Bassett Unified School District

904 N. Willow Ave.
La Puente, CA 91746-1696

(626) 931-3000

November 28, 2007

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

SUBJECT: REQUEST FOR BOARD TO LEVY TAXES AND TO DIRECT THE AUDITOR-CONTROLLER TO PLACE TAXES ON TAX ROLL 3 VOTES REQUIRED

Dear Supervisors:

On November 7, 2006, the electorate of the Bassett Unified School District (the "District") authorized the District to issue bonds in the aggregate principal amount of $20 million. Based on this authorization, the Board of Supervisors of the County of Los Angeles (the "County") has previously sold Series 2007 of the Bonds in the name of the District in the aggregate principal amount of $14,999,566.05 (the "Series 2007 Bonds"). The governing board of the District has recently adopted its resolution authorizing the issuance of a series of bonds in the aggregate principal amount of not to exceed $5,000,433.95, designated the Bassett Unified School District General Obligation Bonds, Election of 2006, Series 2007 B (the "Series 2007 B Bonds").

The District formally requests in accordance with Education Code §15250 that the Los Angeles County Board of Supervisors adopt the enclosed resolution to levy the appropriate taxes, and to direct the County Auditor-Controller to maintain these taxes on the tax roll every year according to a debt service schedule to be supplied by the District following the sale of Series 2007 B Bonds.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed resolution.

Los Angeles County Auditor Controller
Attn: Sanford Johnson
500 W. Temple Street, Room 603
Los Angeles, California 90012

Los Angeles County Counsel
Attn: Cammy C. DuPont
Principal Deputy County Counsel
500 W. Temple Street, Room 648
Los Angeles, California 90012

Thank you for your attention to these requests. If you have any questions, please contact me at (626) 931-3009 or jballard@bassett.k12.ca.us.

Sincerely,

James Ballard
Assistant Superintendent, Business Services
BASSETT UNIFIED SCHOOL DISTRICT

Enclosure
cc: William Kadi

# RESOLUTION OF THE BOARD OF EDUCATION OF THE BASSETT UNIFIED SCHOOL DISTRICT, PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2007 B OF BASSETT UNIFIED SCHOOL DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FIVE MILLION FOUR HUNDRED THIRTY-THREE DOLLARS AND 95/100 ($5,000,433.95)

**WHEREAS,** an election was duly called and regularly held in the Bassett Unified School District (the "District"), County of Los Angeles (the "County"), State of California, on November 7, 2006 (the "Election"), and thereafter canvassed pursuant to law; and

**WHEREAS**, at such Election there was submitted to and approved by the requisite fifty-five percent (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 Twenty Million dollars ($20,000,000), payable from the levy of an ad valorem tax against the taxable property in the District (the "Authorization"); and

**WHEREAS**, the Board of Education of the District is authorized to provide for the issuance and sale of any series of Bonds on behalf of the District pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

**WHEREAS**, the District has previously caused to be issued and sold $14,999,566.05 of the Authorization leaving $5,000,433.95 unissued and has determined that it is in the best interests of the District to issue and sell another series of the remaining Authorization, not to exceed $5,000,433.95.

**WHEREAS,** this Board of Education desires to make certain determinations and to authorize the issuance of said Bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE BASSETT UNIFIED SCHOOL DISTRICT, AS FOLLOWS:**

**SECTION 1. Purpose of the Bonds.** Bonds of the District shall be issued in the name and on behalf of the District in the aggregate principal or issue amount of not to exceed $5,000,433.95 for the purposes of providing school facilities as specified in the ballot proposition authorizing the Bonds.

**SECTION 2. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the following meanings ascribed to them:

(a) **"Accreted Interest"** means, with respect to the Capital Appreciation Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

(b) **"Accreted Value"** means, with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest, compounded semiannually on each February 1 and August 1, commencing from the date of issuance of the Capital Appreciation Bonds.



I certify that this is a true and correct copy of the Minutes filed in the Superintendent's Office of the Bassett Unified School District for the Board Meeting of November 15, 2007.

Jim Ballard, Assistant Superintendent
Board Approved, 11/15/07

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

WHEREAS, the issuance of $20,000,000 principal amount of general obligation bonds of the Bassett Unified School District (the "District") County of Los Angeles (the "County"), State of California, was authorized at a duly called election held within the District on November 7, 2006 (the "Election"), the proceeds of which are to be used for the construction of certain capital improvements to the public school facilities of the District; and

WHEREAS, the Board of Supervisors of Los Angeles County (the "County") has previously sold one series of the Bonds in the name of the District in the aggregate principal amount of $14,999,566.05; and

WHEREAS, the Board of Education of the Bassett Unified School District (the "District Board") has determined in its Resolution adopted November 15, 2007 (the "District Resolution") to authorize the issuance and sale of its General Obligation Bonds, Election of 2006, Series 2007 B in the aggregate principal amount of not to exceed $5,000,433.95 (the "Bonds") under the provisions of Article 4.5 of Chapter 3 (commencing with Section 53506) of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law") for the purpose of financing additional projects authorized at the Election; and

WHEREAS, pursuant to the Bond Law the District Board is authorized to provide for the issuance and sale of the Bonds by resolution; and

WHEREAS, by its District Resolution adopted on November 15, 2007, the District Board has formally requested the County Board of Supervisors to levy taxes in an amount sufficient to pay the principal and interest on the Bonds when due, and to direct the Auditor-Controller of the County of Los Angeles to place on its 2008-09 tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule that will be provided to the Auditor-Controller following the sale of the Bonds; and

WHEREAS, the Los Angeles County Treasurer and Tax Collector (the "Treasurer") has been designated by the District to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds pursuant to the District Resolution and the District has consented to the Treasurer contracting with a third party to perform the services 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. Issuance of Bonds.** That the District may issue and sell the bonds on its own behalf, pursuant to the Bond Law and Section 15140 of the Education Code.

**SECTION 2. Levy of Taxes.** That this Board levy taxes in an amount sufficient to pay the principal of and interest on the Bonds.

**SECTION 3. Preparation of Tax Roll.** That the Auditor-Controller of the County of Los Angeles is hereby directed to maintain on its 2008-09 tax roll, and all subsequent tax rolls, taxes in an amount sufficient to pay the principal of and interest on the Bonds, according to the debt service schedule to be provided by the District to the Auditor-Controller.

**SECTION 4. Paying Agent.** That the Treasurer, or the Treasurer's third-party designee, act as Paying Agent for the Bonds.

**SECTION 5. Effective Date.** That this Resolution shall take effect immediately upon its passage.

The foregoing resolution was adopted on the 11TH day of Dec., 2007, 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

# RESOLUTION OF THE BOARD OF EDUCATION OF THE BASSETT UNIFIED SCHOOL DISTRICT, PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2007 B OF BASSETT UNIFIED SCHOOL DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FIVE MILLION FOUR HUNDRED THIRTY-THREE DOLLARS AND 95/100 ($5,000,433.95)

**WHEREAS,** an election was duly called and regularly held in the Bassett Unified School District (the "District"), County of Los Angeles (the "County"), State of California, on November 7, 2006 (the "Election"), and thereafter canvassed pursuant to law; and

**WHEREAS**, at such Election there was submitted to and approved by the requisite fifty-five percent (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 Twenty Million dollars ($20,000,000), payable from the levy of an ad valorem tax against the taxable property in the District (the "Authorization"); and

**WHEREAS**, the Board of Education of the District is authorized to provide for the issuance and sale of any series of Bonds on behalf of the District pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

**WHEREAS**, the District has previously caused to be issued and sold $14,999,566.05 of the Authorization leaving $5,000,433.95 unissued and has determined that it is in the best interests of the District to issue and sell another series of the remaining Authorization, not to exceed $5,000,433.95.

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**SECTION 1. Purpose of the Bonds.** Bonds of the District shall be issued in the name and on behalf of the District in the aggregate principal or issue amount of not to exceed $5,000,433.95 for the purposes of providing school facilities as specified in the ballot proposition authorizing the Bonds.

**SECTION 2. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the following meanings ascribed to them:

(a) **"Accreted Interest"** means, with respect to the Capital Appreciation Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

(b) **"Accreted Value"** means, with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest, compounded semiannually on each February 1 and August 1, commencing from the date of issuance of the Capital Appreciation Bonds.

(c) **"Bond Insurer"** means any insurance company which issues a municipal bond insurance policy insuring the payment of principal and interest on the Bonds.

(d) **"Bond Payment Date"** means, with respect to interest on the Current Interest Bonds, if any, February 1 and August 1, commencing August 1, 2008 and with respect to the principal payments on any Current Interest Bonds, no sooner than August 1, 2014, unless otherwise provided upon the sale of the Bonds. With respect to the Capital Appreciation Bonds, "Bond Payment Date" means the stated maturity dates thereof or optional or mandatory redemption dates, as applicable.

(e) **"Bond Register"** means the listing of names and addresses of the current registered owners of the debt, as maintained by the Paying Agent.

(f) **"Bonds"** means the Bassett Unified School District General Obligation Bonds, Election of 2006, Series 2007 B.

(g) **"Building Fund"** shall have the meaning set forth in Section 4 hereof.

(h) **"Capital Appreciation Bonds"** means those Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Values for such Bonds in the Purchase Contract or Official Statement.

(i) **"Capital Appreciation Term Bonds"** means those Capital Appreciation Bonds for which mandatory sinking fund redemption dates have been established upon the sale of the Bonds.

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

(k) **"Current Interest Bonds"** means the Bonds the interest on which is payable on each Bond Payment Date specified for such Bonds as designated and maturing in the years and in the amounts set forth upon the sale of the Bonds.

(l) **"Current Interest Term Bonds"** means those Current Interest Bonds for which mandatory sinking fund redemption dates have been established upon the sale of the Bonds.

(m) **"Debt Service Fund"** shall have the meaning set forth in Section 4 hereof.

(n) **"Denominational Amount"** means, with respect to the Capital Appreciation Bonds, the initial offering price thereof, which represents the principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.

(o) **"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 Bonds.

(p) **"Fair Market Value"** means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

(q) **"Informational Services"** means Financial Information, Inc.'s Financial Daily Called Bond Service; Interactive Data Corporation's Bond Service; Kenny Information Service's Called Bond Service; Moody's Municipal and Government; or Standard & Poor's Called Bond Record; and in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the District may designate in a Written Request of the District delivered to the Paying Agent.

(r) **"Letter of Representations"** shall have the meaning set forth in Section 10 hereof.

(s) **"Maturity Value"** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(t) **"Official Statement"** shall have the meaning set forth in Section 3 hereof.

(u) **"Owner"** means the current registered holder of a Bond or Bonds to whom payments of principal and interest are made.

(v) **"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.

(w) **"Paying Agent"** shall mean any bank, trust company, national banking association or other financial institution appointed as paying agent for the Bonds pursuant to the Purchase Contract in the manner provided in this Resolution.

(x) **"Principal"** or **"Principal Amount"** means, with respect to any Current Interest Bond, the principal amount thereof, and, with respect to any Capital Appreciation Bond, the Denominational Amount.

(y) **"Purchase Contract"** shall have the meaning set forth in Section 13 hereof.

(z) **"Record Date"** means the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(aa) **"Securities Depositories"** means the following: Depository Trust Company, 711 Stewart Avenue, Garden City, New York, 11530, Facsimile transmission: (516)227-4039, (516)

227-4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Facsimile transmission: (312) 663-2343; and Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Facsimile transmission: (215) 496-5058.

(ab) **"Treasurer"** means the Treasurer and Tax Collector of the County of Los Angeles, California, or any authorized deputy thereof.

**SECTION 3. Terms of Bonds.** The Bonds shall be issued in one series designated "Bassett Unified School District (Los Angeles County, California) General Obligation Bonds, Election of 2006, Series 2007 B." The Series 2007 B Bonds shall be Current Interest Bonds if issued, and if issued, Capital Appreciation Bonds.

Any Current Interest Bonds, if issued, shall be dated their date of delivery and shall bear interest at the rate or rates not to exceed a maximum true interest cost of twelve percent (12%), payable on February 1 and August 1 of each year commencing August 1, 2008, through August 1 of a year no later than 2045 (each an "Interest Payment Date"), unless provisions to the contrary are provided upon the sale of the Bonds, the actual interest rate or rates and the actual maturity schedule to be fixed at the time of sale. Each Current Interest Bond shall be issued in denominations of $5,000 or integral multiples thereof.

The Capital Appreciation Bonds, if issued, shall accrete interest from the date of issuance of the Capital Appreciation Bonds to their maturity at a rate or rates such that the true interest cost shall not exceed twelve percent (12%). The Capital Appreciation Bonds shall be issued in any denominations of their Principal Amounts but shall reflect denominations of $5,000 Maturity Amount or any integral multiple thereof. The Capital Appreciation Bonds shall mature on August 1 of the years designated upon the sale of the Bonds. Interest on each Capital Appreciation Bond shall be compounded semiannually on February 1 and August 1 of each year until maturity, commencing on the date of issuance thereof, computed using a year of 360 days, comprised of twelve 30-day months, and shall be payable only at maturity as part of their Maturity Amount or upon prior redemption.

Only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form hereinafter recited, manually signed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

The Bonds shall be issued as fully registered bonds without coupons and the Current Interest Bonds shall mature in consecutive order beginning on August 1, 2014, and ending on August 1 of their final year unless provided otherwise upon the sale of the Bonds, and in the Principal or Maturity Amounts to be fixed at the time of sale of the Bonds.

The Bonds shall be sold as provided in Section 13 hereof; notwithstanding anything herein to the contrary, the terms of the Bonds as set forth in this Resolution may be amended prior to delivery in accordance with the provisions of the Purchase Contract, Official Notice of Sale, or Official Statement, as finally approved and executed by the Superintendent on behalf of the District. The District shall prepare a Preliminary and a final Official Statement with respect to the Bonds, in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (collectively, the "Official Statement") and such Official Statement is hereby approved and deemed nearly final.

**SECTION 4. Delivery of Bonds, Disposition of Proceeds of the Bonds, Security for the Bonds.** The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered to the original purchaser upon payment of the purchase price in immediately available funds.

The proceeds from the sale of the Bonds, to the extent of the principal amount thereof, shall be paid and credited to the fund established and designated as the "Bassett Unified School District General Obligation Bond, Election of 2006, Series 2007 B Building Fund" (the "Building Fund") of the District, and shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued and for payment of permissible costs of issuance and provided further that such proceeds shall be applied solely to authorized purposes which relate to the acquisition or improvement of real property. The interest earned on the monies deposited to the Building Fund shall be deposited to said Fund and such monies shall be used for any lawful purpose of the District at the direction of the District.

The accrued interest and any premium received from the sale of the Bonds (if any, after all or a portion of Underwriter's discount or costs of issuance are paid) shall be kept separate and apart in the fund established and designated as the "Bassett Unified School District General Obligation Bond, Election of 2006, Series 2007 B Debt Service Fund" (the "Debt Service Fund") for the Bonds and used only for payments of principal and interest on the Bonds. Interest earned on investments of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay principal and interest when due.

Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which Bonds are being issued shall, at the direction of the District, be transferred to the Debt Service Fund and applied to the payment of principal and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

Proceeds of the Bonds held by the Treasurer shall be invested at the Treasurer's discretion pursuant to law and the investment policy of the County, unless otherwise requested in writing by the District.

(i) At the written request of the District, given by the Superintendent of the District, the Treasurer may invest all or any portion of the Building Fund in the Local Agency Investment Fund in the treasury of the State of California.

(ii) At the written request of the District, given by the Superintendent of the District, all or any portion of the Building Fund may be invested on behalf of the District in investment agreements, including guaranteed investment contracts, which comply with the requirements of each rating agency then rating the Bonds.

The District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Resolution, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value.

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 Bonds are outstanding

in an amount sufficient to pay the principal of and interest on the Bonds when due, which monies when collected will be placed in the Debt Service Fund, which fund is irrevocably pledged for the payment of the principal of and interest on the Bonds when and as the same fall due. The monies in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same becomes due and payable, shall be transferred by the Treasurer to the Paying Agent for subsequent disbursement to the beneficial owners of the Bonds. Any monies remaining in the Debt Service Fund one year after the Bonds and the interest thereon have been paid at maturity, or provision for such payment has been made, shall be transferred to the general fund of the District.

**SECTION 5. Redemption.**

The Bonds shall be subject to redemption as provided upon the sale of the Bonds.

**SECTION 6. Form of Bond.** The Bonds shall be substantially in conformity with Exhibit "A" attached hereto, and incorporated herein by this reference as if set forth in full, with necessary or appropriate variations, omissions and insertions as may be permitted or required by this Resolution.

**SECTION 7. Execution of Bonds.** The Bonds shall be executed by the manual or facsimile signatures of the President of the Board of Education, and the Clerk of the Board of Education. The facsimile signatures of the President and the Clerk of the Board of Education may be printed, lithographed, engraved, or otherwise mechanically reproduced. The Paying Agent shall manually authenticate each Bond in the space provided, and no Bond shall be valid or obligatory for any purpose until so authenticated.

**SECTION 8. Bond Registration; Transfers.** As hereinafter provided, the Bonds shall be delivered in a form and with such terms as will permit them to be in book-entry only form, immobilized with DTC. If the book-entry only system is no longer in effect, the District will cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of certificated Bonds as provided in this Section (the "Bond Register"). While the book-entry only system is in effect, such books need not be kept, as the Bonds will be represented by one Bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

The person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Bond for all purposes of this Resolution. Payment of or on account of the principal of and interest on any Bond shall be made only to or upon the order of the Owner thereof; neither the District, the County 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 Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of the same series of any other authorized denomination upon presentation and surrender at the principal corporate trust 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 Bond Registrar. Any Bond may, in accordance with its terms (but only if the District determines no longer to maintain the book-entry only status of the Bonds, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the District to deliver certificated securities to particular DTC Participants) be transferred, upon the books required to be kept pursuant to the

provisions of this Section, by the Owner, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

Neither the District, nor the Paying Agent will be required to: (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day of the month next preceding either any Interest Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given, or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

**SECTION 9. Paying Agent.**

(A) *Appointment of Paying Agent.* The Paying Agent for the Bonds shall be designated upon the sale of the Bonds and, in such capacity the Paying Agent shall also act as registration agent and authentication agent for the Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the District a certificate to that effect.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars ($50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

(B) *Paying Agent May Hold Bonds.* The Paying Agent may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

(C) *Liability of Agents.* The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

The Paying Agent shall not be liable for any error of judgment made in good faith by a responsible officer in the absence of the negligence of the Paying Agent.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(D) *Notice to Paying Agent.* The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

(E) *Compensation; Indemnification.* The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

**SECTION 10. Book-Entry System.** The Bonds will be issued in book-entry form by appointing DTC, 55 Water Street, l9th Floor, New York, New York 10041, to act as securities depository for the Bonds. A single certificate, representing the aggregate principal amount of each maturity of Bonds, will be executed and delivered on the day of the closing to DTC. Upon closing, the County shall notify DTC that it has accepted payment of the purchase price of the Bonds, at which time DTC (in accordance with the Letter of Representations defined below) will

credit the account of the Underwriter, and process the book-entry deliveries to the accounts of the subsequent purchasers of interests in the Bonds. The Bonds will be lodged with DTC until the maturity of each Bond. On the Business Day prior to each date of maturity of a Bond, the Treasurer shall remit to the Paying Agent from the Bond Fund sufficient moneys for the Paying Agent to pay all outstanding principal of and interest on such Bond.

To induce DTC to accept the Bonds as eligible for the book-entry form of issuance, the District will enter into a Letter of Representations with DTC (the "Letter of Representations") setting forth the terms and conditions of, and procedures for, the book-entry only form of issuance.

**SECTION 11. Satisfaction and Discharge.** The obligations of the District hereunder and under the Bonds herein or therein made or provided for, are to be fully discharged and satisfied as to any Bond and such Bond will no longer be deemed to be outstanding and shall be deemed to have been paid for all purposes:

(a) when such Bond is canceled or surrendered for cancellation and is subject to cancellation, or has been purchased by the Paying Agent from moneys in the Bond Fund of the District; or

(b) as to any Bond not canceled, surrendered for cancellation or subject to cancellation or so purchased, when payment of the principal of and the applicable premium, if any, on any Current Interest Bond, plus interest on such principal to the due date thereof, or the accreted value of any Capital Appreciation Bond as of the due date thereof (whether such due date be by reason of maturity or by acceleration or otherwise), either (i) has been made or caused to be made in accordance with the terms hereof, or (ii) has been provided for by irrevocably depositing with the Paying Agent, in trust, and irrevocably appropriated and set aside exclusively for such payment, either (A) moneys sufficient to make such payment or (B) Government Obligations, as defined below, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, or (C) a combination of both such moneys and such Government Obligations; and all necessary and proper fees, compensation and expenses of the Paying Agent with respect to such deposit have been paid or the payment thereof has been provided for to the satisfaction of the Paying Agent. For the purposes of this Section, the term "Government Obligations" shall mean any of the following which are noncallable and which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein: (x) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or obligations, the principal of and interest on which are unconditionally guaranteed by the United States of America; or (y) bonds, debentures or notes issued by any of the following: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Bank System, Federal Land Banks or Federal Farm Credit Banks.

At such time as a Bond is deemed to be no longer outstanding hereunder, such Bond shall cease to accrue interest or accrete value from the due date thereof (whether such due date be by reason of maturity or acceleration as aforesaid, or otherwise), and except for any payment from such moneys or Governmental Obligations set aside as aforesaid, shall no longer be secured by or entitled to the benefits of this Resolution.

**SECTION 12. Arbitrage and Other Tax Matters.**

Private Activity Bond Limitation. The District covenants that it shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Federal Guarantee Prohibition. The District covenants that it 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 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Rebate Requirement. The District covenants that it 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 Bonds.

No Arbitrage. The District has covenanted that it shall not take, or permit or suffer to be taken any action with respect to the proceeds of the Bonds 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 Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Maintenance of Tax-Exemption. The District covenants that it shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds 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 Bonds.

Exemption from Rebate Requirement. The District is a governmental unit with the power to impose taxes of general applicability which, when collected, may be used for general purposes of the District; the Bonds are not private activity bonds within the meaning of section 141 of the Internal Revenue Code of 1986 (the "Code"); and ninety-five percent (95%) of the Net Sale Proceeds of the Bonds are to be used for local governmental activities of the District. The aggregate face amount (or, issue prices, in the case of issues with a net original issue discount or net original issue premium in excess of two percent (2%) of the principal amount of the issue, excluding original issue premium used for reasonable underwriter's compensation) of all tax-exempt obligations (other than private activity bonds as defined in section 141 of the Code) issued by the District, including all subordinate entities of the District and all entities which may issue obligations on behalf of the District, during the calendar year during which the Bonds are being issued, is not reasonably expected to exceed $15,000,000, of which no more than $5,000,000 is for other than the construction of public school facilities, excluding, however, that portion of current refunding obligations having a principal amount not in excess of the principal amount of the refunded obligation (collectively the "$15,000,000 Limitation"). By reason of the statements set forth in this subparagraph, the District will not rebate excess investment earnings, if any, to the federal government from the date hereof through and including December 31, 2010. On January 1, 2011, the $15,000,000 Limitation is set to expire and will revert to a maximum of $10,000,000, of which no more than $6,100,037.75 is for other than the construction of public school facilities (the "Post 12-31-10 Limitation"). Unless the Code is amended to remove this expiration, if the amount of bonds issued by the District during the calendar year exceeds the Post 12-31-10 Limitation, the Bonds will become subject to the rebate requirement beginning January 1, 2011.

**SECTION 13. Sale of Bonds.** The Bonds will be sold at negotiated sale by the District pursuant to the terms and conditions set forth in a Purchase Contract (the "Purchase Contract"). The maximum true interest cost on the Bonds shall not exceed twelve percent (12%) and the Underwriter's discount may not exceed one percent (1.0%) of total bond proceeds excluding costs of issuance and original issue discount, of the aggregate principal or issue amount of Bonds sold thereunder. The Superintendent, an Assistant Superintendent or designee thereof, is further authorized to determine the principal or issue amount of the Bonds to be specified in the Purchase Contract for sale by the District, up to an aggregate principal or issue amount of $5,000,433.95, to modify redemption terms and to enter into and execute the Purchase Contract, if the conditions set forth in this Resolution are met.

If, it appears in the best interests of the District to acquire municipal bond insurance to secure the Bonds, the Superintendent or an Assistant Superintendent may so provide in the Purchase Contract or Official Statement.

**SECTION 14. Conditions Precedent.** This 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 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 Bonds have been performed and have been met, in regular and due form as required by law, that the full faith, credit and revenues of the District are pledged for the timely payment of the principal of and interest on the Bonds; and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

**SECTION 15. Approval of Actions.** District officials and staff, including the Superintendent or his designee, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance and sale of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officials and staff are hereby ratified, confirmed and approved.

**SECTION 16. Furnishing of Clerk Certification.** The Clerk of the Board is hereby authorized to furnish at least two certified copies of this Resolution to Jones Hall, A Professional Law Corporation, Bond Counsel, at or prior to closing.

**SECTION 17. Effective Date.** This Resolution shall take effect immediately upon its passage.

ADOPTED, SIGNED AND APPROVED this 15th day of November, 2007.

By: _____
President of the Board,
Bassett Unified School District,
Los Angeles County, State of California

By: _____
Clerk of the Board of Education

STATE OF CALIFORNIA )
)
COUNTY OF LOS ANGELES )

I, KARINA MORENO, do hereby certify that the foregoing Resolution No. 09-08, was duly adopted by the Board of Education of the Bassett Unified School District at a meeting thereof held on the 15th day of November, 2007, and that it was so adopted by the following vote:

AYES: 4

NOES: 0

ABSENT: 1 (F. Morales)

ABSTAIN: 0

By: _____
Clerk of the Board of Education of the
Bassett Unified School District

## EXHIBIT A

## FORM OF CURRENT INTEREST BOND

**REGISTERED**
**NO. R - ___**

**REGISTERED**
*****$_____*****

**BASSETT UNIFIED SCHOOL DISTRICT**
**(Los Angeles County, California)**
**GENERAL OBLIGATION BOND, ELECTION OF 2006, SERIES 2007 B**

| INTEREST RATE: | MATURITY DATE: | DATED AS OF: | CUSIP: |
|---|---|---|---|
| ____% | August 1, _____ | _____, 2007 | |

**REGISTERED OWNER:** **CEDE & CO.**

**PRINCIPAL AMOUNT:** _____ **Dollars**

The BASSETT UNIFIED SCHOOL DISTRICT (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 (the "Bond Payment Dates"), commencing August 1, 2008. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before _____, in which event it shall bear interest from _____, 2008. Principal and interest are payable in lawful money of the United States of America without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially the Treasurer/Tax Collector, County of Los Angeles. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal is payable upon presentation and surrender of this bond at the principal office of the Paying Agent in Los Angeles, CA. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the Record Date").

This Bond is one of an aggregate amount of $5,000,433.95 of bonds issued to be used to construct and improve school facilities to serve the District under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent vote of the electors of the District obtained at an election held on November 7, 2006 upon the question of issuing bonds in the amount of $20,000,000, and the resolution of the Board of Education of the District adopted on _____, 2007 (the "District Resolution"). This bond and the issue of which this bond

is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The Bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

The bonds of this issue are issuable only as fully registered bonds in the denominations of $5,000 or any integral multiple thereof. This bond is exchangeable and transferable for bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the District Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District, nor the Paying Agent will be required to issue or transfer any bond during a period beginning with the opening of business on the 16th day of the month next preceding any Bond Payment Date.

The Bonds maturing on or before August 1, ____, are not subject to optional redemption. Bonds maturing on and after August 1, ____, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, ____, at the optional redemption prices set forth below:

| Redemption Date | Redemption Price |
|---|---|
| August 1, ____, and thereafter | |

The Bonds maturing on August 1, ____ are subject to mandatory sinking fund redemption in part by lot, on August 1 of each year, commencing August 1, ____ and on each August 1 thereafter in accordance with the schedule set forth below. The Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such Bonds to be redeemed, plus accrued but unpaid interest, without premium.

| Redemption Year (August 1) | Principal Amount |
|---|---|

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000. If less than all of the Bonds shall be called for redemption, the

particular Bonds or portions thereof to be redeemed shall be called by lot in any manner which the District in its discretion shall determine.

Notice of redemption shall be mailed, first class postage prepaid to the respective owners of any Bonds designated for redemption at their address appearing on the books required to be kept by the Paying Agent, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, which notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the 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 Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

In case of the redemption as permitted herein of all the outstanding Bonds of any one maturity, then outstanding, notice of redemption shall be given by mailing as herein provided, except that the notice of redemption need not specify the serial numbers of the Bonds of such maturity.

Neither the failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds or the cessation of accrual of interest represented thereby from and after the redemption date.

Neither the District, nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 16th day of the month next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

Reference is made to the District Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered owners, and the terms and conditions upon which the bonds are issued and secured. The owner of this bond assents, by acceptance hereof, to all of the provisions of the County Resolution.

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

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and

binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the District Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the District has caused this bond to be executed by the manual or facsimile signature of the President of the Board and to be countersigned by the manual or facsimile signature of the Clerk of the Board, all as of the date stated above.

BASSETT UNIFIED SCHOOL DISTRICT

By: Robert Fuentes
President of the Board

ATTEST:

By: _____
Clerk of the Board