COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

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

MARK J. SALADINO
TREASURER AND TAX COLLECTOR

July 22, 2003

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

Dear Supervisors:

ISSUANCE AND SALE OF EASTSIDE UNION SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
GENERAL OBLIGATION BONDS, SERIES 2003
(FIFTH DISTRICT) (3-VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the Resolution authorizing the issuance and sale of general obligation bonds of the Eastside Union School District in an aggregate principal amount not to exceed $3,637,822.90.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Governing Board of the Eastside Union School District adopted a resolution on July 14, 2003 and determined that the District needs to borrow funds in an aggregate principal amount not to exceed $3,637,822.90 to be used for authorized purposes.

On November 4, 1997, an election was held whereby qualified voters of the District approved the proposition authorizing the District to issue $15,535,371 in general obligation bonds to renovate, construct, and improve school facilities. This will be the third and final issuance of bonds authorized under this bond measure.

Pursuant to Section 15140 of the Education Code, the Board of Supervisors is responsible for offering the District's bonds for sale. Such bonds shall be issued in the name and on behalf of such school district by the Board of Supervisors of the County following receipt of the district resolution requesting such borrowing.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal of Service Excellence by providing one-stop service delivery to the District. It supports the Strategic Plan Goal of Organizational Effectiveness through collaborative actions among County departments and other governmental jurisdictions. And, it supports the Strategic Plan Goal of Fiscal Responsibility by providing investment in and development of public school infrastructure in this County.

FISCAL IMPACT/FINANCING

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Resolution provides for issuance of bonds at a true interest cost not to exceed six percent (6.00%). The final structure will be determined at the time of pricing to achieve the lowest cost of financing within the limits of the proposition's tax levy. The term of the bonds will not exceed twenty-five years. Provisions for optional redemption of these bonds will be described in the Contract of Purchase.

The Resolution provides for the negotiated sale of the bonds, with participation by the Treasurer and Tax Collector in pricing the bonds, to the Underwriter. The District has selected Stone & Youngberg LLC, as the Underwriter; the firm of Jones Hall as Bond Counsel; and U.S. Bank Trust National Association as Paying Agent.

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

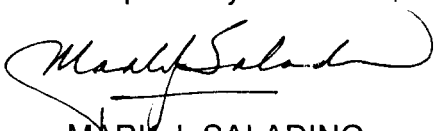
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not Applicable

CONCLUSION

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

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

MJS:DL:JW
pb/boardEastsideUnion

Attachments(2)

c: Chief Administrative Officer
Auditor-Controller
County Counsel
Eastside Union School District
Los Angeles County Office of Education
Jones Hall
U.S. Bank Trust, National Association

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, SERIES 2003 OF EASTSIDE UNION SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $3,637,822.90

WHEREAS, an election was duly called and regularly held in the Eastside Union School District (the "District"), County of Los Angeles (the "County"), State of California, on November 4, 1997 (the "Election"), and thereafter canvassed pursuant to law; and

WHEREAS, at such Election there was submitted to and approved by the requisite two-thirds 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 $15,535,371, payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization"); and

WHEREAS, Section 15140 of the Education Code of the State of California (the "Education Code") requires that general obligation bonds of a district shall be offered for sale by the board of supervisors of the county, the county superintendent of which has jurisdiction over such district, as soon as possible following receipt of a resolution adopted by the governing board of such district; and

WHEREAS, the Los Angeles County Superintendent of Schools has jurisdiction over the District; and

WHEREAS, two series of the Bonds authorized under the Authorization have been issued in a total original principal amount of $11,897,548.10; and

WHEREAS, the District wishes to issue the third and final series of the Bonds in a principal amount of not-to-exceed $3,637,822.90; and

WHEREAS, the Board of Trustees of the District (the "Board of Trustees") has duly adopted and submitted to this Board of Supervisors of the County of Los Angeles (the "Board of Supervisors"), State of California, a resolution (the "District Resolution") requesting the Board of Supervisors to issue and sell, in the name and on behalf of the District, bonds in an aggregate principal amount of not to exceed $3,637,822.90 (the "Bonds" or "Series 2003 Bonds"); and

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

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

SECTION 1. <u>Purpose of Issue</u>. The District Resolution, adopted on July 14, 2003, together with the exhibits thereto, is incorporated herein by reference and all of the provisions thereof are made a part hereof and shall be applicable to the bonds of the Authorization herein provided for, except only as otherwise specified herein.

SECTION 2. <u>Purpose of the Bonds</u>. Bonds of the District shall be issued in the name and on behalf of the District in an aggregate principal or issue amount of not to exceed $3,637,822.90 for the purposes of renovating, constructing and improving school facilities.

SECTION 3. Certain Definitions. As used in this Resolution, the terms set forth below shall have the following meanings ascribed to them:

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

"Bond Payment Date" means February 1 and August 1, commencing February 1, 2004 with respect to interest payments on the Bonds, and August 1, 2004 with respect to the principal payments on the Bonds, or as otherwise specified in the Purchase Contract.

"Bond Register" means the listing of names and addresses of the current registered owners of the debt, as maintained by the Paying Agent in accordance with Section 10 hereof.

"Bonds" means the Eastside Union School District General Obligation Bonds, Series 2003.

"Building Fund" shall have the meaning set forth in Section 5 hereof.

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

"Debt Service Fund" shall have the meaning set forth in Section 5 hereof.

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

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

"Informational Services" means Financial Information, Inc.'s Financial Daily Called Bond Service; Interactive Data Corporation's Bond Service; Kenny Information Service's Called Bond Service; Moody's Municipal and Government; or Standard & Poor's Called Bond Record; and in accordance with then current guidelines of the Securities and Exchange Commission,

such other services providing information with respect to called bonds as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Letter of Representations" shall have the meaning set forth in Section 12 hereof.

"Official Statement" shall have the meaning set forth in Section 4 hereof.

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

"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.

"Paying Agent" shall mean the Treasurer and his designated agents or his successors or assigns, acting in the capacity of paying agent, registrar, authenticating agent and transfer agent. The Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution.

"Principal" or **"Principal Amount"** means, with respect to any Bond, the principal amount thereof.

"Purchase Contract" shall have the meaning set forth in Section 14 hereof.

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

"Securities Depositories" means the following: Depository Trust Company, 711 Stewart Avenue, Garden City, New York, 11530, Facsimile transmission: (516)227-4039, (516) 227-4190; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Term Bonds" means those Bonds for which mandatory sinking fund redemption dates have been established in the Purchase Contract.

"Treasurer" means the Treasurer and Tax Collector of the County of Los Angeles, or any authorized deputy thereof.

SECTION 4. Terms of Bonds. The Bonds shall be issued in one series designated "Eastside Union School District General Obligation Bonds, Series 2003."

The Bonds shall be dated the date of delivery and shall bear interest at the rate or rates not to exceed a maximum true interest cost of six percent (6%), payable on February 1 and August 1 of each year commencing February 1, 2004, through August 1 of a year not later than twenty-five years from the issuance date of the Bonds (each an "Interest Payment Date"), unless provisions to the contrary are provided in the Purchase Contract, the actual interest rate or rates and the actual maturity schedule to be fixed at the time of sale. Each Bond shall be issued in denominations of $5,000 or integral multiples thereof.

Only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form hereinafter recited, manually signed by the Paying Agent, shall be valid

or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

The Bonds shall be issued as fully registered bonds without coupons and the Bonds shall mature in consecutive order beginning on August 1, 2004, and ending on August 1 of their final year, and in the Principal Amounts to be fixed in the Purchase Contract at the time of sale and approved by this Board of Supervisors, as more particularly set forth herein.

The Bonds shall be sold as provided in Section 14 hereof; notwithstanding anything herein to the contrary, the terms of the Bonds as set forth in this Resolution may be amended prior to delivery in accordance with the provisions of the Purchase Contract, as finally approved and executed by the Treasurer on behalf of the County and by the District. The Underwriter has been authorized to prepare and distribute a Preliminary and a final Official Statement with respect to the Bonds, in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (collectively, the "Official Statement").

SECTION 5. Delivery of Bonds, Disposition of Proceeds of the Bonds, Security for the Bonds. The proper officials of the County shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered to the original purchaser upon payment of the purchase price in immediately available funds.

The proceeds from the sale of the Bonds, to the extent of the principal amount thereof, shall be paid and credited to the fund established and designated as the "Eastside Union School District General Obligation Bond, Series 2003 Building Fund" (the "Building Fund") of the District, and shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued and for payment of permissible costs of issuance and provided further that such proceeds shall be applied solely to authorized purposes which relate to the acquisition or improvement of real property. The County shall have no obligation to ensure that the proceeds are applied in accordance with the preceding sentence. The interest earned on the monies deposited to the Building Fund shall be deposited to said Fund and such monies shall be used for any lawful purpose of the District at the direction of the District.

Any premium received by the District from the sale of the Bonds (that is, any premium remaining after all or a portion of Underwriter's discount, bond insurance premium or costs of issuance are paid), plus accrued interest, if any, shall be kept separate and apart in the fund established and designated as the "Eastside Union School District General Obligation Bond, Series 2003 Debt Service Fund" (the "Debt Service Fund") for the Bonds and used only for payments of principal and interest on the Bonds. Interest earned on investments of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay principal and interest when due.

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

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

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

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

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

There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct ad valorem tax annually during the period the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due, which monies when collected will be placed in the Debt Service Fund, which fund is irrevocably pledged for the payment of the principal of and interest on the Bonds when and as the same fall due. The monies in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same becomes due and payable, shall be transferred by the Treasurer to the Paying Agent for subsequent disbursement to the beneficial owners of the Bonds. No part of any fund of the County is pledged or obligated to the payment of the Bonds. Any monies remaining in the Debt Service Fund one year after the Bonds and the interest thereon have been paid at maturity, or provision for such payment has been made, shall be transferred to the general fund of the District.

SECTION 6. Redemption Provisions.

(a) Optional Redemption. The Bonds maturing on or after the date as specified in the Purchase Contract are subject to redemption at the option of the District, as a whole or in part by inverse order of maturity and by lot within each maturity, from any source of available funds, on the date as specified in the Purchase Contract or on any Bond Payment Date thereafter at a percentage of the principal amount to be redeemed, plus accrued interest to the redemption date.

(b) Mandatory Sinking Fund Redemption Of Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption prior to their maturity, by lot, without premium, on each August 1, in the years and in the amounts as specified in the official statement or as otherwise specified in the purchase contract.

(c) Selection of Bonds for Redemption. Whenever less than all of the outstanding Bonds are to be redeemed, the Paying Agent shall select the Bonds to be redeemed in inverse order of maturity, and within a maturity, the Paying Agent shall select bonds for redemption by lot. Redemption by lot shall be in such a manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the Principal Amount of

$5,000 or any integral multiple thereof. The Paying Agent shall promptly notify the District of the Bonds so selected for redemption on such date.

(d) Notice of Redemption. Notice of redemption shall be mailed, first class postage prepaid to the respective owners of any Bonds designated for redemption at their address appearing on the books required to be kept by the Paying Agent, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, which notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP -numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

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

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

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(f) Payment of Redeemed Bonds. When notice of redemption has been given substantially as provided for herein, and, when the amount necessary for the redemption of the Bonds called for redemption (principal and premium, if any) is set aside for that purpose in the Debt Service Fund, as provided herein, the Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the notice of redemption with the form of assignment endorsed thereon executed in blank, said Bonds shall be redeemed and paid at the redemption price out of the Debt Service Fund.

All unpaid interest payable at or prior to the redemption date shall continue to be, payable to the respective Owners, but without interest thereon.

(g) Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Paying Agent shall authenticate and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts 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.

(h) Defeasance of Bonds. If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all outstanding Bonds all of the principal,

interest and premium, if any, represented by such Bonds at the time and in the manner provided herein and in the Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such shall cease to be entitled to the obligation of the District as provided in Section 5 hereof, and such obligation and all agreements and covenants of the District and the County to such Owners hereunder and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal interest and premium, if any, represented by the Bonds, but only out of monies on deposit in the interest and sinking fund or otherwise held in trust for such payment; provided further, however, that the provisions of Section 6 (i) hereof shall apply in all events.

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

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

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

For purposes of this Section United States Obligations shall mean:

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

In the event that Bonds are being defeased pursuant to paragraph (ii) of this Section 6(h), the independent certified public account referred to therein and any escrow agent selected in connection with said defeasance shall both be subject to County approval.

(i) Unclaimed Monies. Any money held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for one year after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred and sinking fund of the District for payment of outstanding bond of the District

payable from that fund; or if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general funds of the district as provided and permitted by law.

SECTION 7. Payment of Principal and Interest. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Paying Agent as paying agent. Interest on Bonds shall be paid on each Bond Payment Date by check mailed by first class mail to the person in whose name the Bond was registered, and to that person's address appearing on the Bond Register (as described in Section 10 below) at the close of business on the Record Date. The Owner of an aggregate Principal Amount of Bonds 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 any Record Date.

Payments of Principal and redemption premiums, if any, with respect to the Bonds, shall be payable at maturity or redemption upon surrender at the principal corporate trust office of the Paying Agent. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof.

The Bonds are the general obligations of the District and do not constitute an obligation of the County of Los Angeles, California. No part of any fund or moneys of the County of Los Angeles, California is pledged or obligated to the payment of the Bonds.

SECTION 8. Form of Bond. The Bonds shall be substantially in conformity with Exhibit "A" attached hereto, and incorporated herein by this reference as if set forth in full, with necessary or appropriate variations, omissions and insertions as may be permitted or required by this Resolution.

SECTION 9. Execution of Bonds. The Bonds shall be executed by the manual or facsimile signature of the Chair of the Board of Supervisors, and the Treasurer and countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors. The facsimile signatures of the Chair, Treasurer, and the Executive Officer-Clerk of the Board of Supervisors may be printed, lithographed, engraved, or otherwise mechanically reproduced. The Paying Agent shall manually authenticate each Bond in the space provided, and no Bond shall be valid or obligatory for any purpose until so authenticated.

SECTION 10. Bond Registration; Transfers. As hereinafter provided, the Bonds shall be delivered in a form and with such terms as will permit them to be in book-entry only form, immobilized with DTC. If the book-entry only system is no longer in effect, the District will cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of certificated Bonds as provided in this Section (the "Bond Register"). While the book-entry only system is in effect, such books need not be kept, as the Bonds will be represented by one Bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

The person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Bond for all purposes of this Resolution. Payment of or on account of the principal of and interest on any Bond shall be made only to or upon the order of the Owner thereof; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of the same series of any other authorized denomination upon presentation and surrender at the principal corporate trust office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Any Bond may, in accordance with its terms (but only if the District determines no longer to maintain the book-entry only status of the Bonds, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the District to deliver certificated securities to particular DTC Participants) be transferred, upon the books required to be kept pursuant to the provisions of this Section, by the Owner, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

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

SECTION 11. Paying Agent.

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

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

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

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

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

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

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

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

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

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

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

(E) *Compensation; Indemnification.* The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their

attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

SECTION 12. Book-Entry System. The Bonds will be issued in book-entry form by appointing DTC, 55 Water Street, 19th Floor, New York, New York 10041, to act as securities depository for the Bonds. A single certificate, representing the aggregate principal amount of each maturity of Bonds, will be executed and delivered on the day of the closing to DTC. Upon closing, the County shall notify DTC that it has accepted payment of the purchase price of the Bonds, at which time DTC (in accordance with the Letter of Representations defined below) will credit the account of the Underwriter, and process the book-entry deliveries to the accounts of the subsequent purchasers of interests in the Bonds. The Bonds will be lodged with DTC until the maturity of each Bond. On the Business Day prior to each date of maturity of a Bond, the County shall remit to the Paying Agent from the Bond Fund sufficient moneys for the Paying Agent to pay all outstanding principal of and interest on such Bond.

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

SECTION 13. Arbitrage and Other Tax Matters.

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

Federal Guarantee Prohibition. The District has covenanted that it shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

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

No Arbitrage. The District has covenanted that it shall not take, or permit or suffer to be taken any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Maintenance of Tax-Exemption. The District has covenanted that it shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

SECTION 14. Approval of Purchase Contract. The Bonds will be sold at negotiated sale by the Treasurer pursuant to the terms and conditions set forth in the Purchase Contract

substantially in the form appended hereto as Exhibit "B" and incorporated by reference herein, (the "Purchase Contract"). The form of the Purchase Contract is hereby approved and the Treasurer, or any designee thereof, is hereby authorized to execute and deliver the Purchase Contract and the Superintendent or other authorized representative of the District and Stone & Youngberg, LLC as Underwriter are hereby requested to execute the Purchase Contract, with such changes therein, deletions therefrom and modifications thereto as the Treasurer, or designee thereof, and the District and Stone & Youngberg, LLC may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the maximum true interest cost on the Bonds shall not exceed six percent (6%) and the Underwriter's discount may not exceed two percent (2%) of the aggregate principal or issue amount of Bonds sold thereunder. The Treasurer, or designee thereof, is further authorized to determine the principal or issue amount of the Bonds to be specified in the Purchase Contract for sale by the County, up to an aggregate principal or issue amount of $3,637,822.90, to modify redemption terms and to enter into and execute the Purchase Contract, if the conditions set forth in this Resolution are met.

If, upon consultation with the authorized representative of the District, it appears in the best interests of the District to acquire municipal bond insurance to secure the Bonds, the Treasurer may so provide in the Purchase Contract.

SECTION 15. Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below). 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.

"Continuing Disclosure Certificate" shall mean 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.

SECTION 16. Conditions Precedent. This Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds, in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law, that the full faith, credit and revenues of the District are pledged for the timely payment of the principal of and interest on the Bonds; and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

SECTION 17. Approval of Actions. County officials and staff, including the Treasurer or his designee, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance and sale of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officials and staff are hereby ratified, confirmed and approved.

SECTION 18. Furnishing of Clerk Certification. The Executive Officer-Clerk of the Board of Supervisors is hereby authorized to furnish at least one certified copy of this Resolution to Jones Hall, A Professional Law Corporation, Bond Counsel, at or prior to closing.

SECTION 19. Effective Date. This Resolution shall take effect immediately upon its passage.

The foregoing Resolution was on the ___ day of _____, 2003, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

[SEAL]

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

By:_____
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By: Sheilah Curtis
Deputy County Counsel

EXHIBIT A

FORM OF BOND

No. R-___ *****$_____*****

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

EASTSIDE UNION SCHOOL DISTRICT
(County of Los Angeles, California)
GENERAL OBLIGATION BOND, SERIES 2003

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
____%	August 1, ____	September 18, 2003	_____ ___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The EASTSIDE UNION SCHOOL DISTRICT (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 (the "Bond Payment Dates"), commencing February 1, 2004. 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 January 15, 2004, in which event it shall bear interest from the Dated Date. Principal and interest are payable in lawful money of the United States of America without deduction for the paying agent services, to the person in whose name this Bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially the Treasurer and Tax Collector of the County of Los Angeles. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal is payable upon presentation and surrender of this Bond at the principal office of the Paying Agent in Los Angeles, California. 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 Bonds in an aggregate Principal Amount of $1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This Bond is one of an aggregate amount of $_____ of Bonds issued to be used for the addition and modernization of school facilities to serve the District under authority

of and pursuant to the laws of the State of California, and the requisite two-thirds vote of the electors of the District obtained at an election held on November 4, 1997, upon the question of issuing bonds in the amount of $15,535,371 the resolution of the Board of Trustees of the District adopted on July 14, 2003 (the "District Resolution") and the resolution of the County Board of Supervisors adopted on August 5, 2003 (the "County Resolution"). This Bond and the issue of which this Bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The Bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds of this issue.

The Bonds of this issue are issuable only as fully registered bonds in the denominations of $5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the County Resolution. All fees and costs of transfer shall be paid by the transferor. The District, the County 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, the County nor the Paying Agent shall be affected by any notice to the contrary.

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

The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, as a whole or in part by inverse order of maturity and by lot within each maturity, from any source of available funds, on August 1, 20__ and on any Interest Payment Date thereafter, at a redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) as set forth in the following table, together with accrued interest thereon to the date fixed for redemption.

Redemption Dates	Redemption Price
August 1, 20__ and February 1, 2012	1__%
August 1, 20__ and thereafter	1__

The Term Bonds maturing on August 1, 20__ and August 1, 20__ are subject to mandatory sinking fund redemption in part by lot on August 1 in each year commencing August 1, 2021 and August 1, 20__, in accordance with the schedule set forth below. The Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such Bonds to be redeemed, plus accrued but unpaid interest, without premium.

Term Bonds of 20__

Sinking Fund Payment Date (August 1)	Principal Amount to be Redeemed

Term Bonds of 20__

Sinking Fund Payment Date (August 1)	Principal Amount to be Redeemed

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

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

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

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

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 16th day of the

month next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

Reference is made to the County 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 County, 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 County Resolution.

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

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 County Resolution until the Certificate of Authentication below has been signed.

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

[SEAL]

COUNTY OF LOS ANGELES,
CALIFORNIA

By_____
Chair, Board of Supervisors

By_____
Treasurer and Tax Collector

COUNTERSIGNED:

By_____
Executive Officer-Clerk of the
Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the County Resolution referred to herein.

Date of Registration and Authentication: September 18, 2003

TREASURER AND TAX COLLECTOR OF
THE COUNTY OF LOS ANGELES,
as Paying Agent

By: U.S. BANK, N.A., *as agent*

By_____
Authorized Signatory

STATEMENT OF INSURANCE

[to come]

ASSIGNMENT

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

_____

_____

_____

(print or type name, address, zip code, tax identification or Social Security number of assignee) the within Bond and do(es) irrevocably constitute and appoint attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

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

_____

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 of any change whatever.

EXHIBIT B

[FORM OF BOND PURCHASE AGREEMENT]

$_____
EASTSIDE UNION SCHOOL DISTRICT
General Obligation Refunding Bonds
Series 2003

CONTRACT OF PURCHASE

_____, 2003

County of Los Angeles
Treasurer and Tax Collector
Room 437
500 West Temple Street
Los Angeles, CA 90012

Board of Trustees
Eastside Union School District
6742 East Avenue H
Lancaster, CA 93535

Ladies and Gentlemen:

Stone & Youngberg LLC (the "Underwriter") offers to enter into this Contract of Purchase (the "Purchase Contract") with the County of Los Angeles, California (the "County"), and the Eastside Union School District (the "District") which, upon your acceptance hereof, will be binding upon the County, the District, and the Underwriter. This offer is made subject to the written acceptance of the Purchase Contract by the County and the District and delivery of such acceptance to the Underwriter at or prior to 11:59 P.M., California time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of $_____ in aggregate principal amount of the District's General Obligation Bonds, Series 2003 (the "Bonds"). The Bonds shall bear interest at the rates and shall mature in the years shown on Appendix A hereto, which is incorporated herein by this reference. The Bonds shall bear interest payable from the date thereof as specified in Section 2 herein on each February 1 and August 1 commencing February 1, 2004. The Underwriter shall purchase the Bonds at a price of $_____, which is equal to the principal

amount of the Bonds of $_____, plus the original issue premium of $_____ and minus the Underwriter's discount for the Bonds of $_____,. As payment of the purchase price, the Underwriter shall remit directly to the Insurer at Closing (defined herein) the amount of $_____ and shall pay to the County the amount of $_____.

2. The Bonds. The Bonds shall be dated their date of delivery. The Bonds shall mature on August 1 in the years shown in Appendix A hereto, except as provided herein, and shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of the resolution of the District adopted on _____, 2003 (the "District Resolution"), the resolution of the Board of Supervisors of the County adopted on _____, 2003 (the "County Resolution" and collectively with the District Resolution, the "Resolutions"), and Section 15100 *et seq.* of the California Education Code (the "Act") and other applicable provisions of law.

Certain provisions for the optional and mandatory redemption of the Bonds not otherwise specified in the Resolutions are shown in Appendix A hereto, all as provided in the County Resolution.

The Bonds shall be executed and delivered under and in accordance with the provisions of the Purchase Contract and the Resolutions.

3. Use of Documents. The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, the Purchase Contract, the Official Statement (defined below), and the District Resolution, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by the Purchase Contract (except as such documents otherwise provided).

The County hereby authorizes the Underwriter to use the Purchase Contract and the County Resolution and all information contained herein and therein and all of the documents, certificates or statements furnished by the County to the Underwriter in connection with the transactions contemplated by the Purchase Contract (except as such documents otherwise provided).

4. Public Offering of the Bonds. The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields to be set forth on the cover page of the Official Statement and Appendix A hereto. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as it deems necessary in connection with the marketing of the Bonds.

The Underwriter shall certify to the District (i) that as of the date of sale, all of the Bonds purchased were expected to be reoffered in a bona fide public offering; (ii) that as of the date of the certification, all of the Bonds purchased had actually been offered to the general public at the offering prices shown in Appendix A; and (iii) that the prices given in Appendix A are the maximum initial bona fide offering prices at

which a substantial amount (at least 10%) of each maturity of the Bonds purchased was sold to the general public;

5. Review of Official Statement. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated _____, 2003 (the Preliminary Official Statement"). The District represents that it deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), yield(s) to maturity, selling compensation, aggregate principal amount and maturity value, denominational amount and maturity value per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule").

The Underwriter agrees that prior to the time the final Official Statement (the "Official Statement") relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Underwriter hereby represents that it will provide, consistent with the requirements of Municipal Securities Rulemaking Board ("MSRB") Rule G-32, for the delivery of a copy of the Official Statement to each customer who purchases any Bonds during the underwriting period (as such term is defined in MSRB Rule G-11), and deliver a copy of the Official Statement to a national repository on or before the Closing Date, and that it will otherwise comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and 17 CFR Section 240.15c2-12, promulgated by the Securities and Exchange Commission ("Rule 15c2-12").

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

6. Closing. At 9:00 A.M., California time, on _____, 2003, or at such other time or on such other date as shall have been mutually agreed upon by the County, District, and Underwriter, (the "Closing"), the County and the District will deliver to the Underwriter (except as otherwise provided in the Resolutions), at the offices of The Depository Trust Company ("DTC") in New York, New York, or at such other place as the County, District, and Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and in San Francisco, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to the account of the County of Los Angeles.

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

(a) Due Organization. The District is a school district duly organized and validly existing under the laws of the State of California, with the power to request the issuance of the Bonds pursuant to the Act;

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into the Purchase Contract, to adopt the District Resolution, to perform its obligations under the District Resolution and the County Resolution (iii) and the Purchase Contract constitutes a valid and legally binding obligation of the District;

(c) Consents. Except for the action of parties hereto, no consent, approval, authorization, order, filing, registration, qualification, election or referendum of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained;

(d) Internal Revenue Code. The District has covenanted to comply with the Internal Revenue Code of 1986, as amended, with respect to the Bonds;

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of the Purchase Contract, the Resolutions, and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution, and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject;

(f) Litigation. As of the time of acceptance hereof and based on the advice of legal counsel to the District ("District Counsel"), no action, suit, proceeding, hearing or investigation is pending against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several officers of the District required to execute any documents or certificates in connection with the delivery of the Bonds or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of taxes of the District pledged or to be pledged or available to pay the principal of and interest on the Bonds, or the pledge thereof, or, the levy of any taxes contemplated by the Resolutions, or in any way contesting or affecting the validity or enforceability of

the Bonds, the Purchase Contract or the Resolutions or contesting the powers of the District or its authority with respect to the Bonds, the Resolutions, or the Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by the Purchase Contract or the Resolutions, (b) declare the Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation;

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District directly, nor any other governmental agency or other body on behalf of the District, will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement;

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

(i) Continuing Disclosure. To assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5), the District will undertake, pursuant to the Resolutions and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement; and

(j) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

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

(a) Due Organization. The County is a political subdivision duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act;

(b) Due Authorization. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into the Purchase Contract, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument; and (iii) the Purchase Contract constitutes a valid and legally binding obligation of the County.

(c) No Conflicts. To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of the Purchase Contract, the County Resolution, and the Bonds, and the compliance with the provisions hereof, do not conflict with or constitute on the part of the County a violation of or default under the Constitution of the State of California or any existing charter, ordinance, or resolution, and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party;

(d) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending against the County or, to the best knowledge of the County, threatened against the County: (i) in any way affecting the existence of the County, or in any way challenging the respective powers of the several offices or of the titles of the officials of the County who will be required to execute documents and certificates in connection with the delivery of the Bonds to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, or the levy of any taxes or the pledge thereof contemplated by the Resolutions, or in any way contesting or affecting the validity or enforceability of the Bonds, the Purchase Contract or the County Resolution or contesting the powers of the County or its authority with respect to the Bonds, the County Resolution, or the Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County related to the transactions contemplated by the Purchase Contract or the Resolutions, or (b) declare the Purchase Contract to be invalid or unenforceable in whole or in material part;

(e) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement;

(f) Certificates. Any certificates signed by any officer of the County and delivered to the Underwriter shall be deemed a representation by the County to the Underwriter, but not by the person signing the same, as to the statements made therein.

9. Representations, Warranties and Agreements of the Underwriter. The Underwriter represents to and agrees with the County and the District that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute this Purchase Contract and to take any action under the Purchase Contract required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the County and the District, and is not prohibited thereby from acting as underwriter with respect to securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship with the District or the County with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

(d) The Underwriter has reasonably determined that the District's undertaking to provide continuing disclosure with respect to the Bonds pursuant to Section 13(e)(13) is sufficient to effect compliance with Rule 15c2-12.

10. Covenants of the District and the County. The County and the District respectively covenant and agree with the Underwriter that:

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

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes for which the Bonds were authorized;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date the Purchase Contract is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the "Official Statement") in such quantities (including a representative number of originally executed copies) as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the Municipal Securities Rulemaking Board;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect in any material respect the accuracy or completeness of any information set forth in the Official Statement relating to the District, until the date which is ninety (90) days following the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale; and

(e) Amendments to Official Statement. For a period of ninety (90) days after the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale, the District will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished

with a copy, the Underwriter shall object in writing or which shall be disapproved by the Underwriter (the Underwriter's approval of such amendment or supplement shall not be unreasonably withheld); and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, the District shall forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time such supplemental Official Statement is delivered to a purchaser, not misleading.

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

12. Conditions to Closing. The Underwriter has entered into the Purchase Contract in reliance upon the representations and warranties of the County and the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under the Purchase Contract are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the County and the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and each of the County and the District shall be in compliance with each of the agreements made by it in the Purchase Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, the Purchase Contract, the District Resolution and the County Resolution shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; and (ii) all actions under the Act which, in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect.

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of the Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best

knowledge of the County or the District, pending or threatened which has any of the effects described in Section 7(f) or 8(d) hereof or contesting in any way the completeness or accuracy of the Official Statement;

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

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

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; or

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

(2) legislation enacted by the legislature of the State of California (the "State"), or a decision rendered by a court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof;

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

(4) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(5) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or

obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force;

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

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

(8) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and which the District fails or is unwilling to correct by the submission of supplemental information.

(e) Delivery of Documents. At or prior to the date of the Closing, the District shall deliver (or cause to be delivered) sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the District;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in (e)(I) above;

(3) Certificate of the District. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute the Purchase Contract; (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing; (iii) the District has complied with all the terms of the District Resolution, the County Resolution, and the Purchase Contract to be complied with prior to or concurrently with the Closing and such documents are in full force and effect; and (iv) the District has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any

untrue statement of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, excepting therefrom those sections of the Official Statement describing the Depository Trust Company and its Book-Entry-Only System, any bond insurance and the provider of such bond insurance, and the investment policies of the County;

(4) Certificate of the County. A certificate signed by appropriate officials of the County to the effect that (i) such officials are authorized to execute this Purchase Contract; (ii) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing; (iii) the County has complied with all the terms of the County Resolution and this Purchase Contract to be complied with by the County prior to or concurrently with the Closing and (iv) to the best of its knowledge, as of the Closing, the information set forth in the Official Statement under the caption "Los Angeles County Investment Pool" is accurate;

(5) Disclosure Counsel Opinion. An opinion of Jones Hall, A Professional Law Corporation, as Disclosure Counsel, dated the date of the Closing, addressed to the District and the Underwriter, to the effect that based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein and the information included in the Appendices thereto, excluding information relating to the Insurer and the Policy and excluding information relating to DTC, as to which no advice need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(6) Arbitrage. A non-arbitrage certificate of the District in a form satisfactory to Bond Counsel;

(7) Municipal Bond Insurance. Evidence satisfactory to the Underwriter that the Bonds shall have received a policy of municipal bond insurance issued by _____ that unconditionally guarantees the timely payments of all debt service on the Bonds.

(8) Rating. Evidence satisfactory to the Underwriter that the Bonds shall have been rated "AAA" by Standard & Poor's and AAA by Fitch Ratings as a result of municipal bond insurance provided by _____ and that any such rating has not been revoked or downgraded;

(9) District Resolution. A certificate, together with fully executed copies of the District Resolution, of the Clerk of the District Board of Education to the effect that:

(i) such copies are true and correct copies of the District Resolution; and

(ii) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(10) District Counsel Opinion. An opinion of Counsel to the District in the form attached as Appendix B;

(11) County Resolution. A certificate, together with fully executed copies of the County Resolution, of the Executive Officer-Clerk of the County Board of Supervisors to the effect that such copies are true and correct copies of the County Resolution;

(12) County Counsel Opinion. An opinion of Counsel to the County in a form satisfactory to the Underwriter;

(13) Continuing Disclosure Certificate. A Continuing Disclosure Certificate of the District in substantially the form given in the Preliminary Official Statement.

(14) Underwriter's Certifications. At or before Closing, and contemporaneously with the acceptance of delivery of the Bonds and the payment of the purchase price thereof, the Underwriter will provide (or cause to be provided) to the District:

(i) the receipt of the Underwriter, in form satisfactory to the District and the County and signed by an authorized officer of the Underwriter, confirming delivery of the Bonds to the Underwriter, receipt of all documents required by the Underwriter, and the satisfaction of all conditions and terms of this Purchase Contract by the District and the County, respectively, and confirming to the District and the County that as of the Closing Date all of the representations of the Underwriter contained in this Purchase Contract are true, complete and correct in all material respects.

(ii) the certification of the Underwriter, in form satisfactory to Bond Counsel, regarding the prices at which the Bonds have been reoffered to the public, as described in Section 1 hereof.

(iii) the certification of the Underwriter, in form satisfactory to Bond Counsel, that the present value of the

interest saved as a result of the policy of municipal bond insurance with respect to the Bonds issued by _____ exceeds the premium paid for said insurance, and said premium is not unreasonable.

(15) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence (i) compliance by the County and the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained, and (iii) the due performance or satisfaction by the County and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter prior to the close of business, California time, on _____, 2003, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 12 hereof.

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

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

14. Expenses. The District shall pay any expenses incident to the performance of its obligations hereunder from the proceeds of the Bonds, including but not limited to the following: (i) the cost of the preparation and reproduction of the Resolution; (ii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iii) the cost of the preparation and delivery of the Bonds; (iv) the cost of the printing and distribution of the Official Statement; (v) the initial fees, if any, of the Paying Agent; and (vi) all other fees and expenses incident to the issuance and sale of the Bonds. All out-of-pocket expenses of the Underwriter, including the California Debt and

Investment Advisory Commission fee, travel and other expenses (except as provided above), shall be paid by the Underwriter.

15. Notices. Any notice or other communication to be given under the Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer and Tax Collector of the County of Los Angeles, 500 West Temple Street, Room 437, Los Angeles, CA 90012; or if to the District, to the Superintendent, Eastside Union District, 6742 East Avenue H, Lancaster, CA 93535; or if to the Underwriter, to Stone & Youngberg LLC, One Ferry Building, San Francisco, CA 94111.

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

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

18. Nonassignment. Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior consent of the other party hereto.

19. Entire Agreement. This Purchase Contract, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto, including their permitted successors and assigns, respectively.

20. Execution in Counterparts. The Purchase Contract may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

21. Applicable Law. The Purchase Contract shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

Stone & Youngberg LLC

By:_____
Vice President

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

County of Los Angeles

By:_____
Treasurer and Tax Collector

Approved as to form:

County Counsel

By: _____
Deputy County Counsel

Eastside Union School District

By:_____
Assistant Superintendent,
Business Services

APPENDIX A

INTEREST RATES, REOFFERING PRICES, MATURITIES, DEBT SERVICE, AND OPTIONAL AND MANDATORY REDEMPTION PROVISIONS

EASTSIDE UNION SCHOOL DISTRICT
General Obligation Bonds, Series 2003

Maturity Schedule

Maturity (August 1)	Principal Amount	Interest Rate

ments.

Optional Redemption

The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, as a whole or in part by inverse order of maturity and by lot within each maturity, from any source of available funds, on August 1, 20__ and on any Interest Payment Date thereafter, at a redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) as set forth in the following table, together with accrued interest thereon to the date fixed for redemption.

Redemption Dates	Redemption Price

APPENDIX B

FORM OF DISTRICT COUNSEL OPINION

$_____

EASTSIDE UNION SCHOOL DISTRICT
General Obligation Bonds
Series 2003

Ladies and Gentlemen:

As counsel to the Eastside Union School District (the "District"), I have reviewed the proceedings relating to the special election of the District held on November 4, 1997 (the "Election"), at which the above-described bonds (the "Bonds") were authorized, the Official Statement (the "Official Statement") for the Bonds, the Resolution of the Board of Education of the District adopted on _____, 2003 (the "District Resolution"), and the Contract of Purchase, dated as of _____, 2003, by and among the District, County of Los Angeles, and Stone & Youngberg LLC (the "Purchase Contract").

Having reviewed these documents, it is my opinion that:

1. The District is a school district duly organized and existing under the Constitution and the laws of the State of California.

2. The District Resolution was duly adopted at a meeting of the governing body of the District which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.

3. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the District which would adversely impact the District's ability to complete the transactions described in and contemplated by the Official Statement, to restrain or enjoin the levy or collection of tax revenues pledged for the Bonds or in any way contesting or affecting the validity of the Election, the Purchase Contract, the District Resolution or the Bonds or the transactions described in and contemplated by the Official Statement wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the Election, the Purchase Contract, the District Resolution or the Bonds or in which a final adverse decision could materially adversely affect the operations of the District.

4. To the best of my knowledge, the obligations of the District under the Bonds, and the approval of the Official Statement and compliance with the provisions thereof, and the execution of and performance of the provisions of the Purchase Contract, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the District a breach of or default under any agreement or other

instrument to which the District is a party or by which it is bound or any existing law, regulation court order or consent decree to which the District is subject.

5. The Election was validly ordered and the proceedings relating thereto were conducted in compliance with all requirements of the Constitution and the laws of the State of California.

6. No authorization, approval, consent, or other order of the State of California, or other governmental authority or agency within the State of California, is required for the valid authorization of the Bonds, the execution of the Purchase Contract or the approval of the Official Statement.

Very truly yours,

EASTSIDE UNION SCHOOL DISTRICT
RESOLUTION NO. 03-04-02

RESOLUTION OF THE BOARD OF TRUSTEES OF THE EASTSIDE UNION SCHOOL DISTRICT REQUESTING THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY TO ISSUE AND SELL GENERAL OBLIGATION BONDS, SERIES 2003 OF EASTSIDE UNION SCHOOL DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $3,637,822.90

WHEREAS, an election was duly and regularly held in the Eastside Union School District (the "District"), Los Angeles County, State of California on November 4, 1997 for the purpose of submitting to the qualified electors of said District the question whether general obligation bonds should be issued in the principal amount not exceeding $15,535,371 (the "Authorization") to renovate, construct and improve school facilities (the "Project");

WHEREAS, more than two-thirds of the votes cast at said election were in favor of the issuance of the Authorization;

WHEREAS, the District has previously caused to be issued and sold two series of the Authorization in the amount of $11,897,548.10, leaving $3,637,822.90 of the Auhorization unissued, and now determines that it is in the best interests of the District to issue and sell the third and final series of the Bonds, in a principal amount of not to exceed $3,637,822.90;

WHEREAS, Section 15140 of the Education Code of the State of California (the "Education Code") requires that the Bonds of the District shall be offered for sale by the Board of Supervisors of the County of Los Angeles as soon as possible following receipt of a resolution adopted by the Governing Board of the District;

WHEREAS, Section 15140 of the Education Code provides that such resolution shall prescribe the total amount of bonds to be sold;

WHEREAS, Section 15140 also provides that such resolution may prescribe the maximum acceptable interest rate, not to exceed eight percent (8%), and the time or times when the whole or any part of the principal of bonds shall be payable, which shall not be more than 25 years from the date of the bonds;

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

NOW, THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED by the Board of Trustees of the Eastside Union School District, as follows:

Section 1. **Recitals**. The foregoing recitals are true and correct.

Section 2. Request. The Board of Supervisors of the County of Los Angeles is hereby requested to cause to be issued, sold and delivered on behalf of the District by negotiated sale, the Bonds in the aggregate principal amount of not to exceed $3,637,822.90 to be designated "Eastside Union School District (Los Angeles County, California) General Obligation Bonds, Series 2003" (the "Bonds") upon the terms and conditions as hereinafter provided, for the purpose of paying for the costs of the Project or a portion thereof. The Bonds shall be issued by the Board of Supervisors of Los Angeles County pursuant to that certain form of the Resolution, a copy of which is on file with the Superintendent of the District, entitled "Resolution of the Board of Supervisors of the County of Los Angeles, State of California, Providing for the Issuance and Sale of General Obligation Bonds, Series 2003 of Eastside Union School District in the aggregate principal amount of not to exceed $3,637,822.90 (the "Issuance Resolution").

Section 3. Sale. The not to exceed $3,637,822.90 principal amount of Bonds shall be sold by the Treasurer and Tax Collector of Los Angeles County (the "Treasurer") by negotiated sale pursuant to the Contract of Purchase ("Purchase Contract"), a form of which is on file with the Superintendent and is hereby approved, dated the date of sale of the Bonds, by and among the District, the Treasurer or an authorized deputy, and Stone & Youngberg LLC (the "Underwriter"). The true interest cost of the Bonds shall not exceed 6%, and the Underwriter's discount on the Bonds (without regard to an original issue discount, if any, and costs of issuance paid by the Underwriter), shall not exceed 2% of the par amount of the Bonds purchased. The Bonds shall mature not later than 25 years from their issue date. The Superintendent and the President of the Board of Trustees are hereby separately authorized to execute the Purchase Contract.

Section 4. Tax Covenants.

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

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

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

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

E. Maintenance of Tax-Exemption The District shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the owners of the Bonds to the

same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

F. Small Issuer Exemption from Bank Nondeductibility Restriction The District hereby designates the Bonds for purposes of paragraph (3) of section 265(b) of the Code and represents that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Code) from gross income for federal income tax purposes, including the Bonds, has been or will be issued by the District during the calendar year 2003.

Section 5. Preliminary and Official Statement. The Board of Trustees hereby approves the Preliminary Official Statement describing the Bonds, in substantially the form on file with the Clerk of the Board of Trustees, together with any changes therein or additions thereto deemed advisable by the Superintendent or any other qualified officer of the District designated as such by the Superintendent (the "Authorized Official"). The Board of Trustees approves the agreement for disclosure counsel services, in regard to preparation of the Preliminary Official Statement and the Official Statement with Jones Hall on file with the District. The Board of Trustees approves and authorizes the distribution by the Underwriter of the Official Statement to prospective purchasers of the Bonds, and authorizes and directs the Authorized Official on behalf of the District to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Official Statement prior to its distribution by the Underwriter. The execution of the Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Official and such information permitted to be excluded from the Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Official Statement by the District.

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

Section 6. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate in substantially the form attached hereto as Exhibit A. The Superintendent and President of the Board of Trustees are hereby authorized and directed to assist the Underwriter and Bond Counsel in completing the Continuing Disclosure Certificate, and to execute said Certificate on or prior to the closing of the Bonds.

Section 7. Appointment of Bond Counsel and Disclosure Counsel. Jones Hall, A Professional Law Corporation, San Francisco, California ("Jones Hall"), is hereby appointed to serve the District as bond counsel and as disclosure counsel on its general obligation bond

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PASSED AND ADOPTED by the Board of Trustees of the Eastside Union School District at a regular meeting held on the 14th day of July, 2003, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Colleen Larson

Eastside Union School District
Los Angeles County, State of California

Clerk of the Board of Trustees