Michael Matthews, Ed.D.
Superintendent

Board of Trustees

Penny Bordokas
Bill Fournell
Karen Komatinsky
Ellen Rosenberg
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Manhattan Beach Unified School District

325 South Peck Avenue • Manhattan Beach • California 90266 • (310) 318-7345 • FAX (310) 303-3822

February 2, 2012

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES
37 February 14, 2012
SACHI A. HAMAI
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
c/o Olga Castaneda, Head Board Specialist
383 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

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

Dear Supervisors:

On November 4, 2008, the electorate of the Manhattan Beach Unified School District (the "District") authorized the District to issue bonds in the aggregate principal amount of up to $67,480,000. At this time, the District has authorized and intends to issue a portion of said authorized bonds in an aggregate initial principal amount of not to exceed $20,000,000, to be designated "Manhattan Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds, 2012 Series D" and "Manhattan Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds, 2012 Series E" (collectively, the "Bonds"). This action was approved by resolution adopted by the Board of Trustees of the District on February 1, 2012, pursuant to Section 53506 *et seq*. of the California Government Code and other applicable provisions of law, a copy of which is enclosed.

The District formally requests, in accordance with Education Code Section 15250 and other applicable provisions of law, that the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") adopt the enclosed resolution on February 14, 2012, to levy the appropriate taxes for the payment of the Bonds and to direct the Auditor-Controller of the County to place these taxes on the tax roll every year according to a debt service schedule and instructions that will be provided upon the sale of the Bonds, currently scheduled to occur in February, 2012.

IT IS THEREFORE REQUESTED THAT:

1. The Board of Supervisors adopt the enclosed resolution (the "Resolution") on February 14, 2012. (Two originals are enclosed which have been approved as to form by County Counsel.)

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

Robert J. Whalen, Esq.
Stradling Yocca Carlson & Rauth, a Professional Corporation
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660

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

Los Angeles County Treasurer and Tax Collector
ATTN: John Patterson, Assistant Director — Public Finance
500 W. Temple Street, Room 432
Los Angeles, CA 90012

Los Angeles County Auditor Controller
ATTN: Jackie Guevarra
500 W. Temple Street, Room 603
Los Angeles, CA 90012

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

Sincerely,

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

By: _____
Rick Bagley, Deputy Superintendent

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

WHEREAS, a duly called election was held in the Manhattan Beach Unified School District, Los Angeles County, State of California (hereinafter referred to as the "District"), on November 4, 2008 (the "Authorization") and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite fifty-five percent vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of $67,480,000, payable from the levy of an *ad valorem* tax against the taxable property in the District;

WHEREAS, the Board of Trustees of the District (the "District Board") has determined in a Resolution adopted on February 1, 2012 (the "District Resolution") to issue and sell its Election of 2008 General Obligation Bonds in one or more series to be lettered sequentially beginning with the letter "D" (the "Bonds") pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Section 53506) of the California Government Code (the "Bond Law") in an amount not to exceed $20,000,000;

WHEREAS, the District has certified that it did not receive a qualified or negative certification on its most recent interim report;

WHEREAS, the District Resolution formally requests this Board of Supervisors (the "County Board") to permit the District to issue the Bonds on its own behalf, to levy taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, and to direct the Auditor-Controller of the County of Los Angeles (the "Auditor-Controller") to place on its 2012-13 tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Bonds that will be provided to the Auditor-Controller by the District following the sale of the Bonds; and

WHEREAS, the District has requested that the County of Los Angeles Treasurer and Tax Collector (the "Treasurer") be appointed by the County Board to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds pursuant to the District Resolution.

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

SECTION 1. Issuance of Bonds. That, pursuant to Section 15140(b) of the California Education Code, the County of Los Angeles is granted the power to and hereby approves the issuance of the Bonds by the District on its own behalf under the Bond Law.

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

SECTION 3. Preparation of Tax Roll. That the Auditor-Controller is hereby directed to maintain on its 2012-13 tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedule for the Bonds, which will be provided to the Auditor-Controller by the District following the sale of the Bonds.

SECTION 4. Paying Agent. That the Treasurer, or the Treasurer's third-party designee, act as Paying Agent for the Bonds. The Treasurer is authorized to contract with a third party to perform the services of Paying Agent.

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

The foregoing resolution was adopted on the 14th day of February, 2012, by the Board of Supervisors of Los Angeles County and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

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

By: Sachelle Smitherman
DEPUTY

APPROVED AS TO FORM:

JOHN F. KRATTLI
ACTING COUNTY COUNSEL

By: _____
Principal Deputy County Counsel

RESOLUTION NO. 2012-2

RESOLUTION OF THE BOARD OF TRUSTEES OF MANHATTAN BEACH UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF THE MANHATTAN BEACH UNIFIED SCHOOL DISTRICT (LOS ANGELES COUNTY, CALIFORNIA) ELECTION OF 2008 GENERAL OBLIGATION BONDS IN ONE OR MORE SERIES PURSUANT TO CERTAIN PROVISIONS OF THE GOVERNMENT CODE IN A PRINCIPAL AMOUNT NOT TO EXCEED $20,000,000 AND APPROVING CERTAIN OTHER MATTERS RELATED THERETO

WHEREAS, a duly called municipal election was held in the Manhattan Beach Unified School District (the "District"), Los Angeles County (the "County"), State of California, on November 4, 2008 (the "Election") and thereafter canvassed pursuant to law;

WHEREAS, at the Election, there was submitted to and approved by the requisite fifty-five percent of the qualified electors a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of $67,480,000 payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization");

WHEREAS, pursuant to the Authorization, the County issued the $7,651,589.45 Manhattan Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds, 2009 Series A;

WHEREAS, pursuant to the Authorization, the District issued the $9,738,877.20 Manhattan Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds, 2010 Series B;

WHEREAS, pursuant to the Authorization, the District issued the $12,270,000 Manhattan Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds, 2010 Series C;

WHEREAS, at this time this Board of Trustees of the District (the "Board") has determined that it is necessary and desirable to issue one or more series of bonds pursuant to the Authorization in an aggregate principal amount not to exceed $20,000,000 (the "Bonds");

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), the Bonds are authorized to be issued for the purposes set forth in the ballot submitted to voters at the Election, including to make payment of lease payments related to the District's Certificates of Participation Series A of 2001 (the "2001 Certificates");

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

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

SECTION 1. Purpose. To raise money for the purposes authorized by voters of the District at the Election, including to make payment of all remaining lease payments related to the 2001 Certificates, and to pay all necessary legal, financial and contingent costs in connection with the issuance of the Bonds, this Board hereby authorizes the issuance of the Bonds in one or more series. The Bonds to be issued and sold are designated as the "Manhattan Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds Series __," with each series of Bonds to be lettered sequentially beginning with the letter "D." The Bonds may be issued as Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, or any combination thereof, with the interest on any Bond to be subject to federal income taxation or excluded from federal income taxation as determined at the time of sale.

SECTION 2. Paying Agent. This Board does hereby appoint the Los Angeles County Treasurer and Tax Collector (the "Treasurer") to act as authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds on behalf of the District and consents to the Treasurer's contracting with a third party to perform the services of Paying Agent.

SECTION 3. Approval of Purchase Contract The form of the Contract of Purchase (the "Purchase Contract") by and between the District and E. J. De La Rosa & Co., Inc., as underwriter (the "Underwriter"), for the purchase and sale of the Bonds, substantially in the form on file with the Clerk of the Board, is hereby approved and the Superintendent of the District, the Deputy Superintendent of the District and such other officers or employees of the District as either of such individuals may designate (the "Authorized Officers"), each alone, is hereby authorized to execute and deliver a Purchase Contract for each series of Bonds, but with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by his execution and delivery thereof; provided, however, that the maximum interest rate on the Bonds shall not exceed the maximum rate permitted by law, and that the Underwriter's discount or fee for selling a series of the Bonds, excluding original issue discount on the Bonds, shall not exceed 1.5% of the aggregate of principal amount of Bonds issued in such series. A Purchase Contract may be for one series of Bonds or for multiple series of Bonds. The Board hereby approves the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriter to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. The Board estimates that the costs associated with the issuance of the Bonds, including compensation to the Underwriter and any such costs which the Underwriter agrees to pay pursuant to the Purchase Contract, will equal approximately 3.0% of the principal amount of the Bonds. The Authorized Officers, each alone, are further authorized to determine the principal amount of the Bonds to be specified in the Purchase Contract for each series, provided that the aggregate principal amount of Bonds sold under this Resolution shall not exceed $20,000,000, and to enter into and execute one or more Purchase Contracts with the Underwriter, if the conditions set forth in this Resolution are satisfied.

The terms of each Purchase Contract shall recite the aggregate principal amount of the Bonds being sold thereunder, and with respect to the Current Interest Bonds shall recite the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof; and with respect to the Capital Appreciation Bonds shall recite the date thereof, the initial principal amounts, maturity dates, and maturity values of each maturity thereof, and the

terms of optional and mandatory sinking fund redemption, if any, thereof; and, with respect to the Convertible Capital Appreciation Bonds, shall recite the date thereof, the Conversion Dates (defined below) thereof, initial principal amounts, accreted values at the Conversion Dates and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption, if any, thereof.

SECTION 4. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract or in the Official Statement):

(a) **"Accreted Interest"** means, with respect to the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds, the interest that has accrued on such Bond at the Accretion Rate from its Dated Date.

(b) **"Accretion Rate"** means, unless otherwise provided by the applicable Purchase Contract, the rate which, (i) when applied to the Principal Amount of any Capital Appreciation Bond and compounded semiannually on each March 1 and September 1 commencing on the first March 1 or September 1 following the issuance of such Bond, produces the Maturity Value on the maturity date, and (ii) when applied to the Principal Amount of any Convertible Capital Appreciation Bond and compounded semiannually on each March 1 and September 1 commencing on the first March 1 or September 1 following the issuance of such Bond, produces the Conversion Value for such Bond on the Conversion Date.

(c) **"Accreted Value"** means with respect to the Capital Appreciation Bonds and any Convertible Capital Appreciation Bonds prior to the Conversion Date, as of the date of calculation, the Principal Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each March 1 and September 1 commencing on the first March 1 or September 1 following the issuance of such Bond, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

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

(e) **"Bond Obligation"** means, from time to time as of the date of calculation, with respect to any Current Interest Bond the Principal Amount thereof, with respect to any Capital Appreciation Bond, the Accreted Value thereof, and with respect to any Convertible Capital Appreciation Bond, prior to the Conversion Date the Accreted Value thereof and after the Conversion Date the Conversion Value thereof.

(f) **"Bond Payment Date"** means (i) with respect to any Bonds of a series which bear interest on a current basis, the payment dates specified in the Purchase Contract for such series of Bonds, and (ii) with respect to Principal payments on the Bonds of a series, the dates provided in the Purchase Contract for such series.

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

(h) **"Code"** means the Internal Revenue Code of 1986, as amended.

(i) **"Continuing Disclosure Certificate"** means that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of a series of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

(j) **"Conversion Date"** means, with respect to each Convertible Capital Appreciation Bond, the date as stated in the Purchase Contract, as the date on which such Convertible Capital Appreciation Bond converts to a Bond which bears interest payable on each Bond Payment Date.

(k) **"Conversion Value"** means the Accreted Value of a Convertible Capital Appreciation Bond as of its Conversion Date.

(l) **"Convertible Capital Appreciation Bonds"** means any Bonds which are originally issued as Capital Appreciation Bonds, but which convert to Current Interest Bonds on a Conversion Date. Prior to its Conversion Date, a Convertible Capital Appreciation Bond shall be treated as a Capital Appreciation Bond hereunder and after the Conversion Date shall be treated as a Current Interest Bond hereunder.

(m) **"Current Interest Bonds"** means the Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract for such Bonds.

(n) **"Dated Date"** means the date on which a Bond is initially issued by the District and delivered to the initial purchaser thereof.

(o) **"Depository"** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Bonds, or such other securities depository acting as Depository pursuant to Section 5(c) hereof.

(p) **"Information Services"** means national information services that disseminate securities redemption notices; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the District and the Paying Agent or as the Paying Agent may select.

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

(r) **"Nominee"** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 5(c) hereof.

(s) **"Outstanding,"** when used with reference to the Bonds, means, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

(i) Bonds canceled at or prior to such date;

(ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to this Resolution; or

(iii) Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 18 of this Resolution.

(t) **"Owner"** means the registered owner of a Bond as shown on the bond register maintained by the Paying Agent in accordance with Section 7 hereof.

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

(v) **"Paying Agent"** means the Treasurer and Tax Collector of the County, or such other financial institution appointed by the Superintendent, or any successor thereto, serving as the authenticating agent, bond registrar, transfer agent and paying agent.

(w) **"Principal"** or **"Principal Amount"** means, with respect to any Current Interest Bond, the principal amount thereof and, with respect to any Capital Appreciation Bond or Convertible Capital Appreciation Bond before its Conversion Date, the initial principal amount thereof as of its date of issuance as stated in the Purchase Contract for such Bond.

(x) **"Record Date"** means the close of business on the fifteenth (15th) day of the month preceding each Bond Payment Date.

(y) **"Securities Depositories"** means The Depository Trust Company, 55 Water Street, New York, New York 10041, Telephone: (212) 855-1000, Facsimile transmission: (212) 855-7320 or such other depository as is appointed by the District or the Paying Agent from time to time and whose business is to perform the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of the Securities Exchange Act of 1934, and who is registered as a clearing agency under Section 17A of the Act.

(z) **"Tax Certificate"** means the certificate by that name executed by the District on the date of issuance of a series of Bonds the interest on which is excluded from gross income for federal income tax purposes.

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

(bb) **"Transfer Amount"** means, with respect to any Outstanding Current Interest Bond, the Principal Amount, with respect to any Outstanding Capital Appreciation Bond, the Maturity Value and, with respect to any Outstanding Convertible Capital Appreciation Bond, its Conversion Value.

SECTION 5. Terms of the Bonds.

(a) Denomination, Interest, Dated Dates. The Bonds shall be issued as bonds registered as to both Principal and interest, in the denominations of, with respect to the Current Interest Bonds, $5,000 or any integral multiple thereof, with respect to the Capital Appreciation Bonds, $5,000 Maturity Value, or any integral multiple thereof (except for one odd denomination) and with respect to Convertible Capital Appreciation Bonds, $5,000 Conversion Value, or any integral multiple thereof (except for one odd denomination). The Bonds will be initially registered to "Cede & Co.", the Nominee of the Depository Trust Company, New York, New York.

Each Current Interest Bond shall be dated its Dated Date, or such other date as shall appear in the Purchase Contract for such Bond, and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before first Record Date, in which event it shall bear interest from its Dated Date; provided, however, that, if at the time of registration of any Current Interest Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Bond Payment Date to which interest has previously been paid or made available for payment. Interest shall be payable on the respective Bond Payment Dates and shall be calculated on the basis of a 360-day year of twelve, 30-day months.

Each Convertible Capital Appreciation Bond shall be dated, and shall accrete interest at the Accretion Rate for such Bond from, its Dated Date, or such other date as shall appear in the Purchase Contract, to its Conversion Date and during such period no interest shall be payable on a current basis. From and after its Conversion Date, each Convertible Capital Appreciation Bond shall bear interest payable on a current basis on the Conversion Value thereof on each Bond Payment Date at the interest rate set forth in the Purchase Contract for such Bond. The Convertible Capital Appreciation Bonds shall be issued in fully registered form, shall mature in the years and shall be issued in the aggregate Principal Amounts set forth in the Purchase Contract and shall have Principal Amounts per each five thousand dollars ($5,000) in Conversion Value and Accreted Values on each Bond Payment Date to and including the Conversion Dates as shown in the Accreted Value Table appended to the Official Statement for such Bonds; provided that, in the event that an amount shown in such Accreted Value Table and the Accreted Value calculated by the District or the Paying Agent by application of the definition of Accreted Value set forth in this Section 4 differ, the latter amount shall be the Accreted Value of such Convertible Capital Appreciation Bond.

Each Capital Appreciation Bond shall be dated, and shall accrete interest at the Accretion Rate for such Bond from, its Dated Date, or such other date as shall appear in the Purchase Contract or the Official Statement, to its Maturity Date and during such period no interest shall be payable on a current basis. The Capital Appreciation Bonds shall mature in the years and shall be issued in the aggregate Principal Amounts set forth in the Purchase Contract or the Official Statement and shall have Principal Amounts per each five thousand dollars ($5,000) in Maturity Value and Accreted Values on each Bond Payment Date as shown in the Accreted Value Table appended to the Official Statement for such Bonds; provided, that in the event that an amount shown in such Accreted Value Table and the Accreted Value calculated by the District or the Paying Agent by application of the definition of Accreted Value set forth in Section 4 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond. Capital Appreciation Bonds will not bear interest on a current basis.

(b) Redemption.

(i) Optional Redemption. The Purchase Contract for each series of Bonds shall state whether any Bonds of a series are subject to optional redemption prior to their stated maturity dates and shall set forth the terms for any optional redemption.

(ii) Mandatory Redemption. The Purchase Contract for each series of Bonds shall state whether any Bonds of a series are Term Bonds subject to mandatory redemption prior to their stated maturity dates and shall set forth the terms for any mandatory redemption. Unless otherwise provided in the applicable Purchase Contract, the Term Bonds are subject to mandatory redemption from moneys in the Debt Service Fund established in Section 11 hereof prior to their stated maturity date, at the Principal Amount or Accreted Value or Conversion Value thereof, as applicable, without premium, on the dates set forth in the applicable Purchase Contract.

(iii) Selection of Bonds for Redemption. Whenever provision is made in accordance with this Resolution for the optional redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed by the District and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in an amount equal to $5,000 or any integral multiple thereof, the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in an amount equal to the Accreted Value per $5,000 Conversion Value of such Convertible Capital Appreciation Bond or an integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in an amount equal to the Accreted Value per $5,000 Maturity Value of such Capital Appreciation Bond or an integral multiple thereof (except for one odd denomination, if any).

(iv) Notice of Redemption. When redemption is authorized or required pursuant to Section 5(b) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Paying Agent, the redemption price, the CUSIP numbers (if any) assigned to the Bonds to be redeemed, the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount, Accreted Value or Conversion Value, as applicable, of such Bond to be redeemed, and the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

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

(1) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the bond

register, or so long as such Bonds are registered in the name of the Nominee, in such manner as complies with the requirements of the Depository.

(2) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the Securities Depositories (i) by registered or certified mail, postage prepaid, or (ii) telephonically confirmed facsimile transmission, or (iii) by overnight delivery service, or (iv) in such other manner as complies with the requirements of the Securities Depositories for the delivery of such notice, to the Securities Depositories.

(3) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to one or more of the Information Services (i) by registered or certified mail, postage prepaid, or (ii) by overnight delivery service, or (iii) in such other manner as complies with the requirements of the Information Services for the delivery of such notice.

Any Redemption Notice for an optional redemption of the Bonds delivered in accordance with this section may be conditional, and, if any condition stated in the Redemption Notice shall not have been satisfied on or prior to the redemption date: (i) the Redemption Notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons or entities receiving the Redemption Notice, in the manner in which the conditional Redemption Notice was given, that such condition or conditions were not met and that the redemption was canceled.

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

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

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

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 5(b)(i) and (ii) hereof, together with interest accrued or accreted to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 5 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

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

(c) Book-Entry System.

(i) Issuance of Bonds as Book-Entry Bonds. Unless otherwise stated in the Purchase Contract, the Bonds shall be issued in book-entry form in accordance with the provisions of this Section 5(c).

(ii) Provisions Regarding Book-Entry System. The Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination (except for any odd denomination Bond). The ownership of each such Bond shall be registered in the bond register maintained by the Paying Agent in accordance with Section 7 below in the name of the Nominee, as nominee of the Depository, and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 5(c)(ii)(4) below.

With respect to book-entry Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the bond register, of any notice with respect to book-entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be prepaid in the event the District redeems the Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Accreted Value, Principal of, premium, if any, or interest on the book-entry Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Bond is registered in the bond register as the absolute owner of such book-entry Bond for the purpose of payment of Accreted Value or Principal of and premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Accreted Value or Principal of and premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the bond register, or his or her respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Accreted Value or

Principal of, and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the bond register, shall receive a certificate evidencing the obligation to make payments of Accreted Value or Principal of, and premium, if any, and interest on the Bonds. Upon delivery by the Depository to the Owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository's book-entry system, the District and the Paying Agent shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the owners, as shown on the bond register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such book-entry Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such bond register in the name of the Nominee, but shall be registered in whatever name or names the owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 5(c).

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

4. Transfer of Bonds to Substitute Depository.

(A) Registered ownership of the Bonds held in book-entry form, or any portions thereof, may not thereafter be transferred following their registration in the name of the Nominee except:

(1) to any successor of the Depository or its nominee, or of any substitute depository designated pursuant to Section 5(c)(ii)(4)(A)(2) ("Substitute Depository"); provided that any successor of the Depository or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository designated by the District, upon (1) the resignation of the Depository or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that the 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

(3) to any person as provided below, upon (1) the resignation of the Depository or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that the Depository or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 5(c)(ii)(4)(A)(1) or (2), upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 5(c)(ii)(4)(A)(3), upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

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

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

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

SECTION 6. Execution of Bonds. The Bonds shall be signed by the President of the Board by manual or facsimile signature and countersigned by the manual or facsimile signature of the Clerk of the Board and the seal or facsimile seal of the District, if any, may be affixed thereto by the Clerk of the Board, all in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 7. Paying Agent; Resignation or Renewal; Transfer and Exchange.

(i) Bond Register. So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain and keep at its principal office a bond register containing all books and records relating to the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 8 below, the person in whose name a Bond is registered shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the Accreted Value of or Principal of and premium, if any, and interest on any Bond shall be made only to or upon the order of that person; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

(ii) Resignation or Removal. The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the District. Any Paying Agent, other than the Treasurer, may be removed at any time by an instrument filed with such Paying Agent and signed by the District. A successor Paying Agent shall be appointed by the District which shall be a bank or trust company organized under the laws of any state of the United States, a national banking association or any other financial institution, having capital stock and surplus aggregating at least $50,000,000 and doing business in the State of California and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Such Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or, if there is no successor, to the Treasurer. In the event that for any reason there shall be a vacancy in the office of the Paying Agent, the Treasurer shall act as such Paying Agent. The County shall cause the new Paying Agent appointed to replace any resigned or removed Paying Agent to mail notice of its appointment and the address of its principal office to all registered Owners.

(iii) Transfer and Exchange of Bonds. Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the

Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Paying Agent only upon presentation and surrender of the Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

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

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

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made to the District by the Paying Agent on or before March 1 and September 1 of each year. The cancelled Bonds shall be retained for two years, then destroyed by the Paying Agent.

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

Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

SECTION 8. Payment. Payment of interest on any Bond Payment Date on any Current Interest Bond, including on any Convertible Capital Appreciation Bond after its Conversion Date, shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his or her address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount or Conversion Value of $1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The Principal of and redemption premiums, if any, on any Current Interest Bond, the Conversion Value and redemption premiums, if any, on Convertible Appreciation Bonds and the Accreted Value and redemption premiums, if any, on the Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest, Principal, Accreted Value, Conversion Value, Maturity Value and premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity or redemption, and to cancel all Bonds upon payment thereof. The Bonds are general obligation bonds of the District, payable solely from the proceeds of *ad valorem* taxes levied on all property subject to such taxes within the District.

SECTION 9. Form of Bonds. The Bonds shall be in substantially the following forms, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution, the Purchase Contract and the Official Statement for the applicable series of Bonds.

(Form of Current Interest Bond)

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED
NO.

REGISTERED
$

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BONDS
2012 SERIES _

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP
___% per annum	September 1, 20__	_____, 2012	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

The Manhattan Beach Unified School District (the "District") in Los Angeles County, California (the "County") for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, or upon prior redemption hereof, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on March 1 and September 1 of each year (the "Bond Payment Dates"), commencing September 1, 2012. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before August 15, 2012, in which event it shall bear interest from its Dated Date. Interest on this bond shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the register maintained by the Treasurer and Tax Collector of the County and its agent bank, U.S. Bank National Association (the "Paying Agent"). Principal is payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current

Interest Bonds in the aggregate principal amount of One Million Dollars ($1,000,000) or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of bonds approved by the voters of the District at an election held on November 4, 2008 (the "Election") and is being issued under authority of and pursuant to the laws of the State of California, in particular Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and the resolution of the Board of Trustees of the District adopted on February 1, 2012 (the "District Resolution"). This bond and the issue of which this bond is a part are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252. The bonds of this issue are general obligation bonds of the District. All capitalized terms not defined herein shall have the meaning set forth in the District Resolution.

The bonds of this issue (the "Bonds") are comprised of $_____ principal amount of Current Interest Bonds, Convertible Capital Appreciation Bonds and Capital Appreciation Bonds, and this bond is a Current Interest Bond.

This bond is exchangeable and transferable for Current Interest Bonds of like tenor, maturity and Transfer Amount and in authorized denominations at the principal office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the District Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th day of the month next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before September 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after September 1, 20__ are subject to redemption at the option of the District, as a whole or in part, on any date on or after September 1, 20__, at a redemption price equal to 100% of the principal amount of the Current Interest Bonds called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

The Current Interest Bonds maturing on September 1, 20__ are subject to redemption prior to maturity from mandatory sinking fund payments on September 1 of each year, on and after September 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (September 1)	Principal Amount
(1)	$
	$

(1) Maturity.

Whenever provision is made in accordance with the District Resolution for the optional redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed by the District and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in an amount equal to $5,000 or any integral multiple thereof, the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in an amount equal to the Accreted Value per $5,000 Conversion Value of such Convertible Capital Appreciation Bond or an integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in an amount equal to the Accreted Value per $5,000 Maturity Value thereof or an integral multiple thereof (except for one odd denomination, if any).

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

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

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

[REMAINDER OF THIS PAGE LEFT BLANK]

IN WITNESS WHEREOF, the Manhattan Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in its official capacity by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Trustees of the District, and has caused the seal of the District to be affixed hereto, all as of the date stated above.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

By: _____
President of the Board of Trustees

COUNTERSIGNED:

_____
Clerk of the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the District Resolution referred to herein which has been authenticated and registered on _____, 2012.

TREASURER AND TAX COLLECTOR OF LOS ANGELES COUNTY

By: U.S. BANK NATIONAL ASSOCIATION, as Agent

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____ _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

(Form of Capital Appreciation Bond)

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED NO. | REGISTERED $

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY, CALIFORNIA
ELECTION OF 2008 GENERAL OBLIGATION BOND, 2012 SERIES _

ACCRETION RATE:	MATURITY DATE:	DATED AS OF:	CUSIP
	September 1, ____	Date of Delivery	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

MATURITY VALUE:

The Manhattan Beach Unified School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the Principal Amount stated above and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each March 1 and September 1, commencing on September 1, 2012, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Principal Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for Paying Agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by Treasurer and Tax Collector of the County and its agent bank, U.S. Bank National Association (the "Paying Agent"). Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

This bond is one of an authorization of bonds approved by the voters of the District at an election held on November 4, 2008 (the "Election") and is being issued under authority of and

pursuant to the laws of the State of California, in particular Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and the resolution of the Board of Trustees of the District adopted on February 1, 2012 (the "District Resolution"). This bond and the issue of which this bond is a part are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252. The bonds of this issue are general obligation bonds of the District. All capitalized terms not defined herein shall have the meaning set forth in the District Resolution.

The bonds of this issue (the "Bonds") are comprised of $_____ principal amount of Current Interest Bonds, Convertible Capital Appreciation Bonds and Capital Appreciation Bonds, and this bond is a Capital Appreciation Bond.

This bond is exchangeable and transferable for Capital Appreciation Bonds of like tenor, maturity and Transfer Amount and in authorized denominations at the principal office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the District Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of Principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

This bond is [not] subject to redemption prior to maturity [as set forth in the District Resolution].

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th day of the month next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

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

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay Principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

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

IN WITNESS WHEREOF, the Manhattan Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in official capacity by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Trustees of the District, and has caused the seal of the District to be affixed hereto, all as of the date stated above.

[SEAL]

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

By: _____
President, Board of Trustees

COUNTERSIGNED:

_____
Clerk, Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the District Resolution referred to herein which has been authenticated and registered on _____ __, 2012.

TREASURER AND TAX COLLECTOR OF LOS ANGELES COUNTY

By: U.S. BANK NATIONAL ASSOCIATION, as Agent

_____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____ _____

Signature Guaranteed:

_____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: __

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

_____
Clerk, Board of Trustees

(Form of Legal Opinion)

(Form of Convertible Capital Appreciation Bond)

R-___ **$_____**

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BONDS, 2012 SERIES _

CONVERTIBLE CAPITAL APPRECIATION BOND

ACCRETION RATE TO CONVERSION DATE:	INTEREST RATE AFTER THE CONVERSION DATE:	CONVERSION DATE:	MATURITY DATE:	DATED DATE:	CUSIP
			September 1, 20__		

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

ACCRETED VALUE AT CONVERSION DATE:

The Manhattan Beach Unified School District (the "District") in Los Angeles County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Accreted Value at Conversion Date on the Maturity Date, each as stated above, or upon prior redemption hereof. Interest due and payable on the Maturity Date consists of interest compounded from the Dated Date at the Accretion Rate through Conversion Date specified above to the Conversion Date, compounded on each March 1 and September 1, commencing on September 1, 2012, assuming that the sum of such compounded interest and the Principal Amount hereof increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. After the Conversion Date, the District, for value received, promises to pay to the Registered Owner named above, interest on the Accreted Value at Conversion Date (the "Conversion Value") until the Conversion Value is paid or provided for at the Interest Rate after the Conversion Date stated above, on March 1 and September 1 of each year (the "Bond Payment Dates"), commencing September 1, 20__. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the

month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before August 15, 20__, in which event it will bear interest from the Conversion Date. The Conversion Value hereof and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the register maintained by the Treasurer and Tax Collector of the County and its agent bank, U.S. Bank National Association (the "Paying Agent") Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent. The Owner of Convertible Capital Appreciation Bonds in the aggregate principal amount of One Million Dollars ($1,000,000) or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of bonds approved by the voters of the District at an election held on November 4, 2008 (the "Election") and is being issued under authority of and pursuant to the laws of the State of California, in particular Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and the resolution of the Board of Trustees of the District adopted on February 1, 2012 (the "District Resolution"). This bond and the issue of which this bond is a part are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252. The bonds of this issue are general obligation bonds of the District. All capitalized terms not defined herein shall have the meaning set forth in the District Resolution.

The bonds of this issue (the "Bonds") are comprised of $_____ principal amount of Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, and this bond is Convertible Capital Appreciation Bond.

This bond is exchangeable and transferable for Convertible Capital Appreciation Bonds of like tenor, maturity and Transfer Amount and in authorized denominations at the principal office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the District Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th day of the month next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

The Convertible Capital Appreciation Bonds maturing on or before September 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Convertible Capital Appreciation Bonds maturing on or after September 1, 20__ are subject to redemption at the option of the District, as a whole or in part, on any date on or after September 1, 20__, at a redemption price equal to 100% of the Conversion Value of the Convertible Capital Appreciation Bonds called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

The Convertible Capital Appreciation Bonds maturing on September 1, 20__ are subject to mandatory redemption from moneys in the Debt Service Fund prior to their stated maturity date, at the Conversion Value thereof to be redeemed, together with accrued interest to the redemption date, without premium on each September 1 on and after September 1, 20__, in the Conversion Value as set forth in the following table:

Year (September 1)	***Conversion Value To Be Redeemed***

Whenever provision is made in accordance with this Resolution for the optional redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed by the District and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in an amount equal to $5,000 or any integral multiple thereof, the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in an amount equal to the Accreted Value per $5,000 Conversion Value of such Convertible Capital Appreciation Bond or an integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in an amount equal to the Accreted Value per $5,000 Maturity Value thereof or an integral multiple thereof (except for one odd denomination, if any).

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

The rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County in certain cases with the written consent of Owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds and other bonds issued under the Resolution, exclusive of Bonds, if any, owned by the District and in certain cases without the consent of the Owners as further specified in the Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

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

IN WITNESS WHEREOF, the Manhattan Beach Unified School District, Los Angeles County, California, has caused this Bond to be executed on behalf of the District and in official capacity, by the manual or facsimile signatures of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Trustees of the District, and has caused the seal of the District to be affixed hereto, all as of the date stated above.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

[SEAL]

By: _____
President of the Board of Trustees

COUNTERSIGNED:

_____
Clerk, Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the District Resolution referred to herein which has been authenticated and registered on _____ __, 2012.

TREASURER AND TAX COLLECTOR OF LOS ANGELES COUNTY

By: U.S. BANK NATIONAL ASSOCIATION, as Agent

_____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____ _____

Signature Guaranteed:

_____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: __

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

_____
Clerk, Board of Trustees

(Form of Legal Opinion)

SECTION 10. Delivery of Bonds. The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the original purchaser upon payment of the purchase price therefor.

SECTION 11. Deposit of Proceeds of Bonds. The proceeds from the sale of the Bonds, to the extent of the Principal Amount thereof, shall be paid to the Treasurer-Tax Collector of the County (the "Treasurer") to the credit of an account within the building fund of the District created and established in the County treasury in accordance with Education Code Section 15146(f) to be known as the "Manhattan Beach Unified School District Election of 2008 General Obligation Bonds Building Fund" (the "Building Fund") and shall be kept separate and distinct from all other District funds. The amounts in the Building Fund shall be used solely for the acquisition or improvement of real property and equipment and only for the purposes authorized by the voters at the Election. Amounts in the Building Fund may be transferred to the trustee for the 2001 Certificates as directed in writing by an Authorized Officer. Any accrued interest and any premium received from the sale of the Bonds shall be kept separate and apart in the interest and sinking fund of the District created and established in the County treasury in accordance with Education Code Section 15251 and to be designated as the "Manhattan Beach Unified School District Election of 2008 General Obligation Bonds, Debt Service Fund" (the "Debt Service Fund") and used only for payment of the Principal of, Accreted Value and interest on the Bonds. Interest earnings on moneys held in the Building Fund shall be retained in the Building Fund. Interest earnings on moneys held in the Debt Service Fund shall be retained in the Debt Service Fund. 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 the Principal of, of Accreted Value and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District.

There shall hereby be created and established the "Manhattan Beach Unified School District General Obligation Bond, Election of 2008 General Obligation Bonds Costs of Issuance Fund" (the "Costs of Issuance Fund") which shall be accounted for separately and distinctly from all other District funds and accounts. At the time of issuance of the Bonds, an Authorized Officer may direct that the Costs of Issuance Fund be held in the County treasury or by U.S. Bank National Association as a fiscal agent, and may transfer, or cause to be transferred, from the Building Fund to the Costs of Issuance Fund an amount not to exceed two percent (2.0%) of the initial Principal Amount of the Bonds issued. Monies held in the Costs of Issuance Fund shall be applied, upon direction from an Authorized Officer of the District, solely to pay Costs of Issuance.

All amounts held in the funds and accounts established for the Bonds shall be invested by the Treasurer in any instrument which is a lawful investment for funds of the District, including the Treasurer's Pooled Investment Fund, the Local Agency Investment Fund, any investment authorized pursuant to Sections 53601 and 53635 of the Government Code, or in investment agreements, including guaranteed investment contracts, float contracts or other investment products (provided that such agreements in which tax-exempt Bond proceeds are invested comply with the requirements of Section 148 of the Code, and such agreements comply with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds). Unless otherwise instructed by an Authorized Officer of the District in writing, amounts held in the funds and accounts established for the Bonds shall be invested in the Treasurer's Pooled Investment Fund. If invested in other than the Treasurer's Pooled Investment Fund, amounts in the Debt Service Fund shall be invested in investments maturing not later than the date on which such amounts will be

needed to pay the Principal of, of Accreted Value and interest on the Bonds. Nothing in this Resolution shall prevent any investment securities acquired as investments of funds held hereunder from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Obligations purchased as an investment of moneys in any fund or account shall be deemed at all times to be a part of such fund or account. Profits or losses attributable to any fund or account shall be credited or charged to such fund or account. In computing the amount in any fund or account created under the provisions of this Resolution for any purpose provided in this Resolution, obligations purchased as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued interest.

If at any time it is deemed necessary or desirable by the District, upon the written direction of an Authorized Officer of the District, the County may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

SECTION 12. Rebate Fund.

(a) The District shall create and establish a special fund designated the "Manhattan Beach Unified School District Election of 2008 General Obligation Bonds Series E Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by each Tax Certificate to be executed by the District. The provisions of Sections 12(b) through (j) below, shall apply separately and only to each series of the Bonds the interest on which is excluded from gross income for federal income tax purposes.

(b) Within forty-five (45) days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Treasury Regulations, using as the "computation date" for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the "rebate amount" so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the "rebate amount" calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section. The District shall not be required to calculate the "rebate amount" and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Bonds (including amounts treated as proceeds of the Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage

expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a "bona fide debt service fund." In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the "rebate amount" and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than sixty (60) days after the end of (i) the fifth (5th) Bond Year, and (ii) each fifth (5th) Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the "rebate amount" calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than sixty (60) days after the payment of all Bonds, an amount equal to one hundred percent (100%) of the "rebate amount" calculated as of the date of such payment (and any income attributable to the "rebate amount" determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the "rebate amount" calculated in accordance with said subsection, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) The District shall retain records of all determinations made hereunder until six years after the complete retirement of the Bonds.

(i) Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Bonds.

(j) The provisions of this Section 12 may be modified in the Tax Certificate and in any supplement thereto issued from time to time.

SECTION 13. Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct ad valorem tax annually during the

period the Bonds are outstanding in an amount sufficient to pay the Principal and Accreted Value of, premium if any, and interest on the Bonds when due, and the proceeds of such ad valorem tax when collected will be placed in the Debt Service Fund of the District, which ad valorem taxes, together with the amounts on deposit in the Debt Service Fund, are irrevocably pledged for the payment of the Principal and Accreted Value of, premium if any, and interest on the Bonds when and as the same fall due. The District covenants to cause the County to take all actions necessary to levy such ad valorem tax.

The moneys in the Debt Service Fund, to the extent necessary to pay the Principal and Accreted Value of, premium if any, and interest on the Bonds as the same become due and payable, shall be transferred to the Paying Agent which, in turn, shall pay such moneys to the Depository to pay the Principal of and Accreted Value of, premium if any, and interest on the Bonds. The Depository will thereupon make payments of Principal and Accreted Value, premium if any, and interest on the Bonds to the Participants who will thereupon make payments of Principal and Accreted Value, premium if any, and interest to the beneficial owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, pursuant to the Education Code Section 15234.

SECTION 14. Tax Covenants. The District hereby covenants for the benefit of the owners of each Tax-Exempt Bond (defined below) 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 any of the Bonds the interest on which is intended to be excluded from gross income for federal income tax purposes under Section 103 of the Code (the "Tax-Exempt Bonds") and will restrict the use of the proceeds of Tax-Exempt Bonds in such manner and to such extent, if any, as may be necessary, so that the Tax-Exempt Bonds will not constitute arbitrage bonds under Section 148 of the Code, and the applicable regulations prescribed under that section or any predecessor section.

SECTION 15. Legislative Determinations.

(a) The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

(b) The Board hereby authorizes the Bonds to be designated by an Authorized Officer as "bank qualified" under the provisions of Section 265(b)(3) of the Code in the event that the Bonds are sold in a Principal Amount which allows such designation to be made.

SECTION 16. Official Statement. The form of the Preliminary Official Statement (the "Preliminary Official Statement"), substantially in the form on file with the Clerk of the Board, is hereby approved, and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver to the Underwriter the Preliminary Official Statement. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to

the Underwriter a final Official Statement (the "Official Statement"), substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and is directed to deliver copies of the Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District's approval of such Official Statement.

SECTION 17. Insurance. In the event the District purchases bond insurance for any or all of the Bonds, and to the extent that the Bond Insurer makes payment of the Principal of, interest or Accreted Interest on any Bonds, it shall become the owner of such Bonds with the right to payment of Principal, interest or Accreted Interest on the Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the registration books for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal or Accreted Value, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 18. Defeasance. All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund (as hereinafter defined) is sufficient to pay all Bonds designated for defeasance, including all Principal and interest and premium, if any; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations 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 moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds designated for defeasance (including all Principal and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

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

For purposes of this Section, Government Obligations shall mean:

Direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United

States of America, or "prerefunded" municipal obligations rated in the highest rating category by Moody's Investors Service or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include 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 where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) 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 (iii) 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 "AA+" by Standard & Poor's or "Aa1" by Moody's Investors Service.

SECTION 19. Request to County to Levy Tax. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of ad valorem property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors to levy annually a tax upon all taxable property in the District sufficient to redeem the Bonds, and to pay the principal, redemption premium, in any, and interest thereon as and when the same become due.

SECTION 20. Other Actions.

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

(b) The Board hereby appoints E. J. De La Rosa & Co., Inc., as the Underwriter, and Stradling, Yocca, Carlson & Rauth, a Professional Corporation, as bond counsel, and Annette Yee and Company, LLC, as financial advisor with respect to the issuance of the Bonds.

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

SECTION 21. Resolution to Treasurer-Tax Collector. The Clerk of the Board is hereby directed to provide a certified copy of this Resolution to the Treasurer immediately following its adoption.

SECTION 22. Continuing Disclosure. The form of Continuing Disclosure Certificate on file with the Clerk of the Board is hereby approved, and each Authorized Officer, acting alone, is hereby authorized to execute and deliver a Continuing Disclosure Certificate for each series of Bonds, but with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate

executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not constitute a default hereunder or result in acceleration of the Bonds.

SECTION 23. Supplemental Resolution.

(a) This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of Owners owning at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required by the Owners of a series of Bonds if the Owners of such series are not directly and adversely affected by such amendment or modification and an amendment or modification affecting only one series of Bonds may be adopted with the approval of not less than 60% in aggregate Bond Obligation of the affected series of Bonds.

(b) This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a supplemental resolution adopted by the District without the written consent of the Owners:

(i) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(ii) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(iii) To confirm as further assurance any pledge under, and the subjection to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(iv) To cure any ambiguity, supply any omission, or cure to correct any defect or inconsistent provision in this Resolution; or

(v) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not adversely affect the interests of the Owners.

(c) Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the

provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the District or any officer or agent of either from taking any action pursuant thereto.

SECTION 24. Resolution To Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the District and the Owners from time to time of the Bonds; and the pledge made in this Resolution shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

SECTION 25. Unclaimed Moneys. Anything in this Resolution to the contrary notwithstanding, any moneys held by the Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for one (1) year after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Paying Agent at such date, or for one (1) year after the date of deposit of such moneys if deposited with the Paying Agent after said date when such Bonds become due and payable, shall be repaid by the Paying Agent to the District, as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of such Bonds; provided, however, that before being required to make such payment to the District, the Paying Agent shall, at the expense of District, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the registration books, a notice that said moneys remain unclaimed and that, after a date in said notice, which date shall not be less than thirty (30) days after the date of mailing such notice, the balance of such moneys then unclaimed will be returned to the District.

SECTION 26. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 1st day of February, 2012, by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

ABSTENTIONS: 0

Ellen Rosenberg, President, Board of Trustees
Manhattan Beach Unified School District

Attest:

Karen Komatinsky, Clerk, Board of Trustees
Manhattan Beach Unified School District

CLERK'S CERTIFICATE

I, Karen Komatinsky, Clerk to the Board of Trustees of the Manhattan Beach Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on February 1, 2012, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

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.

Dated: February 1, 2012

Karen Komatinsky

Karen Komatinsky, Clerk