COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

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

MARK J. SALADINO
TREASURER AND TAX COLLECTOR

June 23, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

SALE OF TAX AND REVENUE ANTICIPATION NOTES (TRANs)
ABC UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
(FOURTH DISTRICT) (3-VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the Resolution of the Board of Supervisors of the County of Los Angeles providing for the borrowing of funds in the name of the ABC Unified School District for Fiscal Year 2005-06 and the issuance and sale of 2005 Tax and Revenue Anticipation Notes in the principal amount not to exceed $15,000,000.00.

2. Adopt the Official Notice of Sale.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 7, 2005, the Board of Education of the ABC Unified School District adopted a Resolution determining that the District needs to borrow funds in an aggregate principal amount not to exceed $15,000,000 to be used for authorized purposes. The District is requesting that your Board issue tax-exempt Tax and Revenue Anticipation Notes (TRANS) on behalf of the District in an aggregate principal amount not to exceed $15,000,000.

Pursuant to Article 7.6 and commencing with Section 53850 of the Government Code, school districts organized and existing under the laws of the State are authorized to borrow money by the issuance of short-term notes. Such notes shall be issued in the name and on behalf of such school district by the Board of Supervisors of the County following receipt of the district resolution requesting such borrowing.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal of Service Excellence by providing one-stop service delivery to the school district. It supports the Strategic Plan Goal of Organizational Effectiveness through collaborative actions among County departments and other governmental jurisdictions.

FISCAL IMPACT/FINANCING

None to the County. All debt will be paid by the District.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Notes will mature no later than twelve months after the issuance date and will not exceed a maximum interest rate of 6% per annum. The principal and interest payments of the Notes shall be payable from taxes, revenue and other moneys received by the District during or attributable to Fiscal Year 2005-06.

The District has selected A. Lopez & Associates LLC as the Financial Advisor; and the firm of Quint and Thimmig LLP as Bond Counsel for the 2005-06 issuance of TRANs. The attached Resolution provides for the competitive sale of the Notes by the Treasurer and Tax Collector.

CONCLUSION

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

Respectfully submitted,

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:SVG:pab
Pb/brdletter:ABC TRANs BdLtr 05-06

Attachments(4)

c: Chief Administrative Officer
Auditor-Controller
County Counsel
ABC Unified School District
Los Angeles County Office of Education
A. Lopez & Associates LLC
Quint and Thimmig LLP

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES PROVIDING FOR THE BORROWING OF FUNDS IN THE NAME OF THE ABC UNIFIED SCHOOL DISTRICT FOR FISCAL YEAR 2005-06 AND THE ISSUANCE AND SALE OF 2005 TAX AND REVENUE ANTICIPATION NOTES IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED $15,000,000

WHEREAS, pursuant to Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), school districts organized and existing under the laws of the State of California are authorized to borrow money by the issuance of temporary notes, the proceeds of which may be used and expended for any purpose for which the school district is authorized to spend moneys;

WHEREAS, pursuant to the Law, such notes may be issued in the name of such school districts by the board of supervisors of the county, the county superintendent of which has jurisdiction over such school district, as soon as possible following receipt of a resolution of the governing board of such school district requesting such borrowing; and

WHEREAS, the Board of Education of the ABC Unified School District (the "District") has heretofore adopted its resolution on June 7, 2005 (the "District Resolution"), finding and determining that it is desirable that the District borrow funds in an amount not to exceed $15,000,000 with respect to the fiscal year 2005-06 for authorized purposes of the District, and requesting that the Board of Supervisors (the "Board") of Los Angeles County (the "County") for that purpose authorize the issuance of and offer for sale tax and revenue anticipation notes in the name of the District in the principal amount of not to exceed $15,000,000, under and pursuant to the provisions of the Law;

NOW, THEREFORE, it is hereby RESOLVED, by the Board of Supervisors of Los Angeles County, California, as follows:

Section 1. Recitals True and Correct. All of the recitals herein set forth are true and correct and the Board so finds and determines.

Section 2. Approval of Request of District. The Board hereby approves the request of the District for the Board to issue notes in its name.

Section 3. Authorization and Terms of Notes. Solely for the payment of current expenses, capital expenditures and other obligations payable from the general fund of the District during or allocable to Fiscal Year 2005-06, and not pursuant to any common plan of financing, the Board hereby determines to and shall borrow the aggregate principal sum of not to exceed fifteen million dollars ($15,000,000) in the name of the District. Such borrowing shall be by the issuance of temporary notes under the Law, designated "ABC Unified School District (Los Angeles County, California) 2005 Tax and Revenue Anticipation Notes" (the "Notes"). The Notes shall be dated as of their date of delivery, shall mature (without option of prior redemption) 364 days after issuance, and shall bear interest from their date, payable at maturity and computed on a 30-day month/360-day year basis. Both the principal of and interest on the Notes shall be payable in lawful money of the United States of America, as described below.

Section 4. Form of Notes; Book Entry Only System. The Notes shall be issued in fully registered form, without coupons, and shall be substantially in the form and substance set forth in Exhibit A attached to the District Resolution and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures. The Notes shall be numbered from 1 consecutively upward, and shall be in the denomination of $5,000 each or any integral multiple thereof.

"CUSIP" identification numbers shall be imprinted on the Notes, but such numbers shall not constitute a part of the contract evidenced by the Notes and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Notes. In addition, failure on the part of the Board to use such CUSIP numbers in any notice to registered owners of the Notes shall not constitute an event of default or any violation of the Board's contract with such registered owners and shall not impair the effectiveness of any such notice.

Except as provided below, the owner of all of the Notes shall be The Depository Trust Company, New York, New York ("DTC"), and the Notes shall be registered in the name of Cede & Co., as nominee for DTC. The Notes shall be initially executed and delivered in the form of a single fully registered Note in the full aggregate principal amount of the Notes. The Board may treat DTC (or its nominee) as the sole and exclusive owner of the Notes registered in its name for all purposes of this Resolution, and the Board shall not be affected by any notice to the contrary. The Board shall not have any responsibility or obligation to any participant of DTC (a "Participant"), any person claiming a beneficial ownership interest in the Notes under or through DTC or a Participant, or any other person which is not shown on the register of the Board as being an owner, with respect to the accuracy of any records maintained by DTC or any Participant or the payment by DTC or any Participant by DTC or any Participant of any amount in respect of the principal or interest with respect to the Notes. The County Treasurer, as paying agent, shall pay all principal and interest with respect to the Notes only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to the principal and interest with respect to the Notes to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Note. Upon delivery by DTC to the Board of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the Board determines that it is in the best interest of the beneficial owners that they be able to obtain Notes and delivers a written certificate to DTC to that effect, DTC shall notify the Participants of the availability through DTC of Notes. In such event, the Board shall issue, transfer and exchange Notes as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Notes at any time by giving notice to the Board and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Board shall be obligated to deliver Notes as described in this Resolution. Whenever DTC requests the Board to do so, the Board will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Notes evidencing the Notes to any DTC Participant having Notes credited to its DTC account or (b) arrange for another securities depository to maintain custody of Certificates evidencing the Notes.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Note is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such Note and all notices with respect to

such Note shall be made and given, respectively, to DTC as provided in the representation letter delivered on the date of issuance of the Notes.

Section 5. Use of Proceeds. The moneys so borrowed shall be deposited in the Treasury of the County to the credit of the District to be withdrawn, used and expended by the District for any purpose for which it is authorized to expend funds from the general fund of the District, including, but not limited to, current expenses, capital expenditures and the discharge of any obligation or indebtedness of the District. The County shall have no responsibility for assuring the proper use of Note proceeds by the District.

All proceeds shall be invested by the County Treasurer and Tax Collector. Unless otherwise requested by the District in writing, amounts held in the funds and accounts established hereunder shall be invested in the Treasurer's Investment Pool. If proceeds are invested in other than the Treasurer's Investment Pool, any such investment shall only be made in (A)(1) direct obligations of the United States of America, including United States Treasury notes, bonds and bills, (2) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, or (3) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, in each case meeting Standard & Poor's Credit Market Services criteria for such investments; (B) the Local Agency Investment Fund maintained by the Treasurer of the State of California; or (C) in investment agreements with financial institutions with senior unsecured credit ratings of "AA-" or better from Standard & Poor's Credit Market Services.

Section 6. Security. The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, revenue and other moneys which are received by the District for the general fund of the District for the Fiscal Year 2005-06. As security for the payment of the principal of and interest on the Notes, the Board, in the name of the District, hereby pledges the first "unrestricted moneys," as hereinafter defined, (a) in an amount equal to fifty percent (50%) of the principal amount of the Notes to be received by the County on behalf of the District on or before January 31, 2006, (b) in an amount equal to fifty percent (50%) of the principal amount of the Notes to be received by the County on behalf of the District on or before May 31, 2006, and (c) in an amount equal to all interest due on the Notes at maturity to be received by the County on behalf of the District on or before June 30, 2006 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be paid from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the District lawfully available therefor. In the event that there are insufficient unrestricted moneys received by the District to permit the deposit in the Repayment Fund, as hereinafter defined, of the full amount of the Pledged Revenues to be deposited in any month on the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the repayment of the Notes and interest thereon. The term "unrestricted moneys" shall mean taxes, income, revenue and other moneys intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

Section 7. Repayment Fund. There is hereby created a special fund to be held on behalf of the District by the County Treasurer and Tax Collector separate and distinct from all other County and District funds and accounts designated the "ABC Unified School District (Los Angeles County, California) 2005 Tax and Revenue Anticipation Notes Repayment Fund" (the "Repayment Fund") and applied as directed in this Resolution. Any money placed in the Repayment Fund shall be for the benefit of the registered owners of the

Notes, and until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes and the interest thereon through the maturity thereof, the moneys in the Repayment Fund shall be applied solely for the purposes for which the Repayment Fund is created; provided, however, that any interest earned on amounts deposited in the Repayment Fund shall periodically be transferred to the general fund of the District.

During the pledge months, all Pledged Revenues shall be deposited into the Repayment Fund. On the maturity date of the Notes, the County Treasurer and Tax Collector shall transfer to DTC the moneys in the Repayment Fund necessary to pay the principal of and interest on the Notes then due and, to the extent said moneys are insufficient therefor, an amount of moneys from the District's general fund which will enable payment of the full principal of and interest on the Notes at maturity. DTC will thereupon make payments of principal and interest on the Notes to the DTC Participants who will thereupon make payments to the beneficial owners of the Notes. Any moneys remaining in the Repayment Fund after the Notes and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the District's general fund.

Section 8. Deposit and Investment of Repayment Fund. All moneys held on behalf of the District in the Repayment Fund, if not invested, shall be held in time or demand deposits as public funds and shall be secured at all times by bonds or other obligations which are authorized by law as security for public deposits, of a market value at least equal to the amount required by law.

All Moneys in the Repayment Fund shall be invested by the County Treasurer and Tax Collector. Unless otherwise requested by the District in writing, amounts held in the funds and accounts established hereunder shall be invested in the Treasurer's Investment Pool. If proceeds are invested in other than the Treasurer's Investment Pool, any such investment shall only be made in (A)(1) direct obligations of the United States of America, including United States Treasury notes, bonds and bills, (2) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, or (3) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, in each case meeting Standard & Poor's Credit Market Services criteria for such investments; (B) the Local Agency Investment Fund maintained by the Treasurer of the State of California; or (C) in investment agreements with financial institutions with senior unsecured credit ratings of "AA-" or better from Standard & Poor's Credit Market Services.

Section 9. Execution of Notes. The Notes shall be executed in the manner set forth in the District Resolution.

Section 10. Transfer of Notes. Any Note may, in accordance with its terms, but only if the District determines to no longer maintain the book entry only status of the Notes, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the Treasurer and Tax Collector to deliver Note certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of Section 12 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation at the office of the Treasurer and Tax Collector, accompanied by delivery of a written instrument of transfer in a form approved by the Treasurer and Tax Collector, duly executed.

Whenever any Note or Notes shall be surrendered for transfer, the Treasurer and Tax Collector shall execute and deliver a new Note or Notes, for like aggregate principal amount.

Section 11. Exchange of Notes. Notes may be exchanged at the office of the Treasurer and Tax Collector for a like aggregate principal amount of Notes of authorized denominations and of the same maturity.

Section 12. Note Register. The Treasurer and Tax Collector shall keep or cause to be kept sufficient books for the registration and transfer of the Notes if the book entry only system is no longer in effect and, in such case, the Treasurer and Tax Collector shall register or transfer or cause to be registered or transferred, on said books, Notes as herein before provided. While the book entry only system is in effect, such books need not be kept as the Notes will be represented by one Note registered in the name of Cede & Co., as nominee for DTC.

Section 13. Temporary Notes. The Notes may be initially issued in temporary form exchangeable for definitive Notes when ready for delivery. The temporary Notes may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Treasurer and Tax Collector, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Note shall be executed by the Treasurer and Tax Collector upon the same conditions and in substantially the same manner as the definitive Notes. If the Treasurer and Tax Collector issues temporary Notes he will execute and furnish definitive Notes without delay, and thereupon the temporary Notes may be surrendered for cancellation, in exchange therefor at the office of the Treasurer andTax Collector and the Treasurer and Tax Collector shall deliver in exchange for such temporary Notes an equal aggregate principal amount of definitive Notes of authorized denominations. Until so exchanged, the temporary Notes shall be entitled to the same benefits pursuant to this Resolution as definitive Notes executed and delivered hereunder. Any costs borne by the County for the exchange of the Notes will be reimbursed by the District.

Section 14. Notes Mutilated, Lost, Destroyed or Stolen. If any Note shall become mutilated the Treasurer and Tax Collector, at the expense of the registered owner of said Note, shall execute and deliver a new Note of like maturity and principal amount in exchange and substitution for the Note so mutilated, but only upon surrender to the Treasurer and Tax Collector of the Note so mutilated. Every mutilated Note so surrendered to the Treasurer and Tax Collector shall be canceled by it and delivered to, or upon the order of, the Treasurer and Tax Collector. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Treasurer and Tax Collector and, if such evidence be satisfactory to the Treasurer and Tax Collector and indemnity satisfactory to it shall be given, the Treasurer and Tax Collector, at the expense of the registered owner, shall execute and deliver a new Note of like maturity and principal amount in lieu of and in substitution for the Note so lost, destroyed or stolen. The Treasurer and Tax Collector may require payment of a sum not exceeding the actual cost of preparing each new Note issued under this Section 14 and of the expenses which may be incurred by the Treasurer and Tax Collector in the premises. Any Note issued under the provisions of this Section 14 in lieu of any Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Board whether or not the Note so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Notes issued pursuant to this Resolution. This Section 14 will not be in effect so long as DTC book entry is utilized.

Section 15. Covenants and Warranties. Based on the representations and covenants of the District, it is hereby covenanted and warranted by the Board that all representations and recitals contained in this Resolution as to the County are true and correct, and that the Board has reviewed all proceedings heretofore taken relative to the authorization of the Notes and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of the Notes have existed, happened and been performed in due time, form and manner as required by law, and the Board is duly authorized to issue the Notes in the name of the District and incur indebtedness in the manner and upon the terms provided in this Resolution. The Board and its appropriate officials have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for the prompt collection and enforcement of the taxes, revenue, cash receipts and other moneys pledged hereunder in accordance with law and for carrying out the provisions of this Resolution.

Section 16. Sale of Notes. The preparation by the District's bond counsel of a notice of sale (the "Notice of Sale") and a notice of intention (the "Notice of Intention") in connection with the offering and sale of the Notes is hereby approved.

The Notes are hereby ordered to be sold by competitive bid. The Treasurer and Tax Collector shall accept the best responsible bid for the purchase of the Notes, determined in accordance with the Official Notice of Sale. The Treasurer and Tax Collector has been authorized and directed to accept such bid by notice to the successful bidder. In the event two or more bids setting forth identical interest rates and premium, if any, are received, the Treasurer and Tax Collector may exercise his own discretion and judgment in making the award and may award the Notes on a pro rata basis in such denominations as he or she shall determine. The Treasurer and Tax Collector may, in his discretion, reject any and all bids and waive any irregularity or informality in any bid. The Treasurer and Tax Collector shall award the Notes or reject all bids not later than 26 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder.

Section 17. Preparation of the Notes; Execution of Closing Documents. Quint & Thimmig LLP, as bond counsel to the District, is directed to cause suitable Notes to be prepared showing on their face that the same bear interest at the rate aforesaid, and to cause the blank spaces therein to be filled in to comply with the provisions of this Resolution in accordance with the identified purchaser of the Notes, and to procure their execution by the proper officers, and to cause the Notes to be delivered when so executed to DTC on behalf of the identified purchaser therefor upon the receipt of the purchase price by the County Treasurer and Tax Collector on behalf of the District.

The Treasurer and Tax Collector or any other officer of the County is further authorized and directed to make, execute and deliver to the purchaser or purchasers of the Notes (a) a certificate in the form customarily required by purchasers of bonds of public corporations generally, certifying to the genuineness and due execution of the Notes, and (b) a receipt in similar form evidencing the payment of the purchase price of the Notes which receipt shall be conclusive evidence that said purchase price of the Notes has been paid and has been received on behalf of the District. Any purchaser or subsequent taker or holder of the Notes is hereby authorized to rely upon and shall be justified in relying upon any such certificate or receipt with respect to the Notes. Such officers and any other officers of the District or of the County are hereby authorized to execute any and all other documents required to consummate the sale and delivery of the Notes.

Section 18. Limited Liability. Notwithstanding anything to the contrary contained herein, in the Notes or in any other document mentioned herein, neither the County nor the Board shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby and the Notes shall be payable solely from the moneys of the District available therefor as set forth in Section 6 hereof.

* * * * * * * * *

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

VIOLET VARONA-LUKENS, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR., County Counsel

By _____
Principal Deputy County Counsel

NOTICE OF INTENTION

$_____
(PRELIMINARY AND SUBJECT TO CHANGE)
ABC UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
2005 Tax and Revenue Anticipation Notes

NOTICE IS HEREBY GIVEN, pursuant to section 53692 of the California Government Code, that the Board of Supervisors of Los Angeles County, California (the "Board"), intends to issue in the name of the ABC Unified School District (the "District"), approximately $_____ ABC Unified School District (Los Angeles County, California) 2005 Tax and Revenue Anticipation Notes (the "Notes").

Bids may be submitted *electronically only* on the Grant Street Group's MuniAuction website, between 8:45 A.M. and 9:00 A.M., Pacific time, on

THURSDAY, JULY 21, 2005

The sale will be awarded by the Los Angeles County Treasurer and Tax Collector within 26 hours after the expiration of the time prescribed for the receipt of bids. The MuniAuction website is accessible via the auction link on the Grant Street Group Home Page at either www.GrantStreet.com or www.MuniAuction.com. The sale of the Notes will be conducted upon the terms and conditions set forth in the official notice of sale for the Notes (the "Notice of Sale"). The Notice of Sale and the preliminary official statement describing the Notes are available for (i) viewing online, (ii) downloading, and (iii) receipt of hard copy, all on the MuniAuction website.

To bid via the MuniAuction website, bidders must have both (1) completed the registration form on the MuniAuction website, and (2) requested and received admission to an auction, as described in the Notice of Sale. Further information may be obtained by contacting the District's Financial Advisor, A. Lopez & Associates LLC, 300 Frank H. Ogawa Plaza, Suite 229, Oakland, CA 94612, telephone (510) 268-9660, or MuniAuction at (412) 391-7686, x316.

[TO BE PUBLISHED IN THE *BOND BUYER* ON FRIDAY, JULY 1, 2005,
TO BE ARRANGED BY QUINT & THIMMIG LLP]

OFFICIAL NOTICE OF SALE

$_____
(PRELIMINARY AND SUBJECT TO CHANGE)
ABC UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
2005 Tax and Revenue Anticipation Notes

NOTICE IS HEREBY GIVEN that electronic bid proposals (see "FORM OF BID" below) will be received by the Board of Supervisors of Los Angeles County, California (the "Board"), in the name of the ABC Unified School District (the "District"), on the Grant Street Group's MuniAuction website, between 8:45 A.M. and 9:00 A.M., Pacific time (unless extended in accordance with the Two-Minute Rule described under "BIDDING DETAILS" below), on:

THURSDAY, JULY 21, 2005

for the purchase of the $_____ (preliminary and subject to change) ABC Unified School District (Los Angeles County, California) 2005 Tax and Revenue Anticipation Notes (the "Notes"), more particularly described below.

ISSUE AND DENOMINATION; BOOK ENTRY ONLY SYSTEM: The Notes consists of fully registered notes, without coupons. The Notes will be issued in minimum denominations of $5,000. The Notes will be issued in a book entry only system with no physical distribution of the Notes made to the public. The Depository Trust Company, New York, New York ("DTC"), will act as depository for the Notes which will be immobilized in its custody. The Notes will be registered in the name of Cede & Co., as nominee for DTC, on behalf of the participants in the DTC system and the subsequent beneficial owners of the Notes.

DATE AND MATURITY: The Notes will be dated their date of delivery, and will mature on June 30, 2006 (the "Maturity Date").

INTEREST RATE: The maximum interest rate bid for the Notes may not exceed six percent (6%) per annum, payable upon maturity of the Notes. Bidders must specify the rate of interest which the Notes shall bear, provided that: (i) bids must be for all Notes; (ii) no Note shall bear more than one rate of interest; (iii) each Note shall bear interest from its date to its stated maturity at the interest rate specified in the bid; and (iv) the interest rate specified must be in a multiple of 1/1,000 of one percent (1/1,000th of 1%).

REDEMPTION: The Notes are not subject to call and redemption prior to maturity.

PAYMENT: Interest on the Notes will be payable on the Maturity Date. Principal of the Notes will be payable on the Maturity Date. Both principal and interest are payable in lawful money of the United States of America to DTC which will immediately credit the account of the successful bidder or bidders as participants in the DTC system.

PURPOSE OF ISSUE: The Notes are to be issued by the Board in the name of the District and are authorized pursuant to the provisions of Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code and the provisions of a resolution of the Board for any purpose for which the District is authorized to expend moneys.

SECURITY: The Notes are an obligation of the District and are secured by a pledge of and first lien and charge against the first "unrestricted moneys," as hereinafter defined, to be received by the County, on behalf of the District, (a) in an amount equal to fifty percent (50%) of the principal amount of the Notes to be received by the County on behalf of the District in January, 2006, (b) in an amount equal to fifty percent (50%) of the principal amount of the Notes to be received by the County on behalf of the District in May, 2006, and (c) in an amount equal to all interest due on the Notes at maturity to be received by the County on behalf of the District in June, 2006. The term "unrestricted moneys" means taxes, income, revenue and other moneys intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

Said pledged moneys shall be deposited in a special fund established, created and maintained in the County Treasury in the name of the District. Moneys shall be withdrawn from said funds for the sole purpose of paying the principal of and the interest on the Notes at their maturity.

By statute, the Notes are declared to be general obligations of the District and to the extent not paid from said pledged moneys shall be paid, with the interest thereon, from any other moneys of the District lawfully available therefor. Under provisions of the California Constitution, the District is generally prohibited from incurring any indebtedness or liability exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of its qualified electors voting at an election called for such purpose.

Neither the County nor the Board has any liability to pay principal of or interest on the Notes and the Notes are payable solely from the funds of the District set forth above.

TERMS OF SALE

BEST BID: *Bids must be for all of the Notes*. The Notes will be awarded on the basis of the lowest true interest cost (annual, 30/360 day basis) including premium offered in the proposal. No bid for less than par will be entertained. In the event two or more bids setting forth identical interest rates and premium per dollar principal amount, if any, and aggregating a principal amount in excess of the principal amount of unawarded Notes are received, the District Superintendent of the District, or the Superintendent's designee, pursuant to delegation by the governing board of the District, reserves the right to exercise his or her discretion and judgment in making the award and may award the Notes on a pro rata basis in such denominations as she shall determine.

NO GOOD FAITH DEPOSIT REQUIRED: A good faith deposit will *not* be required in connection with the submission of a bid for the Notes.

FORM OF BID: Bids may be submitted electronically *only*.

Bids must be submitted through the MuniAuction website between 8:45 A.M. and 9:00 A.M., Pacific time on Thursday, July 21, 2005. The auctions will begin at 8:45 A.M. To bid via the MuniAuction website, bidders must have both (1) completed the registration form on the MuniAuction website and (2) requested and received admission to a particular auction, as described below. THE USE OF MUNIAUCTION SHALL BE AT THE BIDDER'S RISK AND EXPENSE, AND NEITHER THE DISTRICT, THE BOARD, THE COUNTY, A. LOPEZ & ASSOCIATES LLC (THE "FINANCIAL ADVISOR") NOR QUINT & THIMMIG LLP ("BOND COUNSEL") SHALL HAVE ANY LIABILITY WITH RESPECT THERETO.

Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with Grant Street Group (parent of MuniAuction) may call auction support at (412) 391-5555 (ext. 370) for their ID Number or password.

BIDDING DETAILS: Bidders may change and submit bids for the auction as many times as they like during the bidding time period; *provided, however*, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC, the prior bid will remain valid. The last bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will see whether their bid is a leading bid relative to other bids.

The "Rules" of MuniAuction can be viewed on the MuniAuction website and are incorporated herein by reference. Bidders must comply with the Rules of MuniAuction in addition to the requirements of this Notice of Sale. To the extent there is a conflict between the Rules of MuniAuction and this Notice of Sale, this Notice of Sale shall control.

(1) A Bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Notes at the rate and price of the winning bid, if acceptable to the Treasurer, pursuant to delegation by the Board, as set forth in this Notice of Sale. Winning Bids are not officially awarded to winning Bidders until formally accepted by the Treasurer, pursuant to delegation by the Board.

(2) MuniAuction (the "Auction Administrator") is not responsible for technical difficulties that result in loss of a Bidder's internet connection with MuniAuction, slowness in transmission of bids, or other technical problems.

(3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon the Bidder, unless the Treasurer, pursuant to delegation by the Board, exercises his right to reject bids, as set forth herein.

(4) Bids which generate error messages are not accepted until error is corrected and bid is received prior to the deadline.

(5) Bidders accept and agree to abide by all terms and conditions specified in this Notice of Sale (including amendments, if any) related to each auction.

(6) Neither the County, the District, the Financial Advisor nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in this Notice of Sale, amendments, or the POS (as hereinafter defined) as they appear on MuniAuction.

(7) Only Bidders who request and receive admission to an auction may submit bids. The County, the District, the Financial Advisor and the Auction Administrator reserve the right to deny access to the MuniAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

(8) Neither the County, the District, the Financial Advisor nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's MuniAuction password.

(9) If two bids submitted in the same auction by the same or different Bidders result in the same TIC, the first bid received by MuniAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in TIC.

(10) Bidders must compare their final bids to those shown on the Observation Pages immediately after the bidding time period ends, and if they disagree with final results shown on Observation Pages they must report them to MuniAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by MuniAuction, and regardless of verbal confirmation of the winning bid, Notes are definitively awarded to the winning bidder only upon official award by the County Treasurer and Tax Collector (the "Treasurer"). If, for any reason, the Treasurer fails to: (i) award the Notes to the winner reported by MuniAuction, or (ii) deliver Notes to winning bidders at settlement, neither the Financial Advisor nor the Auction Administrator will be liable for damages.

If a bid becomes a leading bid two (2) minutes prior to the scheduled end of the auction, the time period for submission of bids will be automatically extended by two (2) minutes from the time such new leading bid was received by MuniAuction (the "Two-Minute Rule"). The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

RIGHT OF REJECTION: The Treasurer, pursuant to delegation by the Board, reserves the right, in his or her discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

PROMPT AWARD: The Treasurer, pursuant to delegation by the Board, will take action awarding the sale of the Notes or reject all bids not later than forty-eight (48) hours after the expiration of time herein prescribed for the receipt of bids and until such expiration of time all bids received shall be irrevocable. Unless such time of award is waived by the successful bidder, the award may be made after the expiration of the specified time if the bidder shall not have given to the Board notice in writing of the withdrawal of such proposal. Notice of the award will be given promptly to the successful bidder.

DELIVERY AND PAYMENT: It is estimated that the delivery of the Notes will be made to DTC for the account of the successful bidders on or about August 4, 2005. Payment of the purchase price must be made in funds immediately available to the Treasurer by wire transfer or other means acceptable to the Treasurer.

RIGHT OF CANCELLATION OF SALE: The Treasurer, pursuant to delegation by the Board, reserves the right, in his sole discretion, at any time to cancel the public sale of

the Notes. In such event, the Treasurer, pursuant to delegation by the Board, shall cause notice of cancellation of this invitation for bids and the public sale of the Notes to be communicated through the Amendments Page of the MuniAuction website and through the *Bond Buyer Wire* as promptly as practicable. However, no failure to publish such notice or any defect or omission therein shall affect the cancellation of the public sale of the Notes.

RIGHT TO MODIFY OR AMEND: The Treasurer, pursuant to delegation by the Board, reserves the right, in his sole discretion, to modify or amend this Official Notice of Sale with respect to its Notes including, but not limited to, the right to adjust and change the principal amount and principal amortization schedule of the Notes being offered, however, such modifications or amendments shall be made not later than 10:00 A.M., California time, on the business day prior to the bid opening and communicated through the Amendments Page of the MuniAuction website and through the *Bond Buyer Wire*.

RIGHT OF POSTPONEMENT: The Treasurer, pursuant to delegation by the Board, reserves the right, in his sole discretion, to postpone, from time to time, the date established for the receipt of bids for the Notes. Any such postponement will be communicated through the Amendments Page of the MuniAuction website and through the *Bond Buyer Wire* not later than 10:00 A.M., California time, on the business day prior to any announced date for receipt of bids. If any date is postponed, any alternative sale date will be announced through the Amendments Page of the MuniAuction website and through the *Bond Buyer Wire* at least 24 hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Notes in conformity in all respects with the provisions of this Official Notice of Sale, except for the date of sale and except for the changes announced through the Amendments Page of the MuniAuction website and through the *Bond Buyer Wire* at the time the sale date and time are announced.

RIGHT OF REJECTION: The Treasurer, pursuant to delegation by the Board, reserves the right, in his sole discretion, to reject any and all bids for the Notes and to waive any irregularity or informality in any bid.

CHANGE IN TAX EXEMPT STATUS: At any time before the Notes are tendered for delivery, any successful bidder may disaffirm and withdraw its proposal if the interest received by private holders from notes of the same type and character shall be declared to be taxable income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable or be required to be taken into account in computing any federal income taxes by the terms of any federal income tax law enacted subsequent to the date of this notice.

CERTIFICATION OF REOFFERING PRICE: The successful bidder shall be required, as a condition to the delivery of the Notes by the Board, to certify to the Board and the District in writing that, as of the date of award, (i) the Notes were expected to be reoffered in a bona fide public offering, and (ii) the price at which the Notes was expected to be sold to the public, in the form and substance satisfactory to the Board, the District and Bond Counsel.

CONTINUING DISCLOSURE: In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the District will undertake, pursuant to a Continuing Disclosure Certificate, to provide notices of the occurrence of certain events, if material. A description of these undertaking is set forth in the preliminary official statement relating to the Notes (the "POS") and will also be set forth in a final official statement relating to the Notes (the "OS").

CLOSING PAPERS; LEGAL OPINION: Each proposal will be conditioned upon the District furnishing to the successful bidder, without charge, concurrently with payment for and delivery of the Notes, the following closing papers, each dated the date of such delivery:

(a) The opinion of Bond Counsel, approving the validity of the Notes and stating that, subject to certain qualifications, under existing law, the interest on the Notes is excluded from gross income for federal income tax purposes, such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes) and is exempt from State of California personal income taxes, a copy of which opinion (certified by the official in whose office the original is filed) will be delivered with each issue of Notes without cost to the purchaser;

(b) A certificate of the Superintendent or other appropriate official of the District that on the basis of the facts, estimates and circumstances in existence on the date of issue, it is not expected that the proceeds of the Notes will be used in a manner that would cause the Notes to be "arbitrage bonds" within the meaning of the Code;

(c) A certificate on behalf of the District that there is no litigation threatened or pending affecting the validity of the Notes;

(d) A certificate of the Superintendent or other appropriate official of the District, acting on behalf of the District solely in his or her official and not in his or her personal capacity, that at the time of the sale of the Notes and at all times subsequent thereto up to and including the time of the delivery of the Notes to the initial purchasers thereof, the OS did not, and does not, contain any untrue statement of a material fact or omit to state a material fact necessary which would make the statements misleading in the light of the circumstances under which they were made;

(e) The signature certificate of the officials of the Board, showing that they have signed the Notes and impressed the seal of the Board thereon, and that they were respectively duly authorized to execute the same; and

(f) The receipt of the Treasurer showing that the purchase price of the Notes has been received.

INFORMATION AVAILABLE: Requests for information concerning the District and/or the Notes should be addressed to the Financial Advisor:

Ms. Aquacena Lopez
President
A. Lopez & Associates LLC
300 Frank H. Ogawa Plaza, Suite 229
Oakland, CA 94612
(510) 268-9660
(510) 268-9664 (Fax)

OFFICIAL STATEMENT: The POS is available for viewing in electronic format on the MuniAuction website. The MuniAuction website address is www.MuniAuction.com. In addition, NASD registered broker-dealers and dealer banks with DTC clearing arrangements may either: (a) print out a copy of the POS on their own printer, or (b) at any time prior to July 20, 2005, elect to receive a photocopy of the POS in the mail by requesting

it on the MuniAuction website or by contacting the Financial Advisor as specified above. In order to print a copy or request a photocopy of the POS from MuniAuction, click the "View POS" button on the MuniAuction Selections Page and follow the instructions. All bidders must review the POS and certify that they have done so prior to participating in the bidding.

The POS is in a form "deemed final" by the District for purposes of SEC Rule 15c2-12(b)(1) but is subject to revision, amendment and completion. The Board will provide each successful bidder such number of printed copies the OS as such bidder may request. Up to 50 copies of the OS will be furnished without cost and any additional copies will be furnished at the expense of the bidders.

GIVEN pursuant to resolutions of the Board and the District.

Dated: July 8, 2005

ABC UNIFIED SCHOOL DISTRICT

RESOLUTION 04-40

RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY TO ISSUE TAX AND REVENUE ANTICIPATION NOTES IN THE NAME OF THE ABC UNIFIED SCHOOL DISTRICT FOR FISCAL YEAR 2005-06 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED $10,000,000 AND AUTHORIZING THE SALE THEREOF AND AUTHORIZING PREPARATION OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH

RESOLVED, by the Board of Education of the ABC Unified School District (the "District"), as follows:

WHEREAS, school districts organized and existing under the laws of the State of California are authorized by Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law") to borrow money by the issuance of temporary notes, the proceeds of which may be used and expended for any purpose for which the school district is authorized to spend moneys; and

WHEREAS, pursuant to the Law, such notes may be issued in the name of such school district by the board of supervisors of the county, the county superintendent of which has jurisdiction over such school district, as soon as possible following receipt of a resolution of the governing board of such school district requesting such borrowing;

WHEREAS, the District has determined that it is desirable that the District borrow funds in an amount not to exceed $10,000,000 with respect to fiscal year 2005-06 for authorized purposes of the District; and

WHEREAS, the financial advisor to the District has been directed to prepare an official statement meeting the requirements of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Official Statement") and bond counsel to the District has been directed to prepare a notice of sale (the "Notice of Sale") and a notice of intention (the "Notice of Intention") relating to the offering and sale of the notes for the District;

NOW, THEREFORE, it is hereby DETERMINED and ORDERED as follows:

Section 1. Request. The Board of Supervisors (the "Board") of Los Angeles County (the "County") is hereby requested to issue tax and revenue anticipation notes in the name of the District in the principal amount of not to exceed $10,000,000 (the "Notes"), under and pursuant to the provisions of the Law.

Section 2. Limitation on Maximum Amount. The principal amount of Notes, when added to the interest payable thereon, shall not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, revenue and other moneys of the District for the general fund of the District attributable to Fiscal Year 2005-06, and available for the payment of the notes and the interest thereon.

Section 3. Pledge. The Notes shall be obligations of the District and shall be secured by a pledge of and first lien and charge against the first "unrestricted moneys," as hereinafter defined, (a) in an amount equal to fifty percent (50%) of the principal amount of the Notes to be received by the County on behalf of the District on or before January 31, 2006, (b) in an amount equal to fifty percent (50%) of the principal amount of the Notes to be received by the County on behalf of the District on or before May 31, 2006, and (c) in an amount equal to all interest due on the Notes at maturity to be received by the County on behalf of the District or before June 30, 2006 (the "Pledged Revenues"). To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of

the District lawfully available therefor. In the event that there are insufficient unrestricted moneys received by the District to permit the deposit in the Repayment Fund (as hereinafter defined) of the full amount of the Pledged Revenues to be deposited in any month on the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the repayment of the Notes and interest thereon. The term "unrestricted moneys" shall mean taxes, income, revenue and other moneys intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

Section 4. Approval of Issuance Resolution. The resolution entitled "RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES PROVIDING FOR THE BORROWING OF FUNDS IN THE NAME OF THE ABC UNIFIED SCHOOL DISTRICT FOR FISCAL YEAR 2005-06 AND THE ISSUANCE AND SALE OF 2005 TAX AND REVENUE ANTICIPATION NOTES IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED $10,000,000" (the "Issuance Resolution"), to be adopted by the Board, in substantially the form presented to the Board of Education at this meeting, together with any additions to or changes therein deemed necessary or advisable by the Board, is hereby approved. The Notes shall be dated as of their date of delivery, shall mature (without option of prior redemption) 364 days after issuance, and shall bear interest from their date, payable at maturity and computed on a 30-day month/360-day year basis.

Section 5. Form of Notes; Execution of Notes.

(a) The Notes shall be issued in fully registered form, without coupons, and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures. The Notes shall be numbered from 1 consecutively upward, shall be in the denomination of $5,000 each or any integral multiple thereof.

(b) The Notes shall be executed in the name of the District, with the manual or facsimile signatures of the Chair of the Board of Supervisors of the County and County Treasurer and Tax Collector or one or more of his duly authorized deputies and the manual or facsimile counter-signature of the Executive Officer-Clerk of the Board of Supervisors (although at least one of such signatures shall be manual) with the seal of the Board impressed thereon, and said officers are hereby authorized to cause the blank spaces thereof to be filled in as may be appropriate.

Section 6. Official Statement. The Board of Education hereby authorizes the preparation by the District's financial advisor of an official statement describing the Notes (the "Official Statement"). The Board of Education authorizes the distribution by the District's financial advisor of the Official Statement to prospective purchasers of the Notes, and authorizes and directs the Superintendent (or the Superintendent's designee) on behalf of the District to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Official Statement prior to its distribution by the District's financial advisor. The execution of the Official Statement, which shall include such changes and additions thereto deemed advisable by the Superintendent or any other qualified officer of the District and such information permitted to be excluded from the Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Official Statement by the District.

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

Section 7. Sale of Notes. The distribution of the Official Statement, the Notice of Sale and the Notice of Intention are approved in connection with the offering and sale of the Notes.

The actions of the District's financial advisor, on behalf of the District, in distributing the Official Statement and the

Notice of Sale to such municipal bond brokers-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Notes therein offered for sale, are hereby approved.

The Notes are hereby ordered to be sold by competitive bid. The County Treasurer and Tax Collector shall accept the best responsible bid for the purchase of the Notes, determined in accordance with the Official Notice of Sale. The County Treasurer and Tax Collector is hereby authorized and directed to accept such bid by notice to the successful bidder. In the event two or more bids setting forth identical interest rates and premium, if any, are received, the County Treasurer and Tax Collector may exercise his or her own discretion and judgment in making the award and may award the Notes on a pro rata basis in such denominations as he or she shall determine. The County Treasurer and Tax Collector may, in his or her discretion, reject any and all bids and waive any irregularity or informality in any bid. The County Treasurer and Tax Collector shall award the Notes or reject all bids not later than 26 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder.

All proceeds shall be invested by the County Treasurer and Tax Collector. Unless otherwise requested by the District in writing, amounts held in the funds and accounts established hereunder shall be invested in the Treasurer's Investment Pool. If proceeds are invested in other than the Treasurer's Investment Pool, any such investment shall only be made in (A)(1) direct obligations of the United States of America, including United States Treasury notes, bonds and bills, (2) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, or (3) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, in each case meeting Standard & Poor's Credit Market Services criteria for such investments; (B) the Local Agency Investment Fund maintained by the Treasurer of the State of California; or (C) in investment agreements with financial institutions with senior unsecured credit ratings of "AA-" or better from Standard & Poor's Credit Market Services.

Section 8. Tax Covenants

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

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

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

(d) *No Arbitrage.* The District shall not take, or permit or suffer to be taken any action with respect to the proceeds of the Notes which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Notes would have caused the Notes to be "arbitrage bonds" within the meaning of section 148 of the Code.

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

For purposes of this Section 8, the term "Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Notes or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Notes, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Section 9. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all

of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any holder or beneficial owner of the Notes may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

For purposes of this Section 9, the term "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 10. No Temporary Transfers. It is hereby covenanted and warranted by the District pursuant to Article XVI, Section 6 of the Constitution of the State of California that it will not request the County Treasurer and Tax Collector to make temporary transfers of funds in the custody of the County Treasurer and Tax Collector to meet any obligations of the District during the 2005-06 fiscal year for the same purposes and in the same amounts as the Notes.

Section 11. Further Authorization. All actions heretofore taken by the officers and agents of the District with respect to the sale and issuance of the Notes are hereby approved, and the Superintendent, the Executive Officer-Clerk of the Board and any and all other officers of the District are hereby authorized and directed for and in the name and on behalf of the District, to do any and all things and take any and all actions relating to the execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes in accordance with the Issuance Resolution and this resolution.

The District hereby authorizes the Superintendent or the Superintendent's designee to execute an agreement for bond counsel services by and between the District and Quint & Thimmig LLP, and an agreement for financial advisory services by and between the District and A. Lopez & Associates LLC, which firms are hereby appointed to serve as bond counsel and financial advisor, respectively, for the Notes. All costs incurred by the Board or the District in connection with the issuance of the Notes, including but not limited to printing of any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, paying agent fees and expenses, the cost of printing the Notes, and any compensation owing to any officers or employees of the Board, the County or the District for their services rendered in connection with the issuance of the Notes, shall be payable by District.

Section 12. Indemnification. The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees (the "Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject, because of action or inaction related to the Notes. The District shall also reimburse the Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

Section 13. Effective Date. This resolution shall take effect from and after its adoption.

* * * * * * * * *

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Education of the ABC Unified School District held on the 7th day of June, 2005, by the following vote:

AYES, and in favor of, Board Members: 7

NOES, Board Members: 0

ABSENT, Board Members: 0

By David Montgomery
Clerk of the Board of Education

EXHIBIT A

Board of Supervisors of Los Angeles County, California
in the Name of the
ABC UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)

2005 TAX AND REVENUE ANTICIPATION NOTE

INTEREST RATE:	MATURITY DATE:	ISSUE DATE:	CUSIP:
%	June 30, 2006	_____, 2005	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The ABC UNIFIED SCHOOL DISTRICT, Los Angeles County, State of California (the "District"), acknowledges itself indebted, and promises to pay, to the Registered Owner stated above, or registered assigns (the "Owner"), on the Maturity Date stated above, the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money at the rate per annum stated above, payable on the Maturity Date stated above, calculated on the basis of 360-day year comprised of twelve 30-day months. Both the principal of and interest on this Note shall be payable at maturity to the Owner.

It is hereby certified, recited and declared that this Note is one of an authorized issue of notes in the aggregate principal amount of _____ dollars ($_____), all of like tenor, issued pursuant to the provisions of a resolution of the Board of Supervisors (the "Board") of Los Angeles County (the "County") duly passed and adopted on May 31, 2005 (the "Resolution"), and pursuant to Article 7.6 (commencing with section 53850) of Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all conditions, things and acts required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, revenue and other moneys which are received by the County on behalf of the District for Repayment Fund of the District (as defined in the Resolution) for the Fiscal Year 2005-06. As security for the payment of the principal of and interest on the Notes, the Board, in the name of the District, has pledged the first "unrestricted moneys", as hereinafter defined (a) in an amount equal to fifty percent (50%) of the principal amount of the Notes to be received by the County on behalf of the District on or before January 31, 2006, (b) in an amount equal to fifty percent (50%) of the principal amount of the Notes to be received by the County on behalf of the District on or before May 31, 2006, and (c) in an amount equal to all interest due on the Notes at maturity to be received by the County on behalf of the District on or before June 30, 2006 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be paid from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the District lawfully available therefor. The term "unrestricted moneys" shall mean taxes, income, revenue and other moneys intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

The Notes are issuable as fully registered notes, without coupons, in denominations of $5,000 each or any integral

multiple thereof. Subject to the limitations and conditions as provided in the Resolution, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations and of the same maturity.

The Notes are not subject to redemption prior to maturity.

This Note is transferable by the Owner hereof, but only under the circumstances, in the manner and subject to the limitations provided in the Resolution. Upon registration of such transfer a new Note or Notes, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange for this Note.

The Board may treat the Owner hereof as the absolute owner hereof for all purposes and the Board shall not be affected by any notice to the contrary.

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

IN WITNESS WHEREOF, the Board of Supervisors of Los Angeles County, California has caused this Note to be issued in the name of the District and to be executed by the manual or facsimile signature of the Chair of the Board of Supervisors of the County and the manual or facsimile signature of the County Treasurer and Tax Collector and countersigned by the facsimile signature of the Executive Officer-Clerk of the Board, all as of the Issue Date stated above.

LOS ANGELES COUNTY, CALIFORNIA

By _____
Chair, Board of Supervisors

By _____
Treasurer and Tax Collector

[SEAL]

ATTEST:

_____
Executive Officer-Clerk, Board of Supervisors

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto

_____

_____

_____

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

the within registered Note and hereby irrevocably constitute(s) and appoints(s) _____ _____ attorney, to transfer the same on the Note register of the Treasurer and Tax Collector with full power of substitution in the premises.

Dated: _____

Signature:

_____

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

Signature Guaranteed:

_____

Note: Signature(s) must be guaranteed by a qualified guarantor.