COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

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MARK J. SALADINO
TREASURER AND TAX COLLECTOR

November 5, 2008

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

Dear Supervisors:

ISSUANCE AND SALE OF
LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS ELECTION OF 2002 SERIES D (2008),
ELECTION OF 2004 SERIES I (2008), AND ELECTION OF 2005 SERIES F (2008)
(ALL DISTRICTS) (3 VOTES)

SUBJECT

The governing board of the Los Angeles Unified School District (the "District") has requested that the County issue general obligation bonds on its behalf in an aggregate principal amount not to exceed $950,000,000. The bonds were authorized by the vote of qualified electors of the District and will be issued to finance capital improvements to various school facilities. Repayment of the bonds will be funded from the proceeds of ad valorem taxes levied on all taxable property within the District.

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the resolution authorizing the issuance and sale of three series of Los Angeles Unified School District (Los Angeles County, California) General Obligation Bonds Election of 2002 Series D, Election of 2004 Series I, and Election of 2005 Series F, in an aggregate principal amount not to exceed $950 million.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 5, 2002, March 2, 2004, and November 8, 2005, voters residing in the District approved ballot measures authorizing the District to issue up to $3.35 billion, $3.87 billion, and $3.985 billion, respectively, in general obligation bonds to fund various capital improvements. The governing board of the District adopted a resolution on October 14, 2008 and determined that the District needs to borrow funds in aggregate principal amounts not to exceed $250,000,000, $550,000,000, and $150,000,000 from the 2002, 2004, and 2005 elections, respectively.

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

The District, in consultation with their financial advisors, has elected to proceed with the bond sale in spite of the ongoing turmoil in the financial markets. Given the strong underlying credit of the District and the nominal level of risk associated with a general obligation bond financing, the District and its financial advisors are confident that the bonds will be well received by investors. Should the District encounter any unanticipated difficulty in selling its bonds, the resolution provides for the flexibility to postpone the sale until a later date.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal #3: Organizational Effectiveness through collaborative actions among County departments and other governmental jurisdictions. It supports the Strategic Plan Goal #4: Fiscal Responsibility by providing investment in public school infrastructure within the County.

FISCAL IMPACT/FINANCING

There will be no fiscal impact to the County budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The resolution provides for the issuance of bonds at an interest rate not to exceed the maximum rate permitted by law. The final structure of the bonds will be determined at the time of pricing to achieve the lowest cost of financing within the tax levy limits of the proposition. The term of the bonds will not exceed twenty-five (25) years.

The District has selected the firms of Kelling Northcross & Nobriga and Tamalpais Advisors Inc. as co-financial advisors, and Sidley Austin LLP as bond counsel. The

Treasurer and Tax Collector will appoint U.S. Bank National Association as paying agent. The Resolution provides the District with an option to choose either a competitive or a negotiated sale of the bonds.

The County will annually levy and collect ad valorem taxes for the repayment of the bonds on behalf of the District.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not applicable.

CONCLUSION

Upon approval, it is requested that the Executive Officer-Clerk of the Board of Supervisors return two originally executed copies of the adopted resolution to the Treasurer and Tax Collector (Office of Public Finance).

Respectfully submitted,

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:DB:JP:JW
pb/brdltr/lausd

Attachment

c: Chief Executive Officer
Auditor-Controller
County Counsel
Los Angeles Unified School District
Los Angeles County Office of Education
Sidley Austin LLP

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2002, SERIES D (2008) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $250,000,000, LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES I (2008) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $550,000,000 AND LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2005, SERIES F (2008) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $150,000,000, BY COMPETITIVE SALE PURSUANT TO THE NOTICE INVITING PROPOSALS OR BY NEGOTIATED SALE PURSUANT TO THE BOND PURCHASE AGREEMENT; PRESCRIBING THE TERMS OF SALE OF SAID BONDS; APPROVING THE FORMS OF NOTICE OF INTENTION TO SELL, THE NOTICE INVITING PROPOSALS AND THE BOND PURCHASE AGREEMENT; AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS RELATING TO SAID BONDS

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

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

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

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

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

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

WHEREAS, the Board of Education of the District (the "Board of Education") has requested this Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles, California (the "County") issue a portion of the approved bonds pursuant to the Act and the Authorizations designated the "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series D (2008)," "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series I (2008)" and "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series F (2008)," in an aggregate principal amount not exceeding $250,000,000, $550,000,000 and $150,000,000, respectively, and to authorize the sale of such bonds by competitive sale pursuant to the Notice Inviting Proposals for Purchase of Bonds (the "Notice Inviting Proposals"), or by negotiated sale pursuant to the Bond Purchase Agreement (the "Bond Purchase Agreement") should the Chief Financial Officer of the District in consultation with the Treasurer and Tax Collector of the County and the District's Financial Advisor (defined herein) determine at the time of sale of the Bonds that a negotiated sale is in the best interest of the District, all according to the terms and in the manner set forth in a resolution duly adopted by the Board of Education of the District on October 14, 2008, a certified copy of which has been filed with the Executive Officer-Clerk of this Board of Supervisors (the "District Resolution"); and

WHEREAS, this Board of Supervisors accepts the representation of the District that it is necessary and desirable that the Bonds (defined below) be issued and sold by a competitive sale or by a negotiated sale for the purposes for which the Bonds have been authorized and on the terms and conditions set forth in the District Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AS FOLLOWS:

SECTION 1. Recitals. All of the above recitals are true and correct.

SECTION 2. District Resolution Incorporated. The District Resolution is incorporated herein by reference and all of the provisions thereof are made a part hereof and shall be applicable to the bonds herein provided for, except as herein otherwise expressly provided.

SECTION 3. Purpose of Bonds. The proceeds of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds will be applied to the purposes permitted under the Act, and the applicable Authorization.

SECTION 4. Authorization and Designation of the Bonds.

(a) This Board of Supervisors hereby authorizes on behalf of the District, the issuance and sale of not to exceed $250,000,000 aggregate principal amount of bonds of the District pursuant to the Act and the Measure K Authorization and designates the bonds to be issued and sold as the "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series D (2008)" with such additional or other series or subseries designations (the "Measure K Bonds") as may be approved in accordance with the District Resolution.

(b) This Board of Supervisors hereby authorizes on behalf of the District, the issuance and sale of not to exceed $550,000,000 aggregate principal amount of bonds of the District pursuant to the Act and the Measure R Authorization and designates the bonds to be issued and sold as the "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series I (2008)" with such additional or other series or subseries designations (the "Measure R Bonds") as may be approved in accordance with the District Resolution.

(c) This Board of Supervisors hereby authorizes on behalf of the District, the issuance and sale of not to exceed $150,000,000 aggregate principal amount of bonds of the District pursuant to the Act and the Measure Y Authorization and designates the bonds to be issued and sold as the "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series F (2008)" with such additional or other series or subseries designations (the "Measure Y Bonds" and, together with the Measure K Bonds and the Measure R Bonds, the "Bonds") as may be approved in accordance with the District Resolution.

SECTION 5. Form of Bonds; Execution.

(a) Book-Entry. The Depository Trust Company, New York, New York ("The Depository Trust Company"), is hereby appointed depository for the Bonds. The Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, and registered ownership of the Bonds may not thereafter be transferred except as provided in Section 10 hereof. One bond certificate shall be issued for each interest rate for each maturity of the Bonds.

(b) Form of Bonds. The Bonds shall be issued in fully registered form without coupons. The Bonds, and the paying agent's certificate of authentication and registration and the form of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this County Board of Supervisors Resolution (this "Resolution").

(c) Execution of Bonds. The Bonds shall be signed by the manual or facsimile signatures of the Chair, Chairman or Mayor of this Board of Supervisors (the "Chair of this Board of Supervisors") and of the Treasurer and Tax Collector of the County or any authorized deputy thereof (the "Treasurer"), and countersigned by the manual or facsimile signature of the Executive Officer-Clerk of this Board of Supervisors or any authorized deputy. The Bonds shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent (as defined in Section 9(a) hereof).

(d) Valid Authentication. Only such of the Bonds as shall bear thereon a certificate of authentication and registration as described in subsection (b), executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this 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.

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

SECTION 6. Terms of Bonds.

(a) Date of Bonds. Each Bond shall be dated the date of delivery, or such other date as shall be set forth in the Notice Inviting Proposals or the Bond Purchase Agreement, as applicable.

(b) Denominations. The Bonds shall be issued in denominations of $5,000 principal amount or any integral multiple thereof.

(c) Maturity. The Bonds shall mature on the date, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the Notice Inviting Proposals or the Bond Purchase Agreement, as applicable. No Bond shall mature later than the date which is 25 years from the date of such Bond, to be determined as provided in subsection (a) of this Section.

(d) Interest. As used in this Resolution and in the Bonds, the terms "interest payment date" and "interest date" shall be interchangeable, and shall mean January 1 and July 1 of each year until the final maturity of the Bonds, or such other dates specified in the Notice Inviting Proposals or the Bond Purchase Agreement, as applicable.

The Bonds shall bear interest at an interest rate not to exceed 8% per annum payable on January 1 and July 1 in each year until the maturity of the Bonds or on such other interest payment dates, and shall commence payment, all as shall be set forth in the Notice Inviting Proposals or the Bond Purchase Agreement, as applicable, computed on the basis of a 360-day year of twelve (12) 30-day months. Each Bond shall bear interest from the interest payment date next preceding the date of authentication thereof, unless it is authenticated as of a day during the period after the Record Date (as defined in Section 7(b) herein) immediately preceding any interest payment date to and including such interest payment date, in which event it shall bear interest from such interest payment date, or unless it is authenticated on or before the Record Date preceding the first interest payment date, in which event it shall bear interest from its date; provided, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds, such Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the outstanding Bonds.

SECTION 7. Payment.

(a) Principal. The principal of the Bonds shall be payable in lawful money of the United States of America to the person whose name appears on the bond registration books of the Paying Agent (as described in Section 9(d) hereof) as the registered owner thereof (the "Owner"), upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(b) Interest; Record Date. The interest on the Bonds shall be payable in lawful money of the United States of America to the Owner thereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check mailed on such interest payment date (if a business day, or on the next business day if the interest payment date does not fall on a business day) to such Owner at such Owner's address as it appears on the bond registration books described in Section 9(d) or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made in immediately available funds (*e.g.*, by wire transfer) to any Owner of at least one million dollars ($1,000,000) of outstanding Bonds who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any interest payment date. So long as Cede & Co. or its registered assigns shall be the Owner of the Bonds, payment shall be made in immediately available funds as provided in Section 10(d) hereof.

(c) Payment Fund. Principal and interest due on the Bonds shall be paid from the respective interest and sinking fund of the District for the related series of Bonds as provided in Section 15146 of the Education Code (the "Debt Service Fund"). No part of any fund of the County is pledged or obligated to the payment of the Bonds.

SECTION 8. Redemption Provisions.

(a) Optional Redemption. The Bonds of each series shall be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the Notice Inviting Proposals or the Bond Purchase Agreement, as applicable. The Notice Inviting Proposals or the Bond Purchase Agreement, as applicable, may provide that a portion of the Bonds shall not be subject to optional redemption.

If the Bonds of a series shall be subject to optional redemption and less than all of the Bonds of such series are called for such redemption, such Bonds shall be redeemed in inverse order of maturities of such series or as otherwise directed by the District, and if less than all of the Bonds of any given maturity of a series are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot.

(b) Mandatory Sinking Fund Redemption. The Bonds, if any, which are designated in the Notice Inviting Proposals or the Bond Purchase Agreement, as applicable, as Term Bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Notice Inviting Proposals or the Bond Purchase Agreement, as applicable. The principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Bonds of that maturity optionally

redeemed prior to the mandatory sinking fund payment date. The Notice Inviting Proposals or the Bond Purchase Agreement, as applicable, may provide that Bonds sold thereunder shall not be subject to mandatory sinking fund redemption.

(c) Notice of Redemption. Notice of redemption of any Bonds shall be given by the Paying Agent upon the written request of the District given at least 60 days prior to the date designated for such redemption. Notice of any redemption of Bonds shall be mailed postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books described in Section 9(d), (ii) by secured mail to all organizations registered with the Securities and Exchange Commission as securities depositories, (iii) to at least two information services of national recognition which disseminate redemption information with respect to municipal securities, and (iv) as may be further required in accordance with the Continuing Disclosure Certificate of the District described in Section 16.

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

(i) the date of such notice;

(ii) the name of the Bonds and the date of issue of the Bonds;

(iii) the redemption date;

(iv) the redemption price;

(v) the maturity dates of the Bonds to be redeemed;

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

(vii) (in the case of Bonds redeemed in part only) the respective portions of the principal amount of the Bonds of each maturity to be redeemed;

(viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed;

(ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; and

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

(d) Effect of Notice. A certificate of the Paying Agent or the District that notice of call and redemption has been given to Owners and to the appropriate securities depositories and information services as herein provided shall be conclusive as against all parties. The actual receipt by the Owner of any Bond or by any securities depository or information service of notice of redemption shall not be a condition precedent to redemption, and failure to receive such

notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in subsection (e) of this Section, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to the Debt Service Fund or the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(e) Redemption Fund. Prior to or on the redemption date of any Bonds there shall be available in the Debt Service Fund, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the premiums payable as in this resolution provided, the Bonds designated in any notice of redemption. Such monies so set aside in any such escrow fund shall be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the Debt Service Fund shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the Debt Service Fund, unless otherwise provided for to be paid from such escrow. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Debt Service Fund or otherwise held in trust for the payment of redemption price of the Bonds, those monies shall be held in or returned or transferred to the Debt Service Fund for payment of any outstanding bonds of the District payable from that fund; provided, however, that if those monies are part of the proceeds of bonds of the District, the monies shall be transferred to the Debt Service Fund. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(f) Defeasance of Bonds. If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all outstanding Bonds all of the principal, interest and premium, if any, represented by such Bonds at the times and in the manner provided herein and in the Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in Section 12 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by the Bonds, but only out of monies on deposit in the Debt Service Fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (g) hereof shall apply in all events.

All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

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

(ii) by irrevocably depositing with the Paying Agent, noncallable United States Obligations (as defined below) together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof and interest and prepayment premiums, if any, thereon) at or before their maturity date.

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

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

(iv) Non-callable obligations of government sponsored agencies that are rated "AAA," by Standard & Poor's or "Aaa" by Moody's Investors Service but are not backed by the full faith and credit of the U.S. Government. These include the following: (a) Farm Credit System (Formerly Federal Land Banks, Intermediate Credit Banks, and Banks for Cooperatives) Consolidated Systemwide bonds and notes; (b) Federal Home Loan Banks Consolidated debt obligations; and (c) Resolution Funding Corp. Debt Obligations.

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

(g) Unclaimed Monies. Any money held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for one year after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the Debt Service Fund for payment of any outstanding bonds of the District payable from that fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

SECTION 9. Paying Agent and Disbursement Agent.

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

(b) Appointment; Payment of Fees and Expenses. This Board of Supervisors hereby consents to and confirms the appointment of the Treasurer to act as Paying Agent for the Bonds under this Resolution. All fees and expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the Bonds, or from the Debt Service Fund, insofar as permitted by law, including specifically by Section 15232 of the Education Code and insofar as money in the Debt Service Fund is sufficient therefor, such fees and expenses shall be paid by the District.

(c) Resignation, Removal and Replacement of Paying Agent. The Paying Agent initially appointed or any successor Paying Agent may resign from service as Paying Agent and may be removed as provided in the Paying Agent's service agreement with the District and the County; provided that any successor shall be appointed with the consent of the County. Without further action by the District, if at any time the Paying Agent shall resign or be removed and no successor appointed by the District, the Treasurer shall appoint a successor Paying Agent without further action by the District, which shall be a bank or trust company doing business in and having a corporate trust office in Los Angeles, California, with at least $100,000,000 in net assets.

(d) Registration Books. The Paying Agent will keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the books, Bonds as provided in Section 11 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the County in a format mutually agreeable to the Paying Agent and the County.

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

SECTION 10. Transfer Under Book-Entry System; Discontinuation of Book-Entry System.

(a) The Bonds shall be initially issued and registered as provided in Section 5. Registered ownership of such Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this section (a "substitute depository"); provided, that any successor of Cede & Co., as nominee of The Depository Trust Company or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District or the County, upon (1) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to remove The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this section, upon receipt of the outstanding Bonds by the Paying Agent, together with a written request of the District or County to the Paying Agent, a new Bond for each interest rate for each maturity shall be executed and delivered in the aggregate principal amount of the 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 or County. In the case of any transfer pursuant to clause (iii) of subsection (a) of this section, upon receipt of the outstanding Bonds by the Paying Agent together with a written request of the District or County to the Paying Agent, new Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District or County, subject to the limitations of Section 5 and the receipt of such a written request of the District or County, and thereafter, the Bonds shall be transferred pursuant to the provisions set forth in Section 11 of this Resolution; provided, that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days after the receipt of any such written request of the District or County.

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

(d) So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the District, the County and the Paying Agent shall cooperate with Cede & Co., as sole Owner, or its registered assigns in effecting payment of the principal of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available (e.g., by wire transfer) on the date they are due.

SECTION 11. Transfer and Exchange.

(a) Transfer. Following the termination or removal of the depository pursuant to Section 10 hereof, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 9(d) hereof, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Bond or Bonds shall be surrendered for transfer, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 5, a new Bond or Bonds of the same series, maturity, interest payment mode and interest rate for a like aggregate principal amount. The Paying Agent may require the payment by any Owner of Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Bond shall be required to be made by the Paying Agent during the period from (1) the close of business on the applicable Record Date to and including the succeeding interest date, or (2) the close of business on the date on which notice is given that such Bond has been selected for redemption in whole or in part, to and including the designated redemption date.

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

Whenever any Bond or Bonds shall be surrendered for exchange, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 5, a new Bond or Bonds of the same series, maturity, interest payment mode and interest rate for

a like aggregate principal amount. The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of any Bonds shall be required to be made by the Paying Agent during the period from (1) the close of business on the applicable Record Date to and including the succeeding interest date, or (2) the close of business on the date on which notice is given that such Bond has been selected for redemption in whole or in part, to and including the designated redemption date.

SECTION 12. **Security for the Bonds.** The money for the payment of principal, redemption premium, if any, and interest with respect to the Bonds shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the Debt Service Fund, and the Board of Supervisors of the County hereby covenants to levy ad valorem taxes for the payment of the Bonds on all property in the District subject to taxation by the District without limitation as to rate or amount (except certain personal property which is taxable at limited rates).

SECTION 13. **Sale of Bonds.** The Bonds shall be sold at a competitive sale and under conditions set forth in the Notice Inviting Proposals or by a negotiated sale pursuant to the Bond Purchase Agreement, if determined by the Chief Financial Officer of the District, in consultation with the Treasurer and Tamalpais Advisors, Inc. - Kelling, Northcross & Nobriga, A Joint Venture, the Financial Advisor to the District (the "Financial Advisor") to be in the best interest of the District.

The form of Notice of Intention to Sell Bonds (the "Notice of Intention") attached hereto as Exhibit C is hereby approved and authorized to be published in accordance with Section 53692 of the State Government Code. The form and distribution of the Notice Inviting Proposals substantially in the form attached hereto as Exhibit B are hereby approved in connection with the offering and sale of the Bonds. The actions of the Financial Advisor, on behalf of the District, in distributing the Notice Inviting Proposals, to such municipal bond broker-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Bonds therein offered for sale, are hereby approved. The Treasurer, or an authorized deputy or delegate of the Treasurer, is hereby authorized and directed on behalf of the District to cause the sale of the Bonds pursuant to the Notice Inviting Proposals, with such changes as the Treasurer in consultation with the Chief Financial Officer (or the Interim Chief Financial Officer, if applicable), the Deputy Chief Financial Officer (or the Interim Deputy Chief Financial Officer, if applicable), the Controller of the District (or the Interim Controller, if applicable), or any other officer of the District authorized by the Chief Financial Officer or the Controller of the District (each, an "Authorized Officer" of the District) shall deem necessary or desirable to implement the sale of the Bonds consistent with the terms of this resolution.

The Treasurer in consultation with an Authorized Officer of the District, is hereby authorized to accept the highest responsible bids for the Bonds producing the lowest true interest cost to the District; provided, that (i) the true interest cost for the Bonds of any series shall not be in excess of 8% per annum; (ii) the maximum interest rate (coupon) on the Bonds of any series

shall not be in excess of 8% per annum; and (iii) the Bonds shall otherwise conform to the limitations specified herein. In the event two or more bids setting forth identical true interest costs are received, the first bid submitted, as determined by reference to the time displayed on the electronic bidding site, shall be deemed to be the winning bid. The Authorized Officer of the District may, in his or her discretion, reject any and all bids and waive any irregularity or informality in any bid. The Treasurer, in consultation with the Chief Financial Officer of the District, shall award the Bonds or reject all bids not later than 26 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder(s).

In the event that a negotiated sale of the Bonds is determined to be in the best interest of the District, the Treasurer is hereby authorized and directed on behalf of the County to execute the Bond Purchase Agreement substantially in the form attached as Exhibit D is hereby approved, with such changes as the Treasurer shall deem necessary or desirable to implement the negotiated sale of the Bonds consistent with the terms of this Resolution; provided that (i) the true interest cost for the Bonds of any series shall not be in excess of 8% per annum; (ii) the maximum interest rate (coupon) on the Bonds of any series shall not be in excess of 8% per annum; (iii) the underwriter's discount shall not be in excess of 0.5% of the aggregate principal amount of the Bonds of any series and (iv) the Bonds shall otherwise conform to the limitations specified herein. Such execution shall constitute conclusive evidence of the approval by the County of the Bond Purchase Agreement in the form finally executed.

SECTION 14. Deposit and Investment of Proceeds.

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

(b) All funds held hereunder shall be invested by the Treasurer pursuant to Section 53601 of the State Government Code ("Section 53601"). The District may, to the extent permitted by law, deliver a written request to the Treasurer such that, all or any portion of the Building Fund of the District may be invested in:

(i) the Local Agency Investment Fund in the State treasury;

(ii) investment agreements, including guaranteed investment contracts, which comply with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds; or

(iii) any other investment authorized pursuant to Section 53601.

Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds; provided, however, that when all of the principal and interest on all of the Bonds have been paid, any balance then remaining in said

fund shall be transferred to the general fund of the District as permitted and provided for in Section 15234 of the Education Code.

SECTION 15. **Tax Covenant.** The County acknowledges and relies upon the fact that the District has represented and covenanted that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and that it will comply with the requirements of the initial Tax Certificate and each subsequent Tax Certificate of the District with respect to the Bonds, to be entered into by the District as of the respective dates of issuance of the Bonds, and further that such representation and covenant shall survive payment in full or defeasance of the Bonds.

SECTION 16. **Continuing Disclosure Certificate.** The County acknowledges and relies upon the fact that the District has represented that it shall execute a Continuing Disclosure Certificate containing the initial covenants of the District as shall be necessary to comply with the requirements of Securities and Exchange Commission Rule 15c2-12, and that the District has covenanted that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The District shall function as or cause the appointment of a dissemination agent, who shall perform all duties and obligations of the Dissemination Agent as set forth in the Continuing Disclosure Certificate, and the County shall have no responsibilities either for compliance with the Continuing Disclosure Certificate or for the duties of the Dissemination Agent.

SECTION 17. **Limited Responsibility for Official Statement.** Neither the Board of Supervisors nor any officer of the County has prepared or reviewed or will prepare or review any official statement of the District describing the Bonds (the "Official Statement"), and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District, the Treasurer is hereby authorized and directed to prepare and review such information for inclusion in the Official Statement and in the preliminary Official Statement, and to certify to the District prior to or upon the issuance of each series of the Bonds that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

SECTION 18. **Approval of Actions.** The Chair of this Board of Supervisors, the Executive Officer-Clerk of this Board of Supervisors, the County Auditor-Controller, the County Counsel, and the Treasurer and the deputies and designees of any of them, are hereby authorized and directed to execute and deliver any and all certificates, representations and agreements, as may be acceptable to County Counsel, including signature certificates, no-litigation certificates, and other certificates proposed to be distributed in connection with each sale of Bonds, necessary and desirable to accomplish the transactions authorized herein.

SECTION 19. **Effective Date.** This resolution shall take effect from and after its adoption.

The foregoing resolution was on the 5th day of Nov, 2008, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which the Board so acts.

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

By: _____
Deputy

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Principal Deputy County Counsel

EXHIBIT A

[FORM OF BOND]

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

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

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

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself indebted to and promises to pay to the registered owner identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the principal sum specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before _____ 15, _____, in which event it shall bear interest from the date hereof) at the interest rate per annum stated above, payable commencing on _____ 1, _____, and thereafter on _____ 1 and _____ 1 in each year, until payment of the principal sum hereof.

The principal hereof is payable to the registered owner hereof upon the surrender hereof at the principal corporate trust office (as defined in the Resolution) of _____ (herein called the "Paying Agent"), the paying agent/registrar and transfer agent of the District. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the registered owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of Bonds (hereinafter defined) aggregating at least $1,000,000 in principal amount, interest will be paid in immediately available funds (e.g., by wire transfer) to an account maintained in the United States as specified by the owner in such request. So long as Cede & Co. or its registered assigns shall be the registered owner of this bond, payment shall be made in immediately available funds as provided in the Resolution hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to $_____, and designated as the "Los Angeles Unified School District General Obligation Bonds (County of Los Angeles), Election of 200_, Series __(200_)" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on _____. The Bonds are issued and sold by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to and in strict conformity with the provisions of the Constitution and laws of the State and of a resolution (the "Resolution") adopted by the Board of Supervisors on _____, 2008 including the terms set forth in the [Notice Inviting Proposals/Bond Purchase Agreement] as provided in the Resolution.

The bonds of this issue are issuable only as fully registered bonds in the denominations of $5,000 principal amount or any integral multiple thereof. This bond is exchangeable and transferable 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 transfer 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 Bond Resolution. All fees and costs of exchange or transfer shall be paid by the registered owner requesting such exchange or transfer. 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.

The Bonds shall be subject to redemption as provided in the Resolution.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. The Bonds represent an obligation of the District payable out of the Debt Service Fund (as defined in the Resolution), and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

This bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

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

COUNTY OF LOS ANGELES

_____
Chair of the Board of Supervisors

[SEAL]

_____
Treasurer and Tax Collector

Countersigned:

_____
Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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

By _____
Paying Agent/Registrar and Transfer Agent

By _____
Authorized Officer

DTC LEGEND

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

ASSIGNMENT

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

_____
I.D. Number

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

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

EXHIBIT B

FORM OF NOTICE INVITING PROPOSALS FOR PURCHASE OF BONDS

$950,000,000*
LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
consisting of
$250,000,000* GENERAL OBLIGATION BONDS, ELECTION OF 2002, SERIES D (2008)
$550,000,000* GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES I (2008)
$150,000,000* GENERAL OBLIGATION BONDS, ELECTION OF 2005, SERIES F (2008)

NOTICE IS HEREBY GIVEN that electronic unconditional proposals will be received by the Treasurer and Tax Collector of Los Angeles County (the "Treasurer") to and including the hour of [9:00 a.m.], Pacific Time, on _____, 2008, for the purchase of $250,000,000* principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series D (2008)" (the "Measure K Bonds"), $550,000,000* principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series I (2008)" (the "Measure R Bonds") and $150,000,000* principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series F (2008)" (the "Measure Y Bonds" and, together with the Measure K Bonds and the Measure R Bonds, the "Bonds"). Separate proposals must be submitted for each series of Bonds. Proposals may only be submitted electronically via the Parity Electronic Bid Submission System ("PARITY") in the manner described below. Within 26 hours of the deadline for the submission of bids, the Treasurer in consultation with the Chief Financial Officer (the "CFO") of the Los Angeles Unified School District (the "District"), or the designees of such officers, will consider the bids received and, if acceptable bids are received, award the sale of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds on the basis of the lowest true interest cost, as described herein. Notice of the award will be given promptly to the successful bidder(s) for each series of the Bonds. In the event that no bid is awarded by the designated time, the County of Los Angeles (the "County) will reschedule the sale to another date or time by providing notification through The Bond Buyer Wire.

THE RECEIPT OF BIDS ON _____DAY, _____, 2008, MAY BE POSTPONED OR CANCELLED AT OR PRIOR TO THE TIME BIDS ARE TO BE RECEIVED. NOTICE OF SUCH POSTPONEMENT OR CANCELLATION WILL BE COMMUNICATED BY THE COUNTY THROUGH THE BOND BUYER WIRE AS SOON AS PRACTICABLE FOLLOWING SUCH POSTPONEMENT OR CANCELLATION. If the sale is postponed, bids will be received at the hour and place set forth above on any weekday as the County may determine. Notice of the new date and time for receipt of bids shall be given through The Bond Buyer Wire as soon as practicable following a postponement. As an accommodation to bidders, telephone, electronic or fax notice of such postponement and of the new sale date and time will be given to any bidder requesting such notice from the District's Financial Advisor (the "Financial Advisor"), Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint

* Preliminary, subject to change.

Venture, Attention: Jean Buckley, telephone (415) 331-4473; fax: (415) 331-4479. Failure of any bidder to receive such electronic, telephonic or fax notice shall not affect the sufficiency of any required notice or the legality of the sale.

Right to Modify or Amend:

The County reserves the right to modify or amend this Notice Inviting Proposals for Purchase of Bonds (the "Notice Inviting Proposals") in any respect; provided, however, that any such modification or amendment shall be communicated to potential bidders through The Bond Buyer Wire [not later than 3:00 p.m. Pacific Time on the day preceding the day on which bids may be submitted]. Failure of any potential bidder to receive notice of any modification or amendment will not affect the sufficiency of any such notice or the legality of the sale.

Issue:

The Bonds will be dated the date of delivery (on or about _____, 2008), will be in denominations of $5,000 each, or integral multiples thereof, and will bear interest from the date of the Bonds to the maturity of each of the Bonds at the rate or rates such that the interest rate on any given maturity shall not exceed 8% per annum, with interest payable on January 1, 2009, and semiannually thereafter on January 1 and July 1 of each year during the term of each of the Bonds. The Bonds mature on January 1 in each of the years 2009 to 2028, inclusive, as follows (the "Designated Maturity Schedule"), although the estimated principal amounts set forth below are subject to adjustment following receipt of the winning bid as described in "Adjustment of Principal Amounts and Amortization Schedule of Bonds after Receipt of Bids":

DESIGNATED MATURITY SCHEDULE FOR MEASURE K BONDS

Year	Principal Amount
[2009]	$
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	

DESIGNATED MATURITY SCHEDULE FOR MEASURE R BONDS

Year	Principal Amount
[2009]	$
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	

DESIGNATED MATURITY SCHEDULE FOR MEASURE Y BONDS

Year	Principal Amount
[2009]	$
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	

Special Bidder's Option:

The purchaser may elect to combine any number of consecutive maturities of Bonds for which an identical yield to maturity has been specified to comprise term bonds by indicating such an election on the bid form. The election to create term bonds in such manner will require the creation of a mandatory sinking fund so that the sinking fund redemption payments shall equal the principal amount of the corresponding serial bond maturities.

Optional Redemption:

The Bonds shall be subject to redemption prior to their respective stated maturity dates at the option of the District, as provided below, or on such other dates and on such terms as communicated to potential bidders through The Bond Buyer Wire in accordance with this Notice Inviting Proposals. The Bonds maturing on or before [January 1, 20__], are not subject to

redemption prior to their fixed maturity dates. The Bonds maturing on or after [January 1, 20__], are subject to redemption at the option of the District, from any source of funds, as a whole or in part, on any date on or after [January 1, 20__], at the following redemption prices (expressed as a percentage of the principal amount of Bonds called for redemption), plus interest accrued thereon to the date fixed for redemption:

Redemption Period (Dates Inclusive)	Redemption Price
[January 1, 20__ through December 31, 20__]	102%
[January 1, 20__ through December 31, 20__]	101
[January 1, 20__ and thereafter]	100

Notice of Redemption:

Notice of redemption of any Bond will be mailed to the registered owner of each Bond to be redeemed in whole or in part, at the address shown on the registration records maintained by the Paying Agent designated for this issue of Bonds (the "Paying Agent"); such mailing to be at least 30, but not more than 60 days prior to the date set for redemption. Failure to mail notice to any owner will not affect the validity of the proceedings for the redemption of Bonds.

Registration of Bonds as to Principal and Interest and Place of Payment:

The Bonds, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only, in the denominations of $5,000 and integral multiples thereof. Purchasers will not receive physical certificates representing their interest in the Bonds purchased. Principal, premium, if any, and interest are payable in lawful money of the United States of America at the principal corporate trust office of the Paying Agent, to DTC, which in turn will remit such amounts to the beneficial owners of the Bonds through DTC's Participants, as described in the Preliminary Official Statement. The successful bidder will be required to pay any DTC fees to DTC directly.

Paying Agent:

_____ has been appointed the Paying Agent for the payment of principal and interest and for the registration of the Bonds and to hold the funds and accounts established pursuant to the County Resolution.

Authority:

The Bonds will be issued pursuant to the Constitution and laws of the State of California. The issuance of the Bonds was authorized by at least 55% of the vote of the qualified electors of the District voting at elections held on November 5, 2002, March 2, 2004 and November 8, 2005, as applicable, a Resolution of the Board of Supervisors (the "Board of Supervisors" of the County,

adopted on _____, 2008 and the Resolution of the Board of Education of the District adopted on _____, 2008.

Security:

Both principal of and interest on the Bonds are payable from an unlimited *ad valorem* tax levied against all of the taxable property (except certain personal property which is taxable at limited rates) in the District.

Form of Bid:

Each bid for each series of the Bonds must be submitted electronically via PARITY pursuant to the prescribed form of bid posted thereon (the "Official Bid Form"), in each case not later than 9:00 a.m., Pacific Time, on the date of sale. A bidder must submit separate bids for each series being bid. A bidder may submit a bid for one, two or all three series of Bonds. For purposes of submitting all bids, the time as maintained on PARITY shall constitute the official time.

WARNINGS REGARDING ELECTRONIC BIDS: NEITHER THE DISTRICT, THE COUNTY, THE FINANCIAL ADVISOR, NOR BOND COUNSEL SHALL BE RESPONSIBLE FOR, AND THE BIDDER EXPRESSLY ASSUMES THE RISK FOR ANY INCOMPLETE, INACCURATE OR UNTIMELY BID SUBMITTED VIA PARITY BY SUCH BIDDER, INCLUDING, WITHOUT LIMITATION, BY REASON OF GARBLED TRANSMISSION, MECHANICAL FAILURE, ENGAGED TELEPHONE OR TELECOMMUNICATIONS LINES, OR ANY OTHER CAUSE ARISING FROM DELIVERY VIA PARITY.

All bids which are submitted electronically via PARITY pursuant to the procedures described below shall be deemed to constitute a "Bid for Purchase of a Series of Bonds" and shall be deemed to incorporate by reference all of the terms and conditions of this Notice Inviting Proposals. The submission of a bid electronically via PARITY shall constitute and be deemed the bidder's signature on the Official Bid Form for such series of Bonds.

Procedures Regarding Electronic Bidding:

Bids may be submitted electronically via PARITY in accordance with this Notice Inviting Proposals, until 9:00 A.M., Pacific Time, [_____, 2008], but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice Inviting Proposals, the terms of this Notice Inviting Proposals shall control. For further information about PARITY, potential bidders may contact the Financial Advisor at (415) 331-4473 or PARITY at (212) 806-8304. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

(a) If a bid submitted electronically by PARITY is accepted by the County and the District, the terms of the Bid for Purchase of a Series of Bonds and this Notice Inviting Proposals and the information that is electronically transmitted through PARITY shall form a contract and the successful bidder shall be bound by the terms of such contract.

(b) PARITY is not an agent of the County and the District, and the County and the District shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the County and the District or information provided by the bidder.

(c) The County and the District may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via PARITY's internet site (www.tm3.com) no later than 5:00 P.M. (Pacific Time) on the last business day prior to the date of sale.

(d) Once the bids for a given series of Bonds are communicated electronically via PARITY to the County and the District as described above, each such bid will constitute a Bid for Purchase of a Series of Bonds and shall be deemed to be an irrevocable offer to purchase the series of Bonds on the terms provided in this Notice Inviting Proposals.

(e) Each bidder choosing to bid electronically shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with this Notice Inviting Proposals. Neither the County nor the District shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the County nor the District shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The County is using PARITY as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the County and the District harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

No bid received after the deadline shall be considered. In any case, each bid must be in accordance with the terms and conditions set forth in this official Notice Inviting Proposals.

Interest Rates:

All bids for the purchase of each series of the Bonds must state the rate or rates of interest to be paid and no bid at a price less than the par value of each series of Bonds will be considered. Bidders may specify any number of different rates to be borne on each series of Bonds, provided:

(i) The maximum interest rate bid for any maturity shall not exceed eight percent (8%) per annum;

(ii) All Bonds of the same maturity for a given series must bear the same rate of interest from its date to the stated maturity date at the interest rate specified in the Official Bid Form;

(iii) All interest rates must be in multiples of 1/8 or 1/20 of one percent; and

(iv) The rate of interest on any maturity for a given series shall not be more than four percent higher than the interest rate on any other maturity of the given series of the Bonds.

Adjustment of Principal Amounts and Amortization Schedule of Bonds after Receipt of Bids:

The principal amounts of each series of the Bonds set forth in the Designated Maturity Schedule reflect estimates of the District as to the likely interest rates of the winning bid and the original issue premium contained in the winning bid for such series. In order to achieve substantially level debt service in each Fiscal Year ending June 30, the District reserves the right subsequent to receiving bids to change the principal amounts schedule for a given series set forth above by adjusting one or more principal payments. Any such adjustment of principal amounts on the given series of Bonds shall be based on the schedule of principal amounts provided by the District to be used as the basis of bids for the given series of Bonds. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and no successful bid may be withdrawn. The bidder awarded a series of Bonds by the District shall not be permitted to withdraw its bid, change the interest rates in its bid or the reoffering prices in its Certificate Regarding Reoffering Prices as a result of any changes made to the principal amounts of such series of the Bonds in accordance with this Notice Inviting Proposals.

Such adjustments will not change the aggregate principal amount of a series of the Bonds to be issued from the amount set forth in the Designated Maturity Schedule or change the principal amount due with respect to such series of Bonds in any year by more than ten percent. The dollar amount bid for Bonds by the winning bidder(s) will be adjusted to reflect any such adjustment in the applicable amortization schedule. Any such adjustment will change the total (but not the per bond) dollar amount of underwriter's discount and original issue premium provided in such bid. Any such adjustment shall not result in the purchase price of the such series of Bonds being less than [100.___]%. Any such adjustment will be communicated to the winning bidder within 24 hours after the opening of the bids.

Costs to be Paid by Underwriter

If the transactions contemplated by this Notice Inviting Proposals are consummated, fees and expenses incurred by the District (the "Costs") shall be paid or cause to be paid by the successful bidder. The successful bidder agrees, by submitting a bid for the Measure K Bonds, to wire $[_____] at closing to _____, as Costs Administrator for the Bonds (the "Costs Administrator") for payment of the Costs for the Measure K Bonds. Thus, the minimum bid for the purchase of the Measure K Bonds is [100.___]%. The successful bidder agrees, by submitting a bid for the Measure R Bonds, to wire $[_____] at closing to the Costs Administrator for payment of the Costs for the Measure R Bonds. Thus, the minimum bid for the purchase of the Measure R Bonds is [100.___]%. The successful bidder agrees, by submitting a bid for the Measure Y Bonds, to wire $[_____] at closing to the Costs Administrator for payment of the Costs for the Measure Y Bonds. Thus, the minimum bid for the purchase of the Measure Y Bonds is [100.___]%. This amount must be paid not later than the date of delivery of the Bonds. Payment of this amount is not optional and is in addition to any purchase premium specified and any premium designated for municipal bond insurance. The Costs Administrator will deposit such funds in a special account established on behalf of the successful bidder and apply such

funds only to pay legally authorized costs of issuance pursuant to a written order of the District accompanied by approved invoices. Costs of issuance include fees and disbursements of the financial advisor, bond counsel, disclosure counsel, the costs of preparation, printing, posting, and delivery of the Official Statement, initial rating fees, costs of publication of notices of sale, and other expenses permitted by Section 15145 of the Education Code and does not include underwriter's discount, the cost of the premium for any municipal bond insurance, CDIAC fees (described below), CUSIP fees (described below), DTC fees or other customary underwriting expenses to be paid by the successful bidder under the terms of this Notice Inviting Proposals. Any balance remaining in such account [365] days after the issuance of a series of the Bonds shall be returned to the successful bidder.

[Qualification for Municipal Bond Insurance at Option of Bidder:

The District will submit documents to potential bond insurers to pre-qualify each series of the Bonds for a municipal bond insurance policy. If any series of the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs shall be paid by such bidder. Any failure of a series of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of his contractual obligations arising from the acceptance of his proposal to purchase such series of the Bonds.

The District will be responsible for obtaining underlying (i.e., uninsured) municipal bond ratings for each series of the Bonds from Moody's Investors Service and Standard & Poor's Ratings Group and for payment of any rating fees incurred in connection therewith, which payment shall be made in accordance with the procedure set forth in "Costs to be Paid by Underwriter" above.]

[Good Faith Deposit:

No good faith deposit is required to be submitted with bids.]

CUSIP Numbers:

CUSIP numbers will be applied for by the respective purchaser and will be printed on the applicable series of Bonds and the cost of service bureau assignment will be the purchaser's responsibility. Any delay, error or omission with respect thereto will not constitute cause for the purchaser to refuse to accept delivery of and pay for such series of Bonds.

California Debt and Investment Advisory Commission:

Each successful bidder will be required, pursuant to State law, to pay any fees to the California Debt and Investment Advisory Commission ("CDIAC"). CDIAC will separately invoice each successful bidder for such fees.

Right of Rejection:

The Treasurer in consultation with the CFO reserves the right in his discretion to reject any and all bids received and to waive any irregularity or informality in the bids, except that the time for

receiving bids shall be of the essence. [The winning bidder(s) shall have the right, at each of their option, to cancel the contract of purchase if the District shall fail to tender the Bonds for delivery within 60 days from the date of sale thereof.]

Minimum Bid

No bid will be accepted that does not offer a bid price of at least [100.___]% for a series of the Bonds (whether or not said bid price is adjusted pursuant to "Adjustment of Principal Amounts and Amortization Schedule of Bonds after Receipt of Bids"). The bid price such series of the Bonds shall not include any amounts to be used to pay the customary underwriting costs or the excluded costs set forth under "Costs to be Paid by Underwriter."

Basis of Award and Delivery:

Unless all bids are rejected, the Bonds will be awarded to the bidder whose proposal results in the lowest true interest cost ("TIC") to the District, which TIC may not exceed 8%. The TIC will be that nominal interest rate which, when compounded semiannually and applied to discount all payments of principal and interest payable on a series of the Bonds to the date of such series of the Bonds, results in an amount equal to the principal amount of such Bonds plus the amount of any premium bid. For the purpose of calculating the TIC, mandatory sinking fund payments for any Term Bonds specified by each bidder will be treated as Bonds maturing on the dates of such mandatory sinking fund payments. In the event that two or more bidders offer bids for a series of the Bonds at the same lowest TIC, the bidder who submitted the first bid (as determined by PARITY) will be awarded such series of the Bonds. Bid evaluations or rankings made by PARITY are not binding on the District.

Delivery of each series of the Bonds will be made to the purchaser through DTC upon payment in immediately available funds to the Treasurer on or about _____, 2008 (the "Closing").

Prompt Award:

The Treasurer, or the designee of such officer, will take action awarding each series of the Bonds or rejecting all bids not later than 26 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

Legal Opinion:

Sidley Austin LLP has been retained by the District as Bond Counsel ("Bond Counsel") and in such capacity are to render an approving opinion upon the legality of the Bonds under California law and on the exemption of the interest income on such Bonds from federal and State of California income taxes. The Bonds are sold with the understanding that the respective purchaser will be furnished with an opinion of Bond Counsel entitling the purchaser to rely on the approving opinion of Sidley Austin LLP. The form of Bond Counsel's opinion is set forth in [Appendix B] of the Preliminary Official Statement and the final Official Statement.

The respective purchaser will receive a disclosure opinion from Hawkins Delafield & Wood LLP as Disclosure Counsel ("Disclosure Counsel") regarding the Official Statement.

Tax Status:

In the opinion of Bond Counsel, under existing laws, interest on the Bonds is exempt from all present State of California personal income taxes, and assuming compliance with certain covenants made by the District, and requirements of the Internal Revenue Code of 1986, as amended, interest on the Bonds is not includable in the gross income of the owners of the Bonds for federal income tax purposes, provided that such interest may be included in the calculation of federal alternative minimum taxable income. Should changes in the law cause Bond Counsel's opinion to change prior to delivery of the Bonds to the purchaser, the purchaser will be relieved of its responsibility to purchase the Bonds.

Certificate Regarding Reoffering Prices:

Not later than one hour after receiving the verbal award, the successful bidder for a series of Bonds must submit to the District and to Bond Counsel a certificate specifying for each maturity the reoffering price at which at least 10% of the Bonds of such maturity were first sold (or the price at which all of the Bonds awarded to the successful bidder were offered in a bona fide public offering and as of the date of award of such Bonds to the successful bidder reasonably expected to be sold) to the public. Such certificate shall be in form attached hereto as Exhibit A. Any requests for changes to such certificate must be submitted to Bond Counsel by the close of business on _____.

No Litigation and Tax Certificates:

At Closing, the District will execute and deliver a certificate stating that no litigation is pending affecting the issuance and sale of the Bonds. The District will also execute and deliver the Tax Certificate covering its reasonable expectations concerning the Bonds and the use of proceeds thereof.

Continuing Disclosure Certificate:

In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the District will undertake, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A form of the Continuing Disclosure Certificate is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Official Statement:

The District will make available a Preliminary Official Statement relating to the Bonds, an electronic copy of which, along with related documents, will be furnished upon request made either by mail to the Financial Advisor, Tamalpais Advisors, Inc., 3030 Bridgeway, Suite 340, Sausalito, California 94965, or telephoned to said advisor at (415) 331-4473. Such Preliminary Official Statement, together with any supplements thereto, shall be in form "deemed final" by the District for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final official statement (the "Official Statement"). Bidders must read the entire Preliminary Official Statement to obtain information essential to the making of an informed decision to bid. The District agrees to provide a reasonable number of

copies of the Official Statement to the winning bidder(s) of each series of the Bonds at the District's expense within seven business days of the date of sale. The District shall deliver, at closing, a certificate, executed by appropriate officers of the District acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of circumstances under which they were made not misleading.

Dated: _____, 2008

COUNTY OF LOS ANGELES

By: /s/ Mark J. Saladino
Treasurer and Tax Collector

EXHIBIT B-1

$_____*
LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
consisting of
$_____* GENERAL OBLIGATION BONDS, ELECTION OF 20__, SERIES __ (2008)

FORM OF CERTIFICATE AS TO ISSUE PRICE OF PORTION OF BONDS

This Certificate is furnished by _____, as Original Purchaser (the "Original Purchaser") of $_____* aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 20__, Series __ (2008)" (the "Bonds"), to establish the initial offering price of said portion of the Bonds for purposes of determining the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code").

THE ORIGINAL PURCHASER DOES HEREBY CERTIFY as follows:

1. The Original Purchaser reasonably expected on _____, 2008, which is the date on which the Original Purchaser agreed to purchase such Bonds (the "Sale Date"), that all of the Bonds purchased by the Original Purchaser would be sold to the general public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at an initial offering price of _____% of the principal amount thereof (the "Initial Public Offering Price").

2. The Original Purchaser has made a bona fide offering of the Bonds purchased by the Original Purchaser to the general public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not in excess of the Initial Public Offering Price. The Initial Public Offering Price is equal to $_____ (representing $_____ aggregate principal amount of the Bonds, plus original issue premium of $_____).

3. The Original Purchaser first sold for cash as of the Sale Date at least ten percent of the aggregate principal amount of the Bonds purchased by the Original Purchaser to the general public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not in excess of the Initial Public Offering Price.

4. The Initial Public Offering Price does not exceed the fair market value of the Bonds as of the Sale Date.

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*Preliminary, subject to change.

Dated: _____, 2008

_____, as Original Purchaser

By:_____
Name:
Title:

EXHIBIT C

NOTICE OF INTENTION TO SELL BONDS

$950,000,000*
LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
consisting of
$250,000,000* GENERAL OBLIGATION BONDS, ELECTION OF 2002, SERIES D (2008)
$550,000,000* GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES I (2008)
$150,000,000* GENERAL OBLIGATION BONDS, ELECTION OF 2005, SERIES F (2008)

NOTICE IS HEREBY GIVEN that electronic bids will be received by the Treasurer and Tax Collector (the "Treasurer") of the County of Los Angeles (the "County") on ____, 2008, at 9:00 a.m., Pacific Time, for the purchase of $250,000,000* aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series D (2008)" (the "Measure K Bonds"), $550,000,000* aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series I (2008)" (the "Measure R Bonds") and $150,000,000* aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series F (2008)" (the "Measure Y Bonds" and, together with the Measure K Bonds and the Measure R Bonds, the "Bonds"). [Separate proposals may be submitted for each series of Bonds.] Bids for the Bonds will be received exclusively and electronically through the PARITY Electronic Bid Submission System.

Within 26 hours of the deadline for the submission of bids, the Treasurer, in consultation with the Chief Financial Officer of the Los Angeles Unified School District, or a designee of either such officer, will consider the bids received and, if an acceptable bid or bids are received, award the sale of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds on the basis of the respective true interest cost of each series of the Bonds so long as (i) the aggregate principal amount of the Measure K Bonds does not exceed $250,000,000*, the aggregate principal amount of the Measure R Bonds does not exceed $550,000,000*, and the aggregate principal amount of the Measure Y Bonds does not exceed $150,000,000*, and (ii) the lowest true interest cost of each series of Bonds does not exceed 8%. In the event that no bid is awarded by the designated time, the County will reschedule the sale to another date or time by providing notification through The Bond Buyer Wire. The County reserves the right to change the time or postpone the date of the sale to any other time or date by providing notification through The Bond Buyer Wire.

NOTICE IS HEREBY FURTHER GIVEN that the Bonds will be offered for public sale subject to the terms and conditions of the Notice Inviting Proposals for Purchase of Bonds. An electronic copy of the Preliminary Official Statement relating to the Bonds will be furnished upon request to the District's Financial Advisor, Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, Attention: Jean Buckley, telephone (415) 331-4473; fax (415) 331-4479 on or about _____, 2008.

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*Preliminary, subject to change.

Dated:_____, 2008

COUNTY OF LOS ANGELES

By:_____/s/ Mark J. Saladino_____
Treasurer and Tax Collector

EXHIBIT D

FORM OF BOND PURCHASE AGREEMENT

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

$_____	$_____	$_____
General Obligation Bonds Election of 2002, Series D (2008)	**General Obligation Bonds Election of 2004, Series I (2008)**	**General Obligation Bonds Election of 2005, Series F (2008)**

BOND PURCHASE AGREEMENT

_____, 2008

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

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

Ladies and Gentlemen:

The undersigned, _____, as representative (the "**Representative**") of the several Underwriters identified on the signature page hereof (collectively, the "**Underwriters**"), hereby offers to enter into this Bond Purchase Agreement (the "**Purchase Agreement**") with the County of Los Angeles, California (the "**County**") and the Los Angeles Unified School District (the "**District**"), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriters. By execution of this Purchase Agreement, the County acknowledges the terms hereof and recognizes that it will be bound by certain of the provisions hereof, and to the extent binding on the County, acknowledges and agrees to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the County and the District and delivery of such acceptance to us at or prior to 11:59 PM, California Time, on the date hereof.

1. **Purchase and Sale of the Bonds.** (a) Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriters for such purpose, all (but not less than all) of the District's General Obligation Bonds, Election of 2002, Series D (2008) in an aggregate principal amount of $_____ (the "**Measure K Series D Bonds**"); its General Obligation Bonds, Election of 2004, Series I (2008) in an aggregate principal amount of

$_____ (the "**Measure R Series I Bonds**"); and its General Obligation Bonds, Election of 2005, Series F (2008) in an aggregate principal amount of $_____ (the "**Measure Y Series F Bonds**" and together with the Measure K Series D Bonds and the Measure R Series I Bonds, the "**Bonds**"). The Bonds shall bear interest at the rates, shall mature in the years and amounts and shall have the redemption provisions as set forth in Exhibit A hereto.

(b) The Underwriters shall purchase the Measure K Series D Bonds at a price of $_____ (which represents the aggregate principal amount of the Measure K Series D Bonds, plus net original issue premium of $_____ and less an Underwriters' discount, to be deducted from such net original issue premium, in the amount of $_____). After the payment of said Underwriters' discount, the Representative is hereby authorized and directed to retain original issue premium on the Measure K Series D Bonds in the amount of $_____. From such retained original issue premium, the Underwriters agree to (i) [wire the premium for the Measure K Series D Insurance Policy] (defined below) in the amount of $_____ to the Measure K Series D Insurer (defined below) on the Closing Date (as defined herein) and (ii) pay an allocable portion of certain costs of issuance in the amount of $_____ (the "**Measure K Series D Expense Set Aside**") as provided in Section 14 hereof.

(c) The Underwriters shall purchase the Measure R Series I Bonds at a price of $_____ (which represents the aggregate principal amount of the Measure R Series I Bonds, plus net original issue premium of $_____ and less an Underwriters' discount, to be deducted from such net original issue premium, in the amount of $_____). After the payment of said Underwriters' discount, the Representative is hereby authorized and directed to retain original issue premium on the Measure R Series I Bonds in the amount of $_____. From such retained original issue premium, the Underwriters agree to (i) [wire the premium for the Measure R Series I Insurance Policy] (defined below) in the amount of $_____ to the Measure R Series I Insurer (defined below) on the Closing Date (as defined herein) and (ii) pay an allocable portion of certain costs of issuance in the amount of $_____ (the "**Measure R Series I Expense Set Aside**") as provided in Section 14 hereof.

(d) The Underwriters shall purchase the Measure Y Series F Bonds at a price of $_____ (which represents the aggregate principal amount of the Measure Y Series F Bonds, plus net original issue premium of $_____ and less an Underwriters' discount, to be deducted from such net original issue premium, in the amount of $_____). After the payment of said Underwriters' discount, the Representative is hereby authorized and directed to retain original issue premium on the Measure Y Series F Bonds in the amount of $_____. From such retained original issue premium, the Underwriters agree to (i) [wire the premium for the Measure Y Series F Insurance Policy] (defined below) in the amount of $_____ to the Measure Y Series F Insurer (defined below) on the Closing Date (as defined herein) and (ii) pay an allocable portion of certain costs of issuance in the amount of $_____ (the "**Measure Y Series F Expense Set Aside**" and together with the Measure K Series D Expense Set Aside and the Measure R Series I Expense Set Aside, the "**Expense Set Aside**"), as provided in Section 14 hereof.

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

2. **The Bonds.**

(a) The Bonds shall be dated their date of delivery and shall bear interest and mature on the dates and be subject to redemption prior to their maturity all as set forth in Exhibit A hereto.

(b) The Bonds shall be as described in, and shall be issued and secured pursuant to the provisions of (i) Section 15264, *et seq.*, of the California Education Code, as amended (the "**Act**"), (ii) a Resolution of the Board of Education of the District (the "**Board of Education**"), adopted on October ___, 2008 which authorizes the issuance of not to exceed $250,000,000 aggregate principal amount of general obligation bonds of the District pursuant to Measure K of the Election of November 5, 2002 and certain related documents and actions (the "**District Resolution**"), and (iii) a Resolution of the Board of Supervisors of the County (the "**Board of Supervisors**"), adopted on October __, 2008, and authorizing the issuance of said general obligation bonds on behalf of the District (the "**County Resolution**"). [The payment of principal of and interest on the Bonds will be secured by a municipal bond insurance policy (the "**Insurance Policy**") to be issued simultaneously with the issuance of the Bonds by _____ (the "**Insurer**").

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

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

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

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

5. **Review of Official Statement.** The Underwriters hereby represent that they have received and reviewed the official statement in preliminary form with respect to the Bonds, dated _____, 2008 (the "**Preliminary Official Statement**"). The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revisions to or additions of the initial public offering prices, interest rates, yields, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings, credit enhancement and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended ("**Rule 15c2-12**").

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

The Underwriters agree to file the Official Statement with a nationally recognized municipal securities information repository within the meaning of Rule 15c2-12.

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

6. **Closing.**

(a) At 8:00 a.m., California Time, on _____, 2008, or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (the "**Closing,**" or the "**Closing Date**"), the District will direct _____, as paying agent for the Bonds (the "**Paying Agent**"), to deliver to the account of the Representative, through the facilities of DTC in New York, New York, or at such other place as the District and the Underwriters may mutually agree upon, the Bonds, duly executed and in fully registered, book-entry form, and will cause the other documents hereinafter mentioned pertaining to the Bonds to be delivered at the offices of Bond

Counsel in Los Angeles, California or at such other place as shall have been mutually agreed upon by the parties hereto.

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

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

A. The District is a unified school district validly existing under the laws of the State of California (the "**State**"), with the power to issue the Bonds pursuant to the Act;

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

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

D. To the best knowledge of the District, the issuance of the Bonds, the execution, delivery and performance of this Purchase Agreement, the District Resolutions and the Bonds, and the compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the District a violation of, or material default under, the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order

or resolution and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject;

E. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the District Resolutions, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the District Resolutions or contesting the powers of the District or its authority with respect to the Bonds, the District Resolutions or this Purchase Agreement; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement or the District Resolutions, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds, from gross income for federal income tax purposes and the exemption of such interest from State personal income taxation;

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

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

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

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

J. Preparation and distribution of the Official Statement have been duly authorized by the District, and the information contained therein (excluding the statements and information in Appendix C – "BOOK-ENTRY ONLY SYSTEM", any

information relating to the Insurer or the Insurance Policy and any information provided by the Underwriters for inclusion in the Official Statement) is true and correct in all material respects and such information does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

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

L. The audited financial statements of the District for the fiscal year ended June 30, 2007 (selected information from which is included as Appendix B to the Official Statement) were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position and results of operation of the District for the period and at the date set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the District since the date of such financial statements, except as otherwise disclosed in the Official Statement; and

M. The District Resolutions have been duly adopted, have not been modified, repealed or rescinded in any respect, and are in full force and effect.

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

A. The County has the power under the laws of the State to issue the Bonds pursuant to the Act;

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

authorized the consummation by it of all transactions contemplated by the County Documents;

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

D. The issuance of the Bonds, the execution, delivery and performance of this Purchase Agreement, the County Resolutions and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the County a violation of, or material default under, the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject;

E. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the County) against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices of the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, tax levy or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the County Resolutions or contesting the powers of the County or its authority with respect to the Bonds, the County Resolutions or this Purchase Agreement; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County or the consummation of the transactions contemplated by this Purchase Agreement or the County Resolutions, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from State personal income taxation;

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

G. Any certificates signed by any officer of the County and delivered to the Underwriters shall be deemed a representation and warranty by the County to the

Underwriters, but not by the person signing the same in such person's individual capacity, as to the statements made therein.

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

A. The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriters if and as the Underwriters may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions, *provided, however*, that the District and the County shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

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

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

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

satisfactory to the Underwriters, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The District and the County will presume that unless otherwise notified in writing by the Underwriters, the end of the underwriting period will occur on the date of delivery of the Bonds; and

E. To assist the Underwriters in complying with Rule 15c2-12 and for the benefit of the holders and beneficial owners of the Bonds, the District will undertake to provide annual reports and notices of certain events, if material, pursuant to a continuing disclosure certificate dated the date of Closing (the "**Continuing Disclosure Certificate**").

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

A. The Representative is duly authorized to execute this Purchase Agreement;

B. The Underwriters are duly authorized to take any action under this Purchase Agreement required to be taken by the Underwriters; and

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

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

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

A. The representations and warranties of the District and the County contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the

statements made in all certificates and other documents delivered to the Underwriters at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District and the County shall be in compliance with each of the respective agreements made by them in this Purchase Agreement;

B. At the time of the Closing, (i) this Purchase Agreement and the Resolutions shall be in full force and effect and the Purchase Agreement, the Resolutions and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (iii) the District and the County shall have adopted, and there shall be in full force and effect such additional resolutions, agreements, opinions and certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax exempt character of the interest on the Bonds), which resolutions, agreements, opinions and certificates shall be satisfactory in form and substance to Bond Counsel to the District and to the Underwriters, and there shall have been taken in connection therewith and in connection with the execution and delivery of the Bonds all such actions as shall, in the reasonable opinion of each, be necessary in connection with the transactions contemplated hereby; (iv) all actions under the Resolutions which, in the opinion of Bond Counsel to the District, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (iv) the Bonds shall have been duly authorized, executed and delivered, and (v) the District and the County shall perform or have performed all of their respective obligations required under or specified in this Purchase Contract or the Resolutions to be performed at or prior to the Closing;

C. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, pending (in which service of process has been completed against the County or the District) or threatened which has any of the effects described in Section 7(E) or 8(E) hereof or contesting in any way the completeness or accuracy of the Official Statement;

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

(1) legislation enacted by the Congress of the United States, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

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

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

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

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the Federal securities laws, as amended and then in effect;

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

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

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

(1) The approving opinion of, Sidley Austin LLP, Bond Counsel, substantially in the forms attached as Appendix D to the Official Statement, dated the Closing Date and addressed to the District;

(2) A Reliance Letter from Bond Counsel to the effect that the Underwriters may rely upon the approving opinion of Bond Counsel described in E(1) above;

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

(i) this Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by Underwriters, constitutes a valid and binding agreement of the District, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles (regardless of whether such enforceability is considered in equity or at law), to the exercise of judicial discretion in appropriate cases and the limitation on legal remedies against school districts in the State and except that no opinion need be expressed with respect to any indemnification or contribution provisions contained in this Purchase Agreement or with respect to the Insurance Policy;

(ii) the statements contained in the Official Statement in the sections entitled: "INTRODUCTION – Authority and Purpose for Issuance of the Bonds" and "- Security and Source of Payment for the Bonds," "PLAN OF FINANCE", "THE BONDS", (excluding the section entitled "- Application and Investment of Bond Proceeds"), "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – General Description" and "APPENDIX D – PROPOSED FORM OF OPINION OF BOND COUNSEL" insofar as such statements purport to expressly summarize certain provisions of the Resolutions, the Bonds and the

opinions of Bond Counsel relating to the Bonds and present a fair and accurate summary of such matters and opinions; and

(iii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the County Resolutions are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; provided that no opinion need be expressed with respect to the Insurance Policy;

(4) A supplemental opinion of Bond Counsel in a form acceptable to the Underwriters, dated the Closing Date and addressed to the Underwriters, to the effect that the statements contained in the Official Statement in the section entitled "INTRODUCTION – Tax Matters," "TAX MATTERS" and "APPENDIX D – PROPOSED FORM OF OPINION OF BOND COUNSEL" insofar as such statements purport to expressly summarize certain provisions of the opinion of Bond Counsel concerning certain federal and State tax matters relating to the Bonds, including the exclusion of interest on the Bonds from gross income for federal income tax purposes and the exemption of such interest from State personal income taxes and present an accurate summary in all material respects, of such opinion;

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

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

(7) A certificate signed by an appropriate official of the County to the effect that (i) such official is authorized to execute and to approve this Purchase Agreement, (ii) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing, (iii) the County has complied with all the terms of the County Resolutions and this Purchase Agreement to be complied with by the County prior to or concurrently with the Closing, (iv) to the best of such official's knowledge, no litigation is pending in which service of process has been completed against the County (either in state or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds or this Purchase Agreement, or (C) in any way contesting the existence or powers of the County, (v) such official has reviewed "APPENDIX F – LOS ANGELES COUNTY TREASURY POOL" to the Official Statement and on such basis certifies that "APPENDIX F – LOS ANGELES COUNTY TREASURY POOL" does not contain any untrue statements of a material fact or omit to state a material fact concerning the County required to be stated therein or necessary to make the statements concerning the County therein, in light of the circumstances in which they were made, not misleading, (vi) each of the conditions listed in Section 12 of this Purchase Agreement required to be satisfied by the County has been satisfied on the date thereof and the County is not aware of any other condition of this Purchase Agreement that has not been satisfied on the date thereof, and (vii) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolutions and this Purchase Agreement;

(8) A certificate of the Paying Agent dated the date of the Closing, signed by a duly authorized officer of the Paying Agent, and in form and substance satisfactory to the Underwriters, to the effect that:

(i) to the best of such officer's knowledge, the representations and agreements of the Paying Agent in the Paying Agent and Registrar Agreement dated as of ____, 2008, among the District, the County and the Paying Agent (the "**Paying Agent Agreement**") are true and correct in all material respects as of the date of the Closing;

(ii) to the best of such officer's knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or the Paying Agent Agreement; and

(iii) the Paying Agent Agreement has been duly authorized, executed and delivered, and assuming due execution by the other parties thereto, is enforceable against the Paying Agent in accordance with its terms;

(9) A non-arbitrage certificate of the District in form satisfactory to Bond Counsel with respect to the Bonds and;

(10) Evidence satisfactory to the Underwriters that [the Insured Bonds shall have been rated "AAA" by Standard & Poor's Ratings Services and "Aaa" by Moody's Investors Service (or such other equivalent rating as such rating agencies may give) and that the uninsured ratings on the Bonds shall have been rated "AA-" by Standard & Poor's Ratings Services and "Aa3" by Moody's Investors Service (or such other ratings as such rating agencies may assign so long as such rating is in the investment grade category of each rating agency)] and that such ratings have not been revoked or downgraded;

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

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

(ii) the District has the full right and lawful authority to enter into and perform its duties and obligations under this Purchase Agreement, the Continuing Disclosure Certificate and the District Resolutions and to authorize the sale of the Bonds;

(iii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending, or to his knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement or the due adoption of the District Resolutions, and there is no breach or default by the District under any other instruments which is caused by the issuance of the Bonds or the execution and delivery of this Purchase Agreement or the Continuing Disclosure Certificate;

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

on behalf of the District to their respective offices; and

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

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

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

(ii) the County Resolutions approving and authorizing the execution, sale and delivery of this Purchase Agreement and the issuance of the Bonds were duly adopted at a meeting of the Board of Supervisors, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption, and said County Resolutions have not been modified, amended, rescinded or revoked and are in full force and effect on the date hereof;

(iii) to the best knowledge of County Counsel, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public authority or body, pending or threatened against the County in which service of process has been completed (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective offices; (b) seeking to prohibit, restrain or enjoin the execution of this Purchase Agreement or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Resolutions or this Purchase Agreement; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds, or the application thereof to such payment; and

(iv) this Purchase Agreement has been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, this Purchase Agreement constitutes the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms;

provided that any County Counsel opinions regarding the enforcement of the Purchase Agreement, the County Resolutions and the Bonds may be expressly limited by the effect of bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought and by the limitations on legal remedies imposed on actions against counties in the State;

(13) The opinion of _____, counsel for the Underwriters, dated the date of Closing and addressed to the Underwriters, satisfactory in form and substance to the Underwriters;

(14) The opinion of Disclosure Counsel substantially in the form attached hereto as Exhibit B, subject to the satisfaction of the Underwriters, dated the date of Closing and addressed to the District and the Underwriters;

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

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

(ii) that the District Resolutions were duly adopted and have not been modified, amended, rescinded or revoked and are in full force and effect on the date of the Closing;

(16) A copy of each of the County Resolutions, certified by the Executive Officer - Clerk of the Board of Supervisors;

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

(18) The Insurance Policy;

(19) A certificate of each Insurer in form and substance satisfactory to Bond Counsel, County Counsel and counsel to the Underwriters;

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

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

(22) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters may reasonably request to evidence compliance (i) by the County, the District and the Paying Agent with

legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained, and (iii) the due performance or satisfaction by the County, the District and the Paying Agent at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

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

13. **Conditions to Obligations of the County and the District.** The performance by the County and the District of their obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder; and (ii) receipt by the District and the Underwriters of opinions and certificates being delivered at the Closing by persons and entities other than the County and the District.

14. **Expenses.** The Representative will pay certain expenses from the Expense Set Aside retained pursuant to paragraph 1 hereof, including, but not limited to the following: (i) the costs of the preparation and reproduction of the Resolutions; (ii) the fees and disbursements of Bond Counsel, Bond Counsel and Disclosure Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees for Bond ratings, including all necessary expenses for travel outside of California; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the initial fees of the Paying Agent; (vii) the premiums for the Insurance Policy; and (viii) all other fees and expenses incident to the issuance and sale of the Bonds or the performance of its obligations hereunder; provided that under no circumstances shall the Representative's liability for the foregoing costs and expenses exceed or be payable from any source other than the Expense Set Aside, and provided further that if the Expense Set Aside is not sufficient to pay all of the foregoing costs and expenses, the balance of such costs and expenses shall be paid solely by the District. [From time to time, the Representative shall disburse amounts from the Expense Set Aside upon receipt of and as directed in a written instruction of the District in substantially the form set forth in Exhibit C hereto. Undisbursed portions of the Expense Set Aside shall be held uninvested by the Representative. On _____, 2009, the Representative shall remit any undisbursed balance of the Expense Set Aside to the Treasurer, without the need for a written direction, and the Treasurer shall deposit and apply such moneys in accordance with the County Resolutions. TO BE DISCUSSED]

All out-of-pocket expenses of the Underwriters, including the California Debt Investment and Advisory Commission fee, expenses for travel of the Underwriters (including that connected with securing a rating on the Bonds) and other expenses of the Underwriters (except as provided

above), shall be paid by the Underwriters from any available source other than the Expense Set Aside.

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

16. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer and Tax Collector of the County of Los Angeles at 437 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012; if to the District, to the Chief Financial Officer of the Los Angeles Unified School District, 333 S. Beaudry Avenue, 26th Floor, Los Angeles, California 90017, or if to the Underwriters, to _____.

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

18. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Agreement when accepted by the County and the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriters with respect to the Bonds. This Purchase Agreement is made solely for the benefit of the County, the District and the Underwriters (including the successors or assigns of the Underwriters). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the County and the District in this Purchase Agreement shall survive, unless waived by the Underwriters, regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery of and payment by the Underwriters for the Bonds hereunder and (c) any termination of this Purchase Agreement.

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

[Remainder of Page Intentionally Left Blank]

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

Very truly yours,

[UNDERWRITERS]

By: _____, as Representative

_____

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

COUNTY OF LOS ANGELES

By:_____
Treasurer and Tax Collector

Approved as to form:

RAYMOND G. FORTNER, JR.
County Counsel

By:_____
Principal Deputy County Counsel

LOS ANGELES UNIFIED SCHOOL DISTRICT

By:_____
Chief Financial Officer

EXHIBIT A
MATURITY SCHEDULES

$_____
General Obligation Bonds
Election of 2002, Series D (2008)

Maturity Date (July 1)	Principal Amount	Interest Rate	Initial Public Offering Yield

$_____

General Obligation Bonds
Election of 2004, Series I (2008)

Maturity Date (July 1)	Principal Amount	Interest Rate	Initial Public Offering Yield

$_____

General Obligation Bonds
Election of 2005, Series F (2008)

Maturity Date (July 1)	Principal Amount	Interest Rate	Initial Public Offering Yield

TERMS OF REDEMPTION

The terms of redemption set forth in the Resolutions are supplemented and amended to include the following with respect to the Bonds:

[to come]

EXHIBIT B

[FORM OF OPINION OF DISCLOSURE COUNSEL TO COME]

EXHIBIT C

FORM OF INSTRUCTION TO DISBURSE EXPENSE SET ASIDE

[TO COME]

COPY CERTIFICATION BY DOCUMENT CUSTODIAN

State of California
County of Los Angeles } ss.

I, Jefferson Crain, hereby declare that the attached reproduction of Board of Education Report No. 106 – 08/09, Issuance of General Obligation Bonds, Measure K, Series D (2008), Measure R, Series I (2008), and Measure Y, Series F (2008) is a true, correct and complete photocopy of a document in my possession or control.

Signature of Affiant

Subscribed and sworn to (or affirmed) before me on this 15th day of October, 2008, by Jefferson Crain, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

(seal)

Signature of Notary

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

Date of Document October 14, 2008

Thumbprint of Signer

Type or Title of Document Board of Education Report No. 106 – 08/09, Issuance of General Obligation Bonds Measure K, Series D (2008), Measure R, Series I (2008), and Measure Y, Series F (2008)

Number of Pages in Document 42

Document in a Foreign Language _____

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

_____ Check here if no thumbprint or fingerprint is available.

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

Other Information: Certified 4 Copies

LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report

Report Number:	106-08/09
Date:	October 14, 2008
Subject:	Issuance of General Obligation Bonds, Measure K, Series D (2008), Measure R, Series I (2008), and Measure Y, Series F (2008)
Responsible Staff:	
Name	Timothy S. Rosnick
Office/Division	Controller
Telephone No.	(213) 241-7990

A. EXECUTIVE SUMMARY

Action Proposed:

The Board is requested to (1) approve the attached resolution (Attachment A) and forms of legal documents regarding the issuance of up to $950 million of general obligation bonds (the "2008 Bonds"); (2) review the information to be disclosed to it pursuant to AB 1482; (3) authorize the sale of the 2008 Bonds by competitive or negotiated sale; (4) direct the Chief Financial Officer and other Officers of the District to assemble the financing team and (5) authorize the Budget Services and Financial Planning Division to make the necessary budget adjustments to reflect the anticipated bond receipts.

Staff Recommendation and Rationale:

Approval of (1) the Resolution and the forms of legal documents regarding the issuance of up to $950 million of general obligation bonds, (2) the sale of the 2008 Bonds by competitive or negoatiated sale; (3) the proposed financing team and (4) the authorization of the Budget Services and Financial Planning Division to make the necessary budget adjustments and the review of (5) information to be disclosed to it pursuant to AB 1482. Without these approvals and review, the Chief Financial Officer cannot execute the necessary actions to assure the ongoing funding of Bond Program projects. Timing is critical as Fiscal Year 2008-09 expenditure projections provided by Facilities indicate that new bond proceeds are needed to supplement funds on hand to complete critical projects.

Background:

On November 5, 2002, voters approved a $3.35 billion local Measure K bond authorization. On March 2, 2004, voters approved a $3.87 billion local Measure R bond authorization. And on November 8, 2005, voters approved a $3.985 billion local Measure Y bond authorization. The three authorizations provide funds to repair and modernize existing District schools, build new schools to relieve overcrowding, and fund additional capital projects. The District has issued $2.75 billion of Measure K bonds,

$2.05 billion of Measure R bonds, and $694.4 million of Measure Y bonds to date.

This Board Report and the attached Resolution (Attachment A) provide for approval of the forms of a Preliminary Official Statement, Notice of Intention to Sell, Notice Inviting Proposals, Bond Purchase Contract, and a Continuing Disclosure Certificate for the issuance in one or more series of up to $250 million in general obligation bonds of the District under the Measure K authorization to be designated Election of 2002, Series D (2008), $550 million under the Measure R authorization to be designated Election of 2004, Series I (2008), and $150 million under the Measure Y authorization to be designated Election of 2005, Series F (2008) (collectively, the "2008 Bonds").

Effective January 1, 2007, AB 1482 applies to all new money general obligation bonds issued by school and community college districts in California. The intent of AB 1482 is to provide transparency in the bond issuance process, namely, by requiring a school district to publicly identify of the names of the Financial Advisor, Bond Counsel, Disclosure Counsel, and Underwriter(s) and the detailed, estimated costs of issuance for the bonds. See "Issues and Analysis" for a discussion of the District's compliance with these requirements in connection with the 2008 Bonds.

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

Budget Impact: No Impact. The 2008-09 budget will need to be adjusted to reflect the anticipated proceeds from the issuance of the 2008 Bonds, but the debt service payments attributable to these issuances will be supported by tax levies imposed on the District's taxpayers and not the District's General Fund.

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

Effect of "yes" vote: Will allow the 2008 Bonds to be executed as quickly as possible and ensure ongoing funding of Bond Program projects.

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

B. BOARD REPORT

Action Proposed: The Board is requested to (1) approve the attached resolution (Attachment A) approving the forms of a Preliminary Official Statement, Notice of Intention to Sell, Notice Inviting Proposals, Bond Purchase Contract and a Continuing Disclosure Certificate for the issuance in one or more series of up to $250 million in general obligation bonds of the District under the Measure K authorization to be designated Election of 2002, Series D (2008), $550 million under the Measure R authorization to be designated Election of 2004, Series I (2008) and $150 million under the Measure Y authorization to be designated Election of 2005, Series F (2008) (collectively, the "2008 Bonds"); (2) to review the information to be disclosed to it pursuant to AB 1482; (3) authorize the sale of the 2008 Bonds by competitive sale; (4) direct the Chief Financial Officer and other Officers of the District to assemble the financing team for the upcoming transaction to be comprised of Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, as Financial Advisor; Sidley Austin LLP as Bond Counsel and Special Tax Counsel, Hawkins, Delafield & Wood LLP as Disclosure Counsel and U.S. Bank National Association, as Paying Agent and (5) authorize the Budget Services and Financial Planning Division to make the necessary budget adjustments to reflect the anticipated bond receipts.

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

Board Options and Consequences: The Board may approve the Resolution, the forms of legal documents and Preliminary Official Statement, the financing team, and the sale of the 2008 Bonds on a competitive basis so that the sale can be executed as timely as possible.

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

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

Budget Impact: No Impact. The 2008-09 budget will need to be adjusted to reflect the anticipated proceeds from the issuance of the 2008 Bonds, but the debt service payments attributable to these issuances will be supported by tax levies imposed on the District's taxpayers and not the District's General Fund.

Issues and Analysis:

☐ **No legal issues**

☐ **Legal informative attached**

On November 5, 2002, voters approved a $3.35 billion local Measure K bond authorization. On March 2, 2004, voters approved a $3.87 billion local Measure R bond authorization. And on November 8, 2005, voters approved a $3.985 billion local Measure Y bond authorization. The three authorizations provide funds to repair and modernize existing District schools, build new schools to relieve overcrowding and fund additional capital projects. The District has issued $2.75 billion of Measure K bonds, $2.05 billion of Measure R bonds, and $694.4 million of Measure Y bonds to date.

This Board Report and the attached Resolution (Attachment A) provide for approval of the forms of a Preliminary Official Statement, Notice of Intention to Sell, Notice Inviting Proposals, Bond Purchase Contract, and a Continuing Disclosure Certificate for the issuance in one or more series of up to $250 million in general obligation bonds of the District under the Measure K authorization to be designated Election of 2002, Series D (2008), $550 million under the Measure R authorization to be designated Election of 2004, Series I (2008), and $150 million under the Measure Y authorization to be designated Election of 2005, Series F (2008) (collectively, the "2008 Bonds").

Effective January 1, 2007, AB 1482 applies to all new money general obligation bonds issued by school and community college districts in California. The intent of AB 1482 is to provide transparency in the bond issuance process, namely, by requiring a school district to publicly identify of the names of the Financial Advisor, Bond Counsel, Disclosure Counsel, and Underwriter(s) and the detailed, estimated costs of issuance for the bonds. Finance hereby provides the names of the Financial Advisor, Bond Counsel, and Disclosure Counsel below, with Section 18 of the Resolution containing this information as well. The name(s) of the Underwriter(s) will be provided once they are known after the competitive sale of the 2008 Bonds is completed. In addition, the estimated costs of issuance of the 2008 Bonds are presented as Attachment B. A detailed summary of the actual final costs of issuance will be provided to the Board and the public once the 2008 Bonds have been sold.

AB 1482 also requires the governing body to declare the method of sale of the bonds and the reason(s) for the selected method of sale. Because the benefit of competition among potential underwriters to purchase the 2008 Bonds is likely to result in the lowest possible interest cost to the

District's taxpayers, a competitive sale format best addresses the District's objective to minimize taxpayer cost. In addition, a competitive sale format allows the District to access the widest possible range of underwriters and the most efficient couponing and bond structure, as overseen by the District's Financial Advisor.

The District has successfully used the competitive sale format for prior general obligation bond issues as well as TRANs issues. In addition, the District has successfully used the negotiated sale format on prior general obligation bond, COPs, and TRANs issues. Thus, the District has successfully used both sale formats from time to time. The new underwriter pool is presently being put in place, but is not available in time for the 2008 Bonds transaction. Thus, the Chief Financial Officer recommends a competitive sale this time, in order not to delay the sale of the 2008 Bonds and risk insufficient funds for the Bond Program. The Resolution provides that the Chief Financial Officer, upon consultation with the Financial Advisor, may elect to negotiate the sale of the 2008 Bonds should it be in the District's best interest. This could occur, for example, if market conditions are so volatile or adverse that the competitive sale of the 2008 Bonds cannot go forward at the planned time but could be negotiated later with underwriters selected by the Chief Financial Officer, once the underwriting bench is in place.

The Chief Financial Officer recommends the following team of firms from the financial advisor and bond counsel benches to execute the 2008 Bonds financing: Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, Financial Advisor; Sidley Austin LLP, as Bond and Tax Counsel; Hawkins, Delafield & Wood LLP, as Disclosure Counsel; and U.S. Bank National Association, as Paying Agent for the 2008 Bonds.

Finally, the Chief Financial Officer recommends that the Board approve the forms of the legal documents and Preliminary Official Statement that are needed in order to execute the transaction and market the 2008 Bonds to investors.

Committee Information:

Information on the 2008 Bonds was provided to the Committee of the Whole on September 25, 2008 by the Controller.

Reporting Requirements and Benchmarks:

The Chief Financial Officer will report back to the Board on the results of the sale of the 2008 Bonds.

Accountable Staff: Chief Financial Officer

Applicable Board Delegations: N.A.

Superintendent's Comments: None.

Miscellaneous Issues and Matters: None.

☐ **Desegregation Impact Statement attached**
☐ **Division of Accountability and Systemwide Performance**
■ **Informative**

Respectfully submitted,

DAVID L. BREWER III
Superintendent of Schools

APPROVED & PRESENTED BY:

MEGAN K. REILLY
Chief Financial Officer

APPROVED BY:

DR. JAMES MORRIS
Chief of Staff

Attachment A
Resolution Authorizing Issuance of the 2008 Bonds

RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT AUTHORIZING THE SALE AND ISSUANCE OF LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2002, SERIES D IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $250,000,000, LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES I IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $550,000,000 AND LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2005, SERIES F IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $150,000,000, APPROVING THE SALE OF SUCH BONDS BY COMPETITIVE SALE PURSUANT TO THE NOTICE INVITING PROPOSALS OR BY NEGOTIATED SALE PURSUANT TO THE BOND PURCHASE AGREEMENT, APPROVING THE FORMS OF NOTICE OF INTENTION TO SELL, NOTICE INVITING PROPOSALS, BOND PURCHASE AGREEMENT AND CONTINUING DISCLOSURE CERTIFICATE, AUTHORIZING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE SAID BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES RELATING TO SAID BONDS

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

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $3.35 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure K Authorization") and the District has previously issued $2.75 billion of such general obligation bonds; and

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

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $3.87 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure R Authorization") and the District has previously issued $2.05 billion of such general obligation bonds; and

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

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $3.985 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure Y Authorization") and the District has previously issued $694.385 million of such general obligation bonds; and

WHEREAS, this Board of Education of the District (the "Board of Education") deems it necessary and desirable that the Board of Supervisors of the County of Los Angeles (the "County") shall authorize and consummate the sale of bonds pursuant to the Measure K Authorization designated the "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series D (2008)" or such additional or other series or subseries designations as may be approved in accordance with the provisions of this Resolution (the "Measure K Bonds"), in an aggregate principal amount not to exceed $250,000,000 according to the terms and in the manner hereinafter set forth; and

WHEREAS, this Board of Education deems it necessary and desirable that the Board of Supervisors of the County shall authorize and consummate the sale of bonds pursuant to the Measure R Authorization designated the "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series I (2008)" or such additional or other series or subseries designations as may be approved in accordance with the provisions of this Resolution (the "Measure R Bonds"), in an aggregate principal amount not to exceed $550,000,000 according to the terms and in the manner hereinafter set forth; and

WHEREAS, this Board of Education deems it necessary and desirable that the Board of Supervisors of the County shall authorize and consummate the sale of bonds pursuant to the Measure Y Authorization designated the "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series F (2008)" or such additional or other series or subseries designations as may be approved in accordance with the provisions of this Resolution (the "Measure Y Bonds" and, collectively with the Measure K Bonds and the Measure R Bonds, the "Bonds"), in an aggregate principal amount not to exceed $150,000,000 according to the terms and in the manner hereinafter set forth; and

WHEREAS, this Board of Education further deems it necessary and desirable to authorize the sale of the Bonds by competitive sale in an effort to obtain the lowest true interest cost on the Bonds pursuant to the Notice Inviting Proposals for Purchase of Bonds (the "Notice Inviting Proposals"), with such Bonds to be sold to the winning bidders pursuant to a Certificate of Award; and

WHEREAS, in light of the current turmoil in the financial markets and the possibility that the financial markets may be volatile at the time of the sale of the Bonds, this Board of Education further deems it necessary to authorize the sale of the Bonds by negotiated sale pursuant to the Bond Purchase Agreement with the underwriters from the then-established pool of underwriters named therein (the "Bond Purchase Agreement") should the Chief Financial Officer of the District, in consultation with the Treasurer and Tax Collector of the County (the

"Treasurer") and the District's Financial Advisor (defined below) determine at the time of sale of the Bonds that a negotiated sale to be in the best interest of the District; and

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

NOW, THEREFORE, THE BOARD OF EDUCATION OF LOS ANGELES UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

Section 1. **Recitals.** All of the above recitals are true and correct.

Section 2. **Purpose of Bonds.** The proceeds of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds will be applied for the purposes specified in Measure K and Measure R and Measure Y, respectively.

Section 3. **Request for Sale of Bonds.** The Board of Supervisors of the County (the "Board of Supervisors") is hereby requested to sell by competitive sale the following general obligation bonds of the District: (i) Measure K Bonds in an aggregate principal amount not to exceed $250,000,000 and to designate said bonds to be sold as the "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series D (2008)," (ii) Measure R Bonds in an aggregate principal amount not to exceed $550,000,000 and to designate said bonds to be sold as the "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series I (2008)," and (iii) Measure Y Bonds in an aggregate principal amount not to exceed $150,000,000 and to designate said bonds to be sold as the "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series F (2008)," with such additional or other series or subseries designations as may be approved in accordance with Section 11 and at such times as may be requested by the Chief Financial Officer (or the Interim Chief Financial Officer, if applicable) (the "Chief Financial Officer"), the Deputy Chief Financial Officer (or the Interim Deputy Chief Financial Officer, if applicable), the Controller of the District (or the Interim Controller, if applicable) (the "Controller"), or any other officer of the District authorized by the Chief Financial Officer or the Controller (each, an "Authorized Officer").

Section 4. **Terms of Bonds.**

(a) Date of Bonds. Each series of Bonds shall be dated the date as shall be set forth in the Notice Inviting Proposals with respect to such series of Bonds.

(b) Maturity. Each series of Bonds shall mature on the dates, in each of the years, in the principal amounts, as such principal amounts may be adjusted by an Authorized Officer subsequent to the receipt of bids, and in the aggregate principal amount as shall be set forth in the Notice Inviting Proposals with respect to such Bonds. No Bond shall mature later than a date which is 25 years from the date of such Bond, as set forth in the Notice Inviting Proposals with respect to such Bond.

(c) Interest Payment. The Bonds shall bear interest computed on the basis of a 360 day year of twelve (12) 30-day months (or computed on such other basis as shall be set forth in the Notice Inviting Proposals with respect to such Bonds), payable on January 1 and July 1 in each year or on such other interest payment dates and commencing on such dates, all as shall be set forth in the Notice Inviting Proposals with respect to such Bonds.

(d) Obligation. The obligation to pay principal and interest represented by the Bonds is a statutory obligation of the District, payable as described in the Notice Inviting Proposals with respect to such Bonds. The District hereby requests the Board of Supervisors of the County (the "Board of Supervisors") to annually levy a tax upon all taxable property in the District sufficient to pay the principal, redemption premium, if any, and interest on the Bonds as and when the same become due.

(e) Designation of Paying Agent. The Treasurer is designated to act as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds (in such capacity the "Paying Agent"). The Treasurer is authorized to enter into a contract with a bank or trust company doing business in and having a corporate trust office in Los Angeles, California, with at least $100,000,000 in net assets, to perform the services of the Paying Agent. If at any time the Treasurer shall resign or be removed as the Paying Agent, the Authorized Officers are authorized to appoint any successor Paying Agent with the consent of the Treasurer, and if no successor Paying Agent is appointed by the District, the Treasurer shall appoint a successor Paying Agent without further action by the District, which shall be a bank or trust company doing business in and having a corporate trust office in Los Angeles, California, with at least $100,000,000 in net assets.

Section 5. Redemption Provisions. The Bonds shall be subject to redemption prior to their respective stated maturity dates at the option of the District as set forth in the Notice Inviting Proposals with respect to such Bonds and in such Bonds. The Bonds shall also be subject to mandatory sinking fund redemption, as specified in the Notice Inviting Proposals with respect to such Bonds and in such Bonds. The Notice Inviting Proposals with respect to a series of Bonds may provide that such Bonds or any portion thereof shall not be subject to optional or mandatory sinking fund redemption.

Section 6. Sale of Bonds. The Bonds shall be sold at a competitive sale and under conditions set forth in the Notice Inviting Proposals, or by a negotiated sale pursuant to the Bond Purchase Agreement in the form on file with the Executive Officer and hereby approved, if determined by the Chief Financial Officer, in consultation with the Treasurer and the Financial Advisor to be in the best interest of the District.

The form of Notice of Intention to Sell Bonds (the "Notice of Intention") attached hereto as Exhibit C is hereby approved and authorized to be published in accordance with Section 53692 of the State Government Code. The form and distribution of the Notice Inviting Proposals substantially in the form attached hereto as Exhibit B are hereby approved in connection with the offering and sale of the Bonds. The actions of the Financial Advisor, on behalf of the District, in distributing the Notice Inviting Proposals, to such municipal bond broker-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Bonds therein offered for sale, are hereby approved. The Authorized Officers are hereby authorized and

directed on behalf of the District to cause the sale of the Bonds pursuant to the Notice Inviting Proposals, with such changes as such Authorized Officer in consultation with the Treasurer shall deem necessary or desirable to implement the sale of the Bonds consistent with the terms of this resolution.

The Treasurer or any authorized deputy or delegate of the Treasurer, in consultation with an Authorized Officer, is hereby authorized to accept the highest responsible bids for the Bonds producing the lowest true interest cost to the District; provided, that (i) the true interest cost for the Bonds of any series shall not be in excess of 8% per annum; (ii) the maximum interest rate (coupon) on the Bonds of any series shall not be in excess of 8% per annum; and (iii) the Bonds shall otherwise conform to the limitations specified herein. In the event two or more bids setting forth identical true interest costs are received, the first bid submitted, as determined by reference to the time displayed on the electronic bidding site, shall be deemed to be the winning bid. The Authorized Officer may, in his or her discretion, reject any and all bids and waive any irregularity or informality in any bid. The Treasurer, in consultation with the Chief Financial Officer, shall award the Bonds or reject all bids not later than 26 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder(s). The Board of Supervisors is hereby requested to cause the Notice Inviting Proposals to be approved on behalf of the County, subject to such changes or revisions therein as may be acceptable to the District and to the County, on behalf of the Board of Supervisors.

In the event that the Chief Financial Officer determines a negotiated sale of the Bonds is in the best interest of the District, an Authorized Officer is hereby authorized and directed on behalf of the District to execute the Bond Purchase Agreement, with such changes as such Authorized Officer shall deem necessary or desirable to implement the negotiated sale of the Bonds consistent with the terms of this Resolution; provided that (i) the true interest cost for the Bonds of any series shall not be in excess of 8% per annum; (ii) the maximum interest rate (coupon) on the Bonds of any series shall not be in excess of 8% per annum; (iii) the underwriter's discount shall not be in excess of 0.5% and (iv) the Bonds shall otherwise conform to the limitations specified herein. Such execution shall constitute conclusive evidence of the approval by the District of the Bond Purchase Agreement in the form finally executed.

In accordance with Section 15146 of the State Education Code, the estimated costs of issuance, including estimated underwriter's discount, for the (i) Measure K Bonds is $1,234,009.62, (ii) Measure R Bonds is $2,714,221.16 and (iii) Measure Y Bonds is $740,605.77. The actual costs of issuance shall be presented to and by this Board of Education at its next scheduled public meeting following the sale.

Section 7. Authorization of Preliminary Official Statement and Official Statement. The Authorized Officers, acting singly, are hereby authorized and directed on behalf of the District to prepare or cause to be prepared a preliminary official statement relating to each issue of Bonds (the "Preliminary Official Statement"). The form of the Preliminary Official Statement relating to the Bonds presented to this Board of Education is hereby approved. Tamalpais Advisors, Inc. - Kelling, Northcross & Nobriga, A Joint Venture, the Financial Advisor to the District in connection with the Bonds (the "Financial Advisor"), is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in purchasing the Bonds. Each Authorized Officer, acting singly, is hereby authorized

to certify on behalf of the District, that the Preliminary Official Statement was deemed final as of its date, within the meaning of Rule 15c2-12 ("Rule 15c2-12") promulgated under the Securities Exchange Act of 1934, as amended (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). The Official Statement in substantially said form (the "Official Statement"), with such changes as each Authorized Officer, acting singly, may approve (including all information previously permitted to have been omitted by Rule 15c2-12), which approval shall be conclusively evidenced by execution by such Authorized Officer of the Official Statement and delivery thereof to the original purchasers of the Bonds within 7 business days of the sale of the Bonds, is hereby approved.

Section 8. Investment of Proceeds. 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 directed in writing by the District.

(i) At the written direction of the District, given by an Authorized Officer, who is hereby expressly authorized to give such direction, all or any portion of the proceeds of the Bonds deposited in the building fund of the District (the "Building Fund") may be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State.

(ii) At the written direction of the District, given by an Authorized Officer, who is hereby expressly authorized to give such direction, all or any portion of the Building Fund of the District 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 necessary in order to maintain the then-current rating on the Bonds.

Section 9. Tax Covenants.

(a) General. The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate of the District (the "Tax Certificate"), to be entered into by the District on the date of issuance of the Bonds. The provisions of this subsection (a) shall survive payment in full or defeasance of the Bonds.

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

(c) Reliance on Opinion of Bond Counsel. Notwithstanding any provision of this Section, if the District shall provide to the Treasurer an opinion of counsel of nationally

recognized standing in the field of law relating to municipal bonds (an "Opinion of Bond Counsel") that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Treasurer may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 10. Continuing Disclosure. Any Authorized Officer is hereby authorized on behalf of the District to execute a Continuing Disclosure Certificate with respect to the Bonds in substantially the form attached hereto as Exhibit A, with such changes thereto as deemed necessary in order to permit the original purchasers of the Bonds to comply with the requirements of Rule 15c2-12. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate.

Section 11. Approval of Actions. The President of this Board of Education, the Executive Officer of this Board of Education and any Authorized Officer are hereby authorized and directed to execute and deliver any and all certificates and representations, including but not limited to (i) signature certificates, no litigation certificates, and certificates concerning the contents of the Official Statement, (ii) representation letters to The Depository Trust Company, (iii) each Tax Certificate, (iv) any other certificates proposed to be distributed in connection with the sale of the Bonds, including in connection with any policy of municipal bond insurance or other credit enhancement, and (v) any investment agreements entered into pursuant to the authority granted hereunder, which any of them deem necessary and desirable to accomplish the transactions authorized herein. All actions heretofore taken by the officers and agents of the Board with respect to the Bonds are hereby approved, confirmed and ratified.

Section 12. Notice to California Debt and Investment Advisory Commission. This Board of Education hereby authorizes and directs the Authorized Officers to cause notices of the proposed sale and final sale and itemized costs of issuance of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855.

Section 13. Authorization to Enter into Contracts Pursuant to California Government Code Section 5922. This Board of Education hereby finds that it is necessary from time to time to enter into contracts, arrangements or a program of contracts for one or more of the purposes described in California Government Code Section 5922, including, without limitation, credit enhancement agreements and other contracts of this type, and hereby finds that such arrangements are designed to maintain a lower overall cost of borrowing for the District and/or to enhance the relationship between risk and return with respect to investments related to a series of Bonds, and therefore authorizes any Authorized Officer to enter into such contracts on behalf of the District, and to pay to the provider of each such agreement (or to a trustee or paying agent to facilitate transfer to the provider) available funds sufficient for the purpose of making payments due from time to time under any such arrangements and to pay incidental costs in connection therewith.

Section 14. Citizen's Oversight Committee. This Board of Education certifies that it has established and appointed and shall maintain an independent citizens' oversight committee

pursuant to Section 15278 of the Education Code, to inform the public concerning the expenditure of proceeds of the Bonds by the date specified in such Section 15278.

Section 15. **Bond Accountability Measures.** This Board of Education certifies that it will conduct an annual, independent performance and financial audit to ensure that the funds approved by the voters have been expended only for the purposes authorized by Measure K or Measure R or Measure Y, as applicable, in accordance with Section 1(b) of Article XIIIA of the California Constitution and Section 15264 et seq. of the Education Code. This Board of Education further certifies it will direct the Chief Financial Officer to cause to be filed with the Board no later than January 1, 2009, and at least once a year thereafter, the annual report required pursuant to Measure K or Measure R or Measure Y, as applicable, and Section 53410 et seq. of the State Government Code.

Section 16. **Filing with Board of Supervisors.** Pursuant to Section 15140(a) of the Education Code, the Executive Officer of this Board of Education is hereby authorized and directed to file a certified copy of this Resolution with the Executive Officer-Clerk of the Board of Supervisors of the County.

Section 17. **Filing with Auditor-Controller and Treasurer of the County.** Pursuant to Section 15140(c) of the Education Code, the Executive Officer of this Board of Education or any Authorized Officer is also directed to cause a certified copy of this Resolution, and a copy of the debt service schedule for the Bonds, to be provided to the Treasurer and the Auditor-Controller of the County.

Section 18. **Other District Bonds.** The issuance and sale of any series of Bonds may be combined with the issuance and sale of any other general obligation bonds of the District.

Section 19. **Appointment of Financial Advisor, Bond Counsel, Disclosure Counsel and Disclosure of Identity of Original Purchasers.** In connection with the District's issuance and sale of the Bonds, the Chief Financial Officer or her designee is hereby authorized to enter into agreements for Financial Advisor, Bond Counsel, Disclosure Counsel and other professional services on behalf of the District as may be necessary or appropriate. Bond Counsel and Disclosure Counsel to the District in connection with the issuance of the Bonds shall be Sidley Austin LLP and Hawkins, Delafield & Wood LLP, respectively. Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, shall be the Financial Advisor to the District in connection with the issuance of the Bonds. In accordance with Section 15146 of the Education Code, this Board of Education will disclose the identity of the original purchasers of the Bonds at the public meeting occurring after such firms have been selected.

Section 20. **Effective Date.** This resolution shall take effect from and after its adoption.

Adopted and signed this 14 day of October, 2008, by the Board of Education of the Los Angeles Unified School District.

By: _____
Jefferson Crain, Executive Officer of the Board

EXHIBIT A

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Los Angeles Unified School District (the "District") in connection with the issuance of $_____ aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 200_, Series __(200_)" (the "Bonds"). The Bonds are being issued pursuant to a resolution (the "Resolution") adopted by the Board of Supervisors of the County of Los Angeles, California (the "County") on _____, 2008, at the request of the Board of Education of the District by its resolution adopted on _____, 2008. The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2 12(b)(5).

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

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"CUSIP Numbers" shall mean the Committee on Uniform Security Identification Procedure's unique identification number for each public issue of a security.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean Digital Assurance Certification, L.L.C., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Holder" shall mean either the registered owners of the Bonds, or if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" or "NRMSIRs" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The NRMSIRs are identified on the SEC website at "http://www.sec.gov/info/municipal/nrmsir.htm".

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and each State Depository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Depository" shall mean any public or private repository or entity designated by the State of California as the state depository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Certificate, there is no State Depository.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than 240 days after the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2007-2008 Fiscal Year (which is due not later than February 25, 2009), provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Dissemination Agent shall send a notice to each Repository, if any, in substantially the form attached hereto as Exhibit __.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Depository, if any; and

(ii) (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

(i) Adopted general fund budget of the District for the current fiscal year.

(ii) District average daily attendance.

(iii) District outstanding debt.

(iv) Information regarding total assessed valuation of taxable properties within the District, if and to the extent provided to the District by the County.

(v) Information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County.

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(i) principal and interest payment delinquencies.

(ii) non-payment related defaults.

(iii) modifications to rights of Holders.

(iv) optional, contingent or unscheduled bond calls.

(v) defeasances.

(vi) rating changes.

(vii) adverse tax opinions or events affecting the tax-exempt status of the Bonds.

(viii) unscheduled draws on the debt service reserves reflecting financial difficulties.

(ix) unscheduled draws on the credit enhancements reflecting financial difficulties.

(x) substitution of the credit or liquidity providers or their failure to perform.

(xi) release, substitution or sale of property securing repayment of the Bonds.

The District notes that items (viii), (ix), (x) and (xi) are not applicable to the Bonds.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall promptly file a notice of such occurrence with each National Repository or with the Municipal Securities Rulemaking Board, and with the State Depository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 6. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements and notices of Listed Events, the District shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall be Digital Assurance Certification, L.L.C. If at any time there is no designated Dissemination Agent appointed by the District, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the

Dissemination Agent hereunder, the District shall be the Dissemination Agent an undertake or assume its obligations hereunder. The Dissemination Agent (other than the District) shall not be responsible in any manner for the content of any notice or report required to be prepared by the District pursuant to this Disclosure Certificate.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; and

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) The amendment or waiver either: (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

(d) In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Holders or Beneficial Owners of at least 25% of aggregate principal amount of the Bonds then outstanding, shall) or any Holders or Beneficial Owners of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Los Angeles or in the U.S. District Court in the County of Los Angeles. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 200_

LOS ANGELES UNIFIED SCHOOL DISTRICT

By:_____
Megan K. Reilly
Chief Financial Officer

DIGITAL ASSURANCE CERTIFICATION,
L.L.C, as Dissemination Agent

By:_____
_____
_____

EXHIBIT ___

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: Los Angeles Unified School District

Name of Bond Issue: Los Angeles Unified School District General Obligation Bonds, Election of 200_, Series __ (200_)

Date of Issuance: _____, 200_

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated _____. [The District anticipates that the Annual Report will be filed by _____.]

Dated:_____

LOS ANGELES UNIFIED SCHOOL DISTRICT

By:_____

_____

_____

EXHIBIT B

FORM OF NOTICE INVITING PROPOSALS FOR PURCHASE OF BONDS

$950,000,000*
LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
consisting of
$250,000,000* GENERAL OBLIGATION BONDS, ELECTION OF 2002, SERIES D (2008)
$550,000,000* GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES I (2008)
$150,000,000* GENERAL OBLIGATION BONDS, ELECTION OF 2005, SERIES F (2008)

NOTICE IS HEREBY GIVEN that electronic unconditional proposals will be received by the Treasurer and Tax Collector of Los Angeles County (the "Treasurer") to and including the hour of [9:00 a.m.], Pacific Time, on _____, 2008, for the purchase of $250,000,000* principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series D (2008)" (the "Measure K Bonds"), $550,000,000* principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series I (2008)" (the "Measure R Bonds") and $150,000,000* principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series F (2008)" (the "Measure Y Bonds" and, together with the Measure K Bonds and the Measure R Bonds, the "Bonds"). Separate proposals must be submitted for each series of Bonds. Proposals may only be submitted electronically via the Parity Electronic Bid Submission System ("PARITY") in the manner described below. Within 26 hours of the deadline for the submission of bids, the Treasurer in consultation with the Chief Financial Officer (the "CFO") of the Los Angeles Unified School District (the "District"), or the designees of such officers, will consider the bids received and, if acceptable bids are received, award the sale of the the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds on the basis of the lowest true interest cost, as described herein. Notice of the award will be given promptly to the successful bidder(s) for each series of the Bonds. In the event that no bid is awarded by the designated time, the County of Los Angeles (the "County) will reschedule the sale to another date or time by providing notification through The Bond Buyer Wire.

THE RECEIPT OF BIDS ON ____DAY, _____, 2008, MAY BE POSTPONED OR CANCELLED AT OR PRIOR TO THE TIME BIDS ARE TO BE RECEIVED. NOTICE OF SUCH POSTPONEMENT OR CANCELLATION WILL BE COMMUNICATED BY THE COUNTY THROUGH THE BOND BUYER WIRE AS SOON AS PRACTICABLE FOLLOWING SUCH POSTPONEMENT OR CANCELLATION. If the sale is postponed, bids will be received at the hour and place set forth above on any weekday as the County may determine. Notice of the new date and time for receipt of bids shall be given through The Bond Buyer Wire as soon as practicable following a postponement. As an accommodation to bidders, telephone, electronic or fax notice of such postponement and of the new sale date and time will be given to any bidder requesting such notice from the District's Financial Advisor (the "Financial Advisor"), Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint

* Preliminary, subject to change.

Venture, Attention: Jean Buckley, telephone (415) 331-4473; fax: (415) 331-4479. Failure of any bidder to receive such electronic, telephonic or fax notice shall not affect the sufficiency of any required notice or the legality of the sale.

Right to Modify or Amend:

The County reserves the right to modify or amend this Notice Inviting Proposals for Purchase of Bonds (the "Notice Inviting Proposals") in any respect; provided, however, that any such modification or amendment shall be communicated to potential bidders through The Bond Buyer Wire [not later than 3:00 p.m. Pacific Time on the day preceding the day on which bids may be submitted]. Failure of any potential bidder to receive notice of any modification or amendment will not affect the sufficiency of any such notice or the legality of the sale.

Issue:

The Bonds will be dated the date of delivery (on or about _____, 2008), will be in denominations of $5,000 each, or integral multiples thereof, and will bear interest from the date of the Bonds to the maturity of each of the Bonds at the rate or rates such that the interest rate on any given maturity shall not exceed 8% per annum, with interest payable on January 1, 2009, and semiannually thereafter on January 1 and July 1 of each year during the term of each of the Bonds. The Bonds mature on January 1 in each of the years 2009 to 2028, inclusive, as follows (the "Designated Maturity Schedule"), although the estimated principal amounts set forth below are subject to adjustment following receipt of the winning bid as described in "Adjustment of Principal Amounts and Amortization Schedule of Bonds after Receipt of Bids":

DESIGNATED MATURITY SCHEDULE FOR MEASURE K BONDS

Year	Principal Amount
[2009]	$
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	

DESIGNATED MATURITY SCHEDULE FOR MEASURE R BONDS

Year	Principal Amount
[2009]	$
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	

DESIGNATED MATURITY SCHEDULE FOR MEASURE Y BONDS

Year	Principal Amount
[2009]	$
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	

Special Bidder's Option:

The purchaser may elect to combine any number of consecutive maturities of Bonds for which an identical yield to maturity has been specified to comprise term bonds by indicating such an election on the bid form. The election to create term bonds in such manner will require the creation of a mandatory sinking fund so that the sinking fund redemption payments shall equal the principal amount of the corresponding serial bond maturities.

Optional Redemption:

The Bonds shall be subject to redemption prior to their respective stated maturity dates at the option of the District, as provided below, or on such other dates and on such terms as communicated to potential bidders through The Bond Buyer Wire in accordance with this Notice Inviting Proposals. The Bonds maturing on or before [January 1, 20__], are not subject to

redemption prior to their fixed maturity dates. The Bonds maturing on or after [January 1, 20__], are subject to redemption at the option of the District, from any source of funds, as a whole or in part, on any date on or after [January 1, 20__], at the following redemption prices (expressed as a percentage of the principal amount of Bonds called for redemption), plus interest accrued thereon to the date fixed for redemption:

Redemption Period (Dates Inclusive)	Redemption Price
[January 1, 20__ through December 31, 20__]	102%
[January 1, 20__ through December 31, 20__]	101
[January 1, 20__ and thereafter]	100

Notice of Redemption:

Notice of redemption of any Bond will be mailed to the registered owner of each Bond to be redeemed in whole or in part, at the address shown on the registration records maintained by the Paying Agent designated for this issue of Bonds (the "Paying Agent"); such mailing to be at least 30, but not more than 60 days prior to the date set for redemption. Failure to mail notice to any owner will not affect the validity of the proceedings for the redemption of Bonds.

Registration of Bonds as to Principal and Interest and Place of Payment:

The Bonds, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only, in the denominations of $5,000 and integral multiples thereof. Purchasers will not receive physical certificates representing their interest in the Bonds purchased. Principal, premium, if any, and interest are payable in lawful money of the United States of America at the principal corporate trust office of the Paying Agent, to DTC, which in turn will remit such amounts to the beneficial owners of the Bonds through DTC's Participants, as described in the Preliminary Official Statement. The successful bidder will be required to pay any DTC fees to DTC directly.

Paying Agent:

_____ has been appointed the Paying Agent for the payment of principal and interest and for the registration of the Bonds and to hold the funds and accounts established pursuant to the County Resolution.

Authority:

The Bonds will be issued pursuant to the Constitution and laws of the State of California. The issuance of the Bonds was authorized by at least 55% of the vote of the qualified electors of the District voting at elections held on November 5, 2002, March 2, 2004 and November 8, 2005, as applicable, a Resolution of the Board of Supervisors (the "Board of Supervisors" of the County,

adopted on _____, 2008 and the Resolution of the Board of Education of the District adopted on _____, 2008.

Security:

Both principal of and interest on the Bonds are payable from an unlimited *ad valorem* tax levied against all of the taxable property (except certain personal property which is taxable at limited rates) in the District.

Form of Bid:

Each bid for each series of the Bonds must be submitted electronically via PARITY pursuant to the prescribed form of bid posted thereon (the "Official Bid Form"), in each case not later than 9:00 a.m., Pacific Time, on the date of sale. A bidder must submit separate bids for each series being bid. A bidder may submit a bid for one, two or all three series of Bonds. For purposes of submitting all bids, the time as maintained on PARITY shall constitute the official time.

WARNINGS REGARDING ELECTRONIC BIDS: NEITHER THE DISTRICT, THE COUNTY, THE FINANCIAL ADVISOR, NOR BOND COUNSEL SHALL BE RESPONSIBLE FOR, AND THE BIDDER EXPRESSLY ASSUMES THE RISK FOR ANY INCOMPLETE, INACCURATE OR UNTIMELY BID SUBMITTED VIA PARITY BY SUCH BIDDER, INCLUDING, WITHOUT LIMITATION, BY REASON OF GARBLED TRANSMISSION, MECHANICAL FAILURE, ENGAGED TELEPHONE OR TELECOMMUNICATIONS LINES, OR ANY OTHER CAUSE ARISING FROM DELIVERY VIA PARITY.

All bids which are submitted electronically via PARITY pursuant to the procedures described below shall be deemed to constitute a "Bid for Purchase of a Series of Bonds" and shall be deemed to incorporate by reference all of the terms and conditions of this Notice Inviting Proposals. The submission of a bid electronically via PARITY shall constitute and be deemed the bidder's signature on the Official Bid Form for such series of Bonds.

Procedures Regarding Electronic Bidding:

Bids may be submitted electronically via PARITY in accordance with this Notice Inviting Proposals, until 9:00 A.M., Pacific Time, [_____, 2008], but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice Inviting Proposals, the terms of this Notice Inviting Proposals shall control. For further information about PARITY, potential bidders may contact the Financial Advisor at (415) 331-4473 or PARITY at (212) 806-8304. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

(a) If a bid submitted electronically by PARITY is accepted by the County and the District, the terms of the Bid for Purchase of a Series of Bonds and this Notice Inviting Proposals and the information that is electronically transmitted through PARITY shall form a contract and the successful bidder shall be bound by the terms of such contract.

(b) PARITY is not an agent of the County and the District, and the County and the District shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the County and the District or information provided by the bidder.

(c) The County and the District may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via PARITY's internet site (www.tm3.com) no later than 5:00 P.M. (Pacific Time) on the last business day prior to the date of sale.

(d) Once the bids for a given series of Bonds are communicated electronically via PARITY to the County and the District as described above, each such bid will constitute a Bid for Purchase of a Series of Bonds and shall be deemed to be an irrevocable offer to purchase the series of Bonds on the terms provided in this Notice Inviting Proposals.

(e) Each bidder choosing to bid electronically shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with this Notice Inviting Proposals. Neither the County nor the District shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the County nor the District shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The County is using PARITY as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the County and the District harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

No bid received after the deadline shall be considered. In any case, each bid must be in accordance with the terms and conditions set forth in this official Notice Inviting Proposals.

Interest Rates:

All bids for the purchase of each series of the Bonds must state the rate or rates of interest to be paid and no bid at a price less than the par value of each series of Bonds will be considered. Bidders may specify any number of different rates to be borne on each series of Bonds, provided:

(i) The maximum interest rate bid for any maturity shall not exceed eight percent (8%) per annum;

(ii) All Bonds of the same maturity for a given series must bear the same rate of interest from its date to the stated maturity date at the interest rate specified in the Official Bid Form;

(iii) All interest rates must be in multiples of 1/8 or 1/20 of one percent; and

(iv) The rate of interest on any maturity for a given series shall not be more than four percent higher than the interest rate on any other maturity of the given series of the Bonds.

Adjustment of Principal Amounts and Amortization Schedule of Bonds after Receipt of Bids:

The principal amounts of each series of the Bonds set forth in the Designated Maturity Schedule reflect estimates of the District as to the likely interest rates of the winning bid and the original issue premium contained in the winning bid for such series. In order to achieve substantially level debt service in each Fiscal Year ending June 30, the District reserves the right subsequent to receiving bids to change the principal amounts schedule for a given series set forth above by adjusting one or more principal payments. Any such adjustment of principal amounts on the given series of Bonds shall be based on the schedule of principal amounts provided by the District to be used as the basis of bids for the given series of Bonds. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and no successful bid may be withdrawn. The bidder awarded a series of Bonds by the District shall not be permitted to withdraw its bid, change the interest rates in its bid or the reoffering prices in its Certificate Regarding Reoffering Prices as a result of any changes made to the principal amounts of such series of the Bonds in accordance with this Notice Inviting Proposals.

Such adjustments will not change the aggregate principal amount of a series of the Bonds to be issued from the amount set forth in the Designated Maturity Schedule or change the principal amount due with respect to such series of Bonds in any year by more than ten percent. The dollar amount bid for Bonds by the winning bidder(s) will be adjusted to reflect any such adjustment in the applicable amortization schedule. Any such adjustment will change the total (but not the per bond) dollar amount of underwriter's discount and original issue premium provided in such bid. Any such adjustment shall not result in the purchase price of the such series of Bonds being less than [100.___]%. Any such adjustment will be communicated to the winning bidder within 24 hours after the opening of the bids.

Costs to be Paid by Underwriter

If the transactions contemplated by this Notice Inviting Proposals are consummated, fees and expenses incurred by the District (the "Costs") shall be paid or cause to be paid by the successful bidder. The successful bidder agrees, by submitting a bid for the Measure K Bonds, to wire $[_____] at closing to _____, as Costs Administrator for the Bonds (the "Costs Administrator") for payment of the Costs for the Measure K Bonds. Thus, the minimum bid for the purchase of the Measure K Bonds is [100.___]%. The successful bidder agrees, by submitting a bid for the Measure R Bonds, to wire $[_____] at closing to the Costs Administrator for payment of the Costs for the Measure R Bonds. Thus, the minimum bid for the purchase of the Measure R Bonds is [100.___]%. The successful bidder agrees, by submitting a bid for the Measure Y Bonds, to wire $[_____] at closing to the Costs Administrator for payment of the Costs for the Measure Y Bonds. Thus, the minimum bid for the purchase of the Measure Y Bonds is [100.___]%. This amount must be paid not later than the date of delivery of the Bonds. Payment of this amount is not optional and is in addition to any purchase premium specified and any premium designated for municipal bond insurance. The Costs Administrator will deposit such funds in a special account established on behalf of the successful bidder and apply such

funds only to pay legally authorized costs of issuance pursuant to a written order of the District accompanied by approved invoices. Costs of issuance include fees and disbursements of the financial advisor, bond counsel, disclosure counsel, the costs of preparation, printing, posting, and delivery of the Official Statement, initial rating fees, costs of publication of notices of sale, and other expenses permitted by Section 15145 of the Education Code and does not include underwriter's discount, the cost of the premium for any municipal bond insurance, CDIAC fees (described below), CUSIP fees (described below), DTC fees or other customary underwriting expenses to be paid by the successful bidder under the terms of this Notice Inviting Proposals. Any balance remaining in such account [365] days after the issuance of a series of the Bonds shall be returned to the successful bidder.

[Qualification for Municipal Bond Insurance at Option of Bidder:

The District will submit documents to potential bond insurers to pre-qualify each series of the Bonds for a municipal bond insurance policy. If any series of the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs shall be paid by such bidder. Any failure of a series of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of his contractual obligations arising from the acceptance of his proposal to purchase such series of the Bonds.

The District will be responsible for obtaining underlying (i.e., uninsured) municipal bond ratings for each series of the Bonds from Moody's Investors Service and Standard & Poor's Ratings Group and for payment of any rating fees incurred in connection therewith, which payment shall be made in accordance with the procedure set forth in "Costs to be Paid by Underwriter" above.]

[Good Faith Deposit:

No good faith deposit is required to be submitted with bids.]

CUSIP Numbers:

CUSIP numbers will be applied for by the respective purchaser and will be printed on the applicable series of Bonds and the cost of service bureau assignment will be the purchaser's responsibility. Any delay, error or omission with respect thereto will not constitute cause for the purchaser to refuse to accept delivery of and pay for such series of Bonds.

California Debt and Investment Advisory Commission:

Each successful bidder will be required, pursuant to State law, to pay any fees to the California Debt and Investment Advisory Commission ("CDIAC"). CDIAC will separately invoice each successful bidder for such fees.

Right of Rejection:

The Treasurer in consultation with the CFO reserves the right in his discretion to reject any and all bids received and to waive any irregularity or informality in the bids, except that the time for

receiving bids shall be of the essence. [The winning bidder(s) shall have the right, at each of their option, to cancel the contract of purchase if the District shall fail to tender the Bonds for delivery within 60 days from the date of sale thereof.]

Minimum Bid

No bid will be accepted that does not offer a bid price of at least [100.___]% for a series of the Bonds (whether or not said bid price is adjusted pursuant to "Adjustment of Principal Amounts and Amortization Schedule of Bonds after Receipt of Bids"). The bid price such series of the Bonds shall not include any amounts to be used to pay the customary underwriting costs or the excluded costs set forth under "Costs to be Paid by Underwriter."

Basis of Award and Delivery:

Unless all bids are rejected, the Bonds will be awarded to the bidder whose proposal results in the lowest true interest cost ("TIC") to the District, which TIC may not exceed 8%. The TIC will be that nominal interest rate which, when compounded semiannually and applied to discount all payments of principal and interest payable on a series of the Bonds to the date of such series of the Bonds, results in an amount equal to the principal amount of such Bonds plus the amount of any premium bid. For the purpose of calculating the TIC, mandatory sinking fund payments for any Term Bonds specified by each bidder will be treated as Bonds maturing on the dates of such mandatory sinking fund payments. In the event that two or more bidders offer bids for a series of the Bonds at the same lowest TIC, the bidder who submitted the first bid (as determined by PARITY) will be awarded such series of the Bonds. Bid evaluations or rankings made by PARITY are not binding on the District.

Delivery of each series of the Bonds will be made to the purchaser through DTC upon payment in immediately available funds to the Treasurer on or about _____, 2008 (the "Closing").

Prompt Award:

The Treasurer, or the designee of such officer, will take action awarding each series of the Bonds or rejecting all bids not later than 26 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

Legal Opinion:

Sidley Austin LLP has been retained by the District as Bond Counsel ("Bond Counsel") and in such capacity are to render an approving opinion upon the legality of the Bonds under California law and on the exemption of the interest income on such Bonds from federal and State of California income taxes. The Bonds are sold with the understanding that the respective purchaser will be furnished with an opinion of Bond Counsel entitling the purchaser to rely on the approving opinion of Sidley Austin LLP. The form of Bond Counsel's opinion is set forth in [Appendix B] of the Preliminary Official Statement and the final Official Statement.

The respective purchaser will receive a disclosure opinion from Hawkins Delafield & Wood LLP as Disclosure Counsel ("Disclosure Counsel") regarding the Official Statement.

Tax Status:

In the opinion of Bond Counsel, under existing laws, interest on the Bonds is exempt from all present State of California personal income taxes, and assuming compliance with certain covenants made by the District, and requirements of the Internal Revenue Code of 1986, as amended, interest on the Bonds is not includable in the gross income of the owners of the Bonds for federal income tax purposes, provided that such interest may be included in the calculation of federal alternative minimum taxable income. Should changes in the law cause Bond Counsel's opinion to change prior to delivery of the Bonds to the purchaser, the purchaser will be relieved of its responsibility to purchase the Bonds.

Certificate Regarding Reoffering Prices:

Not later than one hour after receiving the verbal award, the successful bidder for a series of Bonds must submit to the District and to Bond Counsel a certificate specifying for each maturity the reoffering price at which at least 10% of the Bonds of such maturity were first sold (or the price at which all of the Bonds awarded to the successful bidder were offered in a bona fide public offering and as of the date of award of such Bonds to the successful bidder reasonably expected to be sold) to the public. Such certificate shall be in form attached hereto as Exhibit A. Any requests for changes to such certificate must be submitted to Bond Counsel by the close of business on _____.

No Litigation and Tax Certificates:

At Closing, the District will execute and deliver a certificate stating that no litigation is pending affecting the issuance and sale of the Bonds. The District will also execute and deliver the Tax Certificate covering its reasonable expectations concerning the Bonds and the use of proceeds thereof.

Continuing Disclosure Certificate:

In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the District will undertake, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A form of the Continuing Disclosure Certificate is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Official Statement:

The District will make available a Preliminary Official Statement relating to the Bonds, an electronic copy of which, along with related documents, will be furnished upon request made either by mail to the Financial Advisor, Tamalpais Advisors, Inc., 3030 Bridgeway, Suite 340, Sausalito, California 94965, or telephoned to said advisor at (415) 331-4473. Such Preliminary Official Statement, together with any supplements thereto, shall be in form "deemed final" by the District for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final official statement (the "Official Statement"). Bidders must read the entire Preliminary Official Statement to obtain information essential to the making of an informed decision to bid. The District agrees to provide a reasonable number of copies of the Official

Statement to the winning bidder(s) of each series of the Bonds at the District's expense within seven business days of the date of sale. The District shall deliver, at closing, a certificate, executed by appropriate officers of the District acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of circumstances under which they were made not misleading.

Dated: _____, 2008

COUNTY OF LOS ANGELES

By: /s/ Mark J. Saladino
Treasurer and Tax Collector

EXHIBIT A

$_____*
LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
consisting of
$_____* GENERAL OBLIGATION BONDS, ELECTION OF 20__, SERIES __ (2008)

FORM OF CERTIFICATE AS TO ISSUE PRICE OF PORTION OF BONDS

This Certificate is furnished by _____, as Original Purchaser (the "Original Purchaser") of $_____* aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 20__, Series __ (2008)" (the "Bonds"), to establish the initial offering price of said portion of the Bonds for purposes of determining the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code").

THE ORIGINAL PURCHASER DOES HEREBY CERTIFY as follows:

1. The Original Purchaser reasonably expected on _____, 2008, which is the date on which the Original Purchaser agreed to purchase such Bonds (the "Sale Date"), that all of the Bonds purchased by the Original Purchaser would be sold to the general public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or

*Preliminary, subject to change.

wholesalers) at an initial offering price of _____% of the principal amount thereof (the "Initial Public Offering Price").

2. The Original Purchaser has made a bona fide offering of the Bonds purchased by the Original Purchaser to the general public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not in excess of the Initial Public Offering Price. The Initial Public Offering Price is equal to $_____ (representing $_____ aggregate principal amount of the Bonds, plus original issue premium of $_____).

3. The Original Purchaser first sold for cash as of the Sale Date at least ten percent of the aggregate principal amount of the Bonds purchased by the Original Purchaser to the general public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not in excess of the Initial Public Offering Price.

4. The Initial Public Offering Price does not exceed the fair market value of the Bonds as of the Sale Date.

Dated: _____, 2008

_____, as Original Purchaser

By:_____
Name:
Title:

EXHIBIT C

NOTICE OF INTENTION TO SELL BONDS

$950,000,000*
LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
consisting of
$250,000,000* GENERAL OBLIGATION BONDS, ELECTION OF 2002, SERIES D (2008)
$550,000,000* GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES I (2008)
$150,000,000* GENERAL OBLIGATION BONDS, ELECTION OF 2005, SERIES F (2008)

NOTICE IS HEREBY GIVEN that electronic bids will be received by the Treasurer and Tax Collector (the "Treasurer") of the County of Los Angeles (the "County") on ____, 2008, at 9:00 a.m., Pacific Time, for the purchase of $250,000,000* aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series D (2008)" (the "Measure K Bonds"), $550,000,000* aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series I (2008)" (the "Measure R Bonds") and $150,000,000* aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series F (2008)" (the "Measure Y Bonds" and, together with the Measure K Bonds and the Measure R Bonds, the "Bonds"). [Separate proposals may be submitted for each series of Bonds.] Bids for the Bonds will be received exclusively and electronically through the PARITY Electronic Bid Submission System.

Within 26 hours of the deadline for the submission of bids, the Treasurer, in consultation with the Chief Financial Officer of the Los Angeles Unified School District, or a designee of either such officer, will consider the bids received and, if an acceptable bid or bids are received, award the sale of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds on the basis of the respective true interest cost of each series of the Bonds so long as (i) the aggregate principal amount of the Measure K Bonds does not exceed $250,000,000*, the aggregate principal amount of the Measure R Bonds does not exceed $550,000,000*, and the aggregate principal amount of the Measure Y Bonds does not exceed $150,000,000*, and (ii) the lowest true interest cost of each series of Bonds does not exceed 8%. In the event that no bid is awarded by the designated time, the County will reschedule the sale to another date or time by providing notification through The Bond Buyer Wire. The County reserves the right to change the time or postpone the date of the sale to any other time or date by providing notification through The Bond Buyer Wire.

NOTICE IS HEREBY FURTHER GIVEN that the Bonds will be offered for public sale subject to the terms and conditions of the Notice Inviting Proposals for Purchase of Bonds. An electronic copy of the Preliminary Official Statement relating to the Bonds will be furnished upon request to the District's Financial Advisor, Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, Attention: Jean Buckley, telephone (415) 331-4473; fax (415) 331-4479 on or about _____, 2008.

Dated:_____, 2008

*Preliminary, subject to change.

COUNTY OF LOS ANGELES

By: /s/ Mark J. Saladino
Treasurer and Tax Collector

Attachment B
Estimated Costs of Issuance of the 2008 Bonds

ATTACHMENT B

Los Angeles Unified School District
General Obligation Bonds, Election of 2002, Series D (2008)
General Obligation Bonds, Election of 2004, Series I (2008)
General Obligation Bonds, Election of 2005, Series F (2008)
ESTIMATED COSTS OF ISSUANCE AND UNDERWRITING

	$950,000,000 PAR AMOUNT	Measure K $250,000,000 26.32%	Measure R $550,000,000 57.89%	Measure Y $150,000,000 15.79%
Items included in "Costs of Issuance" category within Uses of Funds that represent fixed costs:				
BOND COUNSEL: Sidley Austin LLP - Fee and Disbursements	$ 50,000.00	$ 13,157.89	$ 28,947.37	$ 7,894.74
TAX COUNSEL: Sidley Austin LLP - Fee and Disbursements	30,000.00	7,894.74	17,368.42	4,736.84
DISCLOSURE COUNSEL: Hawkins Delafield and Wood LLP - Fee and Disbursements	55,000.00	14,473.68	31,842.11	8,684.21
PAYING AGENT: First annual administrative and COI disbursement fees, per County Master Contract	1,500.00	500.00	500.00	500.00
OVERLAPPING DEBT STATEMENT FOR POS/OS: California Municipal Statistics	525.00	138.16	303.95	82.89
S & P: Rating agency fee	67,500.00	17,763.16	39,078.95	10,657.89
MOODY'S: Rating agency fee	53,500.00	14,078.95	30,973.68	8,447.37
LAUSD RESOURCES	185,500.00	48,815.79	107,394.74	29,289.47
OUTSIDE LEGAL COUNSEL (to General Counsel)	69,603.55	18,316.72	40,296.79	10,990.03
BOND PROGRAM AUDIT	153,208.00	40,317.89	88,699.37	24,190.74
PRINTING AND MAILING OF POS/OS: Printer	7,000.00	1,842.11	4,052.63	1,105.26
DISSEMINATION AGENT: Digital Assurance Certification (DAC) - Fees for set up of new issue on DAC's website	2,500.00	657.89	1,447.37	394.74
FINANCIAL ADVISORY FEE: Master Resolution Project (Tamalpais Advisors, Inc - Kelling Northcross & Nobriga)	3,000.00	789.47	1,736.84	473.68
FINANCIAL ADVISORY FEE: Summer Bond Issue (Tamalpais Advisors, Inc - Kelling Northcross & Nohriga)	85,000.00	22,368.42	49,210.53	13,421.05
FINANCIAL ADVISORY FEE: Bond Program Debt Management Projects (Tamalpais Advisors, Inc - Kelling Northcross & Nobriga)	35,000.00	9,210.53	20,263.16	5,526.32
FINANCIAL ADVISOR'S DISBURSEMENTS: Tamalpais Advisors, Inc. - KNN	15,000.00	3,947.37	8,684.21	2,368.42
FINANCIAL ADVISOR'S ADVANCES	25,000.00	6,578.95	14,473.68	3,947.37
MISCELLANEOUS	50,000.00	13,157.89	28,947.37	7,894.74
Grand Total COI	*$ 888,836.55*	*$ 234,009.62*	*$ 514,221.16*	*$ 140,605.77*
Items within Uses of Funds that represent variable costs:				
UNDERWRITING FEES AND EXPENSES * (Estimate Only)	3,800,000.00	1,000,000.00	2,200,000.00	600,000.00
Grand Total Underwriting	*$ 3,800,000.00*	*$ 1,000,000.00*	*$ 2,200,000.00*	*$ 600,000.00*
Grand Total All Costs	*$ 4,688,836.55*	*$ 1,234,009.62*	*$ 2,714,221.16*	*$ 740,605.77*

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

EXECUTIVE OFFICER'S CERTIFICATE

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

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Education of said District duly and regularly held at the regular meeting place thereof on Oct. 14, 2008, at which meeting all of the members of said Board of Education had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES: 6

NOES: 0

ABSTAIN: 0

ABSENT: 1

An agenda of said meeting was posted at least 72 hours before said meeting at 333 South Beaudry Avenue, Los Angeles, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the adopted resolution on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 14 day of October, 2008.

By: _____

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