issue and sell all or a portion of the Series 2009B Bonds as Build America Bonds if it is determined by an authorized officer of the District, in consultation with the Treasurer and Tax Collector of the County or any authorized deputy thereof (collectively, the "Treasurer"), to be in the best interest of the District; and

WHEREAS, this Board of Supervisors accepts the representations of the Board of Education in the District Resolution that it is desirable for the Board of Supervisors to issue the Series 2009B Bonds, in one or more series or subseries, on behalf of the District and to sell the Series 2009B Bonds by a negotiated sale for the purposes for which the Series 2009B Bonds have been authorized on the terms and conditions set forth in the District Resolution and the applicable Bond Purchase Agreement; and

WHEREAS, applicable law mandates that the Series 2009B Bonds shall be offered for sale by the board of supervisors of the county, the county superintendent of which has jurisdiction over the District, as soon as possible following receipt of a resolution duly adopted by the Board of Education of the District; and

WHEREAS, the Series 2009B Bonds will be issued by this Board of Supervisors on behalf of the District, payable from *ad valorem* taxes to be levied on all taxable property in the District, as herein provided;

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. Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this County Resolution, have the meanings specified herein, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

"Auditor-Controller" means the Auditor-Controller of the County or any authorized deputy thereof.

"Board of Education" means the Board of Education of the District.

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

"Bond Purchase Agreement" means the applicable Bond Purchase Agreement relating to the sale of all or a portion of the Series 2009B Bonds by and among the County, the District and the Underwriter in accordance with the provisions hereof.

"Build America Bonds" means those Series 2009B Bonds designated as such pursuant to Section 54AA to the Code.

"Capital Appreciation Bonds" means those Series 2009B Bonds accreting interest semiannually to the maturity date thereof payable in accordance with Section 6(e) hereof.

"Cede & Co." means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2009B Bonds.

"Code" means the Internal Revenue Code of 1986.

"Continuing Disclosure Certificate" means the applicable Continuing Disclosure Certificate executed and delivered by the District relating to all or a portion of the Series 2009B Bonds.

"Conversion Date" means the date a Convertible Capital Appreciation Bond converts to a current interest bond.

"Convertible Capital Appreciation Bonds" means those Series 2009B Bonds accreting interest semiannually to the Conversion Date thereof and from and after the Conversion Date thereof bearing interest payable semiannually on a current basis, all in accordance with Section 6(f) hereof.

"County" means the County of Los Angeles.

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

"Current Interest Bonds" means those Series 2009B Bonds bearing interest payable semiannually on a current basis in accordance with Section 6(d) hereof.

"District" means the Torrance Unified School District.

"District Resolution" means the Resolution of the Board of Education of the District adopted on September 8, 2009.

"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 Series 2009B Bonds, including any such successor thereto appointed pursuant to Section 10 hereof.

"Interest Date" means February 1 and August 1 of each year, (a) commencing on February 1, 2010, with respect to the Current Interest Bonds and, for purposes of compounding interest on the Capital Appreciation Bonds and, to their Conversion Dates, Convertible Capital Appreciation Bonds, commencing on February 1, 2010, and (b) with respect to Convertible Capital Appreciation Bonds, from and after their Conversion Date, commencing on the February 1 or August 1 immediately following such Conversion Date, or such other dates as may be set forth in the applicable Bond Purchase Agreement.

"Official Statement" means the Official Statement of the District relating to the Series 2009B Bonds.

"Owner" means with respect to any Series 2009 Bond, the person whose name appears on the Registration Books as the registered Owner thereof.

"Paying Agent" means the Treasurer or any bank, trust company, national banking association or other financial institution appointed as Paying Agent to act as authenticating agent, bond registrar, transfer agent and paying agent for the Series 2009B Bonds in accordance with Section 9 hereof.

"Record Date" means, with respect to any Interest Date for the Series 2009B Bonds, the 15th day of the calendar month immediately preceding such Interest Date, whether or not such day is a business day, or such other date or dates as may be set forth in the applicable Bond Purchase Agreement.

"Registration Books" means the books for the registration and transfer of the Series 2009B Bonds maintained by the Paying Agent in accordance with Section 9(d) hereof.

"Series 2009B Bonds" means the bonds authorized and issued pursuant to this County Resolution, at the request of the District pursuant to the District Resolution, in one or more series or subseries, designated the "Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009B," with such additional or other series or subseries designations as may be approved as herein provided.

"State" means the State of California.

"Tax Certificate" means the Tax Certificate, executed by the District, dated the date of issuance of the Series 2009B Bonds.

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

"Underwriter" means George K Baum & Company.

Section 3. District Resolution Incorporated. The District Resolution is incorporated herein by reference and all of the provisions thereof are made a part hereof and shall be

applicable to the Series 2009B Bonds herein provided for, except as herein otherwise expressly provided.

Section 4. <u>Authorization and Designation of Bonds</u>. Pursuant to California Education Code Section 15140 *et seq.*, this Board of Supervisors hereby authorizes, on behalf of the District, the issuance and sale of not to exceed $22,500,000 aggregate principal amount of Series 2009B Bonds, in one or more series or subseries, and designates said bonds as the "Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009B," with appropriate additional or other series or subseries designations, on the terms and conditions set forth in, and subject to the limitations specified in, this County Resolution. The Series 2009B Bonds may be issued as Current Interest Bonds (all or a portion of which may be designated as Build America Bonds), Capital Appreciation Bonds and/or Convertible Capital Appreciation Bonds, or any combination thereof, all as provided in Section 6 hereof.

Section 5. <u>Form of Bonds; Execution</u>. (a) *Form of Series 2009B Bonds*. The Series 2009B Bonds shall be issued in fully registered form without coupons. The Current Interest Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds, and the certificate of authentication and registration and the forms of assignment to appear on each of them, shall be in substantially the forms attached hereto as Exhibit A, Exhibit B and Exhibit C, respectively, with necessary or appropriate variations, omissions and insertions as permitted or required by this County Resolution.

(b) *Execution of Bonds*. The Series 2009B Bonds shall be signed by the manual or facsimile signatures of the Chairman of the Board of Supervisors and of the Treasurer or the Treasurer's designee, and countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors. The Series 2009B Bonds shall be authenticated by a manual signature of a duly authorized signatory of the Paying Agent.

(c) *Valid Authentication*. Only such of the Series 2009B Bonds as shall bear thereon a certificate of authentication and registration as described in subsection (a) of this Section, 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 authentication and registration shall be conclusive evidence that the Series 2009B Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this County Resolution.

(d) *Identifying Number*. The Paying Agent shall assign each Series 2009 Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal office, which record shall be available to the District and the County for inspection.

Section 6. <u>Terms of Bonds</u>. (a) *Date of Series 2009B Bonds*. The Series 2009B Bonds shall be dated the date of their delivery, or such other date or dates as shall be set forth in the applicable Bond Purchase Agreement.

(b) *Denominations*. The Current Interest Bonds shall be issued in denominations of $5,000 principal amount or any integral multiple thereof. The Capital Appreciation Bonds shall be issued in denominations of $5,000 accreted value at maturity ("maturity value") or any

integral multiple thereof, except that one numbered Capital Appreciation Bond may be issued in a denomination such that the maturity value of such Capital Appreciation Bond shall not be an integral multiple of $5,000. The Convertible Capital Appreciation Bonds shall be issued in denominations of $5,000 accreted value at their Conversion Date or any integral multiple thereof.

(c) *Maturity*. The Current Interest Bonds shall mature on the date or dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the applicable Bond Purchase Agreement. No Current Interest Bond shall mature later than the date which is 25 years from the date of the Current Interest Bonds. No Current Interest Bond shall have principal maturing on more than one principal maturity date. Each Bond Purchase Agreement executed with respect to the Series 2009B Bonds may provide that no Current Interest Bonds shall be issued.

The Capital Appreciation Bonds shall mature on the date or dates, in each of the years, and in such maturity values as shall be set forth in the applicable Bond Purchase Agreement. No Capital Appreciation Bond shall mature later than the date which is 25 years from the date of the Capital Appreciation Bonds. No Capital Appreciation Bond shall have principal maturing on more than one principal maturity date. Each Bond Purchase Agreement executed with respect to the Series 2009B Bonds may provide that no Capital Appreciation Bonds shall be issued.

The Convertible Capital Appreciation Bonds shall have Conversion Dates of and mature on the date or dates, in each of the years, in the accreted amounts and in the stated values at their Conversion Date as shall be set forth in the applicable Bond Purchase Agreement. No Convertible Capital Appreciation Bond shall mature later than the date which is 25 years from the date of the Convertible Capital Appreciation Bonds. No Convertible Capital Appreciation Bond shall have principal maturing on more than one principal maturity date. Each Bond Purchase Agreement executed with respect to the Series 2009B Bonds may provide that no Convertible Capital Appreciation Bonds shall be issued.

The Current Interest Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds may mature in the same year or years as any other Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, without limitation. The aggregate principal amount of the Series 2009B Bonds issued as Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds shall not exceed $22,500,000.

(d) *Interest on Current Interest Bonds*. The Current Interest Bonds shall bear interest at an interest rate not to exceed 12.00% per annum, payable on the Interest Dates in each year computed on the basis of a 360-day year of 12 30-day months. Each Current Interest Bond shall bear interest from the Interest Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on a Record Date and on or prior to the succeeding Interest Date, in which event it shall bear interest from such Interest Date, or unless it is authenticated on or before the Record Date preceding the first Interest Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Current Interest Bond, interest is in default on any outstanding Current Interest Bonds, such Current Interest Bond shall bear interest from the Interest Date to which interest has previously been paid or made available for payment on the outstanding Current Interest Bonds.

(e) *Interest on Capital Appreciation Bonds.* The Capital Appreciation Bonds shall not bear current interest; each Capital Appreciation Bond shall accrete in value daily over the term to its maturity (on the basis of a 360-day year of 12 30-day months), from its initial principal (denominational) amount on the date of issuance thereof to its stated maturity value at maturity thereof, on the basis of a constant interest rate (which shall not exceed 12.00% per annum) compounded semiannually on each Interest Date (with straight-line interpolations between Interest Dates). The accreted value per $5,000 maturity value of the Capital Appreciation Bonds on each Interest Date shall be given for reference in a table of accreted values to appear in the Capital Appreciation Bonds; provided, however, that the accreted value determined in accordance with this Section shall prevail over any different accreted value given in such table. Interest on the Capital Appreciation Bonds shall be payable only upon maturity or prior redemption thereof.

(f) *Interest on Convertible Capital Appreciation Bonds.* The Convertible Capital Appreciation Bonds prior to their respective Conversion Dates shall not bear current interest; each Convertible Capital Appreciation Bond shall accrete in value daily from its initial principal (denominational) amount on the date of issuance thereof to its stated accreted value at the Conversion Date thereof (on the basis of a 360-day year of 12 30-day months), on the basis of a constant interest rate (which shall not exceed 12.00% per annum) compounded semiannually on each Interest Date (with straight-line interpolations between Interest Dates). From and after the respective Conversion Date of a Convertible Capital Appreciation Bond, such Convertible Capital Appreciation Bonds shall bear current interest on the accreted value thereof at an interest rate not to exceed 12.00% per annum, computed on the basis of a 360-day year of 12 30-day months, payable on the Interest Dates in each year following its Conversion Date. Following the Conversion Date with respect thereto, each Convertible Capital Appreciation Bond shall bear interest from the Interest Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on a Record Date and on or prior to the succeeding Interest Date, in which event it shall bear interest from such Interest Date, or unless it is authenticated on or before the Record Date preceding the first Interest Date following its Conversion Date, in which event it shall bear interest from its Conversion Date; provided, however, that if, at the time of authentication of any Convertible Capital Appreciation Bond, interest is in default on any outstanding Convertible Capital Appreciation Bonds, such Convertible Capital Appreciation Bond shall bear interest from the Interest Date to which interest has previously been paid or made available for payment on the outstanding Convertible Capital Appreciation Bonds.

(g) *Build America Bonds.* The Treasurer is hereby authorized and directed to designate, and cause to be issued and sold, all or a portion of the Series 2009B Bonds as Build America Bonds, insofar as permitted by law, if it is determined by the District and the Treasurer to be in the best interest of the District, such designation to be conclusively evidenced by the execution and delivery of the applicable Bond Purchase Agreement by the District and the County incorporating such designation. Build America Bonds, if any, shall be issued as Current Interest Bonds as herein provided. Each Bond Purchase Agreement executed with respect to the Series 2009B Bonds may provide that no Build America Bonds shall be issued. The Board of Supervisors hereby finds and determines (i) that, pursuant to Section 5903 of the California Government Code, (1) the interest payable on the Series 2009B Bonds designated as Build America Bonds will be subject to federal income taxation under the Code in existence on the

date of issuance of the Series 2009B Bonds so designated, and (2) the terms and conditions of the Series 2009B Bonds so designated set forth in this County Resolution and the applicable Bond Purchase Agreement are necessary to place the Build America Bonds on the interest rates and cash flow desired by the Board of Supervisors, and (ii) that, pursuant to Section 5922 of the California Government Code, the terms and conditions of the Series 2009B Bonds so designated set forth in this County Resolution and the applicable Bond Purchase Agreement will result in a reduction in the amount or duration of payment and lower the cost of borrowing when used in combination with the Build America Bonds. To the extent any portion of the Series 2009B 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 (as defined herein) or account therein established for payment of such Build America Bonds.

Section 7. Payment of Bonds. (a) *Sources of Payment for the Bonds*. The money for the payment of principal or accreted value, redemption premium, if any, and interest with respect to the Series 2009B Bonds shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the interest and sinking fund of the District, and the Board of Supervisors hereby covenants to annually levy *ad valorem* taxes for the payment of the Series 2009B Bonds on all property in the District subject to taxation by the District without limitation as to rate or amount (except certain personal property which is taxable at limited rates).

(b) *Principal*. The principal or accreted value, as applicable, of the Series 2009B Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(c) *Interest; Record Date*. The interest on the Current Interest Bonds and the Convertible Capital Appreciation Bonds after the Conversion Date shall be payable on each Interest Date in lawful money of the United States of America to the Owner thereof as of the Record Date preceding such Interest Date, such interest to be paid by check or draft mailed on such Interest Date (if a business day, or on the next business day if the Interest Date does not fall on a business day) to such Owner at such Owner's address as it appears on the Registration Books or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least $1,000,000 of outstanding Current Interest Bonds or Convertible Capital Appreciation Bonds after the Conversion Date 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 Date.

(d) *Interest and Sinking Fund.* Principal or accreted value of, redemption premium, if any, and interest due on the Series 2009B Bonds shall be paid from the interest and sinking fund of the District as provided in Section 15146 of the California Education Code.

(e) *Obligation of the District.* No part of any fund or account of the County is pledged or obligated to the payment of the Series 2009B Bonds. The obligation for repayment of the Series 2009B Bonds is the sole obligation of the District.

(f) *Insurance.* The payment of principal or accreted value of and interest on all or a portion of the Series 2009B Bonds may be secured by a municipal bond insurance policy if the present value cost of such insurance is less than the present value of the estimated interest savings with respect to such Series 2009B Bonds as shall be described in the applicable Bond Purchase Agreement. Each Bond Purchase Agreement executed with respect to the Series 2009B Bonds may provide that no municipal bond insurance policy shall be obtained.

Section 8. Redemption Provisions. (a) *Optional Redemption.* The Series 2009B Bonds may be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the applicable Bond Purchase Agreement. The applicable Bond Purchase Agreement may provide that the Series 2009B Bonds shall not be subject to optional redemption, and may provide separate and distinct optional redemption provisions for the Current Interest Bonds, the Current Interest Bonds designated as Build America Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds.

(b) *Extraordinary Redemption.* The Series 2009B Bonds may be subject to extraordinary redemption on the dates and terms as shall be designated in the applicable Bond Purchase Agreement. The applicable Bond Purchase Agreement may provide that the Series 2009B Bonds shall not be subject to extraordinary redemption, and may provide separate and distinct extraordinary redemption provisions for the Current Interest Bonds, the Current Interest Bonds designated as Build America Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds.

(c) *Mandatory Sinking Fund Redemption.* The Series 2009B Bonds, if any, which are designated in a Bond Purchase Agreement as term bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in such Bond Purchase Agreement. Unless otherwise provided in the applicable Bond Purchase Agreement, the principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Series 2009B Bonds of that maturity redeemed in accordance with the subsection (a) or (b) of this Section prior to the mandatory sinking fund payment date. The applicable Bond Purchase Agreement may provide that the Series 2009B Bonds shall not be subject to mandatory sinking fund redemption.

The Auditor-Controller is hereby authorized to create such sinking funds or accounts for the term Series 2009B Bonds as shall be necessary to accomplish the purposes of this Section.

(d) *Notice of Redemption.* Notice of any redemption of the Series 2009B Bonds shall be mailed by the Paying Agent, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the Registration Books, and (ii) as may be further required in accordance with the applicable Continuing Disclosure Certificate.

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

(i) the date of such notice;

(ii) the name of the Series 2009B Bonds and the date of issue of the Series 2009B Bonds;

(iii) the redemption date;

(iv) the redemption price;

(v) the series of Series 2009B Bonds and the dates of maturity or maturities of Series 2009B Bonds to be redeemed;

(vi) if less than all of the Series 2009B Bonds of a series of any maturity are to be redeemed, the distinctive numbers of the Series 2009B Bonds of each maturity of such series to be redeemed;

(vii) in the case of Series 2009B Bonds of a series redeemed in part only, the respective portions of the principal amount of the Series 2009B Bonds of each maturity of such series to be redeemed;

(viii) the CUSIP number, if any, of each maturity of Series 2009B Bonds of a series to be redeemed;

(ix) a statement that such Series 2009B 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 Series 2009B 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.

(e) *Effect of Notice*. A certificate of the Paying Agent that notice of redemption has been given to Owners as herein provided shall be conclusive as against all parties. Neither the failure to receive the notice of redemption as provided in this Section, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Series 2009B 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 Series 2009B Bonds called for redemption is set aside for the purpose as described in subsection (g) of this Section, the Series 2009B Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Series 2009B Bonds at the place specified in the notice of redemption, such Series 2009B Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Series 2009B Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the interest and sinking fund or the trust fund established for such purpose. All Series 2009B Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(f) *Right to Rescind Notice.* The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Series 2009B Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the interest and sinking fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal or accreted value of, redemption premium, if any, and interest due on the Series 2009B Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Series 2009 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.

(g) *Funds for Redemption.* Prior to or on the redemption date of any Series 2009B Bonds there shall be available in the interest and sinking fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as in this County Resolution provided, the Series 2009B Bonds designated in the notice of redemption. Such monies shall be applied on or after the redemption date solely for payment of principal or accreted value of, redemption premium, if any, and interest on the Series 2009B Bonds to be redeemed upon presentation and surrender of such Series 2009B Bonds, provided that all monies in the interest and sinking fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the interest and sinking fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Series 2009B Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the interest and sinking fund of the District or otherwise held in trust for the payment of redemption price of the Series 2009B Bonds, the monies shall be held in or returned or transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal or accreted value of and interest on such bonds. 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.

(h) *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 Series 2009B Bonds all or part of the principal or accreted value of, redemption premium, if any, and interest on the Series 2009B Bonds at the times and in the manner provided herein and in the Series 2009B 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 7 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under the Series 2009B 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, redemption premium, if any, and interest on the Series 2009B Bonds, but only out of monies on deposit in the interest and sinking fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (i) of this Section shall apply in all events.

For purposes of this section, the District may pay and discharge any or all of the Series 2009B Bonds by depositing in trust with the Paying Agent or an escrow agent, selected by the District with the approval of the County, at or before maturity, money or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the interest and sinking fund of the District, be fully sufficient, in the opinion of a certified public accountant, to pay and discharge the indebtedness on such Series 2009B Bonds (including all principal or accreted value, interest and redemption premiums) at or before their respective maturity dates.

(i) *Unclaimed Monies.* Any money held in any fund created pursuant to this County Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal or accreted value of, redemption premium, if any, or interest on the Series 2009B Bonds and remaining unclaimed for two years after the principal or accreted value of all of the Series 2009B Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from the fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

Section 9. Paying Agent. (a) *Appointment; Payment of Fees and Expenses.* This Board of Supervisors does hereby consent to and confirm the appointment of the Treasurer to act as the initial Paying Agent for the Series 2009B Bonds. The Treasurer is hereby authorized to contract with any third party to perform the services of Paying Agent under 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 Series 2009B Bonds, or from the interest and sinking fund of the District, insofar as permitted by law, including specifically by Section 15232 of the California Education Code, 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 at any time by the Treasurer as provided in the Paying Agent's service agreement. Without further action by the District, if at any time the Paying Agent shall resign or be removed, the Treasurer shall appoint a successor Paying Agent, which shall be any bank, trust company, national banking association or other financial institution doing business in and having a corporate trust office in Los Angeles or San Francisco, California, with at least $100,000,000 in net assets.

(c) *Principal Corporate Trust Office.* Unless otherwise specifically noted, any reference herein to the Paying Agent shall initially mean the Treasurer and his designated agents or his successors or assigns, acting in the capacity of paying agent, registrar, authenticating agent and transfer agent, and any reference herein to the "principal corporate trust office" of the Paying Agent for purposes of transfer, registration, exchange, payment, and surrender of the Bonds shall initially mean the office of the Treasurer or the principal corporate trust office of his designated agent bank or other office of his designated agent bank designated thereby for a particular

purpose; provided, however, that in the event that "Paying Agent" shall refer to any successor paying agent, bond registrar, authenticating agent or transfer agent for the Series 2009B Bonds, "principal corporate trust office" shall include the principal corporate trust office or other office of such successor Paying Agent designated thereby for a particular purpose.

(d) *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 Series 2009B Bonds, 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 or transferred on the Registration Books, Series 2009B Bonds as provided in Section 10 and 11 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Series 2009B 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.

Section 10. Transfer Under Book-Entry System; Discontinuation of Book-Entry System. (a) Unless otherwise specified in the applicable Bond Purchase Agreement, DTC is hereby appointed depository for each series of the Series 2009B Bonds and the Series 2009B Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of DTC. One bond certificate shall be issued for each maturity of each series or subseries of the Current Interest Bonds, the Current Interest Bonds designated as Build America Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds; provided, however, that if different CUSIP numbers are assigned to Series 2009B Bonds of a series or subseries maturing in a single year or, if Series 2009B Bonds of the same series or subseries maturing in a single year are issued with different interest rates, additional bond certificates shall be prepared for each such maturity. Registered ownership of such Series 2009B Bonds of each such maturity, or any portion thereof, may not thereafter be transferred except as provided in this Section or Section 11 hereof:

(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, however 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; provided that no substitute depository which is not objected to by the District or the County can be obtained, or (2) a determination by the County (upon consultation with the District) that it is in the best interests of the County to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this Section, upon receipt of the outstanding Series 2009B Bonds by the Paying Agent, together with a written request of the District or the County to the Paying Agent, a new Series 2009 Bond for each maturity of each series shall be executed and delivered (in the case of Current Interest Bonds, in the aggregate principal amount of the Current Interest Bonds then outstanding, and in the case of Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, in the aggregate maturity value of the Capital Appreciation Bonds or the stated value at the applicable Conversion Date of the Convertible Capital Appreciation Bonds, as applicable, then outstanding), registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District or County. In the case of any transfer pursuant to clause (iii) of subsection (a) of this section, upon receipt of the outstanding Series 2009B Bonds by the Paying Agent together with a written request of the District or County to the Paying Agent, new Series 2009B 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 the County, subject to the limitations of Section 6 hereof and the receipt of such a written request of the District or County, and thereafter, the Series 2009B Bonds shall be transferred pursuant to the provisions set forth in Section 11 hereof; provided, however, that the Paying Agent shall not be required to deliver such new Series 2009B Bonds within a period of less than 60 days after the receipt of any such written request of the District or County.

(c) In the case of partial redemption or an advance refunding of the Series 2009B Bonds evidencing all or a portion of the principal amount then outstanding, DTC shall make an appropriate notation on the Series 2009B Bonds indicating the date and amounts of such reduction in principal.

(d) The County, the District and the Paying Agent shall be entitled to treat the person in whose name any Series 2009 Bond is registered as the owner thereof, notwithstanding any notice to the contrary received by the County, the District or the Paying Agent; and the County, the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Series 2009B Bonds, and neither the County, the District or the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including DTC or its successor (or substitute depository or its successor), except for the Owner of any Series 2009B Bonds.

(e) So long as the outstanding Series 2009B 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 registered Owner, or its registered assigns in effecting payment of the principal or accreted value of, redemption premium, if any, and interest on the Series 2009B

Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 11. Transfer and Exchange. (a) *Transfer.* Following the termination or removal of DTC or successor depository pursuant to Section 10 hereof, any Series 2009 Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series 2009 Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Series 2009 Bond or Series 2009B Bonds shall be surrendered for transfer, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 5 hereof, a new Series 2009 Bond or Series 2009B Bonds, of the same the same maturity, Interest Dates, interest payment mode and interest rate (in the case of Current Interest Bonds, 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 a like stated value at the applicable Conversion Date, as applicable). The Paying Agent may require the payment by any Owner of Series 2009B Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Series 2009 Bond shall be required to be made by the Paying Agent (1) during the period established by the Paying Agent for selection of the Series 2009B Bonds for redemption, and (2) after any Series 2009 Bond has been selected for redemption.

(b) *Exchange.* The Series 2009B Bonds may be exchanged for Series 2009B Bonds of other authorized denominations of the same maturity and Interest Date, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series 2009 Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Series 2009 Bond or Series 2009B Bonds shall be surrendered for exchange, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 5 hereof, a new Series 2009 Bond or Series 2009B Bonds of the same maturity, Interest Dates, interest payment mode and interest rate (in the case of Current Interest Bonds, 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 a like stated value at the applicable Conversion Date, 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.

No exchange of any Series 2009B Bonds shall be required to be made by the Paying Agent (1) during the period established by the Paying Agent for selection of the Series 2009B Bonds for redemption, and (2) after any Series 2009 Bond has been selected for redemption.

Section 12. Sale of Bonds; Bond Purchase Agreement. The form of Bond Purchase Agreement submitted to and on file with the Executive Officer-Clerk of this Board of Supervisors providing for the sale by this Board of Supervisors and the purchase by the

Underwriter of the Series 2009B Bonds at a purchase price to be set forth therein (which purchase price shall be approved by the Treasurer, this Board of Supervisors hereby expressly delegating to such officer the authority to execute the applicable Bond Purchase Agreement on its behalf), is hereby approved. The Treasurer is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver one or more Bond Purchase Agreements in substantially said form, as is determined by the District and the Treasurer to be in the best interest of the District, with such changes, insertions and omissions as the Treasurer may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the applicable Bond Purchase Agreement by the Treasurer; provided, however, that (a) the true interest cost for Series 2009B Bonds shall not be in excess of 9.0%, (b) the interest rate on the Current Interest Bonds and, from and after their Conversion Dates, the Convertible Capital Appreciation Bonds, shall not exceed 12.00% per annum, (c) the Capital Appreciation Bonds and, to their Conversion Dates, the Convertible Capital Appreciation Bond, shall accrete in value at a compounded interest rate not to exceed 12.00% per annum, (d) the minimum price for the Series 2009B Bonds shall be not less than the aggregate principal amount thereof, (e) the Underwriter's discount for the sale of Series 2009B Bonds shall not exceed 1.1% of the principal amount of such Series 2009B Bonds exclusive of any costs of issuance the Underwriter contracts to pay, and (f) the Series 2009B Bonds shall otherwise conform to the limitations specified herein.

The Bond Purchase Agreement shall recite the aggregate principal amount of the Series 2009B Bonds and which, if any, are designated as Build America Bonds, and with respect to the Current Interest Bonds, shall recite the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual Interest Dates thereof, and the terms of optional, extraordinary and mandatory sinking fund redemption thereof, if any, with respect to the Capital Appreciation Bonds, shall recite the date thereof, the initial principal amounts, maturity dates, and maturity values of each maturity thereof, the initial and semiannual Interest Dates thereof, and the terms of optional, extraordinary and mandatory sinking fund redemption thereof, if any, and with respect to the Convertible Capital Appreciation Bonds, shall recite the date thereof, the initial principal amounts, Conversion Dates, maturity dates, and stated value at the Conversion Date of each maturity thereof, the initial and semiannual Interest Dates thereof, and the terms of optional, extraordinary and mandatory sinking fund redemption thereof, if any.

Section 13. <u>Deposit and Investment of Proceeds</u>. The proceeds of sale of the Series 2009B Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury to the credit of the building fund of the District within the County treasury (the "Building Fund"). Any net premium and accrued interest received by the District shall be deposited upon receipt in the interest and sinking fund of the District within the County treasury (the "Interest and Sinking Fund"). The County makes no assurances regarding the use of the Series 2009B Bond proceeds. All funds held by the Treasurer in the Building Fund and the Interest and Sinking Fund shall be invested at the Treasurer's discretion pursuant to law and the investment policy of the County. In addition, to the extent permitted by law, (i) at the written request of the District, all or any portion of the Building Fund or the Interest and Sinking Fund of the District may be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State, (ii) at the written request of the District, all or any portion of the Building Fund or the Interest and Sinking Fund of the District may be invested on behalf of the District, in

investment agreements, including guaranteed investment contracts, float contracts or other investment products (collectively, "Investment Agreements"), which comply with the requirements of each rating agency then rating the Series 2009B Bonds necessary in order to maintain the then-current rating on the Series 2009B Bonds, and (iii) at the written request of the District, the Treasurer shall deposit any investment of all or any portion of the Building Fund or the Interest and Sinking Fund of the District made pursuant to California Education Code Section 41015 in accordance with the instructions of the District and California Education Code Section 41016.

Section 14. Tax Covenant. The County acknowledges and relies upon the fact that the District has represented and covenanted that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on Series 2009B Bonds not issued as Build America Bonds under Section 103 of the Code, and that it will comply with the requirements of the Tax Certificate of the District with respect to the Series 2009B Bonds, to be entered into by the District as of the date of issuance of the Series 2009B Bonds, and further that such representation and covenant shall survive payment in full or defeasance of the Series 2009B Bonds.

Section 15. 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 such covenants of the District as shall be necessary to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The County acknowledges and relies upon the fact that the District will covenant to comply with and carry out all of the provisions of such continuing disclosure certificates. The County shall have no responsibilities either for compliance with such continuing disclosure certificates or for the duties of any dissemination agent named therein.

Section 16. Limited Responsibility for Official Statement. Neither the Board of Supervisors nor any officer of the County has prepared or reviewed the official statement of the District describing the Series 2009B Bonds, and the Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's treasury pool portfolio holdings, as they may relate to funds of the District, the Treasurer is hereby authorized and directed to prepare and review such information for inclusion in such official statement and in the related preliminary official statement, and to certify to the District prior to or upon the issuance of the Series 2009B Bonds that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

Section 17. Approval of Actions. The Chairman of the Board of Supervisors, the Executive Officer-Clerk of the Board of Supervisors, the Auditor-Controller, the County Counsel and the Treasurer and the deputies and designees of any of them, are hereby authorized and directed to execute and deliver any and all certificates and representations, as may be acceptable to County Counsel, including signature certificates, no-litigation certificates, and other certificates proposed to be distributed in connection with the sale of the Series 2009B Bonds, necessary and desirable to accomplish the transactions authorized herein.

Section 18. <u>Effective Date.</u> This County Resolution shall take effect from and after its adoption.

The foregoing County 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	UNITED STATES OF AMERICA	Amount
R-__	STATE OF CALIFORNIA	$_____
	COUNTY OF LOS ANGELES	

TORRANCE UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2008 (MEASURE Z), SERIES 2009B-__
[(BUILD AMERICA BONDS–FEDERALLY TAXABLE)]

CURRENT INTEREST BOND

Maturity Date	Interest Rate	Dated as of	CUSIP NO.
_____ 1, ____	____%	_____ __, 2009	_____

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

On behalf of the Torrance Unified School District, County of Los Angeles, State of California (herein called the "District"), the County of Los Angeles (the "County") hereby acknowledges itself obligated to and promises to pay, but only from taxes collected by the County for such purpose pursuant to Section 15250 of the California Education Code, to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date set forth above or upon prior redemption hereof, the Principal 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 after the close of business on the Record Date (as defined herein) next preceding any interest payment date and on or prior such interest payment date, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before _____ 15, 200_, in which event it shall bear interest from the date hereof) at the interest rate per annum stated above, payable commencing on _____ 1, 200_, and thereafter on February 1 and August 1 in each year, until payment of the Principal Amount.

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office (as defined in the County Resolution) of the paying agent/registrar and transfer agent of the District (herein called the "Paying Agent"), initially the Treasurer and Tax Collector of the County of Los Angeles. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the Registered Owner hereof as of the close of business on the 15th day of the calendar 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 Registered Owner's address

as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the Registered Owner of current interest Bonds (hereinafter defined) aggregating at least $1,000,000 in principal amount, interest will be paid by wire transfer of immediately available funds to an account maintained in the United States as specified by the Registered Owner in such request. So long as Cede & Co. or its registered assigns shall be the Registered Owner of this bond, payment shall be made by wire transfer of immediately available funds as provided in the County Resolution hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to $_____, and designated as "Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009B-__ [(Build America Bonds–Federally Taxable)]" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 4, 2008. The Bonds are issued and sold 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 of a resolution (herein called the "County Resolution") adopted by the Board of Supervisors of the County on _____, 2009, and subject to the more particular terms specified in the Bond Purchase Agreement, dated as of _____, 2009, by and among the District, the County and George K. Baum & Company.

The current interest Bonds are issuable as fully registered bonds without coupons in the denomination of $5,000 principal amount or any integral multiple thereof, provided that no current interest Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the County Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same series, tenor, interest payment mode, and maturity of other authorized denominations.

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

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

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

The Board of Supervisors of the County hereby certifies and declares that this bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. The Bonds represent an obligation payable out of the interest and sinking fund of the District, and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District. The Bonds do not constitute a debt, liability or obligation of the County and no part of any fund or account of the County is pledged or obligated to the payment of the Bonds.

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 the manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

COUNTY OF LOS ANGELES

By: _____
Chairman of the Board of Supervisors

[SEAL]

By: _____
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 _____.

Treasurer and Tax Collector of the County of Los Angeles, California, as Paying Agent/Registrar and Transfer Agent

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

By: _____
Authorized Officer

DTC LEGEND

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

[STATEMENT OF INSURANCE]

ASSIGNMENT

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

_____
I.D. Number

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

Dated: _____

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

REDEMPTION SCHEDULE

TORRANCE UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2008 (MEASURE Z), SERIES 2009B-__
[(BUILD AMERICA BONDS–FEDERALLY TAXABLE)]

EXHIBIT B

[Form of Capital Appreciation Bond]

Number CAB-__	UNITED STATES OF AMERICA STATE OF CALIFORNIA COUNTY OF LOS ANGELES	Maturity Value $_____

TORRANCE UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2008 (MEASURE Z), SERIES 2009B-__
CAPITAL APPRECIATION BOND

Maturity Date	Dated as of	CUSIP NO.
_____ 1, ____	_____, 2009	_____

Registered Owner: CEDE & CO.

Initial Principal Amount: _____ DOLLARS

Accreted Value at Maturity: _____ DOLLARS

On behalf of the Torrance Unified School District, County of Los Angeles, State of California (herein called the "District"), the County of Los Angeles (the "County") hereby acknowledges itself obligated to and promises to pay, but only from taxes collected by the County for such purpose pursuant to Section 15250 of the California Education Code, on the Maturity Date specified above or upon prior redemption hereof, in lawful money of the United States of America, to the Registered Owner identified above or registered assigns (the "Registered Owner"), the accreted value hereof on such date, consisting of the Initial Principal Amount hereof plus interest accreted thereon to such date (in accordance with the County Resolution hereinafter defined and as reflected in the Table of Accreted Values hereinafter set forth; provided, that any accreted value determined in accordance with the County Resolution shall prevail over any accreted values given in the Table of Accreted Values), commencing on the date hereof, compounded on February 1 and August 1 of each year, commencing on _____ 1, 200_, assuming in any such semiannual period that such interest accretes 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 (as defined in the County Resolution) of the paying agent/registrar and transfer agent of the District (herein called the "Paying Agent"), initially the Treasurer and Tax Collector of the County of Los Angeles.

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 or yields, interest payment modes, maturities and redemption provisions), amounting in the aggregate to $_____ principal amount, and designated as "Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009B-__" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at

an election duly and legally called, held and conducted in the District on November 4, 2008. The Bonds are issued and sold 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 of a resolution (herein called the "County Resolution") adopted by the Board of Supervisors of the County on _____, 2009, and subject to the more particular terms specified in the Bond Purchase Agreement, dated as of _____, 2009, by and among the District, the County and George K. Baum & Company.

The capital appreciation Bonds are issuable as fully registered bonds without coupons in the denomination of $5,000 accreted value at maturity (the "maturity value") or any integral multiple thereof, except that one numbered capital appreciation Bond may be issued in a denomination such that the maturity value of such capital appreciation Bond shall not be in an integral multiple of $5,000, and provided that no capital appreciation Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the County Resolution, Bonds may be exchanged for a like aggregate maturity value of Bonds of the same series, tenor, interest payment mode, and maturity of other authorized denominations.

This bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the County Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations for the same Bond interest payment mode and same aggregate maturity value will be issued to the transferee in exchange therefor.

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

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

The Board of Supervisors of the County hereby certifies and declares that this bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. The Bonds represent an obligation payable out of the interest and sinking fund of the District, 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. The Bonds do not constitute a debt, liability or obligation of the County and no part of any fund or account of the County is pledged or obligated to the payment of the Bonds.

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 the manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

COUNTY OF LOS ANGELES

By: _____
Chairman of the Board of Supervisors

[SEAL]

By: _____
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 _____.

Treasurer and Tax Collector of the County of Los Angeles, California, as Paying Agent/Registrar and Transfer Agent

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

By: _____
Authorized Officer

DTC LEGEND

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

[STATEMENT OF INSURANCE]

ASSIGNMENT

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

_____
I.D. Number

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

Dated: _____

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

REDEMPTION SCHEDULE

TORRANCE UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2008 (MEASURE Z), SERIES 2009B-__

[TABLE OF ACCRETED VALUES]

EXHIBIT C

[Form of Convertible Capital Appreciation Bond]

Number	UNITED STATES OF AMERICA	Maturity Value
CCAB-__	STATE OF CALIFORNIA	$_____
	COUNTY OF LOS ANGELES	

TORRANCE UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2008 (MEASURE Z), SERIES 2009B-__
CONVERTIBLE CAPITAL APPRECIATION BOND

Maturity Date	Conversion Date	Interest Rate After Conversion Date	Dated as of	CUSIP NO.
August 1, 20__	_____ 1, 20__	___%	_____, 2009	_____

Registered Owner: CEDE & CO.

Initial Principal Amount: _____ DOLLARS

Accreted Value at the Conversion Date: _____ DOLLARS

On behalf of the Torrance Unified School District, County of Los Angeles, State of California (herein called the "District"), the County of Los Angeles (the "County") hereby acknowledges itself obligated to and promises to pay, but only from taxes collected by the County for such purpose pursuant to Section 15250 of the California Education Code, on the Maturity Date specified above or upon prior redemption hereof, in lawful money of the United States of America, to the Registered Owner identified above or registered assigns (the "Registered Owner"), the accreted value hereof on such date, consisting of the Initial Principal Amount hereof plus interest accreted thereon to the Conversion Date set forth above (in accordance with the County Resolution hereinafter defined and as reflected in the Table of Accreted Values hereinafter set forth; provided, that any accreted value determined in accordance with the County Resolution shall prevail over any accreted values given in the Table of Accreted Values), commencing on the date hereof, compounded on February 1 and August 1 of each year, commencing on _____ 1, 200_, assuming in any such semiannual period that such interest accretes 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 accreted value as of the Conversion Date in like lawful money from the interest payment date next preceding the date of authentication of this bond (unless this bond is authenticated after the close of business on the Record Date (as defined herein) next preceding any interest payment date and on or prior such interest payment date, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before the Record Date preceding the first interest payment date following its Conversion Date, in which event it shall bear interest from the Conversion Date) at the interest rate per annum stated above, payable commencing on

the February 1 or August 1 following the Conversion Date, and thereafter on February 1 and August 1 in each year, until payment of said accreted value.

The accreted value hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office (as defined in the County Resolution) of the paying agent/registrar and transfer agent of the District (herein called the "Paying Agent"), initially the Treasurer and Tax Collector of the County of Los Angeles. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the Registered Owner hereof as of the close of business on the 15th day of the calendar 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 Registered Owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the Registered Owner of convertible capital appreciation Bonds (hereinafter defined) aggregating at least $1,000,000 in accreted value as of the Conversion Date, interest will be paid by wire transfer of immediately available funds to an account maintained in the United States as specified by the Registered Owner in such request. So long as Cede & Co. or its registered assigns shall be the Registered Owner of this bond, payment shall be made by wire transfer of immediately available funds as provided in the County Resolution hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates or yields, interest payment modes, maturities and redemption provisions), amounting in the aggregate to $_____ principal amount, and designated as "Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009B-__" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 4, 2008. The Bonds are issued and sold 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 of a resolution (herein called the "County Resolution") adopted by the Board of Supervisors of the County on _____, 2009, and subject to the more particular terms specified in the Bond Purchase Agreement, dated as of _____, 2009, by and among the District, the County and George K Baum & Company.

The convertible capital appreciation Bonds are issuable as fully registered bonds without coupons in the denomination of $5,000 accreted value at the Conversion Date or any integral multiple thereof, provided that no convertible capital appreciation Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the County Resolution, Bonds may be exchanged for a like aggregate maturity value of Bonds of the same series, tenor, interest payment mode, and maturity of other authorized denominations.

This bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the County Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized

denomination or denominations for the same Bond interest payment mode and same aggregate maturity value will be issued to the transferee in exchange therefor.

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

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

The Board of Supervisors of the County hereby certifies and declares that this bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. The Bonds represent an obligation payable out of the interest and sinking fund of the District, 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. The Bonds do not constitute a debt, liability or obligation of the County and no part of any fund or account of the County is pledged or obligated to the payment of the Bonds.

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 the manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

COUNTY OF LOS ANGELES

By: _____
Chairman of the Board of Supervisors

[SEAL]

By: _____
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 _____.

Treasurer and Tax Collector of the County of Los Angeles, California, as Paying Agent/Registrar and Transfer Agent

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

By: _____
Authorized Officer

DTC LEGEND

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

[STATEMENT OF INSURANCE]

ASSIGNMENT

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

_____
I.D. Number

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

Dated: _____

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

REDEMPTION SCHEDULE

TORRANCE UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2008 (MEASURE Z), SERIES 2009B-__

[TABLE OF ACCRETED VALUES]

$_____
TORRANCE UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
GENERAL OBLIGATION BONDS,
ELECTION OF 2008 (MEASURE Z),
SERIES 2009B-1

$_____
TORRANCE UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
GENERAL OBLIGATION BONDS,
ELECTION OF 2008 (MEASURE Z),
SERIES 2009B-2
(BUILD AMERICA BONDS)

BOND PURCHASE AGREEMENT

_____, 2009

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

Torrance Unified School District
2335 Plaza del Amo
Torrance, California 90509

The undersigned, George K. Baum & Company (the "Underwriter"), hereby offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the County of Los Angeles, California (the "County") and the Torrance Unified School District (the "District") which, upon the acceptance hereof, will be binding upon the County, the District and the Underwriter. By execution of this Bond Purchase Agreement, the County and the District acknowledge the terms hereof and recognize that they will be bound by certain of the provisions hereof, and to the extent binding on the County and the District, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Bond Purchase Agreement by the County and the District and delivery of such acceptance to us at or prior to 11:59 p.m., California time, on the date hereof.

1. Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the County for reoffering to the public and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of the (i) $_____ aggregate initial principal amount of the District's Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009B-1 (the "Series 2009B-1 Bonds"), and (ii) $_____ aggregate principal amount of the District's Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009B-2 (Build America Bonds) (the "Series 2009B-2 Bonds" and together with the Series 2009B-1 Bonds, the "Bonds").

The Series 2009B-1 Bonds shall consist of $_____ aggregate principal amount of current interest bonds (the "Series 2009B-1 Current Interest Bonds"), $_____ aggregate initial principal amount of capital appreciation bonds (the "Series 2009B-1 Capital Appreciation Bonds") and $_____ aggregate initial principal amount of convertible capital appreciation bonds (the "Series 2009B-1 Convertible Capital Appreciation Bonds"). The Series 2009B-1 Bonds shall bear or accrete interest at the rates and shall mature on the dates and in the years shown on Exhibit A hereto, which is incorporated herein by this reference. The Series 2009B-1 Current Interest Bonds shall bear interest from the date thereof and such interest shall be payable on each February 1 and August 1, commencing _____ 1, 20__. The Series 2009B-1 Capital Appreciation Bonds shall accrete interest from their date, compounded semiannually on February 1 and August 1, commencing on _____ 1, 20__, and shall be paid at maturity as shown in Exhibit A hereto. The Series 2009B-1 Convertible Capital Appreciation Bonds shall accrete interest from their date, compounded semiannually on February 1 and August 1, commencing on _____ 1, 20__, to the applicable conversion date thereof (the "Conversion Date"). From and after the Conversion Date thereof, each Series 2009B-1 Convertible Capital Appreciation Bond shall bear interest from such Conversion Date and such interest shall be payable on each February 1 and August 1, commencing on the February 1 or August 1 immediately following such Conversion Date. The stated value of each Series 2009B-1 Convertible Capital Appreciation Bond at the Conversion Date thereof shall be paid at maturity as shown in Exhibit A hereto.

The Series 2009B-2 Bonds shall consist of $_____ aggregate principal amount of current interest bonds and shall bear interest at the rates 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 Series 2009B-2 Bonds as Build America Bonds ("Build America Bonds") pursuant to Section 54AA(g) of the Internal Revenue Code of 1986. The Series 2009B-2 Bonds shall bear interest from the date thereof and such interest shall be payable on each February 1 and August 1, commencing _____ 1, 20__.

The Underwriter shall purchase the Bonds at a price of $_____ (which is equal to the sum of $_____, the initial principal amount of the Bonds plus $_____, the amount of remaining net original issue premium), in immediately available funds by check, draft or wire transfer to or upon the order of the County on behalf of the District. The Underwriter's discount of $_____ on the Bonds does not exceed _____% of the principal amount of the Bonds (excluding costs of issuance to be paid by the Underwriter pursuant to Section 14 hereof with respect to the Bonds). The true interest cost for the Bonds is _____%.

2. <u>The Bonds</u>. The Series 2009B-1 Current Interest Bonds shall be dated their date of delivery, shall bear interest at the rates and shall mature on August 1 in the years and be subject to redemption all as shown on Exhibit A hereto. The Series 2009B-1 Capital Appreciation Bonds shall be dated their date of delivery, shall accrete interest at the rates and shall mature on August 1 in the years and be subject to redemption all as shown on Exhibit A hereto. The Series 2009B-1 Convertible Capital Appreciation Bonds shall be dated their date of delivery, shall accrete interest to their Conversion Dates at the rates, shall bear interest from and after their Conversion Dates at the rates, shall convert to current interest bonds on the Conversion Dates and shall mature on August 1 in the years and be subject to redemption all as shown on Exhibit A hereto. The Series 2009B-2

Bonds shall be dated their date of delivery, shall bear interest at the rates and shall mature on August 1 in the years and be subject to redemption all as shown on Exhibit A hereto.

The Bonds shall be issued and secured pursuant to the provisions of Article XIIIA of the Constitution of the State of California and Title 1, Division 1, Part 10, Chapters 1 and 1.5 of the California Education Code (the "Education Code") and pursuant to, and shall otherwise be as described in, resolutions of the Board of Education of the District (the "Board of Education") adopted on _____, 2009 (the "District Resolution"), and of the Board of Supervisors of the County (the "Board of Supervisors") adopted _____, 2009 (the "Board Resolution" and, collectively with the District Resolution, the "Resolutions"), which provide for the terms of the Bonds and designate the Treasurer and Tax Collector of the County as initial paying agent therefor (the "Paying Agent"), and this Bond Purchase Contract. The Bonds were authorized under and pursuant to a bond authorization approved by more than fifty-five percent (55%) of the voters of the District voting at an election held on November 4, 2008 (the "Election") approving an amount not more than $90 million of general obligation bonds of the District to be used to finance specific construction, repair and improvement projects (collectively, the "Project") as further described in the Preliminary Official Statement (defined below). Capitalized terms used herein and not defined herein shall have the meanings set forth in the County Resolution.

The Bonds will be substantially in the form described in the County Resolution and shall be executed and delivered under and in accordance with the provisions of this Bond Purchase Agreement and the Resolutions. The Bonds shall be in definitive form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC").

[The payment of principal of and interest and compounded interest (but not any redemption premium) on each series of the Bonds as specified in Exhibit A hereto will be secured by a municipal bond insurance policy (the "Insurance Policy") to be issued simultaneously with the issuance of the Bonds by _____ (the "Insurer").]

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

4. **Public Offering of the Bonds.** The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields as set forth in Exhibit A hereto. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as it deems necessary in connection with the marketing of the Bonds; *provided* that the Underwriter shall not change the interest rates set forth in Exhibit A hereto. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

Prior to Closing, as a condition to delivery of the Bonds, the Underwriter shall be required to provide to the District initial offering price information in form and substance as Bond Counsel (defined below) may require, including: (i) certification that as of the date of sale, all of the Bonds were expected to be reoffered in a bona fide public offering at the stated initial offering price; (ii) certification that as of the date of the certification, all of the Bonds had actually been offered to the general public at such price; and (iii) certification of the maximum initial bona fide offering prices at which at least 10% of the Bonds were sold to the general public.

5. Review of Official Statement. (a) The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated _____, 2009 (as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement"). The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the "Rule"). By the execution of this Bond Purchase Contract, the County and the District ratify the use by the Underwriter of the Preliminary Official Statement.

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

(b) The Underwriter agrees to file the Official Statement with the Municipal Securities Rulemaking Board ("MSRB") 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).

(c) References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto.

6. Closing. 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 "Closing Date"), the District will direct the Paying Agent to deliver to the Underwriter, through the facilities of DTC in New York, New York, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed, together with the other documents hereinafter mentioned. Upon fulfillment of all conditions to Closing herein, the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds (by wire transfer or such other manner of payment as the Underwriter and the Treasurer and Tax Collector of the County, following the direction of the District, shall reasonably agree upon) to the order of the County.

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

(a) The District is a school district duly organized and validly existing under the laws of the State of California (the "State"), with the power to issue the Bonds pursuant to the Education Code;

(b) (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Bond Purchase Agreement and the Continuing Disclosure Certificate, to adopt the District Resolution, to issue and to deliver the Bonds, to perform its obligations under each such document or instrument and to carry out and effectuate the transactions contemplated by this Bond Purchase Agreement and the District Resolution; (iii) the execution and delivery or adoption of and the performance by the District of the obligations represented by, the Bonds, the District Resolution, the County Resolution, the Continuing Disclosure Certificate and this Bond Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Bond Purchase Agreement constitutes 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 this Bond Purchase Agreement;

(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 Underwriter may reasonably request, or which have not been taken or obtained; *provided, however,* that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof;

(d) The District has complied with the Internal Revenue Code of 1986, as amended, with respect to the Bonds;

(e) As of the time of acceptance hereof and as of the time of the Closing, the District is not and will not be, in any manner which would adversely affect the transactions contemplated hereby and by the Resolutions, in breach of or in 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 no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would adversely affect the transactions contemplated hereby and by the Resolutions, a default or event of default under any such instrument; and, as of such times, to the best knowledge of the District, the issuance of the Bonds, the execution, delivery and performance of this Bond

Purchase Agreement, the Continuing Disclosure Certificate, the District Resolution and the Bonds and the compliance with the provisions hereof and of the County Resolution 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;

(f) 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 collection of revenues or assets of the District pledged or to be pledged or available to pay the principal of and interest and compounded interest on the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the Resolutions, or in any way contesting or affecting the validity or enforceability of the Bonds, this Bond Purchase Agreement, the Continuing Disclosure Certificate or the Resolutions or contesting the powers of the District or its authority with respect to the Bonds, the Resolutions, or this Bond Purchase Agreement; (iii) contesting the completeness or accuracy of the Preliminary Official Statement; or (iv) in which a final adverse decision could (a) result in any material adverse impact on the financial condition of the District, (b) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Bond Purchase Agreement or the Resolutions, (c) declare this Bond Purchase Agreement to be invalid or unenforceable in whole or in material part, or (d) adversely affect the exclusion of the interest paid on the Bonds not issued as Build America Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation;

(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 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 material misstatement of any material fact and do not, and up to and including the Closing will not, omit any statement necessary to make the statements contained therein, in light of the circumstances in which such statements 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 Underwriter in complying with the Rule, the District will undertake, pursuant to the District Resolution and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events; the District has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events. A form of this undertaking is set forth as an appendix to the Preliminary Official Statement and will also be set forth as an appendix to the Official Statement;

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

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

(l) Preparation and distribution of the Official Statement pertaining to the Bonds have been duly authorized by the District, and the information contained therein (excluding the statements and information in Appendix _ – "Book-Entry Only System," [any information relating to the Insurer or the Insurance Policy] and any information provided by the Underwriter for inclusion in the Official Statement) is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except that no representation and warranty is made concerning statements and information in Appendix _ – "Book-Entry Only System," [any information relating to the Insurer or the Insurance Policy] and any information provided by the Underwriter for inclusion in the final Official Statement; and

(m) The District agrees that if at any time before the Closing Date, 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 any fact necessary to make the statements made therein not misleading in any material respect, the District shall promptly prepare an amendment or supplement that will correct such statement or omission. The District will advise the Underwriter 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 Underwriter.

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

(a) The County has the power under the laws of the State to issue the Bonds in the name and on behalf of the District pursuant to the applicable provisions of the Education Code;

(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; (ii) the County has full legal right, power and authority to enter into this Bond Purchase Agreement, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter in the name and on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions applicable to the County contemplated by this Bond Purchase Agreement and the Resolutions; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations represented by the Bonds, the County Resolution and this Bond Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing and the County Resolution shall not have been modified, amended, rescinded or revoked and is in full force and effect on the date hereof and on the date of the Closing; (iv) this Bond Purchase Agreement constitutes 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 this Bond Purchase Agreement;

(c) To the best knowledge of the County, no authorization, approval, consent or other order of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the County of this Bond Purchase Agreement or the consummation by the County of the other transactions contemplated by such agreement (provided that no representation or warranty need be given as to any action required of the District or under state securities or blue sky laws in connection with the purchase or distribution of the Bonds by the Underwriter);

(d) To the best knowledge of the County, no consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any California governmental agency is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, *except* for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, 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;

(e) To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Bond Purchase Agreement, the County Resolution and the Bonds, and the compliance with the provisions hereof applicable to the County do not conflict with or constitute on the part of the County a material violation of, or material default under, the Constitution of the State or any existing law, charter, ordinance,

regulation, decree, order or resolution to which the County is bound 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;

(f) The County is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party, which breach or default would materially adversely affect the County's ability to enter into or perform its obligations under this Bond Purchase Agreement;

(g) 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, or directly contesting or affecting the validity or enforceability of the Bonds, this Bond Purchase Agreement or the County Resolution or contesting the powers of the County or its authority with respect to the Bonds, the County Resolution or this Bond Purchase Agreement; or (iii) in which a final adverse decision would declare this Bond Purchase Agreement to be invalid or unenforceable in whole or in material part;

(h) Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money; and

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

9. <u>Representations and Agreements of the Underwriter</u>. The Underwriter represents to and agrees with the County and the District that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute this Bond Purchase Agreement and to take any action under this Purchase Agreement required to be taken by it.

(b) The Underwriter is in compliance with Rule G-37 of the MSRB with respect to the District, and is not prohibited thereby from acting as underwriter with respect to securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship with the District with respect to the Bonds and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship California Government Code Section 53590(c).

(d) The Underwriter has reasonably determined that the District's undertaking pursuant to Section 7(i) hereof to provide continuing disclosure with respect to the Bonds is sufficient to effect compliance with Rule 15c2-12.

10. <u>Covenants of the County and the District</u>. The County and the District respectively covenant and agree with the Underwriter that:

(a) The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations 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 Underwriter, not later than the seventh (7th) business day following the date this Bond Purchase Agreement is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto, and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, being herein called the "Official Statement") in such quantities as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB; provided, however, that the failure of the District to comply with this requirement due solely to the acts of the Underwriter, its counsel or agents, shall not be considered cause for the Underwriter to refuse to accept delivery of and pay for the Bonds; and

(c) Each party hereto agrees that it will notify the other parties hereto if, within the period from the date of this Bond Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period (as hereinafter defined), such party discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case which might cause the Official Statement (as the same may have been theretofore supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If, in the written opinion of the District or counsel to the Underwriter, the preparation and publication of a supplement or amendment to the Official Statement is, as a result of such fact or event (or any other event which becomes known to the County, the District or the Underwriter during such period), necessary so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District will, at its expense, supplement or amend the Official Statement in such a manner so that the Official Statement, as so supplemented or amended, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the

light of the circumstances under which they were made, not misleading, and furnish copies of such supplement or amendment to the Underwriter in such numbers as the Underwriter may reasonably request. The District and the Underwriter agree that they will cooperate in the preparation of any such amendment or supplement. As used herein, the term "End of the Underwriting Period" means the later of such time as (i) the County delivers the Bonds to the Underwriter, or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the "End of the Underwriting Period" shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the District at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the End of the Underwriting Period.

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 Bond Purchase Agreement which are to be performed solely by the District.

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

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

(b) At the time of the Closing, (i) the Official Statement, the Continuing Disclosure Certificate, this Bond Purchase Agreement, the District Resolution and the County Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; (ii) all actions under the Education Code which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the County and the District shall perform or have performed all of their respective obligations required under or specified in the District Resolution, the County Resolution, the Continuing Disclosure Certificate, or the Official Statement to be performed at or prior to the Closing;

(c) No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Bond Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, is

pending (in which service of process has been completed against the County or the District) 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 or this Bond Purchase Agreement, or (C) in any way contesting the existence or powers of the County or the District, or contesting in any way the completeness or accuracy of the Official Statement;

(d) Between the date hereof and the Closing, the investment quality, the marketability or the market price of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds at the initial offering prices set forth in the Official Statement, 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 or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

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

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

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

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not

now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force;

(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 issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

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

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information 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 required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(e) At or prior to the date of the Closing, the Underwriter shall have received the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) An approving opinion of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California ("Bond Counsel"), substantially in the form attached as Appendix _ to the Official Statement, dated the Closing Date and addressed to the County and the District;

(2) A reliance letter from Bond Counsel to the effect that the Underwriter [and the Insurer] may rely upon the approving opinion described in subsection (e)(1) above;

(3) A certificate, signed by an appropriate official of the District, to the effect that (i) such official is authorized to execute this Bond Purchase Agreement 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 Resolution, the County Resolution, the Continuing Disclosure Certificate and this Bond Purchase Agreement to be complied with by the District prior to or concurrently with the Closing, (iv) to the best of such official's knowledge, no litigation is pending 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 Continuing Disclosure Certificate or this Bond 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 to make the statements therein, in light of the circumstances in which they were made, not misleading, (vi) each of the conditions listed in Section 12 of this Bond Purchase Agreement has been satisfied on the date hereof and the District is not aware of any other condition of this Bond Purchase Agreement that has not been satisfied on the date hereof, (vii) the Bonds being delivered on the date of the Closing to the Underwriter under this Bond Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution and this Bond Purchase Agreement, and (viii) no consent of any party is required for inclusion of the District's audited financial statements for fiscal year ended June 30, 2008, in the Official Statement;

(4) The opinion of Orrick, Herrington & Sutcliffe LLP, as disclosure counsel to the District, addressed to the District and the Underwriter, dated the Closing Date, to the effect that (i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the County Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended[; provided, however, that no opinion need be expressed regarding the Insurance Policy] and (ii) based on such counsel's participation in conferences with representatives of the Underwriter, the District, the County, the Paying Agent, [the Insurer,] their respective counsel, and others, during which conferences the contents of the Official Statement and related matters were discussed (but with no inquiry made of other attorneys in such counsel's firm not working directly on the issuance of the Bonds who may have information material to the issue), and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District and the Underwriter, as a matter of fact and not opinion, that, during the course of its engagement as disclosure counsel no facts came to the attention of such counsel's attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date (except for any CUSIP numbers, financial, statistical, economic, engineering or demographic data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, any information about feasibility valuation, appraisals, absorption, real estate or environmental matters, or any information about litigation, Appendices _, _, _ and _, or any information about [the Insurer, the Insurance Policy,] book-entry or DTC, included or referred to therein, as to which such counsel need express no opinion or view) contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(5) The Continuing Disclosure Certificate signed by an appropriate official of the District substantially in the form appended to the Official Statement;

(6) A certificate signed by appropriate officials of the County to the effect that (i) such officials are authorized to execute and to approve this Bond 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 Resolution and this Bond Purchase Agreement to be complied with by the County prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such official has reviewed the information contained in the Official Statement in Appendix _ – "Summary of County of Los Angeles Investment Policies and Practices and Description of Investment Pool" and on such basis certifies that the information contained in the Official Statement in Appendix _ – "Summary of County of Los Angeles Investment Policies and Practices and Description of Investment Pool" does not contain any untrue statement of a material fact concerning the County required to be stated therein or omit to state a material fact necessary to make the statements concerning the County therein, in the light of the circumstances in which they were made, not misleading; and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Bond Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution and this Bond Purchase Agreement;

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

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

(9) The opinion of Atkinson, Andelson, Loya, Ruud and Romo, Cerritos, California, as counsel to the District ("District Counsel"), addressed to [the Insurer,] the District, the County and the Underwriter, dated the Closing Date, to the effect that:

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

(ii) the District Resolution approving and authorizing the execution, sale and delivery of the Bonds and the execution, delivery and performance by the District of this Bond Purchase Agreement and the Continuing Disclosure Certificate was duly adopted at a meeting of the Board of Trustees, 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;

(iii) to the best knowledge of such counsel, there is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body, pending (in which service of process has been

completed against the District) or threatened against the District, in any way contesting or affecting the validity of the District Resolution, the Continuing Disclosure Certificate or this Bond Purchase Agreement or contesting the powers of the District to enter into or perform its obligations under such agreements;

(iv) to the best of such firm's knowledge, the issuance of the Bonds and the execution, delivery and performance of this Bond Purchase Agreement and the Continuing Disclosure Certificate do not and will not conflict with or constitute on the part of the District a breach of, or a default under any agreement, indenture, mortgage, lease or other instrument to which the District is subject or by which it is bound or any existing State law, regulation, court order or consent decree to which the District is subject;

(v) this Bond 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 respective parties thereto, if any, such agreements constitute legal, valid and binding agreements of the District enforceable in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought, and by the limitations on legal remedies imposed on actions against school districts in the State; and

(vi) to the best of such firm's knowledge, the District is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default would materially adversely affect the District's ability to enter into or perform its obligations under this Bond Purchase Agreement and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach or default;

(10) The opinion of County Counsel for the County of Los Angeles, as counsel to the County, addressed to the Underwriter, dated the Closing Date and in a form reasonably satisfactory to the Underwriter;

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

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

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

(12) An original adopted County Resolution or a certificate, together with fully executed copies of the County Resolution, of the Clerk of the Board of Supervisors to the effect that:

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

(ii) the County Resolution was duly adopted;

(13) Certificates of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule;

(14) [A policy of municipal bond insurance with respect to the Bonds that are insured by the Insurer;]

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

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

(17) At or before Closing, and contemporaneously with the acceptance of delivery of the Bonds and the payment of the purchase price thereof, the Underwriter will provide to the District: (i) the receipt of the Underwriter, in form satisfactory to the District and signed by an authorized officer of the Underwriter, confirming delivery of the Bonds to the Underwriter and the satisfaction of all conditions and terms of this Bond Purchase Agreement by the District and confirming to the District that as of the Closing Date all of the representations of the Underwriter contained in this Bond Purchase Agreement are true and correct in all material respects; and (ii) the reoffering price certificate of the Underwriter in form satisfactory to Bond Counsel, as described in Section 4 and such other matters as Bond Counsel may request; and

(18) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence (i) compliance by the County, the District and the Paying Agent 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 and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

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

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 Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the County and the District and other than items to be executed by the Underwriter or their counsel.

14. Expenses. At the direction of the District, the Underwriter shall pay costs of issuance of the Series 2009B-1 Bonds and the Series 2009B-2 Bonds up to the amount of $_____ and $_____, respectively, including but not limited to the following: (i) the costs of the preparation and reproduction of the Resolutions; (ii) the fees and disbursements of Bond Counsel, Disclosure Counsel and District Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for ratings, including all necessary expenses for travel relating to such ratings; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the initial fees of the Paying Agent; [(vii) the premium for the Insurance Policy;] (viii) [CUSIP Bureau registration fees and security depository fees,] and (ix) all other fees and expenses incident to the issuance and sale of the Bonds. Any such expenses which exceed such amounts shall be paid by the District and may be paid from the proceeds of the Bonds. All out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, expenses for travel, the fees and expenses of counsel to the Underwriter, if any, and other expenses (except as provided above), shall be paid by the Underwriter.

15. Notices. Any notice or other communication to be given under this Bond 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 County of Los Angeles, Office of the Treasurer and Tax Collector, Hall of Administration, 500 West Temple Street, Room 437, Los Angeles, California 90012, Attention: Treasurer and Tax Collector, if to the District, to the Torrance Unified School District at 2335 Plaza del Amo, Torrance, California 90509, Attention: Donald A. Stabler, Ed.D., Deputy Superintendent, or if to the Underwriter, in care of the Underwriter, 60 J Street, Suite 460, Sacramento, California 95814; Attention: Charles H. Youtz.

16. Severability. In the event any provision of this Bond 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.

17. Parties in Interest; Survival of Representations and Warranties. This Bond Purchase Agreement when accepted by the County and the District in writing as heretofore specified

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

19. **Applicable Law.** This Bond 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,

GEORGE K. BAUM & COMPANY

By:_____
Authorized 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

TORRANCE UNIFIED SCHOOL DISTRICT

By:_____
Deputy Superintendent, Business Services

EXHIBIT A

MATURITY SCHEDULE

SERIES 2009B-1 BONDS

Series 2009B-1 Current Interest Bonds
$_____ Serial Bonds

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

_____
† Yield to par call on August 1, 20__.

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

$_____ Series 2009B-1 Capital Appreciation Bonds

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

$_____ Series 2009B-1 Convertible Capital Appreciation Bonds

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

SERIES 2009B-2 BONDS

$_____ Serial Bonds

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

_____

† Yield to par call on August 1, 20__.

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

TERMS OF REDEMPTION

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

SERIES 2009B-1 BONDS

Optional Redemption. [The Series 2009B-1 Current Interest Bonds maturing on or before August 1, 20__, are not subject to redemption prior to their respective stated maturity dates. Series 2009B-1 Current Interest Bonds maturing on and after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to the principal amount of the Series 2009B-1 Current Interest Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.]

[The Series 2009B-1 Capital Appreciation Bonds shall not be subject to optional redemption prior to maturity.]

[The Series 2009B-1 Convertible Capital Appreciation Bonds shall not be subject to optional redemption prior to maturity.]

Mandatory Sinking Fund Redemption. The $_____ Term Series 2009B-1 Current Interest Bonds maturing on August 1, 20__, are also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
†	

† Maturity.

The principal amount to be redeemed in each year shown above will be reduced proportionately, in integral multiples of $5,000, by any portion of the Term Series 2009B-1 Current Interest Bond optionally redeemed prior to the mandatory sinking fund redemption date.

[The Series 2009B-1 Capital Appreciation Bonds shall not be subject to mandatory sinking fund redemption prior to their stated maturity dates.]

[The Series 2009B-1 Convertible Capital Appreciation Bonds shall not be subject to mandatory sinking fund redemption prior to their stated maturity dates.]

SERIES 2009B-2 BONDS

Optional Redemption.

Extraordinary Redemption.

Mandatory Sinking Fund Redemption.

RESOLUTION NO. AS-03-09/10

RESOLUTION OF THE BOARD OF EDUCATION OF THE TORRANCE UNIFIED SCHOOL DISTRICT PRESCRIBING THE TERMS OF SALE OF NOT TO EXCEED $22,.500,000 AGGREGATE PRINCIPAL AMOUNT OF MEASURE Z BONDS OF THE TORRANCE UNIFIED SCHOOL DISTRICT, IN ONE OR MORE SERIES OR SUBSERIES, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ISSUE AND SELL THE BONDS BY A NEGOTIATED SALE PURSUANT TO ONE OR MORE BOND PURCHASE AGREEMENTS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND PURCHASE AGREEMENTS AND ONE OR MORE CONTINUING DISCLOSURE CERTIFICATES, APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, an election was duly called and regularly held in the Torrance Unified School District, County of Los Angeles, California (the "District"), on November 4, 2008, at which the following proposition (as abbreviated pursuant to Section 13247 of the California Elections Code) was submitted to the electors of the District:

> *"To make classrooms and core academic facilities safe and modern, improve learning and qualify for State matching money, shall Torrance Unified School District renovate or replace outdated classrooms and school buildings; repair damaged walls and floors; replace worn-out roofs, plumbing and lighting systems; repair faulty drainage systems, hardscapes, and other safety hazards, by issuing $265 million in bonds at legal interest rates with mandatory audits, independent citizen oversight and all money staying local?"*

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

WHEREAS, on February 5, 2009, pursuant to a resolution of the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") adopted on January 13, 2009, at the request of the District pursuant to Resolution No. AS10-08/09 of the Board of Education (the "Board of Education") of the District adopted on December 15, 2008, a series of said bonds designated the "Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009" in an aggregate principal amount of $22,500,000 was issued and sold; and

WHEREAS, pursuant to California Education Code Section 15140 *et seq.*, the Board of Education of the District deems it necessary and desirable that the Board of Supervisors of the County authorize and consummate the sale of an additional portion of the bonds in one or more series or subseries, designated the "Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009B" (collectively, the "Series 2009B Bonds"), with such additional or other series or subseries designations as may be approved as herein provided, in an aggregate principal amount not exceeding $22,500,000, according to the terms and in the manner hereinafter set forth; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"), added Section 54AA to the Internal Revenue Code of 1986 (the "Code"), authorizing state and local governments, at their option, to issue a new debt instrument known as "Build America Bonds" ("Build America Bonds") as federally taxable governmental bonds with federal subsidies for a portion of their borrowing costs; and

WHEREAS, the Board of Education deems it necessary and desirable to issue and sell all or a portion of the Series 2009B Bonds as Build America Bonds if it is determined by an Authorized Officer (as defined herein), in consultation with the Treasurer and Tax Collector of the County or any authorized deputy thereof (the "Treasurer"), to be in the best interest of the District; and

WHEREAS, the Board of Education has determined that securing the timely payment of the principal of and interest on the Series 2009B Bonds by obtaining a municipal bond insurance policy with respect thereto could be economically advantageous to the District; and

WHEREAS, a form of Bond Purchase Agreement (each Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this District Resolution, being referred to herein as a "Bond Purchase Agreement") to purchase the Series 2009B Bonds proposed to be entered into among George K. Baum & Company, as underwriter (the "Underwriter"), the County and the District has been prepared; and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell the Series 2009B Bonds, the Underwriter must have reasonably determined that the issuer or other obligated person has undertaken in a written agreement or contract for the benefit of the holders of the Series 2009B Bonds to provide disclosure of certain financial information and certain material events on an ongoing basis; and

WHEREAS, in order to cause such requirement to be satisfied, the District desires to execute and deliver one or more Continuing Disclosure Certificates (each such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this District Resolution, being referred to herein as a "Continuing Disclosure Certificate"), a form of which has been prepared; and

WHEREAS, the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2009B Bonds (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this District Resolution, being referred to herein as the "Preliminary Official Statement") has been prepared; and

WHEREAS, the Board of Education has been presented with the form of each document referred to herein relating to the financing contemplated hereby, and the Board of Education has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California (the "State") to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Torrance Unified School District, as follows:

Section 1. **Recitals.** All of the above recitals are true and correct and the Board of Education so finds.

Section 2. **Definitions.** Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this District Resolution, have the meanings specified herein, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

"Auditor-Controller" means the Auditor-Controller of the County or any authorized deputy thereof.

"Authorized Officers" means the President of the Board of Education, or such other member of the Board of Education as the President may designate, the Superintendent of the District and the Deputy Superintendent, Administrative Services of the District, or such other officer or employee of the District as the Superintendent may designate.

"Board of Education" means the Board of Education of the District.

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

"Bond Purchase Agreement" means the applicable Bond Purchase Agreement relating to the sale of all or a portion of the Series 2009B Bonds by and among the County, the District and the Underwriter in accordance with the provisions hereof.

"Build America Bonds" means those Series 2009B Bonds designated as such pursuant to Section 54AA to the Code.

"Capital Appreciation Bonds" means those Series 2009B Bonds accreting interest semiannually to the maturity date thereof payable in accordance with Section 4(e) hereof.

"Code" means the Internal Revenue Code of 1986.

"Continuing Disclosure Certificate" means the applicable Continuing Disclosure Certificate executed and delivered by the District relating to all or a portion of the Series 2009B Bonds.

"Conversion Date" means the date a Convertible Capital Appreciation Bond converts to a current interest bond.

"Convertible Capital Appreciation Bonds" means those Series 2009B Bonds accreting interest semiannually to the Conversion Date thereof and from and after the Conversion Date thereof bearing interest payable semiannually on a current basis, all in accordance with Section 4(f) hereof.

"County" means the County of Los Angeles.

"County Resolution" means the Resolution of the County authorizing the issuance of the Series 2009B Bonds.

"Current Interest Bonds" means those Series 2009B Bonds bearing interest payable semiannually on a current basis in accordance with Section 4(d) hereof.

"District" means the Torrance Unified School District.

"District Resolution" means this Resolution of the Board of Education adopted on September 8, 2009.

"Interest Date" means with respect to Series 2009B Bonds, February 1 and August 1 of each year, (a) commencing on February 1, 2010, with respect to the Current Interest Bonds and, for purposes of compounding interest on the Capital Appreciation Bonds and, to their Conversion Dates, Convertible Capital Appreciation Bonds, commencing on February 1, 2010, and (b) with respect to Convertible Capital Appreciation Bonds, from and after their Conversion Date, commencing on the February 1 or August 1 immediately following such Conversion Date, or such other dates as may be set forth in the applicable Bond Purchase Agreement.

"Official Statement" means the Official Statement of the District relating to the Series 2009B Bonds.

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

"Owner" means with respect to any Series 2009 Bond, the person whose name appears on the registration books provided for in the County Resolution as the registered Owner thereof.

"Paying Agent" means the Treasurer or any bank, trust company, national banking association or other financial institution appointed as Paying Agent to act as authenticating agent, bond registrar, transfer agent and paying agent for the Series 2009B Bonds in accordance with Section 5 hereof and the County Resolution.

"Record Date" means, with respect to any Interest Date for the Series 2009B Bonds, the 15th day of the calendar month immediately preceding such Interest Date, whether or not such day is a business day, or such other date or dates as may be set forth in the applicable Bond Purchase Agreement.

"Series 2009B Bonds" means the bonds authorized and issued pursuant to the County Resolution, at the request of the District pursuant to this District Resolution, in one or more series or subseries, designated the "Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009B," with such additional or other series or subseries designations as may be approved as herein provided.

"State" means the State of California.

"Tax Certificate" means the Tax Certificate, executed by the District, dated the date of issuance of the Series 2009B Bonds.

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

"Underwriter" means George K. Baum & Company.

Section 3. **Request for Sale of Series 2009B Bonds; Use of Proceeds.** The Board of Supervisors of the County, pursuant to California Education Code Section 15140 *et seq.*, is hereby requested to sell not later than May 15, 2010, by negotiated sale to the Underwriter, not to exceed $22,500,000 aggregate principal amount of Series 2009B Bonds, in one or more series or subseries, and to designate the Series 2009B Bonds as the "Torrance Unified School District General Obligation Bonds, Election of 2008 (Measure Z), Series 2009B," with appropriate additional or other series or subseries designations. The Series 2009B Bonds may be issued as Current Interest Bonds (all or a portion of which may be designated as Build America Bonds), Capital Appreciation Bonds and/or Convertible Capital Appreciation Bonds, or any combination thereof, all as provided in Section 4 hereof.

The Board of Supervisors is hereby requested to provide by County Resolution for the terms of the sale and issuance of the Series 2009B Bonds in accordance with the particular terms and manner set forth herein and, with respect to such necessary or desirable terms as are not specified herein, as the Board of Supervisors shall otherwise see fit to determine. With respect to such necessary or desirable terms as are not finally determined by the County Resolution, the Board of Supervisors is hereby requested to provide for such terms to be finally determined and set forth in the Bond Purchase Agreement.

Section 4. **Terms of Series 2009B Bonds.** (a) *Date of Bonds*. The Series 2009B Bonds shall be dated the date of their delivery, or such other date or dates as shall be set forth in the applicable Bond Purchase Agreement.

(b) *Denominations*. The Current Interest Bonds shall be issued in denominations of $5,000 principal amount or any integral multiple thereof. The Capital Appreciation Bonds shall be issued in denominations of $5,000 accreted value at maturity ("maturity value") or any integral multiple thereof, except that one numbered Capital Appreciation Bond may be issued in a denomination such that the maturity value of such Capital Appreciation Bond shall not be an integral multiple of $5,000. The Convertible Capital Appreciation Bonds shall be issued in denominations of $5,000 accreted value at their Conversion Date or any integral multiple thereof.

(c) *Maturity*. The Current Interest Bonds shall mature on the date or dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the applicable Bond Purchase Agreement. No Current Interest Bond shall mature later than the date which is 25 years from the date of the Current Interest Bonds. No Current Interest Bond shall have principal maturing on more than one principal maturity date. Each Bond Purchase Agreement executed with respect to the Series 2009B Bonds may provide that no Current Interest Bonds shall be issued.

The Capital Appreciation Bonds shall mature on the date or dates, in each of the years, and in such maturity values as shall be set forth in the applicable Bond Purchase Agreement. No Capital Appreciation Bond shall mature later than the date which is 25 years from the date of the Capital Appreciation Bonds. No Capital Appreciation Bond shall have principal maturing on more than one principal maturity date. Each Bond Purchase Agreement executed with respect to the Series 2009B Bonds may provide that no Capital Appreciation Bonds shall be issued.

The Convertible Capital Appreciation Bonds shall have Conversion Dates of and mature on the date or dates, in each of the years, in the accreted amounts and in the stated values at their Conversion Date as shall be set forth in the applicable Bond Purchase Agreement. No Convertible Capital Appreciation Bond shall mature later than the date which is 25 years from the date of the Convertible Capital Appreciation Bonds. No Convertible Capital Appreciation Bond shall have principal maturing on more than one principal maturity date. Each Bond Purchase Agreement executed with respect to the Series 2009B Bonds may provide that no Convertible Capital Appreciation Bonds shall be issued.

The Current Interest Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds may mature in the same year or years as any other Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, without limitation. The aggregate principal amount of the Series 2009B Bonds issued as Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds shall not exceed $22,500,000.

(d) *Interest on Current Interest Bonds.* The Current Interest Bonds shall bear interest at an interest rate not to exceed 12.00% per annum, payable on the Interest Dates in each year computed on the basis of a 360-day year of 12 30-day months. Each Current Interest Bond shall bear interest from the Interest Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on a Record Date and on or prior to the succeeding Interest Date, in which event it shall bear interest from such Interest Date, or unless it is authenticated on or before the Record Date preceding the first Interest Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Current Interest Bond, interest is in default on any outstanding Current Interest Bonds, such Current Interest Bond shall bear interest from the Interest Date to which interest has previously been paid or made available for payment on the outstanding Current Interest Bonds.

(e) *Interest on Capital Appreciation Bonds.* The Capital Appreciation Bonds shall not bear current interest; each Capital Appreciation Bond shall accrete in value daily over the term to its maturity (on the basis of a 360-day year of 12 30-day months), from its initial principal (denominational) amount on the date of issuance thereof to its stated maturity value at maturity thereof, on the basis of a constant interest rate (which shall not exceed 12.00% per annum) compounded semiannually on each Interest Date (with straight-line interpolations between Interest Dates). The accreted value per $5,000 maturity value of the Capital Appreciation Bonds on each Interest Date shall be given for reference in a table of accreted values to appear in the Capital Appreciation Bonds; provided, however, that the accreted value determined in accordance with this Section shall prevail over any different accreted value given in such table. Interest on the Capital Appreciation Bonds shall be payable only upon maturity or prior redemption thereof.

(f) *Interest on Convertible Capital Appreciation Bonds.* The Convertible Capital Appreciation Bonds prior to their respective Conversion Dates shall not bear current interest; each Convertible Capital Appreciation Bond shall accrete in value daily from its initial principal (denominational) amount on the date of issuance thereof to its stated accreted value at the Conversion Date thereof (on the basis of a 360-day year of 12 30-day months), on the basis of a constant interest rate (which shall not exceed 12.00% per annum) compounded semiannually on each Interest Date (with straight-line interpolations between Interest Dates). From and after the respective Conversion Date of a Convertible Capital Appreciation Bond, such Convertible Capital Appreciation Bonds shall bear current interest on the accreted value thereof at an interest rate not to exceed 12.00% per annum, computed on the basis of a 360-day year of 12 30-day months, payable on the Interest Dates in each year following its Conversion Date. Following the Conversion Date with respect thereto, each Convertible Capital Appreciation Bond shall bear interest from the Interest Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on a Record Date and on or prior to the succeeding Interest Date, in which event it shall bear interest from such Interest Date, or unless it is authenticated on or before the Record Date preceding the first Interest Date following its Conversion Date, in which event it shall bear interest from its Conversion Date; provided, however,

that if, at the time of authentication of any Convertible Capital Appreciation Bond, interest is in default on any outstanding Convertible Capital Appreciation Bonds, such Convertible Capital Appreciation Bond shall bear interest from the Interest Date to which interest has previously been paid or made available for payment on the outstanding Convertible Capital Appreciation Bonds.

(g) *Build America Bonds.* The Authorized Officers are each hereby authorized and directed to designate, and cause to be issued and sold, all or a portion of the Series 2009B Bonds as Build America Bonds, insofar as permitted by law, if it is determined by the Authorized Officer designating the same, in consultation with the Treasurer of the County, to be in the best interest of the District, such designation to be conclusively evidenced by the execution and delivery of the applicable Bond Purchase Agreement by the District and the County incorporating such designation. Build America Bonds, if any, shall be issued as Current Interest Bonds. Each Bond Purchase Agreement executed with respect to the Series 2009B Bonds may provide that no Build America Bonds shall be issued. The Board of Education hereby finds and determines (i) that, pursuant to Section 5903 of the California Government Code, (1) the interest payable on the Series 2009B Bonds designated as Build America Bonds will be subject to federal income taxation under the Code in existence on the date of issuance of the Series 2009B Bonds so designated, and (2) the terms and conditions of the Series 2009B Bonds so designated set forth in this District Resolution, the County Resolution and the applicable Bond Purchase Agreement are necessary to place the Build America Bonds on the interest rates and cash flow desired by the Board of Education, and (ii) that, pursuant to Section 5922 of the California Government Code, the terms and conditions of the Series 2009B Bonds so designated set forth in this District Resolution, the County Resolution and the applicable Bond Purchase Agreement will result in a reduction in the amount or duration of payment and lower the cost of borrowing when used in combination with the Build America Bonds. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the designation of all of a portion of the Series 2009B Bonds as Build America Bonds as herein authorized, including making the formal election required by Section 54AA to issue all or a portion of the Series 2009B Bonds as Build America Bonds on the District's books and records on or before the issue date of such Build America Bonds. To the extent any portion of the Series 2009B 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 (as defined herein) or account therein established for payment of such Build America Bonds.

Section 5. **Payment of Bonds.** (a) *Request for Tax Levy.* The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and accreted value, redemption premium, if any, and interest coming due on the Series 2009B Bonds in such year, and to pay from such taxes all amounts due on the Series 2009B Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Series 2009B Bonds, and to pay the principal and accreted value, redemption premium, if any, and interest thereon as and when the same become due. No part of any fund or account of the County is pledged or obligated to the payment of the Series 2009B Bonds.

(b) *Insurance.* The payment of principal or accreted value of and interest on all or a portion of the Series 2009B Bonds may be secured by a municipal bond insurance policy as shall be described in the applicable Bond Purchase Agreement. Each Bond Purchase Agreement executed with respect to the Series 2009B Bonds may provide that no municipal bond insurance policy shall be obtained. The Authorized Officers are each hereby authorized and directed to apply for municipal bond insurance for the Series 2009B Bonds and to obtain such insurance if the present value cost of such insurance is less than the present value of the estimated interest savings with respect to the Series 2009B Bonds. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver a contract or contracts for such insurance if such contract is deemed by the Authorized Officer executing the same to be in the best interests of the District, such determination to be conclusively evidenced by such Authorized Officer's execution and delivery of such contract.

(c) *Appointment of Paying Agent; Payment of Fees and Expenses.* This Board of Education does hereby consent to and confirm the appointment of the Treasurer to act as the initial Paying Agent for the Series 2009B Bonds. The Treasurer is hereby authorized to contract with any third party to perform the services of Paying Agent for the Series 2009B Bonds. 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 Series 2009B Bonds, or from the Interest and Sinking Fund (as defined herein) of the District, insofar as permitted by law, including specifically by Section 15232 of the California Education Code, such fees and expenses shall be paid by the District.

Section 6. **Redemption Provisions; Tender for Purchase.** (a) *Optional Redemption.* The Series 2009B Bonds may be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the applicable Bond Purchase Agreement. The applicable Bond Purchase Agreement may provide that the Series 2009B Bonds shall not be subject to optional redemption, and may provide separate and distinct optional redemption provisions for the Current Interest Bonds, the Current Interest Bonds designated as Build America Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds.

(b) *Extraordinary Redemption.* The Series 2009B Bonds may be subject to extraordinary redemption on the dates and terms as shall be designated in the applicable Bond Purchase Agreement. The applicable Bond Purchase Agreement may provide that the Series 2009B Bonds shall not be subject to extraordinary redemption, and may provide separate and distinct extraordinary redemption provisions for the Current Interest Bonds, the Current Interest Bonds designated as Build America Bonds, the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds.

© *Mandatory Sinking Fund Redemption.* The Series 2009B Bonds, if any, which are designated in a Bond Purchase Agreement as term bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in such Bond Purchase Agreement. Unless otherwise provided in the applicable Bond Purchase Agreement, the principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Series 2009B Bonds of that maturity redeemed in accordance with the subsection (a) or (b) of this Section prior to the mandatory sinking fund payment date. The applicable Bond Purchase Agreement may provide that the Series 2009B Bonds shall not be subject to mandatory sinking fund redemption.

The Board of Supervisors is hereby requested to authorize the Auditor-Controller to create such sinking funds or accounts for the term Series 2009B Bonds as shall be necessary to accomplish the purposes of this Section.

Section 7. **Sale of Bonds; Bond Purchase Agreement.** The Bond Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver one or more Bond Purchase Agreements in substantially said form, as is determined by the Authorized Officer executing the same, in consultation with the Treasurer, to be in the best interest of the District, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the applicable Bond Purchase Agreement by such Authorized Officer; provided, however, that (a) the true interest cost for Series 2009B Bonds shall not be in excess of 9.0%, (b) the interest rate on the Current Interest Bonds and, from and after their Conversion Dates, the Convertible Capital Appreciation Bonds, shall not exceed 12.00% per annum, (c) the Capital Appreciation Bonds and, to their Conversion Dates, the Convertible Capital Appreciation Bond, shall accrete in value at a compounded interest rate not to exceed 12.00% per annum, (d) the minimum price for the Series 2009B Bonds shall be not less than the aggregate principal amount thereof, (e) the Underwriter's discount for the sale of Series 2009B Bonds shall not exceed 1.1% of the principal amount of such Series 2009B Bonds exclusive of any costs of issuance the Underwriter contracts to pay, and (f) the Series 2009B Bonds shall otherwise conform to the limitations specified herein. The Board of Supervisors of the County is hereby requested to cause one or more Bond Purchase Agreements to be executed and delivered by the County, as is determined by the District and the Treasurer to be in the best interest of the District, subject to such changes, insertions and omissions as may be acceptable to the District and to the Board of Supervisors or the County officer to whom execution of each such Bond Purchase Agreement is delegated.

The Board of Education hereby finds and determines that the sale of the Series 2009B Bonds at negotiated sale as contemplated herein and by the form of Bond Purchase Agreement will provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Series 2009B Bonds to fit the needs of particular purchasers, and greater opportunity for the Underwriter to pre-market the

Series 2009B Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. Estimates of the costs associated with the issuance of said Series 2009B Bonds, including any such costs which the Underwriter agrees to pay pursuant to a Bond Purchase Agreement, are set forth on Exhibit A attached hereto and incorporated herein.

Section 8. **Continuing Disclosure Certificate.** The Continuing Disclosure Certificate, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver one or more Continuing Disclosure Certificates in substantially said form, as is necessary to cause the requirements of Rule 15c2-12 to be satisfied, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the applicable Continuing Disclosure Certificate by such Authorized Officer.

Section 9. **Preliminary Official Statements.** The Preliminary Official Statement to be distributed in connection with the public offering of the Series 2009B Bonds, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions as may be approved by an Authorized Officer, is hereby approved, and the use of such Preliminary Official Statement in connection with the offering and sale of the Series 2009B Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the District that such 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).

Section 10. **Official Statements.** The preparation and delivery of an Official Statement with respect to the Series 2009B Bonds, and its use by the Underwriter in connection with the offering and sale of the Series 2009B Bonds, is hereby authorized and approved. Such Official Statement shall be in substantially the form of the Preliminary Official Statement distributed in connection with the public offering of the Series 2009B Bonds with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the District, to execute the final Official Statement with respect to the Series 2009B Bonds and any amendment or supplement thereto and thereupon to cause such final Official Statement and any such amendment or supplement to be delivered to the Underwriter.

Section 11. **Investment of Proceeds.** The proceeds of sale of the Series 2009B Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury to the credit of the building fund of the District within the County treasury (the "Building Fund"). Any net premium and accrued interest received by the District shall be deposited upon receipt in the interest and sinking fund of the District within the County treasury (the "Interest and Sinking Fund"). The Treasurer is hereby authorized and requested to invest any or all funds held by the Treasurer in the Building Fund and the Interest and Sinking Fund at the Treasurer's discretion pursuant to law and the investment policy of the County. In addition, to the extent permitted by law, (i) at the written request of an Authorized Officer, each of whom is hereby expressly authorized to make such request, all or any portion of the Building Fund or the Interest and Sinking Fund of the District may be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State, (ii) at the written request of an Authorized Officer, each of whom is hereby expressly authorized to make such request, all or any portion of the Building Fund or the Interest and Sinking Fund of the District may be invested on behalf of the District, in investment agreements, including guaranteed investment contracts, float contracts or other investment products (collectively, "Investment Agreements"), which comply with the requirements of each rating agency then rating the Series 2009B Bonds necessary in order to maintain the then-current rating on the Series 2009B Bonds, and (iii) at the written request of an Authorized Officer, each of whom is hereby expressly authorized to make such request, the Treasurer shall deposit any investment of all or any portion of the Building Fund or the Interest and Sinking Fund of the District made pursuant to California Education Code Section 41015 in accordance with the instructions of the Authorized Officer and California Education Code Section 41016. Pursuant to Section 5922 of the California Government Code, the 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 Series 2009B Bonds or enhance the relationship between risk and

return with respect to investments of proceeds of the Series 2009B Bonds and funds held to pay the Series 2009B Bonds.

Section 12. **Tax Covenants.** (a) The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on Series 2009B Bonds not issued as Build America Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate to be executed by the District on the date of issuance of the Series 2009B Bonds. The provisions of this subsection (a) shall survive payment in full or defeasance of the Series 2009B Bonds.

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

(c) Notwithstanding any provision of this Section, if the District shall provide to the Treasurer an Opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on Series 2009B Bonds not issued as Build America Bonds under Section 103 of the Code, the Treasurer may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 13. **Professional Services.** George K. Baum & Company, or any successor thereto, shall serve as underwriter for the Series 2009B Bonds. Orrick, Herrington & Sutcliffe LLP, or any successor thereto, shall serve as bond counsel and disclosure counsel to the District for the Series 2009B Bonds.

Section 14. **Delegation of Authority.** The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this District Resolution, including, without limitation, upon consultation with the Treasurer, negotiating the terms of the municipal bond insurance policy, if any, referred to herein.

Section 15. **Approval of Actions.** All actions heretofore taken by the officers, employees and agents of the District with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 16. **Filing with Board of Supervisors.** The Clerk of the Board of Education is hereby authorized and directed to deliver a certified copy of this District Resolution to the Treasurer for filing with the Executive Officer-Clerk of the Board of Supervisors.

Section 17. **Effective Date.** This District Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED this day, September 8, 2009.

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

ATTEST:

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

EXHIBIT A

ESTIMATES OF COSTS OF ISSUANCE

A)	Underwriter's Discount	$	282,034
B)	Credit Enhancement		265,000*
C)	Bond Counsel		50,000
D)	Disclosure Counsel		20,000
E)	Other Expenses		37,100

* A municipal bond insurance policy with respect to the Series 2009B Bonds will be obtained only if economically advantageous to the District as determined by an Authorized Officer of the District.

CLERK'S CERTIFICATE

I, Don Lee, Clerk of the Board of Education of the Torrance Unified School District, County of Los Angeles, California, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on September 8, 2009, and entered in the minutes thereof, of which meeting all of the members of the Board of Education had due notice and at which a quorum thereof was present, and that at said meeting the resolution was adopted by the following vote:

AYES: **5**

NOES: **0**

ABSTAIN: **0**

ABSENT: **0**

An agenda of the meeting was posted at least 72 hours before the meeting at 2335 Plaza Del Amo, Torrance, California, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Pursuant to Section 16 of the resolution, I have caused a certified copy thereof to be delivered to the Treasurer and Tax Collector of the County of Los Angeles for filing with the Executive Officer-Clerk of the Board of Supervisors of the County.

Dated: Sept. 8, 2009

Clerk of the Board of Education of
Torrance Unified School District