



LONG BEACH UNIFIED SCHOOL DISTRICT

Office of the Chief Business and Financial Officer

1515 Hughes Way, CA 90810-1839 • (562) 997-8189 • FAX (562) 997-8284

November 6, 2014

The Honorable Board of Supervisors County of Los Angeles
Room 383
Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Attention: Thomas R. Parker, Esq., Deputy County Counsel

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

35 December 2, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Re: Long Beach Unified School District
Election of 2008 General Obligation Bonds, Series D

Dear Supervisors:

On November 4, 2014, the Board of Education of the Long Beach Unified School District (the "District") adopted a resolution (the "District Resolution") authorizing the issuance and sale of the District's Election of 2008 General Obligation Bonds, Series D (collectively, the "Bonds") in the aggregate principal amount not to exceed \$270,000,000, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Section 53506) of the Government Code of the State of California. An executed original of the District Resolution is enclosed herewith.

The District formally requests, in accordance with applicable law, that the Los Angeles County Board of Supervisors (the "Board of Supervisors") adopt the enclosed resolution (the "County Resolution") to levy the appropriate taxes and to direct the County Auditor-Controller to place these taxes on the tax roll every year according to a debt service schedule to be supplied by the District following the sale of the Bonds.

IT IS THEREFORE RECOMMENDED THAT THE BOARD OF SUPERVISORS:

1. Adopt the enclosed County Resolution.
2. After the Board of Supervisors has taken action on this letter, the District requests that the Executive Officer-Clerk of the Board of Supervisors furnish two (2) certified copies of the adopted resolution to Hawkins Delafield & Wood LLP, at 333 South Grand Avenue, 36th Floor, Los Angeles, California 90071, Attn: Nnanna Ogbu, Esq. and one (1) certified copy of the adopted resolution to Los Angeles County Treasurer and Tax Collector, 500 W. Temple Street, Room 437, Los Angeles, California 90012, Attention: John Patterson, Manager.


3. After the Board of Supervisors has taken action on this letter, the District requests that the Executive Officer-Clerk of the Board of Supervisors send one (1) copy of the adopted resolution to each of the following:

- (a) Los Angeles County Auditor-Controller
Accounting Division
500 West Temple Street Suite 603
Los Angeles, California 90012
Attention: Lynn Okamura

- (b) Los Angeles County Counsel
648 Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Attention: Thomas R. Parker, Esq.

Sincerely,

LONG BEACH UNIFIED SCHOOL DISTRICT

By: 

Yumi Takahashi
Chief Business & Financial Officer

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

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

WHEREAS, at such election there was submitted to and approved by the requisite vote of fifty-five percent or more of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount not-to-exceed \$1,200,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization"); and

WHEREAS, on May 7, 2009, the District issued its Election of 2008 General Obligation Bonds, Series A pursuant to the Authorization in an aggregate principal amount of \$260,000,000;

WHEREAS, on May 3, 2011, the District issued its Election of 2008 General Obligation Bonds, Series B (Tax-Exempt) pursuant to the Authorization in an aggregate principal amount of \$3,020,685.60;

WHEREAS, on May 3, 2011, the District issued its Election of 2008 General Obligation Bonds, Series B-1 (Qualified School Construction Bonds – Direct Payment to Issuer)(Federally Taxable) pursuant to the Authorization in an aggregate principal amount of \$72,406,000.00;

WHEREAS, on May 30, 2013, the District issued its Election of 2008 General Obligation Bonds, Series C pursuant to the Authorization in an aggregate principal amount of \$50,000,000;

WHEREAS, on June 3, 2014, the Board of Education of the District adopted Resolution No. 040314-A being "A Resolution of the Governing Board of Education of the Long Beach Unified School District Requesting Board of Supervisors of Los Angeles County to Establish a Tax Rate for Bonds of the Long Beach Unified School District Expected to be Sold during Fiscal Year 2014-15, and Authorizing Certain Actions in Connection Therewith";

WHEREAS, the Board of Education of the District determined in a resolution adopted on November 4, 2014 (the "District Resolution") to authorize the issuance and sale of the fifth series of bonds under the Authorization, in an aggregate principal amount not-to-exceed \$270,000,000 and designated as "Long Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds, Series D" (the "Bonds") pursuant to Section 53506 *et seq.* of the California Government Code (the "Bond Law"); and

WHEREAS, the Board of Supervisors of the County (the "County Board") has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, and to direct the Auditor-Controller of the County (the "Auditor-Controller") to place on its 2015-16 tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Bonds, that will be provided to the Auditor-Controller by the District following the sale of the Bonds; and

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

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

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

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

SECTION 3. Preparation of Tax Roll. That the Auditor-Controller is hereby directed to place on its 2015-16 tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedule for the Bonds, which will be provided to the Auditor-Controller by the District following the sale of the Bonds.

SECTION 4. Paying Agent. That the Treasurer act as initial Paying Agent for the Bonds. The Treasurer is authorized to contract with a third party to perform the services of Paying Agent.

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

The foregoing resolution was adopted on the 2nd day of December, 2014, by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



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

By: Carla Little
Deputy

APPROVED AS TO FORM:

MARK J. SALADINO
County Counsel

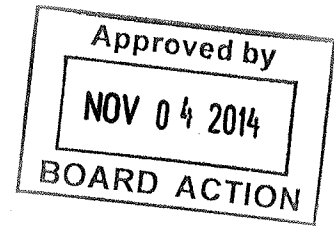
By: Thomas R. Baker
Deputy County Counsel

RECEIVED
COUNTY OF LOS ANGELES

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RESOLUTION NO. 110414-A



RESOLUTION OF THE BOARD OF EDUCATION OF THE LONG BEACH UNIFIED SCHOOL DISTRICT AUTHORIZING THE SALE AND ISSUANCE OF ONE OR MORE SERIES OF LONG BEACH UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$270,000,000 TO BE ISSUED UNDER THE AUTHORIZATION (AS DEFINED HEREIN) AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES RELATING TO THE SALE AND ISSUANCE OF SAID BONDS

WHEREAS, a duly called election (the "Election") was held in the Long Beach Unified School District, County of Los Angeles, State of California (hereinafter referred to as the "District"), on November 4, 2008, at which the following proposition (the "Bond Measure") was submitted to the qualified electors of the District:

"CLASSROOM REPAIR, STUDENT SAFETY MEASURE.

To make essential health/safety repairs, retain teachers, qualify for matching grants, shall Long Beach Unified School District retrofit schools for earthquake safety/handicap accessibility, repair restrooms/plumbing/roofs/fire safety, remove lead paint/asbestos, upgrade vocational classrooms/technology/energy efficiency, expand after-school programs, reduce overcrowding, by acquiring, repairing, constructing, equipping sites, facilities, joint-use buildings, and issuing \$1,200,000,000 in bonds at legal rates with independent audits, citizen's oversight, and no money for administrators' salaries?"

WHEREAS, at the Election, the Bond Measure received the affirmative vote of the requisite fifty-five percent or more of the electors of the District voting on the proposition (the "Authorization"), as certified by the Registrar of Voters of the County of Los Angeles in the official canvassing of votes;

WHEREAS, on May 7, 2009, the District issued its Election of 2008 General Obligation Bonds, Series A pursuant to the Authorization in an aggregate principal amount of \$260,000,000;

WHEREAS, on May 3, 2011, the District issued its Election of 2008 General Obligation Bonds, Series B (Tax-Exempt) pursuant to the Authorization in an aggregate principal amount of \$3,020,685.60;

WHEREAS, on May 3, 2011, the District issued its Election of 2008 General Obligation Bonds, Series B-1 (Qualified School Construction Bonds – Direct Payment to Issuer) (Federally Taxable) pursuant to the Authorization in an aggregate principal amount of \$72,406,000;

WHEREAS, on May 30, 2013, the District issued its Election of 2008 General Obligation Bonds, Series C pursuant to the Authorization in an aggregate principal amount of \$50,000,000;

WHEREAS, at this time this Board has determined that it is necessary and desirable to issue general obligation bonds pursuant to the Authorization in an aggregate principal amount not-to-exceed \$270,000,000 to be designated as the “Long Beach Unified School District (County of Los Angeles, California) Election of 2008 General Obligation Bonds, Series D” (the “Bonds”);

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 *et seq.* (the “Act”), the Bonds are authorized to be issued for the purposes set forth in the Bond Measure;

WHEREAS, the Board desires to authorize the issuance of Bonds in one or more series as current interest bonds, capital appreciation bonds or convertible capital appreciation bonds;

WHEREAS, Section 15146(b) of the Education Code of the State of California requires this Resolution to be publicly noticed on at least two consecutive meeting agendas, first as an information item and second as an action item, because the proposed sale may include capital appreciation bonds and convertible capital appreciation bonds;

WHEREAS, Section 15146(c) of the Education Code of the State of California requires that the agenda item for this Resolution identify that if the proposed general obligation bonds may include capital appreciation bonds and convertible capital appreciation bonds the Board be presented with (i) an analysis containing the total overall cost of the bonds that allow for the compounding of interest; (ii) a comparison to the overall cost of current interest bonds; (iii) the reason bonds that allow for the compounding of interest are being recommended; and (iv) a copy of the disclosure made by the underwriter in compliance with Rule G-17 adopted by the MSRB (defined herein);

WHEREAS, Section 53508.6 of the Government Code of the State of California requires the District to comply with Sections 15146(b) and 15146(c) of the Education Code and to make a finding that the useful life of the facilities financed with the Current Interest Bonds authorized hereby will be at least equal to the final maturity date of the Current Interest 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 this proposed issue of Bonds, is within all limits prescribed by law;

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

SECTION 1. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Contract of Purchase or the Notice Inviting Bids):

“Accreted Value” shall mean with respect to any Capital Appreciation Bonds or Convertible CABs prior to their Conversion Date, as of any date of calculation, the sum of the Denominational Amount thereof and the interest accrued thereon to such date of calculation, compounded from the date of initial issuance at the stated accretion rate thereof on each February 1 and August 1, or as otherwise set forth in the Contract of Purchase or Notice Inviting Bids, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year comprised of twelve 30-day months.

“Bond Counsel” shall mean Hawkins Delafield & Wood LLP.

“Bond Payment Date” shall mean (unless otherwise provided for in the Contract of Purchase or the Notice Inviting Bids), February 1 and August 1 of each year commencing August 1, 2015 with respect to interest on the Bonds and August 1 of each year commencing August 1, 2015 with respect to the principal payments on the Bonds.

“Capital Appreciation Bonds” shall mean the Bonds accreting interest on the Denominational Amount thereof designated as such in Section 5(c) of this Resolution.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Certificate” shall mean the Continuing Disclosure Certificate dated the date of issuance and delivery of the Bonds, as amended from time to time in accordance with the terms thereof.

“Contract of Purchase” shall mean the Contract of Purchase by and between the District and the Underwriter or Underwriters named therein.

“Conversion Date” shall mean the date specified for the conversion of Convertible CABs into Current Interest Bonds, as identified in the Contract of Purchase or the Notice Inviting Bids.

“Conversion Value” shall mean the Accreted Value of the Convertible CABs on the Conversion Date therefor, as identified in the Contract of Purchase or the Notice Inviting Bids.

“Convertible CABs” shall mean Bonds which, are issued initially as Capital Appreciation Bonds and on the Conversion Date convert to Current Interest Bonds designated as such by Section 5(d) of this Resolution.

“County” shall mean the County of Los Angeles, California.

“Current Interest Bonds” shall mean the Bonds bearing interest payable semiannually designated as such in Section 5(b) of this Resolution.

“Denominational Amount” shall mean, as to any Capital Appreciation Bond or Convertible CAB, the initial issue amount thereof.

“Depository” shall mean, initially, DTC, and thereafter the securities depository acting as Depository pursuant to Section 7 hereof.

“DTC” shall mean The Depository Trust Company and its successors and assigns.

“EMMA System” shall mean the MSRB’s Electronic Municipal Market Access system.

“Information Services” shall mean national information services that disseminate securities redemption notices or, in accordance with then-current guidelines of the SEC, such other services providing information with respect to called bonds as the District may specify in a written certificate delivered to the Paying Agent.

“Interest Payment Date” shall mean with respect to (i) any Current Interest Bond, February 1 and August 1 in each year, commencing on August 1, 2015, or as otherwise specified in the Contract of Purchase or the Notice Inviting Bids, as applicable, (ii) any Capital Appreciation Bond, the maturity or prior redemption date thereof, and (iii) any Convertible CAB prior to its Conversion Date, the redemption date thereof, if any.

“Maturity Amount” shall mean the Accreted Value of any Capital Appreciation Bond on its maturity date.

“Moody’s” shall mean Moody’s Investors Service, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities Rating Agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities Rating Agency selected by the District.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Nominee” shall mean the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 7 hereof.

“Notice Inviting Bids” shall mean the Official Notice Inviting Bids of the District.

“Official Statement” shall mean the Official Statement for the Bonds including the cover page through all appendices, exhibits, reports and statements included therein or attached thereto, as amended or supplemented as described in Section 14 hereof.

“Outstanding” shall mean, when used with reference to the Bonds, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

- (i) Bonds canceled at or prior to such date;
- (ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 8 hereof; or
- (iii) Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 15 of this Resolution.

“Owner” shall mean the registered owner of a Bond as set forth on the registration books maintained by the Paying Agent pursuant to Section 8 hereof.

“Participants” shall mean 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 initially the Treasurer and Tax Collector, and afterward U.S. Bank National Association, as the agent of the Treasurer and Tax Collector, or any other such Paying Agent designated in accordance within this Resolution.

“Permitted Investments” shall mean (i) any lawful investments permitted by Section 16429.1 and Section 53601 of the Government Code (ii) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, but without regard to any limitations in such Section concerning the percentage of moneys available for investment being invested in a particular type of security, (iii) a guaranteed investment contract with a provider rated in at least the second highest category by each Rating Agency then rating the Bonds, (iv) the Local Agency Investments Fund of the California State Treasurer, (v) the Los Angeles County Investment Pool maintained by the Treasurer and Tax Collector (defined herein), and (vi) State and Local Government Series Securities.

“Principal” or “Principal Amount” shall mean, as of any date of calculation, with respect to (i) any Current Interest Bond, the principal amount thereof, and (ii) any Capital Appreciation Bond or Convertible CAB prior to its Conversion Date, the Accreted Value thereof.

“Projects” shall have the meaning given to that term in Section 2 of this Resolution.

“Project Costs” shall mean all of the expenses of and incidental to the construction and/or acquisition of the Projects, including costs of issuance.

“Rating Agency” shall mean Moody’s and S&P.

“Record Date” shall mean the close of business on the 15th day of the month preceding each Bond Payment Date.

“Securities Depository” shall mean DTC, with Cede & Co., as its nominee.

“S&P” shall mean Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities Rating Agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities Rating Agency selected by the District.

“Tax-Exempt Bonds” shall mean Bonds issued by the District the interest on which is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“Taxable Bonds” shall mean Bonds issued by the District the interest on which is not excluded from the gross income of the holders thereof for federal income tax purposes.

“Transfer Amount” shall mean, with respect to (i) any Current Interest Bond, the aggregate Principal Amount thereof, (ii) any Capital Appreciation Bond, the Maturity Amount thereof; and (iii) any Convertible CAB, the Conversion Value thereof.

“Treasurer and Tax Collector” shall mean, the Treasurer and Tax Collector of the County of Los Angeles.

“Underwriter” shall mean, with respect to a negotiated sale, the underwriter named in the Contract of Purchase for the Bonds and, with respect to a competitive sale, the winning bidder of the Bonds in accordance with the Notice Inviting Bids.

SECTION 2. Purpose. To raise money for the purposes authorized by the voters of the District at the Election and to pay all necessary legal, financial, engineering and contingent costs in connection with the issuance of the Bonds, this Board hereby authorizes the issuance of the Bonds and orders such Bonds sold as current interest bonds, capital appreciation bonds and convertible capital appreciation bonds, in one or more series, as Tax-Exempt Bonds or Taxable Bonds, at a negotiated sale or a competitive sale, to bear or accrete interest at a rate not to exceed that authorized at the Election, be payable upon such terms and provisions as shall be set forth in the Bonds, mature on the dates and in the amounts set forth in the Contract of Purchase or the Notice Inviting Bids, as applicable, and issued in an aggregate principal amount not-to-exceed \$270,000,000 for some or all of the purposes authorized at the Election (the “Projects”).

SECTION 3. Paying Agent. This Board does hereby appoint the Treasurer and Tax Collector as authenticating agent, Paying Agent, transfer agent and paying agent (collectively, the “Paying Agent”) for the Bonds on behalf of the District. The Treasurer and Tax Collector are authorized to contract with any third party to perform the services as Paying Agent hereunder. U.S. Bank National Association, is approved as the initial agent for the Treasurer and Tax Collector to act as Paying Agent. There is hereby approved the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Bonds may be paid in each year from *ad valorem* taxes levied and collected for the payment thereof, insofar as permitted by law, including specifically by Section 15232 of the Education Code.

SECTION 4. Sale of the Notes.

(a) Method of Sale. The Superintendent of the District (the “Superintendent”), the Chief Business and Financial Officer (the “CFO”), or the Financial Services Officer of the District or a designated deputy thereof (collectively, the “Authorized Officers”) may determine whether the Bonds of a series shall be (i) sold by negotiated basis to an Underwriter in accordance with the Contract of Purchase attached hereto as Exhibit B and by reference incorporated herein or (i) offered for public sale in accordance with the Notice Inviting Bids attached hereto as Exhibit C and by reference incorporated herein.

(b) Contract of Purchase. The form of Contract of Purchase set forth in Exhibit B hereto is hereby approved. The Authorized Officers are, and each of them is, hereby authorized,

and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and deliver one or more Contracts of Purchase in the form presented to this meeting with such changes, insertions and omissions as the Authorized Officer executing the same on behalf of the District may require or approve, such requirement or approval to be conclusively evidenced by the execution thereof by such Authorized Officer. The Board hereby approves the negotiated sale of the Bonds and directs the District to sell the Bonds by a negotiated sale if it is determined by an Authorized Officer that a negotiated sale contributes to the District's goal of achieving the lowest overall costs of funds. In connection with each negotiated sale of Bonds, the CFO is hereby further authorized to designate the Underwriters and which Underwriter shall act as the senior manager, the co-senior manager and the co-manager in the event more than one underwriter is designated.

(c) Official Notices Inviting Bids. The forms of the Notice Inviting Bids with respect to the Current Interest Bonds set forth in Exhibit C-1 hereto, the Notice Inviting Bids with respect to the Capital Appreciation Bonds set forth in Exhibit C-2 hereto and the Notice of Intention to Sell set forth in Exhibit D hereto (the "Notice of Intention") are hereby approved. The Authorized Officers are hereby authorized to cause the Notice of Intention to be published in *The Bond Buyer* once at least five (5) days prior to the date set to receive bids. The Board hereby approves the competitive sale of the Bonds and directs the District to sell the Bonds by a competitive sale if it is determined by an Authorized Officer that a competitive sale contributes to the District's goal of achieving the lowest overall cost of funds. The terms and conditions of the offering and the sale of the Bonds shall be as specified in the Notice Inviting Bids. The Board shall award the sale of the Bonds sold by competitive sale by acceptance of the bids with the lowest true interest cost with respect to the Bonds, so long as the principal amount of the Bonds does not exceed \$270,000,000 and the true interest cost does not exceed 8% per annum.

The Financial Advisor (defined herein) is hereby authorized and directed to cause to be furnished to prospective bidders the Notice Inviting Bids (including the Bid Form) and electronic copies of the Preliminary Official Statement (defined herein).

The Financial Advisor is hereby authorized and directed to open the bids at the time and place specified in the Notice Inviting Bids and to present the same to the Authorized Officers. The Financial Advisor is hereby authorized and directed to receive and record the receipt of all bids made pursuant to the Notice Inviting Bids, to cause said bids to be examined for compliance with the Notice Inviting Bids, and to cause computations to be made as to which bidder has bid the lowest true interest cost with respect to the Bonds, all as provided in the Notice Inviting Bids, along with a report as to the foregoing and any other matters deemed pertinent to the award of the Bonds and the proceedings for the issuance thereof.

SECTION 5. Terms of the Bonds.

(a) Designation and Form; Date of Delivery. One or more issues and series of Bonds are hereby authorized and shall be entitled to the benefit, protection and security of this Resolution in an aggregate Principal Amount not to exceed \$270,000,000. Such Bonds shall be general obligations of the District, payable as to Principal, premium, if any, and interest from *ad valorem* property taxes to be levied upon all of the taxable property within the District. The Bonds shall be designated as the "Long Beach Unified School District General Obligation

Bonds, 2008 Election, 2008 Series D” with such additional series designations as the District may determine. The Bonds will be initially registered to “Cede & Co.,” the nominee of The Depository Trust Company. Each Bond shall be dated the date of delivery. The Bonds may be issued as Current Interest Bonds, Capital Appreciation Bonds and Convertible CABs, in the form of Tax-Exempt Bonds or Taxable Bonds and shall be subject to redemption as further set forth in the Contract of Purchase or Notice Inviting Bids, as applicable, in accordance with the terms of this Resolution.

(b) Current Interest Bonds. The Current Interest Bonds shall be issued in fully registered form, registered as to both principal and interest, in the denominations of \$5,000 Principal Amount or any integral multiple thereof. The Current Interest Bonds shall bear interest at a rate or rates such that the interest rates or true interest cost shall not exceed the maximum rate permitted by law. Interest shall be payable on the respective Bond Payment Dates. Interest on the Current Interest Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Each Current Interest Bond shall bear from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear or accrete interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the date of delivery.

(c) Capital Appreciation Bonds. The Bonds issued as Capital Appreciation Bonds, if any, shall be issued in fully registered form in any Denominational Amount but shall reflect denominations of \$5,000 Maturity Amount or any integral multiple thereof, shall mature on the dates, in the years and in the Maturity Amounts, and shall accrete interest at the accretion rates, all as set forth in the Contract of Purchase or the Notice Inviting Bids, as applicable. Interest on each Capital Appreciation Bond, if any, shall be compounded semiannually on February 1 and August 1 of each year until maturity, or as otherwise set forth in the Contract of Purchase or the Notice Inviting Bids, as applicable, commencing on the date set forth therein, computed on the basis of a 360 day year comprised of twelve 30-day months and shall be payable only at maturity as part of the Maturity Amount or at earlier redemption at its Accreted Value.

(d) Convertible CABs. The Bonds issued as Convertible CABs shall be issued in fully registered form in any Denominational Amount but shall reflect denominations of \$5,000 Conversion Value or any integral multiple thereof, shall mature on the dates, in the years and with the Conversion Values, and shall accrete interest at their Accretion Rate through the Conversion Date, all as set forth in the Contract of Purchase or the Notice Inviting Bids, as applicable. Prior to the Conversion Date, the Convertible CABs shall not pay current interest. Prior to the Conversion Date, each Convertible Capital Appreciation Bond shall increase in value by the accretion of interest from its Denominational Amount on the date of issuance thereof to its stated Conversion Value at the Conversion Date. Prior to the Conversion Date, interest accreting on the Convertible CABs will be computed on the basis of a 360 day year comprised of twelve 30-day months, will be compounded semiannually thereafter on February 1 and August 1 in each year, or as otherwise set forth in the Contract of Purchase or the Notice Inviting Bids, as applicable. No interest will be payable on any Convertible CAB prior to or on the Conversion Date. Following the Conversion Date, interest on the Convertible CABs shall be computed based upon the Conversion Value and on the basis of a 360 day year comprised of twelve 30-day

months and will be payable on each Interest Payment Date, commencing on the first Interest Payment Date following the Conversion Date. Following its Conversion Date, each Convertible CAB will pay interest and be payable in the same manner as Current Interest Bonds.

SECTION 6. Redemption.

(a) Optional Redemption. The Bonds shall be subject to optional redemption prior to their stated maturity dates as provided in Contract of Purchase or the Notice Inviting Bids, as applicable.

(b) Mandatory Redemption. Unless otherwise provided in the Contract of Purchase or the Notice Inviting Bids, as applicable, the Term Bonds are subject to mandatory redemption from moneys in the Debt Service Fund established in Section 11 hereof prior to their stated maturity dates, without premium, on each August 1, in the Principal Amounts as set forth in the Contract of Purchase or the Notice Inviting Bids, as applicable.

(c) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the optional redemption of Outstanding Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent identified below, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in the Maturity Amount of \$5,000 or any integral multiple thereof, and the portion of any Convertible CAB to be redeemed in part prior to its Conversion Date shall be in the Conversion Value of \$5,000 or any integral multiple thereof, and after the Conversion Date shall be in the Principal Amount of \$5,000 or integral multiple thereof. The Accreted Value of such Capital Appreciation Bond shall be determined by reference to a schedule to be provided to the Paying Agent.

(d) Notice of Redemption. When redemption is authorized or required pursuant to Section 6(a) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed; the date of redemption; the place or places where the redemption will be made, including the name and address of the Paying Agent; the redemption price; the CUSIP numbers (if any) assigned to the Bonds to be redeemed; the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed; and the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state (a) that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the: (i) redemption price, together with the interest accrued to the redemption date in the case of Current Interest Bonds and Convertible CABs on and after the Conversion Date, (ii) the Accreted Value in the case of Capital Appreciation Bonds, or (iii) the Conversion Value in the case of Convertible CABs prior

to the Conversion Date, and (b) that from and after such redemption date interest with respect thereto shall cease to accrue and be payable.

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

(A) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(B) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Security Depository.

(C) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Neither the failure to receive nor the failure to publish any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. Such redemption notices may state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds.

(e) Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of 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.

(f) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside as provided in Section 15 hereof, the Bonds to be redeemed shall become due and payable on such date of redemption.

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

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

(g) Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent (or an independent escrow agents elected by the District), in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent (or an independent escrow agent selected by the District, irrevocably in trust as provided in Section 15 hereof for the payment of the redemption price of such Bonds or portions thereof, and accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

(h) Conditional Notice of Redemption. With respect to any notice of optional redemption of Bonds, unless upon the giving of such notice, such Bonds shall be deemed to have been paid within the meaning of Section 7(g) hereof or unless the Paying Agent holds cash or Government Obligations sufficient to pay the principal, premium, if any, and interest on the Bonds to be redeemed, such notice may state that such redemption shall be conditional upon the receipt by the Paying Agent on or prior to the date fixed for such redemption of moneys sufficient to pay the principal, premium, if any, and interest on such Bonds and that if such moneys shall not have been so received said notice shall be of no force and effect and the Paying Agent shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Paying Agent shall be within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

SECTION 7. Book Entry System.

(a) General. The Bonds shall initially be delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination. The ownership of each such Bond shall be registered in the Bond Register (as defined below) in the name of the Nominee, as nominee of the Depository and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 7(e).

With respect to book entry Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book entry Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book entry Bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book entry Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in book entry Bonds to be prepaid in the event the

District redeems the Bonds in part; or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Principal, premium, if any, or interest on the book entry Bonds. The District and the Paying Agent may treat and consider the person in whose name each book entry Bond is registered in the Bond Register as the absolute owner (the "Registered Owner" or "Owner") of such book entry Bond for the purpose of payment of Principal of and premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Principal of and premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Principal of, and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Principal of, and premium, if any, and interest on the Bonds. Upon delivery by the Depository to the Owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

(b) Delivery of Letter of Representations. DTC is hereby appointed depository for the Bonds. DTC shall perform such functions according to the blanket issuer letter of representations on file with the Paying Agent. In the written acceptance by DTC of the blanket issuer letter of representations, DTC has agreed to take all actions necessary for all representations in the blanket issuer letter of representations with respect to DTC at all times to be complied with. In addition to the execution and delivery of the blanket issuer letter of representations, the District shall take any other actions, not inconsistent with this Resolution or any supplemental resolution, to qualify the Bonds for the DTC book entry system. .

(c) Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book entry Bonds, or (ii) the District determines that continuation of the book entry system is not in the best interest of the beneficial Owners of the Bonds or the District, then the District will discontinue the book entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such book entry Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in Section 7(e) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 7(c).

(d) Payments to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all Outstanding Bonds are held in book entry and registered in the name of the Nominee, all payments by the District or the Paying Agent with respect to Principal of and premium, if any, or interest on the Bonds and all notices with respect to such Bonds shall

be made and given, respectively to the Nominees, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

(e) Transfer of Bonds to Substitute Depository. (i) The Bonds shall be initially issued as described in the Contract of Purchase or the Notice Inviting Bids, as applicable, as described herein. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

1. to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 7(e)(i)(2) (“Substitute Depository”); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

2. to any Substitute Depository, upon (a) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (b) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

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

(ii) In the case of any transfer pursuant to Section 7(e)(i)(1) or 8(e)(i)(2), upon receipt of all Outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 7(e)(i)(3), upon receipt of all Outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(iii) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in Principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying

Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(iv) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial Owners of the Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial Owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Bonds.

SECTION 8. Transfer and Exchange. So long as any of the Bonds remains Outstanding, the District will cause the Paying Agent to maintain and keep at its designated office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 9 hereof, 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 premium, if any, and interest on any Bond shall be made only to or upon the order of that person; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

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

If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like series, tenor and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the Owner, the District, at the expense of the Bond Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like Series and tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured

or shall have been called for redemption, instead of issuing a substitute Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the District). The Paying Agent may require payment of a reasonable fee for each new Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

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

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

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th business day 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 any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

SECTION 9. Payment. Payment of interest on any Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his or her address as it appears on such registration books or at such other address as such Owner may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption price, if any, payable on the Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The interest, Principal and premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District payable solely from the levy of *ad valorem* property taxes upon all property subject to taxation within the District.

SECTION 10. Form of the Bonds. (a) The Bonds shall be in substantially the following form, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution and the Contract of Purchase or the Notice Inviting Bids and to correct any defect or inconsistency therein or to cure any ambiguity or omission therein. The Bonds shall be issued in fully registered form without coupons. The Current Interest Bonds, the Capital Appreciation Bonds, and the Convertible CABs, and the certificate of authentication and registration and the forms of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A-1, Exhibit A-2 and Exhibit A-3.

(b) The Bonds shall be signed by the manual or facsimile signature of the President of the Board of Education, and countersigned by the manual or facsimile signature of the Secretary of the Board of Education (or the designee of either such respective officers if the President or the Board Secretary of the Board of Education are unavailable). The Bonds shall be authenticated by a manual signature of a duly authorized signatory of the Paying Agent.

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

(d) The Paying Agent shall assign each Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal office.

SECTION 11. Deposit of Proceeds of the Bonds. (a) The purchase price received from the sale of the Bonds, to the extent of the Principal Amount thereof, shall be paid to the County to the credit of the fund hereby created and established and to be known as the "Long Beach Unified School District Election of 2008 General Obligation Bonds, Series D Building Fund" (the "Building Fund") of the District, 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 provided further that such proceeds shall be applied solely to authorized purposes of the Election. The purchase price received to the extent of any accrued interest and any original issue premium from the sale of the Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Long Beach Unified School District General Obligation Bonds, Series D Debt Service Fund" (the "Debt Service Fund") for the Bonds, and used only for payment of Principal of and interest on the Bonds. Interest earnings on moneys held in the Building Fund shall be retained in the Building Fund. Interest earnings on moneys held in the Debt Service Fund shall be retained in the Debt Service Fund. Any amounts that remain in the Building Fund at the completion of the Projects, at the written direction of the District, shall be transferred to the Debt Service Fund to be used to pay the Principal of, premium, if any, and interest on the Bonds, subject to any conditions set forth in the Tax Certificate. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of Principal of and interest on the Bonds. 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.

The costs of issuance of the Bonds are hereby authorized to be paid from proceeds of the Bonds. The proceeds of the Bonds in an amount not to exceed 2.0% of the principal amount of the Bonds may be deposited in a costs of issuance account, which may be created at the direction of an Authorized Officer in the County treasury or held by a fiscal agency appointed by an Authorized Officer for such purpose. The proceeds deposited shall be drawn out on the order of the Board of Education or an Authorized Officer only to pay authorized costs of issuance of the Bonds. Upon the order of the Board of Education or an Authorized Officer, any balance of such funds shall be transferred to the County treasury to the credit of the Building Fund of the District. The deposit of bond proceeds pursuant to this Section and Section 15246(h) of the Education Code shall be a proper charge against the Building Fund of the District.

(b) Moneys in the Debt Service Fund and the Building Fund shall be invested at the written direction of the District in Permitted Investments. The interest earned on the moneys deposited in the Building Fund shall be deposited in the Building Fund and used for the purposes of that fund. Except as required to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used by the County to pay the Principal of and interest on the Bonds when due.

SECTION 12. Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are Outstanding in an amount sufficient to pay the Principal of and interest on the Bonds when due, which moneys when collected will be placed in the Debt Service Fund of the District and used for the payment of the Principal of and interest on the Bonds when and as the same fall due, and for no other purpose. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* tax in accordance with this Section 12.

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

SECTION 13. Tax Covenants. The District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from federal gross income and to comply with the terms of the Tax Certificate. These covenants shall survive payment in full or defeasance of the Bonds.

SECTION 14. Official Statement. The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Secretary to or Clerk of the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in

the name and on behalf of the District, to deliver such Preliminary Official Statement to the Financial Advisor, as the case may be, to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement “final” pursuant to 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriter of the Bonds a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve.

SECTION 15. Continuing Disclosure. The form of the Continuing Disclosure Certificate attached to the form of the Preliminary Official Statement is hereby approved. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as the Authorized Officer executing the same on behalf of the District may require or approve, such requirement or approval to be conclusively evidenced by the execution thereof by such Authorized Officer. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

SECTION 16. Defeasance. All or any portion of the Outstanding maturities of the Bonds may be defeased prior to maturity either:

(a) by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts transferred from the Debt Service Fund (as herein defined) is sufficient to pay all Bonds Outstanding and designated for defeasance, including all principal and interest and premium, if any; or

(b) by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys transferred from the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds Outstanding and designated for defeasance (including all principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

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

For purposes of this Section, Government Obligations shall mean:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which

may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or “prerefunded” municipal obligations rated in the highest rating category by Moody’s Investors Service or Standard & Poor’s. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the Owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by Standard & Poor’s or by Moody’s.

SECTION 17. No Liability of County. Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither the County, nor its officials, officers, employees or agents shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, the Bonds are not a debt of the County or a pledge of the County’s full faith and credit, and the Bonds and any liability in connection therewith shall be paid solely from *ad valorem* taxes lawfully levied to pay the principal of or interest on the Bonds.

SECTION 18. Request to County to Levy Tax. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests such Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Bonds, and to pay the principal, redemption premium, in any, and interest thereon as and when the same become due.

SECTION 19. Other Actions. (a) Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby appoints Keygent LLC as the Financial Advisor (the “Financial Advisor”) and Hawkins Delafield & Wood LLP, as Bond Counsel and Disclosure Counsel, with respect to the issuance of the Bonds.

SECTION 20. Resolution to Treasurer and Tax Collector. The Clerk of this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer and Tax Collector and Auditor-Controller of the County of Los Angeles immediately following its adoption.

SECTION 21. Financing Disclosures and Covenants. In accordance with Sections 53508.5 and 53508.6 of the Government Code and Sections 15146(b) and 15146(c) of the Education Code, Exhibit E attached hereto includes the following information: (i) the proposed financing term for the Bonds and the maturity dates therefor; (ii) the repayment ratio of the proposed Bonds; (iii) the estimated change in assessed valuation of taxable property in the District over the term of the proposed Bonds; (iv) an analysis containing the total overall cost of the Capital Appreciation Bond and Convertible Capital Appreciation Bonds and a comparison to the overall cost of Current Interest Bonds; (v) the reason that Capital Appreciation Bonds and Convertible Capital Appreciation Bonds are being recommended; (vi) a form of the disclosures by an Underwriter to be delivered to the District pursuant to MSRB Rule G-17 (the “MSRB Rule G-17 Letter”) if the Bonds are sold by a negotiated sale. The District covenants that the issuance of the Bonds will not exceed the maximum ratio of total debt service to principal of 4:1 as mandated by Section 15144.1 of the Education Code. In the event, the District determines to sell CABs or Convertible CABs pursuant to a negotiated sale pursuant to the Contract of Purchase or Current Interest Bonds with a maturity greater than 30 years, the Authorized Officers shall submit the final MSRB Rule G-17 letter of the Underwriter named therein to this Board prior to the sale of the Bonds. Further, pursuant to subsection 53508.6 of the Government Code, the District finds that the useful life of the facilities to be financed with Current Interest Bonds equals or exceeds the maturity date of the Current Interest Bonds.

SECTION 22. Further Actions Authorized. The Authorized Officers and their respective designees, and each of them acting alone hereby is, authorized and directed to execute in connection with each series of Bonds any and all other documents not specifically authorized hereunder and to do and perform any and all acts and things, from time to time, consistent with this Resolution and necessary or appropriate to carry the same into effect and to carry out its purposes.

SECTION 23. Unclaimed Monies. Any money held in any fund created pursuant to this Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal of, redemption premium, if any, or interest on a Series of Bonds and remaining unclaimed for two years after the principal of all of such Series of Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from the fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

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

SECTION 25. Recitals. All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

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

PASSED AND ADOPTED this 4th day of November, 2014, by the following vote:

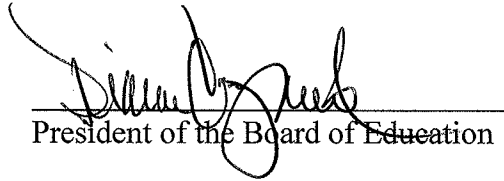
AYES: 5

NOES: 0

ABSENT: 0

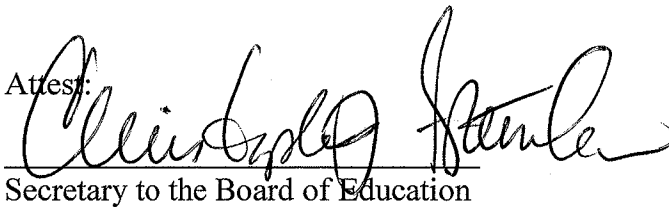
ABSTENTIONS: 0

BOARD OF EDUCATION OF THE
LONG BEACH UNIFIED SCHOOL DISTRICT



President of the Board of Education

Attest:



Secretary to the Board of Education

SECRETARY'S CERTIFICATE

I, Christopher Steinhauser, Secretary to the Board of Education of the Long Beach Unified School District, hereby certify:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly and legally held at the regular meeting place thereof on November 4, 2014, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

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

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: November 4, 2014

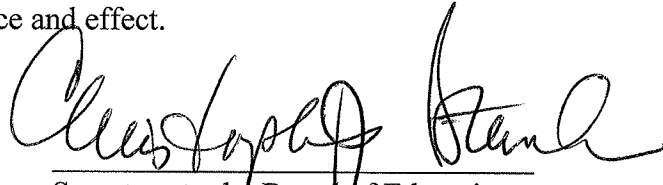

Secretary to the Board of Education

EXHIBIT A-1

FORM OF CURRENT INTEREST BOND

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 bond 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.

NO. __

LONG BEACH UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES D

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date</u>	<u>CUSIP</u>
%	August 1, 20__		

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \$ _____

The Long Beach Unified School District (the "District") in the County of Los Angeles, 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 of each year (the "Bond Payment Dates"), commencing August 1, 2015. 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 July 15, 2015, in which event it shall bear interest from the Date of delivery. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association, as the agent of the Treasurer and Tax Collector of the County of Los Angeles. Principal is payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date").

This bond is one of a duly authorized issue of bonds of like tenor issued in the aggregate initial principal amount of \$ _____, and designated as the "Long Beach Unified School District (County of Los Angeles, California) Election of 2008 General Obligation Bonds, Series D" (the "Bonds"). The Bonds were authorized at an election duly and legally called, held and conducted in the District on November 4, 2008. The Bonds are issued by the Board of Education of the District pursuant to the provisions of the Constitution and laws of the State and of a resolution (the "Resolution") adopted by the Board of Education on November 4, 2014.

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

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day 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.

The Bonds are subject to redemption on the terms and subject to the conditions specified in the Bond Resolution. If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

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

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.

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

IN WITNESS WHEREOF, the Long Beach Unified School District, 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 signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Secretary to the Board of Education of the District, all as of the date stated above.

BOARD OF EDUCATION OF THE
LONG BEACH UNIFIED SCHOOL DISTRICT

By: _____
President of the Board of Education

COUNTERSIGNED:

Secretary to the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2014.

U.S. BANK NATIONAL ASSOCIATION, as the
agent of the Treasurer and Tax Collector of the
County of Los Angeles, as Paying Agent

Authorized Officer

ASSIGNMENT

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

Dated: _____

Signature Guaranteed:

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

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

EXHIBIT A-2

FORM OF CAPITAL APPRECIATION BOND

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 bond 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.

NO. __

LONG BEACH UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BOND, SERIES D

<u>Accretion Rate</u>	<u>Maturity Date</u>	<u>Date</u>	<u>CUSIP</u>
%	August 1, 20__		

REGISTERED OWNER: CEDE & CO.

INITIAL PRINCIPAL AMOUNT: \$ _____

MATURITY AMOUNT: \$ _____

The Long Beach Unified School District (the "District") in the County of Los Angeles, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Amount on the Maturity Date, each as stated above. Interest on this Bond with respect to the Denominational Amount hereof will accrue at the Accretion Rate per annum shown above from the Dated Date shown above and will be compounded semi-annually on February 1 and August 1 of each year, commencing on August 1, 2015, until maturity, computed on the basis of a 360-day year of twelve 30-day months and shall be payable only at maturity as part of the Maturity Amount. The Maturity Amount hereof is 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 U.S. Bank National Association, as the agent of the Treasurer and Tax Collector of the County of Los Angeles.

Principal is payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date").

This bond is one of a duly authorized issue of bonds of like tenor issued in the aggregate initial principal amount of \$ _____, and designated as the “Long Beach Unified School District (County of Los Angeles, California) Election of 2008 General Obligation Bonds, Series D” (the “Bonds”). The Bonds were authorized at an election duly and legally called, held and conducted in the District on November 4, 2008. The Bonds are issued and sold by the Board of Education of the District pursuant to the provisions of the Constitution and laws of the State and of a resolution (the “Resolution”) adopted by the Board of Education on November 4, 2014.

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

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day 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.

The Bonds are subject to redemption on the terms and subject to the conditions specified in the Bond Resolution. If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

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

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.

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

IN WITNESS WHEREOF, the Long Beach Unified School District, 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 signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Secretary to the Board of Education of the District, all as of the date stated above.

BOARD OF EDUCATION OF THE
LONG BEACH UNIFIED SCHOOL DISTRICT

By: _____
President of the Board of Education

COUNTERSIGNED:

Secretary to the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2014.

U.S. BANK NATIONAL ASSOCIATION, as the
agent of the Treasurer and Tax Collector of the
County of Los Angeles, as Paying Agent

Authorized Officer

ASSIGNMENT

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

Dated: _____

Signature Guaranteed:

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

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

EXHIBIT A-3

FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND

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 bond 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.

NO. __

LONG BEACH UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BOND, SERIES D

Reoffering Yield Through <u>Conversion Date</u> %	Interest Rate after the <u>Conversion Date</u> %	<u>Conversion Date</u>	<u>Maturity Date</u> August 1, 20__	<u>Date</u>	<u>CUSIP</u>
--	---	------------------------	--	-------------	--------------

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT: \$ _____

CONVERSION VALUE: \$ _____

The Long Beach Unified School District (the "District") in the County of Los Angeles, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above. Such Maturity Value comprises the Denominational Amount and interest accreted thereon. This Bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2015, at the Reoffering Yield specified above to the dated Conversion Date, assuming that in any such semi-annual period the sum of such compounded accreted interest and the Principal Amount (such sum being called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. After the Conversion Date, the District, for value received, promises to pay to the Owner (as defined herein) interest on the Accreted Value as of the Conversion Date (the "Conversion Value") until the Maturity Value (i.e. the Conversion Value) is paid or provided for at the Interest Rate set forth above, on February 1 and August 1 of each year (the "Bond Payment Dates") commencing August 1, 20__ (the first anniversary of the Conversion Date). Following the Conversion Date, this Bond will bear interest on a current basis from the Conversion Date; such interest will be payable each February 1 and August 1, commencing _____, 20__.

Principal (i.e. Conversion Value or Maturity Value) 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 U.S. Bank National Association, as the agent of the Treasurer and Tax Collector of the County of Los Angeles. Principal is payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the “Record Date”).

This bond is one of a duly authorized issue of bonds of like tenor issued in the aggregate initial denominational amount of \$ _____, and designated as the “Long Beach Unified School District (County of Los Angeles, California) Election of 2008 General Obligation Bonds, Series D” (the “Bonds”). The Bonds were authorized at an election duly and legally called, held and conducted in the District on November 4, 2008. The Bonds are issued and sold by the Board of Education of the District pursuant to the provisions of the Constitution and laws of the State and of a resolution (the “Resolution”) adopted by the Board of Education on November 4, 2014.

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

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day 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.

The Bonds are subject to redemption on the terms and subject to the conditions specified in the Bond Resolution. If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

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

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.

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

IN WITNESS WHEREOF, the Long Beach Unified School District, 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 signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Secretary to the Board of Education of the District, all as of the date stated above.

BOARD OF EDUCATION OF THE
LONG BEACH UNIFIED SCHOOL DISTRICT

By: _____
President of the Board of Education

COUNTERSIGNED:

Secretary to the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2014.

U.S. BANK NATIONAL ASSOCIATION, as the
agent of the Treasurer and Tax Collector of the County
of Los Angeles, as Paying Agent

Authorized Officer

ASSIGNMENT

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

Dated: _____

Signature Guaranteed:

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

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

EXHIBIT B
FORM OF CONTRACT OF PURCHASE

EXHIBIT C
FORM OF OFFICIAL NOTICES INVITING BIDS

EXHIBIT D
FORM OF NOTICE OF INTENTION TO SELL

EXHIBIT E

**INFORMATION PERTAINING TO
CAPITAL APPRECIATION BONDS AND CONVERTIBLE CABS**

The information set forth below pertaining to the financing terms, maturity dates, repayment ratio, assessed valuation and overall costs of the Bonds are based on projections prepared by Keygent LLC, the Financial Advisor to the District (the "Financial Advisor"). Actual information related thereto is subject to change based on, among other things, market conditions at the time of pricing of the Bonds and the local economy. Based on the current projections prepared in connection with the proposed financing, the District and the Financial Advisor do not expect the repayment ratio to exceed 4.0 to 1.0, the maximum repayment ratio permitted by State law.

I. Financing Term and Maturity.

The District's proposed Bonds are currently composed of current interest bonds ("CIBs") and capital appreciation bonds ("CABs") with an estimated financing term of approximately 28 years. The Resolution authorizes convertible capital appreciation bonds ("Convertible CABs"). However, the District does not expect to issue Convertible CABs. The estimated debt service schedule is below:

Date	Principal	Interest	Debt Service Fund	Net Debt Service
8/1/14	\$ -	\$ -	\$ -	\$ -
8/1/15	9,820,000	3,427,414	(3,427,414)	9,820,000
8/1/16	4,075,000	7,104,600	(2,435,000)	8,744,600
8/1/17	1,785,000	6,941,600	-	8,726,600
8/1/18	-	6,870,200	-	6,870,200
8/1/19	-	6,870,200	-	6,870,200
8/1/20	-	6,870,200	-	6,870,200
8/1/21	-	6,870,200	-	6,870,200
8/1/22	-	6,870,200	-	6,870,200
8/1/23	-	6,870,200	-	6,870,200
8/1/24	-	6,870,200	-	6,870,200
8/1/25	-	6,870,200	-	6,870,200
8/1/26	6,725,797	10,749,403	-	17,475,200
8/1/27	7,084,892	11,740,308	-	18,825,200
8/1/28	6,902,401	12,487,799	-	19,390,200
8/1/29	6,762,632	13,352,568	-	20,115,200
8/1/30	6,708,783	14,156,417	-	20,865,200
8/1/31	6,689,086	14,956,114	-	21,645,200
8/1/32	6,655,886	15,799,314	-	22,455,200
8/1/33	6,633,340	16,691,860	-	23,325,200
8/1/34	4,278,476	13,846,724	-	18,125,200
8/1/35	4,198,957	14,396,243	-	18,595,200
8/1/36	9,481,498	25,518,702	-	35,000,200
8/1/37	9,563,237	27,416,963	-	36,980,200
8/1/38	12,263,862	35,521,338	-	47,785,200
8/1/39	12,182,936	37,677,264	-	49,860,200
8/1/40	44,985,000	6,870,200	-	51,855,200
8/1/41	49,295,000	4,620,950	-	53,915,950
8/1/42	53,905,000	2,156,200	-	56,061,200
Total	\$ 269,996,782	\$ 350,393,582	\$ (5,862,414)	\$ 614,527,950

II. Repayment Ratio.

Under current market conditions, the estimated repayment ratio for the Bonds based on the proposed structure of CIBs and CABs is approximately 2.3 to 1.

III. Estimated Change in Assessed Valuation.

Assessed valuation of property within the boundaries of the District is expected to increase by 2% in Fiscal Year 2015-16 and 3% in Fiscal Year 2016-17, each compared to the prior fiscal year. Assessed valuation of property within the boundaries of the District is expected to increase by 4% during Fiscal Year 2017-18 and each fiscal year thereafter.

IV. Analysis of Overall Costs.

See the estimated debt service schedule under Section I hereof. The CABs are identified within the boxed outline.

The estimated principal amount of the CIBs is \$163,865,000 (approximately 60.7% of financing) with an estimated debt service cost of \$340,267,950 (2.1 to 1 repayment ratio for the CIBs alone).

The estimated principal amount of the CABs is \$106,131,782 (approximately 39.3% of financing) with an estimated debt service cost of \$274,260,000 (2.6 to 1 repayment ratio for the CABs alone).

V. Reason for including the CABs.

The CABs are being included for two primary reasons:

- To allow the District to issue \$270 million in bonds while staying within the Proposition 39 tax rate limit of \$60 per \$100,000 of Assessed Valuation.
- To allow more tax rate capacity for future bond issuances pursuant to the Measure K Authorization.

VI. Form of MSRB Rule G-17 Letter.

See Attachment A to Exhibit E.

ATTACHMENT A

FORM OF MSRB RULE G-17 LETTER

The attached Model MSRB Rule G-17 Letter is presented in accordance with subsection 15146(b) of the Education Code. In the event of a negotiated sale of Capital Appreciation Bonds, Convertible Capital Appreciation Bonds and Current Interest Bonds with a maturity greater than 30 years, the District is required to present the MSRB Rule G-17 Letter to the Board. The following Attachment A to Exhibit E includes the Model MSRB Rule G-17 Letter prepared by the Securities Industry and Financial Markets Association. In the event of a negotiated sale, the final MSRB Rule G-17 Letter delivered by the Underwriter will reflect the requirements and disclosures specific to that Underwriter and may vary from the form attached hereto.



Invested in America

JULY 2012

SIFMA Model Underwriter Disclosures Pursuant to MSRB Rule G-17

[Letterhead of Underwriter/Senior Managing Underwriter] [Comment 1]

[Date] [Comment 2]

[Name of Issuer] [Comment 3]

Address

City, State, Zip Code

Attn: [Name of Authorized Issuer Official] [Comment 4]

Re: Disclosures by Underwriter/Senior Managing Underwriter
Pursuant to MSRB Rule G-17
[Name or Short Description of Proposed Bond Issue]

Dear [Name of Authorized Issuer Official]:

We are writing to provide you, as [] of [Name of Issuer] (Issuer), with certain disclosures relating to the captioned bond issue (Bonds), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2012-25 (May 7, 2012)¹.

OPTION 1: [Name of Firm] [intends/proposes] to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

OPTION 2: The Issuer has engaged [Name of Firm] to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

As part of our services as underwriter/senior managing underwriter, [Name of Firm] may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds. [As senior managing underwriter, we are providing this letter on behalf of the underwriters that are members of the underwriting syndicate for the Bonds. You also may receive additional separate disclosure letters pursuant to Rule G-17 from one or more co-managing underwriters for the Bonds.]

IF A CONDUIT ISSUE, ADD THE FOLLOWING (MODIFY AS NECESSARY TO REFLECT THE TERMS OF THE TRANSACTION): [As the issuer of the Bonds, you will be a party to the bond purchase agreement and certain other legal documents to be entered into in connection with the issuance of the Bonds, but the material financial risks described in this letter will be borne by the

¹ Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective August 2, 2012).

obligor, as set forth in those legal documents. A copy of this letter is also being sent to the obligor.]

I. Disclosures Concerning the Underwriters' Role:

(i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.

(ii) The underwriters' primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriters have financial and other interests that differ from those of the Issuer.

(iii) Unlike a municipal advisor, the underwriters do not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.

(iv) The underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.

(v) The underwriters will review the official statement for the Bonds in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction².

II. Disclosures Concerning the Underwriters' Compensation: [Comment 5]

The underwriters will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

III. Additional Conflicts Disclosures: [Comment 6]

OPTION 1: [[The underwriter] has not identified any additional potential or actual material conflicts that require disclosure.]

OPTION 2: [[The underwriter] has identified the following additional potential or actual material conflicts: [Comment 7]

² Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

- Conflicts of Interest/Payments to or from Third Parties
 - [Distribution agreements: [The underwriter] has entered into a separate agreement with [distributor] that enables [distributor] to distribute certain new issue municipal securities underwritten by or allocated to [the underwriter], which could include the Bonds. Under that agreement, [the underwriter] will share with [distributor] a portion of the fee or commission paid to [the underwriter].]
 - [Disclosure of payments, values, or credits received by the underwriter in connection with its underwriting of the Bonds from parties other than the Issuer that relate directly or indirectly to collateral transactions integrally related to the Bonds, i.e. such as an affiliate providing a letter of credit or standby bond purchase agreement, or acting as trustee, serving as remarketing agent, swap counterparty, escrow bidding agent, or GIC bidding agent: Affiliates of the underwriter may serve in separate capacities in connection with the issuance of the Bonds, including serving as [_____]. The affiliated entity will be separately compensated for serving in that capacity. [The underwriter] expects to receive a payment, value, or credit from its affiliated swap dealer affiliate if the Issuer decides to enter into an interest rate swap on the Bonds.] [Comment 8]
- Conflicts of Interest/Profit-Sharing with Investors
 - [Describe any such relationship, if applicable.]
- Conflicts of Interest/Credit Default Swaps [comment 9]
 - [[The underwriter] engages in the issuance or purchase of credit default swaps (CDS) for which the reference is the Issuer or an obligation of the Issuer. This potentially can represent a conflict of interest, in that trading in CDS may affect the pricing of the underlying reference obligations, as well as the pricing of other obligations (such as the Bonds) brought to market by the Issuer.]
- Other Conflicts of Interest Disclosure
 - [Employee of underwriter/affiliate on governing body of Issuer or of obligor, if any]
 - [Director/trustee/employee of obligor on board of directors of underwriter/affiliate]
 - [Employee of underwriter/affiliate related to senior Issuer official]
 - [Bank affiliate of underwriter to receive swap termination payment, loan repayment, or redemption of bank bonds]
 - [Underwriter [may/intends to] place Bonds in the underwriter's or an affiliate's tender option bond program to be held for the account of the underwriter or the affiliate]
 - [Underwriter/affiliate holds a loan or securities (in a material amount) of Issuer outside the ordinary course of business, including, for example, a distressed loan or securities that are not trading and that may be/will be refunded by the transaction]
 - [Underwriter representing multiple issuers/obligors on same project]
 - [For a LIBOR-based transaction, underwriter/affiliate is a reference bank for purposes of setting LIBOR]
 - [Any other relevant conflicts or potential conflicts]

IV. Disclosures Concerning Complex Municipal Securities Financing: [Comment 10]

OPTION 1: [Since [the underwriter] has recommended to the Issuer a financing structure that may be a “complex municipal securities financing” for purposes of MSRB Rule G-17, attached is a description of the material financial characteristics of that financing structure as well as the

material financial risks of the financing that are known to us and reasonably foreseeable at this time.]

OPTION 2: [Since [the underwriter] has not recommended a “complex municipal securities financing” to the Issuer, additional disclosures regarding the financing structure for the Bonds are not required under MSRB Rule G-17.]

OPTION 3: [In accordance with the requirements of MSRB Rule G-17, if [the underwriter] recommends a “complex municipal securities financing” to the Issuer, this letter will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and reasonably foreseeable at that time.]

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer’s own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth [above/below]. Depending on the structure of the transaction that the Issuer decides to pursue, or if additional potential or actual material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

We look forward to working with you and the Issuer [and the obligor] in connection with the issuance of the Bonds. Thank you.

Sincerely,

[Senior Manager or Co-Manager with Conflict]

Acknowledgement:

[Name of Authorized Issuer Official]

Date: _____

CC [Comment 11]: [Obligor/Municipal Guarantor]
[Co-managers/Lead Manager]
[Bond Counsel]
[Financial Advisor]
[Underwriters' Counsel]

The following comments are included for the convenience of the drafter. All comments should be deleted from the actual letter.

- [Comment 1]** If there is no underwriting syndicate relating to the Bonds, references in this letter to “Senior Managing Underwriter” should be deleted and references to “underwriters” should be changed to the singular. Co-managing underwriters are reminded that they may be required to send a separate disclosure letter to the Issuer in certain circumstances. See Comments 6 and 7 below.
- [Comment 2]** The disclosure pursuant to MSRB Rule G-17 concerning the arm’s-length nature of the underwriter-issuer relationship must be made in the earliest stages of the underwriter’s relationship with the Issuer with respect to an issue (e.g., in a response to a request for proposals or in promotional materials provided to the Issuer).
- Similarly, pursuant to MSRB Rule G-23, a dealer that clearly identifies itself in writing as an underwriter and not as a financial advisor from the earliest stages of its relationship with the Issuer with respect to that issue (e.g., in a response to a request for proposals or in promotional materials provided to the Issuer) will be considered to be “acting as an underwriter” under Rule G-23(b) with respect to that issue. The writing must make clear that the primary role of an underwriter is to purchase, or arrange for the placement of, securities in an arm’s-length commercial transaction between the Issuer and the underwriter and that the underwriter has financial and other interests that differ from those of the Issuer.
- The provision of the disclosures required by Rule G-17 would also satisfy comparable disclosure requirements under Rule G-23 and, depending on timing and circumstances, may be provided in lieu of a separate letter under Rule G-23.
- [Comment 3]** It is important to note that neither Rule G-17 nor Rule G-23 generally cover conduit obligors. For conduit issues, the disclosures should be sent to the Issuer once it has been identified.
- [Comment 4]** All of the disclosures must be made in writing to an official of the Issuer that the underwriter reasonably believes has the authority to bind the Issuer by contract with the underwriter and that, to the knowledge of the underwriter, is not a party to a disclosed conflict.
- [Comment 5]** Disclosure concerning the underwriters’ compensation generally must be made when the underwriters are engaged to perform underwriting services, such as in an engagement letter rather than in a bond purchase agreement.
- [Comment 6]** Conflicts disclosure must be made when an underwriter is engaged to perform underwriting services, such as in an engagement letter. With regard to conflicts discovered or arising after the underwriter has been engaged (for example, conflicts that may not be present until an underwriter has recommended a particular financing), the disclosure must be provided in sufficient time before the

execution of a contract with the underwriter to allow the Issuer official to evaluate the recommendation.

Conflicts disclosure must be made by the particular underwriter/syndicate member subject to such conflicts. Conflicts disclosure by the senior managing underwriter is not intended to address separate conflicts disclosures from a co-managing underwriter that may be necessary. A co-managing underwriter should consider whether to send its own Rule G-17 conflicts disclosure letter at the time of its appointment by the Issuer, identifying any applicable potential or actual material conflicts. In the event that a co-managing underwriter determines that no potential or actual material conflicts exist, it should maintain appropriate records to substantiate that determination. Although not required to do so, a co-managing underwriter may choose to send the Issuer a Rule G-17 conflicts disclosure letter even if no potential or actual material conflicts are identified.

The situations listed in this letter are meant to trigger a discussion of potential conflicts and are not exhaustive. Conflicts disclosure may need to be updated if additional conflicts arise.

[Comment 7] Each underwriter should separately review the potential or actual material conflicts identified in Option 2 to determine whether any are applicable and require separate disclosure by that underwriter. Inapplicable items should be deleted.

[Comment 8] The underwriter is not required to disclose the amount of any such third-party payments. The third-party payments to which the disclosure requirement would apply are those that give rise to actual or potential conflicts of interest and typically would not apply to third-party arrangements for products and services of the type that are routinely entered into in the normal course of business, so long as any specific routine arrangement does not give rise to an actual or potential conflict of interest.

[Comment 9] Include a description of the underwriter's CDS activity generally only if the underwriter is engaging in such activities that are applicable to the Issuer. Activities with regard to CDS based on baskets or indexes of municipal issuers that include the Issuer or its obligation(s) need not be disclosed, unless the Issuer or its obligation(s) represents more than 2% of the total notional amount of the CDS or the underwriter otherwise caused the Issuer or its obligation(s) to be included in the basket or index.

[Comment 10] If an underwriter in a negotiated offering recommends a complex municipal securities financing to the Issuer, it must make particularized disclosures as to the material financial characteristics of the complex municipal securities financing, as well as the material financial risks of the financing that are known to the underwriter and reasonably foreseeable at the time of the disclosure. In addition, as described in Section III of this letter, the underwriter also must disclose any incentives for the underwriter to recommend the financing and other associated conflicts of interest. The disclosures referred to in this paragraph are not required if the underwriter has not recommended the complex municipal securities financing to the Issuer. The level of disclosure required may vary

according to the Issuer's knowledge or experience with the proposed financing structure or similar structures, capability of evaluating the risks of the recommended financing and financial ability to bear the risks of the recommended financing, in each case based on the reasonable belief of the underwriter. The disclosures must be made in writing to an official of the Issuer whom the underwriter reasonably believes has the authority to bind the Issuer by contract with the underwriter (i) in sufficient time before the execution of a contract with the underwriter to allow the official to evaluate the recommendation and (ii) in a manner designed to make clear to such official the subject matter of such disclosures and their implications for the Issuer. The disclosures concerning a complex municipal securities financing must address the specific elements of the financing, rather than being general in nature. If the underwriter does not reasonably believe that the official to whom the disclosures are addressed is capable of independently evaluating the disclosures, the underwriter must make additional efforts reasonably designed to inform the official or its employees or agent.

General descriptions of certain complex municipal securities financing structures and the related risks are attached hereto. The disclosures should be tailored to the unique features and risks of the specific financing. The level of disclosure may be re-evaluated over time as the Issuer gains experience with a complex financing over the course of multiple new issues utilizing that structure or as the Issuer undergoes personnel changes with new employees with differing levels of expertise.

Although the attached descriptions include disclosure regarding fixed rate bonds, absent unusual circumstances or features, the typical fixed rate bond offering is not viewed as a complex municipal securities financing for which disclosure is required under Rule G-17. Nevertheless, the underwriter may choose to provide disclosures to the Issuer on the material aspects of a fixed rate bond structure that it recommends, particularly if the underwriter reasonably believes that the Issuer's personnel lack knowledge or experience with such structure.

[Comment 11]

Although MSRB Rule G-17 generally does not cover conduit obligors, the underwriter should consider sending a copy of its disclosure letter to an appropriate official of the obligor and to any other party who will be financially obligated with respect to the payment of the Bonds. In addition, the senior managing underwriter should consider sending a copy of its letter to any co-managing underwriters, including those who may be appointed at a later date, and a co-managing underwriter sending the Issuer a separate disclosure letter should consider sending a copy of its letter to the senior managing underwriter.