



Compton Unified School District
604 South Tamarind Avenue
Compton, CA 90220
(310) 639-4321
(310) 632-3014 FAX

April 13, 2006

**The Honorable Board of Supervisors
County of Los Angeles
c/o Katharine Medina, Head, Agenda Preparation
383 Hall of Administration
500 W. Temple Street
Los Angeles, CA 90012**

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Jesse L. Gonzales, Ph.D.

SUBJECT: COMPTON UNIFIED SCHOOL DISTRICT REQUEST FOR BOARD TO LEVY TAXES AND TO DIRECT THE AUDITOR-CONTROLLER TO PLACE TAXES ON TAX ROLL

Dear Supervisors:

On November 5, 2002 the electorate of the Compton Unified School District (the "District") authorized the District to issue bonds in the maximum amount of \$80,000,000. On March 13, 2003, pursuant to a resolution of the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") adopted on February 11, 2003, at the request of the District pursuant to a Resolution of the Board of Education of the District (the "Board of Education") adopted on January 14, 2003, a series of bonds designated the "Compton Unified School District General Obligation Bonds, Series A" in an aggregate principal amount of \$40,000,000 was issued and sold (the "Series A Prior Bonds"). On June 10, 2004 pursuant to a resolution of the Board of Supervisors of the County adopted on May 18, 2004, at the request of the District pursuant to a Resolution of the Board of Education adopted on April 27, 2004, a series of bonds designated the "Compton Unified School District General Obligation Bonds, 2002 Election, 2004 Series B" in an aggregate principal amount of \$20,000,000 was issued and sold (the "Series B Prior Bonds" and, together with the Series A Prior Bonds, the "Prior Bonds"). Pursuant to a Resolution of the Board of Education adopted on March 28, 2006, the District has authorized and intends to issue refunding bonds (the "Refunding Bonds") to refund all or a portion of the District's outstanding Prior Bonds under and in accordance with Articles 9 and 11 of Chapter 3 of Part I of Division 2 of Title 5 of the California Government Code and other applicable provisions of law.

The District formally requests in accordance with Education Code Section 15250 and other applicable provisions of law that the Board of Supervisors adopt the enclosed resolution, which provides for the levy of the appropriate taxes for the payment of the Refunding Bonds and such portion of the Prior Bonds as shall remain outstanding following the issuance of the Refunding Bonds and directs the Auditor-Controller of the County to place these taxes on the tax roll every year according to a debt service schedule and instructions that will be provided upon the sale of the Refunding Bonds, currently scheduled to occur in May 2006.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed resolution on April 18, 2006. (Two originals are enclosed which have been approved as to form by County Counsel.)

2. After the Board of Supervisors has taken action on this letter, the District requests that the Clerk of the Board of Supervisors furnish two (2) certified copies of this Resolution to:

*Arto C. Becker, Esq.
Hawkins Delafield & Wood LLP
633 West Fifth Street, Suite 3550
Los Angeles, CA 90071*

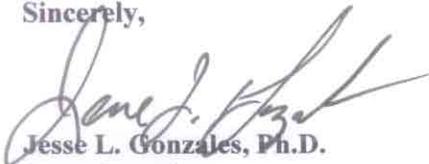
and send one (1) copy of this Resolution to each of the following:

*Los Angeles County Treasurer and Tax Collector
ATTN: Doug Baron, Assistant Director – Public Finance
500 W. Temple Street, Room 432
Los Angeles, CA 90012*

*Los Angeles County Auditor Controller
ATTN: Sanford Johnson
500 W. Temple Street, Room 603
Los Angeles, CA 90012*

*Los Angeles County Counsel
ATTN: Cammy DuPont
500 W. Temple Street, Room 648
Los Angeles, CA 90012*

Sincerely,


Jesse L. Gonzales, Ph.D.
Superintendent

*JLG/hww
ATTACHMENT*

cc: Arto C. Becker, Esq.

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA, AUTHORIZING THE LEVY OF TAXES FOR GENERAL OBLIGATION REFUNDING BONDS OF THE COMPTON UNIFIED SCHOOL DISTRICT, DESIGNATING THE PAYING AGENT THEREFOR AND DIRECTING THE COUNTY AUDITOR-CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL

WHEREAS, a duly called election was held in the Compton Unified School District, County of Los Angeles (the "County"), State of California (the "District") on November 5, 2002, and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite 55% vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$80,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization");

WHEREAS, the Board of Trustees of the District (the "District Board") has previously approved the issuance of bonds authorized by the Election of District's \$40,000,000 General Obligation Bonds, 2002 Election, Series A and \$20,000,000 General Obligation Bonds, 2002 Election, Series B (the "Prior Bonds");

WHEREAS, the District Board has now determined that conditions in the financial marketplace are favorable for the refunding of all or a portion of the outstanding principal amount or accreted value of the Prior Bonds;

WHEREAS, pursuant to Section 53550 *et seq.* of the California Government Code (the "Act") and the Resolution of the District Board adopted on March 28, 2006, the District is authorized to issue refunding bonds (the "Bonds") to refund all or a portion of the Prior Bonds;

WHEREAS, the Board of Supervisors of the County (the "County Board") has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, and to direct the Auditor-Controller of the County to maintain on its tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Bonds that will be provided to the Auditor-Controller by the District following the sale of the Bonds; and

WHEREAS, the Los Angeles County Treasurer and Tax Collector (the "Treasurer") of the County has been designated by the District as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds on behalf of the District, and consents to the County contracting with a third party to perform the service of Paying Agent.

NOW THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Levy of Taxes. That this County Board levy taxes in an amount sufficient to pay the principal of and interest on the Bonds.

SECTION 2. Preparation of Tax Roll. That the Auditor-Controller of the County of Los Angeles is hereby directed to maintain on its tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedule for the Bonds that will be provided to the Auditor-Controller by the District following the sale of the Bonds.

SECTION 3. Paying Agent. That the Treasurer and Tax Collector of the County of Los Angeles act as the Paying Agent for the Bonds and hereby consents to the appointment of U.S. Bank National Association (or any successor thereto), as the agent of the Paying Agent for the Bonds.

SECTION 4. Effective Date. That this Resolution shall take effect immediately upon its passage.

The foregoing resolution was, on the ___ day of _____ 2006, adopted by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI,
Executive Officer-Clerk of the Board of
Supervisors of the County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: 
Principal Deputy County Counsel

COMPTON UNIFIED SCHOOL DISTRICT

ITEM NO. 05/06-5063

**RESOLUTION NO. 05/06-40, AUTHORIZING THE ISSUANCE OF THE
DISTRICT'S GENERAL OBLIGATION REFUNDING BONDS, 2002
ELECTION, 2006 SERIES D**

MARCH 28, 2006

WHEREAS, a duly called election was held in the Compton Unified School District, Los Angeles County, State of California (the "District"), on November 5, 2002 (the "Election"), and thereafter canvassed pursuant to law;

WHEREAS, at such election, there was submitted to and approved by the requisite 55% vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$80,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District;

WHEREAS, the Board of Trustees of the District (the "Board") has previously approved the issuance, pursuant to the Election of \$60,000,000 aggregate principal amount of the District's General Obligation Bonds, 2002 Election, Series A and General Obligation Bonds, 2002 Election, Series C (collectively, the "Prior Bonds");

WHEREAS, pursuant to Section 53550 *et seq.* of the California Government Code (the "Act"), the District is authorized to issue refunding bonds to refund all or a portion of the Prior Bonds;

WHEREAS, the Board has now determined that conditions in the financial marketplace are favorable for the refunding of up to the outstanding principal amount of \$55,000,000 of the Prior Bonds in accordance with their terms (the "Refunded Bonds");

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation refunding bonds of the District, and the indebtedness of the District, including this proposed issue of Refunding Bonds (as hereinafter defined), is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE COMPTON UNIFIED SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA, AS FOLLOWS:

SECTION 1. Purpose. That to refund all of the outstanding Refunded Bonds and to pay all necessary legal, financial, and contingent costs in connection therewith, the District authorizes the issuance of its General Obligation Refunding Bonds, 2002 Election, 2006 Series D (the "Refunding Bonds") in an aggregate principal amount not to exceed \$55,000,000.

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Additional costs authorized to be paid from the proceeds of the Refunding Bonds are all of the authorized costs of issuance set forth in Section 53550(e) and (f) and Section 53587 of the Act.

SECTION 2. Paying Agent. The Board hereby designates the Treasurer and Tax Collector of the County of Los Angeles, as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Refunding Bonds on behalf of the District. The District hereby further appoints, subject to the consent of the Board of Supervisors of the County, U.S. Bank National Association to act as agent of the Treasurer and Tax Collector in performing the service of Paying Agent.

SECTION 3. Terms and Conditions of Sale. The Refunding Bonds shall be sold at a negotiated sale upon the direction of the Superintendent of the District (the "Superintendent"). The Refunding Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described below. As a special condition to the sale of the Refunding Bonds, the Superintendent is instructed to sell the Refunding Bonds as provided in Section 4 below only upon receipt of evidence satisfactory to the Superintendent to the effect that (a) all of the conditions to effecting a refunding under the Act have been satisfied; and (b) the terms of the Refunding Bonds are such that, taking into account recognition by the taxpayers of the District of interest rate and tax levy savings in an amount not less than \$500,000, an additional deposit to the District's Building Fund maintained with the Treasurer and Tax Collector of the County of Los Angeles in an amount no less than \$5,000,000 shall be made possible at closing.

SECTION 4. Approval of Purchase Contract. The form of Purchase Contract (the "Purchase Contract") by and between the District and RBC Dain Rauscher Inc., doing business as RBC Capital Markets, (the "Underwriter"), for the purchase and sale of the Refunding Bonds, substantially in the form on file with the Clerk of the Board, is hereby approved and the Superintendent is hereby authorized to execute and deliver such Purchase Contract, with such changes therein, deletions therefrom and modifications thereto as the Superintendent may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the interest rate on the Refunding Bonds shall not exceed 8% per annum, and that the discount, excluding original issue discount, thereon shall not exceed 1.2% of the aggregate of principal amount or Maturity Value of Refunding Bonds issued. The Superintendent is further authorized to determine the principal amount of the Refunding Bonds to be specified in the Purchase Contract for sale by the District up to \$55,000,000 and shall approve the satisfaction of the conditions set forth in Section 3 above.

SECTION 5. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

- (a) "Act" means Section 53550 *et seq.* of the California Government Code.
- (b) "Accreted Value" means shall mean with respect to any Capital Appreciation Bond, as of any date of calculation, the sum of the principal amount thereof and the interest accrued thereon to such date of calculation, compounded from the date of

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initial issuance at the stated yield to maturity thereof on each June 1 and December 1, or as otherwise set forth in the Purchase Contract, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

(c) "Authorization" means the authorization received by the District to issue the Refunded Bonds at an election held on November 5, 2002.

(d) "Authorized Officer" means the Superintendent of the District, an Associate Superintendent or any designee of the Superintendent.

(e) "Bond Insurer" means any insurance company which issues a municipal bond insurance policy with respect to the Refunding Bonds.

(f) "Bond Payment Date" means June 1 and December 1 of each year commencing June 1, 2007 (unless otherwise provided by the Purchase Contract).

(g) "Capital Appreciation Bonds" shall mean the bonds designated as such in the Purchase Contract.

(h) "Current Interest Bonds" shall mean the bonds designated as such in the Purchase Contract.

(i) "Depository" means the securities depository acting as Depository pursuant to Section 6(c) hereof.

(j) "DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Refunding Bonds.

(k) "Escrow Agreement" means the Escrow Agreement relating to the Refunded Bonds, by and between the District and U.S. Bank National Association, as escrow agent, a form of which has been presented to and considered by this Board.

(l) "Federal Securities" means direct or indirect noncallable obligations of, or noncallable, nonprepayable obligations unconditionally guaranteed as to full and timely payment of principal and interest by, the United States of America, but excluding investments in mutual funds or unit investment trusts, or as otherwise permitted under Section 53635 of the Act.

(m) "Information Services" means Financial Information, Inc.'s Financial Daily Called Bond Service; Moody's Municipal and Government; or Standard & Poor's J.J. Kenny Information Service "Called Bond Record."

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(n) "Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 6(c) hereof.

(o) "Owner" means the person or entity shown on the registration books of the Paying Agent as the registered owner of a Refunding Bond.

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

(q) "Paying Agent" means U.S. Bank National Association, or any successor thereto as agent of the Treasurer and Tax Collector.

(r) "Principal" or "Principal Amount" means the principal thereof.

(s) "Record Date" means the fifteenth (15th) day of the month preceding each Bond Payment Date.

(t) "Securities Depositories" means The Depository Trust Company.

(u) "Term Bonds" means those Refunding Bonds for which mandatory redemption dates have been established in the Purchase Contract.

(v) "Treasurer and Tax Collector" means the Treasurer and Tax Collector of the County of Los Angeles.

SECTION 6. Terms of the Refunding Bonds.

(a) Denominations, Interest, Dated Dates. Each Refunding Bond shall be dated the date of its initial issuance or such other date as shall appear in the Purchase Contract or the Official Statement (the "Dated Date"), and shall bear interest at the rates set forth in the Purchase Contract from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 15th day of the month preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the 15th day before the Dated Date or such other date as may be set forth in the Official Statement, in which event it shall bear interest from the Dated Date. Interest shall be payable on the respective Bond Payment Dates. No Refunding Bonds shall mature later than the final maturity date for the Refunding Bonds set forth in the Purchase Contract. The Refunding Bonds may be issued as Current Interest Bonds and Capital Appreciation Bonds.

(b) Description of Current Interest Bonds. The Bonds issued as Current Interest Bonds shall be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof, provided that one such Bond may be in an

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irregular denomination. The Current Interest Bonds shall be dated and shall mature on the dates, in the years and in the Principal Amounts, and interest shall be computed at the rates, set forth in the Purchase Contract. Interest on each Current Interest Bond shall accrue from its dated date as set forth in the Purchase Contract. Interest on Current Interest Bonds shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Bond Payment Date to the Owner thereof as of the close of business on the Record Date. Interest with respect to each Current Interest Bond will be payable from the Bond Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Bond Payment Date, in which event interest with respect thereto shall be payable from such following Bond Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Current Interest Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Bond Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Current Interest Bonds will be made on each Bond Payment Date by check or draft of the Paying Agent sent by first class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of \$1,000,000 or more of such Current Interest Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Bond Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Current Interest Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest.

(c) Description of Capital Appreciation Bonds. The Bonds issued as Capital Appreciation Bonds shall be issued in fully registered form in any denominations of their Principal Amounts but shall reflect denominations of \$5,000 Maturity Amount or any integral multiple thereof, except that one such Bond may reflect an irregular denomination. The Capital Appreciation Bonds shall be dated as of the date of their issuance, shall be issued in the aggregate Principal Amounts, shall mature on the dates, in the years and in the Maturity Amounts, and shall accrete interest with the yields to maturity, all as set forth in the Purchase Contract. Interest on each Capital Appreciation Bond, if any, shall be compounded semiannually on June 1 and December 1 of each year until maturity, or as otherwise set forth in the Purchase Contract, commencing on the date set forth in the Purchase Contract, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity as part of the Maturity Amount.

(d) Redemption.

(i) Terms of Redemption. The Refunding Bonds may be subject to redemption prior to maturity as provided in the Purchase Contract.

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(ii) Selection of Refunding Bonds for Redemption. Whenever provision is made in this Resolution or in the Purchase Contract for the redemption of the Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 60 days prior to the Bond Payment Date designated for such redemption, shall select Bonds for redemption in inverse order of maturity within a series. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in the Maturity Amount of \$5,000 or any integral multiple thereof. The Accreted Value of such Capital Appreciation Bond shall be determined by reference to a schedule to be provided to the Paying Agent.

(iii) Notice of Redemption. When redemption is authorized or required pursuant to this Resolution or the Purchase Contract, the Paying Agent, upon written instruction from the District given at least 60 days prior to the Bond Payment Date, shall give notice (a "Redemption Notice") of the redemption of the Refunding Bonds. Such Redemption Notice shall specify: (a) the Refunding Bonds or designated portions thereof (in the case of redemption of the Refunding Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Refunding Bonds to be redeemed, (f) the bond numbers of the Refunding Bonds to be redeemed in whole or in part and, in the case of any Refunding Bond to be redeemed in part only, the Principal Amount of such Refunding Bond to be redeemed, and (g) the original issue date, interest rate or Accretion Rate and stated maturity date of each Refunding Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Refunding Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date thereon, and that from and after such date, interest with respect thereto shall cease to accrue.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(a) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Refunding Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) In the event that the Bonds shall no longer be held in book-entry only form, at least two days before the date of the notice required by clause (a) of this Section, such Redemption Notice shall be given by (i) first class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.

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Neither failure to receive or failure to publish any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Refunding Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Refunding Bonds shall bear or include the CUSIP number identifying the Refunding Bonds being redeemed with the proceeds of such check or other transfer.

(iv) Partial Redemption of Refunding Bonds. Upon the surrender of any Refunding Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Refunding Bond or Bonds of like tenor and maturity and of authorized denominations equal in Principal Amounts to the unredeemed portion of the Refunding Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(v) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside in the District's Debt Service Fund, the Refunding Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Refunding Bonds to be redeemed as provided in Section 6(b)(i) hereof, together with interest accrued to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Refunding Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Refunding Bonds shall be held in trust for the account of the Owners of the Refunding Bonds so to be redeemed.

All Refunding Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 6 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Refunding Bond purchased by the District shall be cancelled by the Paying Agent.

(vi) Refunding Bonds No Longer Outstanding. When any Refunding Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Refunding Bonds or portions thereof, and, in the case of Refunding Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Refunding Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

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(e) Book-Entry System.

(i) Election of Book-Entry System. The Refunding Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Refunding Bonds in an authorized denomination. The ownership of each such Bond shall be registered in the Bond Register (as defined below) in the name of the Nominee, as nominee of the Depository and ownership of the Refunding Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 6(c)(i)(4).

The District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such Refunding Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Refunding Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to the Refunding Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Refunding Bonds to be prepaid in the event the District redeems the Refunding Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Principal of or interest or redemption premium, if any, on the Refunding Bonds. The District and the Paying Agent may treat and consider the person in whose name each the Refunding Bond is registered in the Bond Register as the absolute Owner of such Refunding Bond for the purpose of payment of Principal of and premium and interest on and to such Refunding Bond, for the purpose of giving notices of redemption and other matters with respect to such Refunding Bond, for the purpose of registering transfers with respect to such Refunding Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Principal of and premium, if any, and interest on the Refunding Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Principal of, and premium, if any, and interest on the Refunding Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Principal of, and premium, if any, and interest on the Refunding Bonds. Upon delivery by the Depository to the Owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word "Nominee" in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the Refunding Bonds for the Depository's book-entry system, the District shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in the

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Refunding Bonds other than the Owners, as shown on the Bond Register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Refunding Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for the Refunding Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Refunding Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such the Refunding Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Refunding Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Refunding Bonds shall designate, in accordance with the provisions of this Section 6(c).

3. Payments to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all outstanding Refunding Bonds are held in book-entry and registered in the name of the Nominee, all payments by the District or the Bond Register with respect to Principal of and premium, if any, or interest on the Refunding Bonds and all notices with respect to such Refunding Bonds shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

4. Transfer of Refunding Bonds to Substitute Depository.

(A) The Refunding Bonds shall be initially issued as described in the Official Statement. Registered ownership of such Refunding Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its Nominee, or of any substitute depository designated pursuant to Section 6(e)(i)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

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(2) to any Substitute Depository, 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 District that DTC (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

(3) to any person as provided below, 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 District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 6(e)(i)(4)(A)(1) or (2), upon receipt of all outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Refunding Bonds then outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 6(e)(i)(4)(A)(3), upon receipt of all outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Refunding Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Refunding Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption of any Refunding Bonds evidencing a portion of the Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Refunding Bonds indicating the date and amounts of such reduction in Principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Refunding Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such

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beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Refunding Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Refunding Bonds.

SECTION 7. Execution of Refunding Bonds. The Refunding Bonds shall be signed by an Authorized Officer, by their manual or facsimile signatures and countersigned by the manual or facsimile signature of and the seal or facsimile seal of the District affixed thereto, all in their official capacities. No Refunding Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Refunding Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Refunding Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 8. Paying Agent; Transfer and Exchange. The Board does hereby designate the Treasurer and Tax Collector to act as the authenticating agent, bond registrar, transfer agent and paying agent (the "Paying Agent") for the Refunding Bonds. The District hereby further appoints, subject to the consent of the Board of Supervisors of the County, U.S. Bank National Association to act as agent of the Treasurer and Tax Collector in performing the services of Paying Agent.

So long as any of the Refunding Bonds remain outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Refunding Bonds as provided in this Section. Subject to the provisions of Section 9 below, the person in whose name a Refunding Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Refunding Bond for all purposes of this Resolution. Payment of or on account of the Principal of and premium, if any, and interest on any Refunding Bond shall be made only to or upon the order of that person; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Refunding Bonds, including interest, to the extent of the amount or amounts so paid.

Any Refunding Bond may be exchanged for Refunding Bonds of like tenor, maturity and Principal Amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Refunding Bond may be transferred on the Bond Register only upon presentation and surrender of the Refunding Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Refunding Bond or Refunding Bonds of like tenor and of any authorized denomination or denominations requested

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by the Owner equal to the Principal Amount of the Refunding Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

If any Refunding Bond shall become mutilated, the District, at the expense of the Owner of said Refunding Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like series, tenor and Principal Amount in exchange and substitution for the Refunding Bond so mutilated, but only upon surrender to the Paying Agent of the Refunding Bond so mutilated. If any Refunding Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the Owner, the District, at the expense of the Refunding Bond Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like tenor in lieu of and in substitution for the Refunding Bond so lost, destroyed or stolen (or if any such Refunding Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Refunding Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the District). The Paying Agent may require payment of a reasonable fee for each new Refunding Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Refunding Bonds only after the new Refunding Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Refunding Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Refunding Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Refunding Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Refunding Bonds surrendered upon that exchange or transfer.

Any Refunding Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Refunding Bonds that the District may have acquired in any manner whatsoever, and those Refunding Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Refunding Bonds shall be made to the District by the Paying Agent on or before January 15 and July 15 of each year. The cancelled Refunding Bonds shall be retained for six years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Refunding Bonds during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of Refunding Bonds

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to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Refunding Bonds which have been selected or called for redemption in whole or in part.

SECTION 9. Payment. Payment of interest on any Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption price, if any, payable on the Refunding Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest, Principal and premiums, if any, on the Refunding Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Refunding Bonds when duly presented for payment at maturity, and to cancel all Refunding Bonds upon payment thereof. The Refunding Bonds are general obligations of the District, payable without limit as to rate or amount from the levy of *ad valorem* property taxes upon all property subject to taxation within the District.

SECTION 10. Form of Refunding Bonds. The Refunding Bonds shall be in substantially the applicable form set forth in Exhibit A hereto, allowing those officials executing the Refunding Bonds, upon advice of Bond Counsel, to make the insertions and deletions necessary to conform the Refunding Bonds to this Resolution, the Purchase Contract and the Official Statement.

SECTION 11. Delivery of Refunding Bonds. The proper officials of the District shall cause the Refunding Bonds to be prepared and, following their sale, shall have the Refunding Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Refunding Bonds, to the Underwriter upon payment of the purchase price therefor.

SECTION 12. Approval of Escrow Agreement and Deposit of Proceeds of Refunding Bonds. The form of Escrow Agreement substantially in the form on file with the Clerk of the Board, is hereby approved and any Authorized Officer is hereby authorized to execute and deliver such Escrow Agreement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The net proceeds from the sale of the Refunding Bonds shall be transferred to the Escrow Agent for deposit in the Escrow Fund established under the Escrow Agreement, which amount is sufficient to purchase the Federal Securities and hold uninvested an amount or amounts of cash needed to pay the Refunded Bonds in accordance with their terms, all as set forth in the Escrow

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Agreement. Proceeds of the sale of the Refunding Bonds required to pay all or a portion of the costs of issuing the Refunding Bonds may be deposited in the fund of the District known as the "Compton Unified School District 2006 General Obligation Refunding Bonds Cost of Issuance Fund" (the "Cost of Issuance Fund") and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying costs of issuance of the Refunding Bonds. Any excess original issue premium received by the District from the sale of the Refunding Bonds shall be deposited in the District's Building Fund and expended solely for the purposes set forth in the Authorization.

Any accrued interest received by the District from the sale of the Refunding Bonds shall be kept separate and apart in the fund hereby created and established as a subaccount in the Debt Service Fund of the District previously established with the Treasurer and Tax Collector of the County (the "2002 Debt Service Fund") and to be designated as the "Compton Unified School District 2006 General Obligation Refunding Bonds Debt Service Fund" (the "2006 Debt Service Fund") and used only for payments of principal of and interest on the Refunding Bonds. Money on deposit in the 2002 Debt Service Fund already collected to make payments on the Refunded Bonds may be transferred to the Escrow Fund and applied as set forth in the Escrow Agreement or may be used to pay interest due on the Refunding Bonds. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes set forth herein for which the Refunding Bonds are being issued shall be transferred to the 2006 Debt Service Fund and applied to the payment of the principal and interest on the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Notwithstanding any of the foregoing, the provisions of this Section as they relate to the dispersal and allocation of moneys on deposit in the 2002 Debt Service Fund may be amended by the Purchase Contract and Official Statement so long as the transactions contemplated by such amendment are in compliance with the provisions of the Act.

Except as required below to satisfy the requirements of Section 148(t) of the Internal Revenue Code of 1986, as amended (the "Code"), interest earned on the investment of moneys held in the 2006 Debt Service Fund shall be retained in the 2005 Debt Service Fund and used to pay principal of and interest on the Refunding Bonds when due.

SECTION 13. Security for the Refunding Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Refunding Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Refunding Bonds when due, which moneys when collected will be placed in the 2006 Debt Service Fund of the District, which fund is irrevocably pledged for the payment of the Principal of and interest on the Refunding Bonds when and as the same fall due. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* tax in accordance with this Section and Section 53559 of the Act.

The moneys in the 2006 Debt Service Fund, to the extent necessary to pay the Principal of and interest on the Refunding Bonds as the same become due and payable, shall be transferred

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by the Treasurer and Tax Collector of Los Angeles County to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the Principal of and interest on the Refunding Bonds. DTC will thereupon make payments of Principal of and interest on the Refunding Bonds to the DTC Participants who will thereupon make payments of Principal and interest to the beneficial owners of the Refunding Bonds.

SECTION 14. Legislative Determinations. The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Refunding Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Refunding Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit of the District are pledged for the timely payment of the Principal of and interest on the Refunding Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Refunding Bonds. Furthermore, the Board finds and determines pursuant to Section 53552 of the Act that the prudent management of the fiscal affairs of the District requires that it issue the Refunding Bonds without submitting the question of the issuance of the Refunding Bonds to a vote of the qualified electors of the District.

SECTION 15. Official Statement. The Board hereby approves the use by the Underwriter of a Preliminary Official Statement relating to the Bonds, substantially in the form submitted to and considered by this Board (the "Preliminary Official Statement") and following pricing, an Official Statement in connection with the sale of the Bonds (the "Official Statement"), in each case with such changes as may be approved by an Authorized Officer, and Authorized Officer and such other officers of the District as may be authorized by the District Board are, and each of them acting alone hereby is, authorized to deliver copies of the Preliminary Official Statement and the Official Statement with such changes therein as such officer shall approve, in his or her discretion, as being in the best interests of the District. Upon the approval of such changes by such officer, the Preliminary Official Statement shall be "deemed final" as of its date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule"). The Authorized Officer is hereby authorized and directed to execute such Official Statement with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 16. Insurance. In the event the District purchases bond insurance for the Refunding Bonds, and to the extent that the Bond Insurer makes payment of the Principal of and interest on the Refunding Bonds, it shall become the Owner of such Refunding Bonds with the right to payment of Principal of and interest on the Refunding Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the

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registration books for the Refunding Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Refunding Bonds, and (ii) in the case of subrogation as to claims for past due Principal, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Refunding Bonds maintained by the Paying Agent upon surrender of the Refunding Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 17. Defeasance. If all or any portion of the outstanding maturities of the Refunding Bonds shall be paid or discharged in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the Principal of and interest on all Bonds Outstanding, and when the same become due and payable;

(b) by depositing with the Paying Agent, in trust, at or before maturity, cash which, together with the amounts then on deposit in the 2006 Debt Service Fund plus the interest to accrue thereon without the need for further investment, is fully sufficient to pay all Bonds Outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

(c) by depositing with an institution to act as escrow agent selected by the District which meets the requirements of serving as Paying Agent hereunder, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient, in the opinion of a verification agent satisfactory to the County, to pay and discharge all Bonds Outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment;

then, notwithstanding that any of such Refunding Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Refunding Bonds shall cease and terminate, except only the obligation of the Paying Agent or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of such designated Refunding Bonds not so surrendered and paid all sums due with respect thereto.

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

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America)

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

SECTION 18. Other Actions, Determinations and Approvals.

(a) Members of the Board, District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including a tax certificate, which they may deem necessary or advisable in order to proceed with the issuance of the Refunding Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby finds and determines that the total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds will be less than the total net interest cost to maturity on the Refunded Bonds plus the principal amount of the Refunded Bonds.

(c) The Board hereby appoints U.S. Bank National Association, as escrow agent (the "Escrow Agent") for the Refunded Bonds.

(d) The Board hereby confirms the appointment of the firm listed on the cover of the Preliminary Official Statement as the District's Underwriter, with respect to the issuance of the Refunding Bonds.

(e) The provisions of this Resolution as they relate to the terms of the Refunding Bonds may be amended by the Purchase Contract and the Official Statement.

SECTION 19. Resolution to be Delivered to County. The Clerk of this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer and Tax Collector of Los Angeles County immediately following its adoption.

SECTION 20. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Agreement executed by the District and dated the date of issuance and delivery of the Refunding Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder may take such actions as may be necessary and appropriate,

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including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Refunding Bonds.

SECTION 21. Recitals. All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

SECTION 22. Effective Date. This Resolution shall take effect immediately upon its passage.

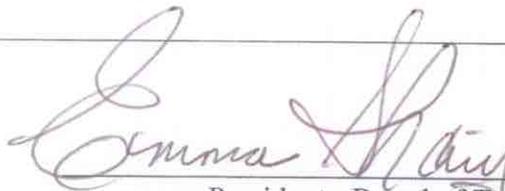
PASSED AND ADOPTED this 28th day of March 2006, by the following vote:

AYES: 6

NOES: _____

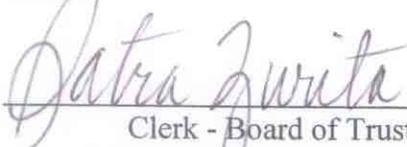
ABSENT: _____

ABSTENTIONS: 1



President - Board of Trustees
Compton Unified School District

Attest:



Clerk - Board of Trustees
Compton Unified School District

EXHIBIT A-1

FORM OF CURRENT INTEREST BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (THE "DEPOSITORY") TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), 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.

COMPTON UNIFIED SCHOOL DISTRICT (COUNTY OF LOS ANGELES)
GENERAL OBLIGATION REFUNDING BONDS, 2002 ELECTION, 2006 SERIES D

\$ _____

No. _____

Interest Rate
____%

Maturity Date
____ 1, 20__

Dated Date

CUSIP

REGISTERED OWNER:
PRINCIPAL AMOUNT:

The Compton Unified School District (the "District") of the County of Los Angeles, State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the dated date set forth above until the Principal Amount hereof shall have been paid or provided for, in accordance with the Resolution hereinafter referred to, at the interest rate set forth above. Interest on this Bond is payable on ____ 1, 200__ and semiannually thereafter on the first day of June and December (each an "Bond Payment Date") in each year to the registered owner hereof from the Bond Payment Date next preceding the date on which this Bond is registered (unless it is registered after the close of business on the fifteenth calendar day of the month preceding any Bond Payment Date (a "Record Date") and before the close of business on the immediately following Bond Payment Date, in which event it shall bear interest from such following Bond Payment Date, or unless this Bond is registered prior to the close of business on _____, 200__, which event it shall bear interest from its date; provided, however, that if at the time of registration of this Bond interest with respect hereto is in default, interest with respect hereto shall be payable from the Bond Payment Date to which interest has previously been paid or made available for payment). The Principal Amount hereof is payable at the office of the Paying Agent in Los Angeles County, California. The interest hereon is payable by check or draft mailed by first class mail to each

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registered owner, at his address as it appears on the registration books kept by the Paying Agent as of the Record Date.

This Bond is one of an Authorization of Bonds issued by the District pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act") and (ii) Article XIII A of the California Constitution, and pursuant to a resolution of the Board of Trustees of the District adopted on _____, 200_ (the "Resolution"). Reference is hereby made to the Resolution, a copy of which is on file at the office of the Paying Agent, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of 55% of the qualified electors of the District voting on the proposition at a general election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to both Principal and interest from *ad valorem* taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Principal of this Bond, or any part thereof, nor any interest or premium hereon constitute a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District, the County and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Bonds [are] subject to redemption prior to their maturity date in accordance with the Resolution.

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that no such modification or amendment shall, without the express consent of the registered owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, extend its maturity or the times for paying interest thereon or change the monetary medium in which the Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof.

COMPTON UNIFIED SCHOOL DISTRICT

ITEM NO. 05/06-5063 - RESOLUTION NO. 05/06-40

MARCH 28, 2006

A supplemental resolution of the District may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the District in the Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Principal Amount of this Bond plus premium, if any, and accrued interest due with respect hereto are duly provided therefor as specified in the Resolution, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Act and that all of the proceedings of the Board of Trustees of the District in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Act and of the Constitution of the State of California, and that the total bonded indebtedness of the District, including the issue of which this Bond is a part, does not exceed any limit prescribed by said Act.

COMPTON UNIFIED SCHOOL DISTRICT

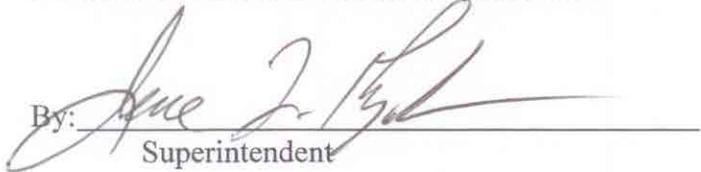
ITEM NO. 05/06-5063 - RESOLUTION NO. 05/06-40

MARCH 28, 2006

IN WITNESS WHEREOF, the Compton Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of its Superintendent and to be countersigned by the manual or facsimile signature of its Superintendent, and has caused the seal of the District to be affixed hereto, all as of the date stated above.

[SEAL]

COMPTON UNIFIED SCHOOL DISTRICT

By: 
Superintendent

Countersigned:

By: 
Associate Superintendent

COMPTON UNIFIED SCHOOL DISTRICT

ITEM NO. 05/06-5063 - RESOLUTION NO. 05/06-40

MARCH 28, 2006

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Resolution referred to herein which has been authenticated and registered on _____, 2006.

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: _____
Authorized Officer

MARCH 28, 2006

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.: _____

the within-mentioned Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated:

NOTICE: The signature on this Assignment must correspond with the name as written on the Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of 55% of the qualified electors of the District voting on the proposition at a general election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to Maturity Amount from *ad valorem* taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Maturity Amount of this Bond, or any part hereof, nor any premium hereon constitute a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Bonds [are] subject to redemption prior to their maturity date in accordance with the Resolution.

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that no such modification or amendment shall, without the express consent of the registered owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, extend its maturity or the times for paying interest thereon, extend its maturity or the times for paying interest thereon or change the monetary medium in which the Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof.

A supplemental resolution of the District may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the District in the Resolution, other covenants and agreements to be observed by the County which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any

MARCH 28, 2006

defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Maturity Amount, without premium, is duly provided therefor as specified in the Resolution, then interest shall cease to accrete with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Act and that all of the proceedings of the District Board of the District in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Act and of the Constitution of the State of California, and that the total bonded indebtedness of the District, including the issue of which this Bond is a part, does not exceed any limit prescribed by said Act.

COMPTON UNIFIED SCHOOL DISTRICT

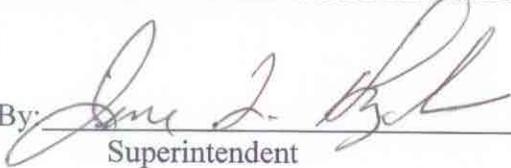
ITEM NO. 05/06-5063 - RESOLUTION NO. 05/06-40

MARCH 28, 2006

IN WITNESS WHEREOF, the Compton Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of its Superintendent and to be countersigned by the manual or facsimile signature of its Superintendent, and has caused the seal of the District to be affixed hereto, all as of the date stated above.

[SEAL]

COMPTON UNIFIED SCHOOL DISTRICT

By:  _____
Superintendent

Countersigned:

By:  _____
Associate Superintendent

COMPTON UNIFIED SCHOOL DISTRICT

ITEM NO. 05/06-5063 - RESOLUTION NO. 05/06-40

MARCH 28, 2006

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Resolution referred to herein which has been authenticated and registered on _____, 2006.

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: _____
Authorized Officer

MARCH 28, 2006

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.: _____

the within-mentioned Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated:

NOTICE: The signature on this Assignment must correspond with the name as written on the Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.