

**TRUST AGREEMENT**

by and between

**THE COUNTY OF LOS ANGELES**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,**  
as Certificate Agent

Dated as of [As of Date]

Relating to

**[\$Principal Amount]  
Los Angeles County Schools Pooled Financing Program 2011-12 Pooled TRAN  
Participation Certificates, Series A**

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## TRUST AGREEMENT

THIS TRUST AGREEMENT, made and entered into as of [As of Date], by and between the County of Los Angeles (the "County") and The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, as Certificate Agent (the "Certificate Agent").

### WITNESSETH:

WHEREAS, Section 53850 *et seq.* of the Government Code of the State of California (the "Act") provides that tax and revenue anticipation notes ("TRAN") may be issued by school and community college districts pursuant to the terms of Section 53853(a) of the Act, and the County acting pursuant to its powers under the constitution and laws of the State of California (the "State"), desires to provide assistance to certain school and community college districts (collectively, the "Participants") located within the County, in connection with their cash-flow borrowing needs; and

WHEREAS, the Participants, or any of them, may from time to time during the 2011-12 fiscal year (the "Fiscal Year") need to borrow moneys at a tax-exempt rate of interest in order to meet their cash-flow needs, all pursuant to Section 53850 *et seq.* of the Act; and

WHEREAS, the Act provides that the Board of Supervisors of the County (the "Board of Supervisors") shall issue tax and revenue anticipation notes on behalf of any requesting school and community college district in the County upon the satisfaction of certain conditions and subject to Section 53853 of the Act; and

WHEREAS, the County has established a program (the "Pooled Program") under which it will purchase tax and revenue anticipation notes to be issued by the Participants (the "Notes") and deposit them in trust with the Certificate Agent for the purpose of having the Certificate Agent execute and deliver Participation Certificates, Los Angeles County Schools Pooled Financing Program 2011-12 Pooled TRAN, Series A (the "Certificates"), each evidencing and representing an undivided proportionate interest in the principal of and interest on the Notes of the Participants attributable to the Certificates; and

WHEREAS, the Los Angeles County Office of Education, with the concurrence of the Treasurer and Tax Collector of the County of Los Angeles (the "Treasurer") and the Participants, has appointed RBC Capital Markets, LLC, as representative of itself and such other underwriters as may be appointed (the "Underwriters") to purchase all of the Certificates from the Certificate Agent, the proceeds of which shall be used by the Certificate Agent to purchase the Notes attributable to the Certificates; and

WHEREAS, the County and the Certificate Agent wish to provide the terms under which the Certificate Agent will act as Certificate Agent for the Certificates; and

WHEREAS, the Certificate Agent has agreed to serve as and has full power and authority to perform and serve as Certificate Agent for the Certificates; and

WHEREAS, the County has duly authorized the execution and delivery of this Agreement and all things necessary to make this Agreement a valid agreement have been done;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

## ARTICLE I

### DEFINITIONS

SECTION 1.1 Definitions and Rules of Construction. For the purposes of this Agreement, unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Agreement have the meanings specified herein. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa.

“Agreement” means this Trust Agreement dated as of [As of Date] by and between the County and the Certificate Agent, together with any authorized amendments hereof or supplements hereto permitted to be made hereunder.

“Bond Counsel” means an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the validity of, and tax-exempt nature of interest on, obligations issued by states and their political subdivisions.

“Business Day” means any day (other than a Saturday or Sunday) on which banks in Los Angeles, California, or New York, New York, are not authorized or obligated by law or executive order to remain closed and on which the Federal Reserve is open.

“Certificate Agent” means The Bank of New York Mellon Trust Company, N.A., and its successors or assigns hereunder, if any, or a substitute Certificate Agent appointed in accordance with Section 2.1 hereof.

“Closing Date” means [Closing Date], the day upon which the Certificates are executed and delivered.

“Closing Instructions” means the written instructions of the Treasurer delivered to the Certificate Agent in connection with the Certificates executed and delivered hereunder specifying certain matters with respect to the Notes and the Certificates.

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

“Costs of Delivery Fund” means the fund by that name created pursuant to Section 4.2 herein.

“County Resolution” means that certain resolution adopted by the Board of Supervisors of the County of Los Angeles on March 8, 2011, pertaining to the issuance of the Note of each Participant and establishing the Pooled Program for Fiscal Year 2011-12.

“Debt Service Payments” means the moneys paid by each Participant as and for payments of principal of and interest on its respective Note, which moneys shall include the Pledged Revenues and amounts deposited in the related Repayment Fund and any other moneys lawfully available therefor pursuant to the related District Note Resolution.

“Defaulted Note” means a Note any of the principal of or interest on which is not paid on the Maturity Date.

“Defaulting Participant” means a Participant which fails to make the payments into its Repayment Fund required by its District Note Resolution on or before [Maturity Date].

“Depository Trust Company” or “DTC” means The Depository Trust Company, New York, New York, as initial securities depository for the Certificates.

“District Note Resolutions” means the separate resolutions adopted by the Participants in the Pooled Program requesting the Board of Supervisors to issue Notes on behalf of such Participants and authorizing the issuance of Notes by the Participants under Section 53853 of the Act.

“Electronic Means” means telecopy, telegraph, telex, facsimile transmission or other similar electronic means of communication.

“Fiscal Agent” means the Treasurer, or a substitute or successor Fiscal Agent appointed by the Treasurer in accordance with this Agreement.

“Fiscal Year” means the period from July 1, 2011 through and including June 30, 2012.

“Los Angeles County Treasury Pool” means the County Treasury, in which the Treasurer has the delegated authority to invest funds.

“Maturity Date” means with respect to the Certificates, [Maturity Date].

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns.

“Note” means a tax and revenue anticipation note issued under the Act by or on behalf of a Participant.

“Office of Education” means the Los Angeles County Office of Education.

“Permitted Investments” means any of the following, with an appropriate market value and of an appropriate maturity which are in accordance with County’s investment policy:

1. Obligations of, or fully and unconditionally guaranteed as to the timely payment of principal and interest by, the United States of America, or by any agency or

instrumentality thereof when such obligations are backed by the full faith and credit of the United States of America;

2. Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board (FHLB); (b) the Federal Home Loan Mortgage Corporation (FHLMC), participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts), senior debt obligations; (c) the Federal National Mortgage Association (FNMA), senior debt obligations, mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts); and (d) Federal Farm Credit Bank (FFCB) (system-wide);
3. Commercial Paper having original maturities of not more than 270 days, payable in the United States of America rated “A-1+” by S&P and “Prime-1” by Moody’s and issued by corporations that are organized and operating in the United States with total assets in excess of five hundred million dollars (\$500,000,000) and having “A” or better rating for issuer’s debt, other than commercial paper, as provided by Moody’s or S&P. The maximum total par value may be up to 15% of the total amount held by the Certificate Agent in accordance with this Agreement;
4. The Los Angeles County Treasury Pool;
5. Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances (including those of the Certificate Agent or any of its affiliates), having original maturities of not more than 30 days, with a maximum par value of 30% of the total amount held by the Certificate Agent in accordance with this Agreement. The institution must have a minimum short-term rating of “A-1+” and “P-1” by S&P and Moody’s, respectively, and a long-term rating of no less than “A”;
6. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-1, *et seq.*), limited to investments in obligations of the United States Government and its agencies and instrumentalities, whose fund has received the highest possible rating from at least two nationally recognized statistical rating organizations, with one such rating being at least “AAm-G” from S&P, including, without limitation, any mutual fund for which the Certificate Agent or an affiliate of the Certificate Agent serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Certificate Agent or an affiliate of the Certificate Agent receives fees from funds for services rendered, (ii) the Certificate Agent collects fees for services rendered pursuant to this

Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Certificate Agent or an affiliate of the Certificate Agent. The maximum par value may be up to 15% of the total amount held by the Certificate Agent in accordance with this Agreement;

7. Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank, including certificates of deposit placed by a third party pursuant to an agreement between the County and the Certificate Agent, in each case which has obligations outstanding having a rating of “A-1+” and “P-1” or better from Moody’s and S&P, respectively, or fully Federal Deposit Insurance Corporation-insured, including those of the Certificate Agent or any of its affiliates;
8. Repurchase or reverse repurchase agreements (including those of the Certificate Agent or any of its affiliates) may have a maximum maturity of 30 days and must be fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with paragraph 2 above, the provider of which must have a minimum short-term rating of at least “A-1+” from S&P; and
9. Investment agreements and guaranteed investment contracts from providers rated at least “AA-” by S&P and “Aa3” by Moody’s.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

“Pledge Date” means the last Business Day of each Repayment Month.

“Pledged Revenues” means the revenues pledged for the payment of each Note in the respective District Note Resolution and respective Note and in Section 5.4 hereof.

“Principal Corporate Trust Office” means the principal corporate trust office of the Certificate Agent in Los Angeles, California, or the principal corporate trust office of any successor Certificate Agent, provided that for purposes of the surrender, transfer, exchange, payment or registration of the Certificates, the term “Principal Corporate Trust Office” means the designated corporate trust office of the Registrar.

“Purchase Contract” means the Purchase Contract dated [Pricing Date], by and between the County and the Representative.

“Register” means the book or books of registration kept by the Registrar in which are maintained the names and addresses and principal amounts registered to each Registered Owner.

“Registered Owner” means the Person in whose name a Certificate is registered on the Register.

“Registrar” means the Certificate Agent or a substitute or successor Registrar appointed in accordance with this Agreement.

“Related Documents” means, collectively, the Certificates and the Notes.

“Repayment Date” means [Maturity Date].

“Repayment Fund” means with respect to each District Note Resolution, the Repayment Fund created pursuant to such District Note Resolution and caused to be kept by the Treasurer for collection and deposit of Pledged Revenues for the repayment of the respective Note, including amounts held in the Repayment Fund and invested in Permitted Investments.

“Repayment Month” means a month in which it is required that there be on deposit in the respective Participant’s Repayment Fund the respective amount set forth in Section 5.4 hereof and identified on Exhibit C – “Repayment Schedule” hereto.

“Representative” means RBC Capital Markets, LLC, as representative of itself and the other Underwriters.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns.

“SEC” means the Securities and Exchange Commission.

“Securities Depository” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attn: Call Notification Department, Fax (212) 855-7232, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depository as the Treasurer may designate to the Certificate Agent in writing.

“Shortfall Amount” means the aggregate amount determined by the Treasurer on the next Business Day following a Repayment Date, in accordance with Section 5.8 herein, required to make up for an insufficiency within the Repayment Funds with respect to the Certificates to pay in full the principal of and/or interest with respect to the Certificates on the Maturity Date.

“State” means the State of California.

“Tax Certificate” means that certain Tax Certificate delivered by each Participant on the Closing Date.

“Treasurer” means the Treasurer and Tax Collector of the County of Los Angeles acting as the *ex officio* treasurer of each Participant or a designated representative thereof.

SECTION 1.2 Due Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers and persons signing it.

## ARTICLE II

### APPOINTMENT OF CERTIFICATE AGENT; TREASURER TO ACT AS FISCAL AGENT

SECTION 2.1 Appointment and Acceptance. (a) The County hereby appoints The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, to act as Certificate Agent and Registrar with respect to the Certificates, and to hold the Notes in trust for the benefit of the Registered Owners of the Certificates as set forth herein. The Certificate Agent hereby accepts its appointment and agrees to act as Certificate Agent and Registrar.

(b) The Certificate Agent may resign at any time by giving written notice thereof to the County, *provided, however*, that no such resignation shall be effective until a successor has been appointed and has accepted the duties of the Certificate Agent hereunder.

(c) The County may appoint a substitute Certificate Agent, which Certificate Agent shall be a commercial bank, national banking association, or trust company in good standing and duly authorized to exercise trust powers, having an office in Los Angeles, California, which, together with the corporate parent of such Certificate Agent, has a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars (\$75,000,000), and subject to supervision or examination by Federal or state authority, so long as any Certificates are outstanding. If such bank, national banking association or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purpose of this Section, the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(d) If the Certificate Agent shall resign, be removed or become incapable of acting, the County shall promptly appoint a successor Certificate Agent. If an instrument of acceptance by a successor Certificate Agent shall not have been delivered to the Certificate Agent within thirty (30) days after the Certificate Agent gives notice of resignation or after its removal, the Certificate Agent may petition any court of competent jurisdiction at the expense of the County, on behalf of the Participants, for the appointment of a successor Certificate Agent. In the event of resignation or removal of the Certificate Agent, upon the request of the County and upon payment of the amounts owing to the Certificate Agent hereunder, the Certificate Agent shall deliver to the County, or its respective designee, all Notes (duly assigned to a successor) and Certificates it may then hold, and all books and records pertaining to the Certificate Agent's role as Certificate Agent, with respect to the Certificates.

(e) Any company or national banking association into which the Certificate Agent may be merged or converted or with which it may be consolidated or any company or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company or national banking association to which the Certificate Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Certificate Agent without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. Notice of such merger or consolidation shall be given to the Treasurer.

SECTION 2.2 Compensation and Indemnification. As compensation for the Certificate Agent's services as Certificate Agent, the Office of Education agrees to cause the Participants to pay the Certificate Agent their respective *pro rata* portion of the fees and expenses (including, without limitation, legal fees and expenses) set forth in a separate agreement between the Office of Education and the Certificate Agent. The Office of Education agrees to cause the Participants to jointly and severally indemnify the Certificate Agent and its officers, directors, agents and employees basis for losses, costs, expenses, suits, damages, judgments and liabilities incurred by the Certificate Agent hereunder not resulting from its own gross negligence or willful misconduct. This Section 2.2 shall survive the termination of this Agreement and the earlier removal or resignation of the Certificate Agent.

SECTION 2.3 Treasurer to Act as Fiscal Agent. The Treasurer shall be the Fiscal Agent with respect to the Certificates. The Fiscal Agent shall pay the Certificates when duly presented for payment on the Maturity Date and shall then direct to the Certificate Agent to cancel all Certificates upon payment thereof. The Treasurer shall keep accurate records of all funds administered by it and of all Certificates paid and discharged. The Treasurer may appoint an agent to perform its duties as Fiscal Agent.

### ARTICLE III

#### THE NOTES; THE PARTICIPATION CERTIFICATES

SECTION 3.1 Purchase of Notes by County. On the date of issuance of the Notes, as set forth in the Purchase Contract, the County, acting through the Treasurer, shall purchase the Notes, and simultaneously with such purchase, the Treasurer shall assign and deposit such Notes in trust with the Certificate Agent for the benefit of the Registered Owners of the Certificates. The purchase price for the Notes attributable to the Certificates shall be derived solely from the proceeds (including any premiums) received from the sale of the Certificates.

The Notes shall, immediately upon delivery and assignment by the Treasurer to the Certificate Agent, be registered to and lodged in trust with the Certificate Agent and maintained in such trust until submitted for payment on the Maturity Date and payment or purchase in full. The Notes shall not be transferable or assignable by the Certificate Agent, except for Defaulted Notes in accordance with a municipal bond insurance policy, if any, and except for Notes transferred to a successor Certificate Agent. The assignment and transfer of the Notes to the Certificate Agent shall constitute a first and exclusive lien on the principal and interest payments made thereunder and all of the rights under the Notes in accordance with this

Agreement. Upon payment of the Notes, the Certificate Agent shall mark such Notes “canceled” and return such canceled Notes to the Treasurer. The Treasurer shall return any canceled Note to the respective Participant upon request received by the Treasurer within 60 days after the date of cancellation. After 60 days, any canceled Notes not delivered to a Participant may be destroyed by the Treasurer.

SECTION 3.2 Authorization and Execution of Certificates. The Certificate Agent is hereby authorized and directed to execute participation certificates representing undivided proportionate interests in the Notes, as described below, to be designated as “Participation Certificates, Los Angeles County Schools Pooled Financing Program 2011-12 Pooled TRAN, Series A” to mature on [Maturity Date]. The Certificates may be executed and delivered hereunder in an aggregate principal amount not to exceed the aggregate principal amount of the Notes authorized by the Participants in the District Note Resolutions. The Certificates shall be executed and delivered substantially in the form attached hereto as Exhibit A and incorporated herein by this reference. In no event shall the Certificates be deemed a debt or obligation of the Certificate Agent.

The Certificates shall be representative of proportionate interests of the Registered Owners thereof in the Notes, which shall be the general obligations of the related Participants; the Certificates shall be payable solely from the Debt Service Payments attributable to the Notes and any investment earnings thereon and, in turn, shall be a charge upon the Pledged Revenues described in the related District Note Resolutions attributable to the Notes and, as applicable, any other amounts deposited in the respective Repayment Funds for the payment of principal of and interest on such Notes attributable to the Certificates, as provided in the District Note Resolutions.

SECTION 3.3 Terms of Certificates. The Certificates shall be in denominations of \$5,000 each or any integral multiple thereof, numbered serially and bearing the Date of Delivery and the Maturity Date, it being the intention that the Certificates be executed and delivered in such principal amount, denominations, dated date, maturity date and interest rate as may be necessary in order for the Certificates to conform with the corresponding terms of the Notes. Both the principal and the interest with respect to the Certificates shall be payable by check or wire transfer in lawful money of the United States of America, but only upon presentation and surrender thereof at the office of the Fiscal Agent.

SECTION 3.4 Registration of Certificates. The Certificates shall be delivered in the form of fully registered Certificates without coupons. The Certificates shall be individually numbered as determined by the Certificate Agent. The Certificates shall be registered initially in the name of “Cede & Co.,” as nominee of Depository Trust Company and shall be evidenced by one certificate. Registered ownership of the Certificates, or any portion thereof, may not thereafter be transferred except as set forth in Section 3.6 hereof.

SECTION 3.5 Execution. The Certificates shall be executed by and in the name of the Certificate Agent by the manual signature of any authorized signatory of the Certificate Agent. The Certificate Agent shall insert the date of execution of each Certificate in the place provided thereon.

SECTION 3.6 Transfer and Exchange of Certificates.

(a) Transfer of Certificates. Any Certificate may, in accordance with its terms, and subject to Section 3.8, be transferred upon the registration books required to be kept by the Registrar by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation at the Principal Corporate Trust Office of the Certificate Agent, as Registrar, accompanied by delivery of a written instrument of transfer in a form acceptable to the Certificate Agent, duly executed. Whenever any Certificate or Certificates shall be surrendered for transfer, the Certificate Agent shall execute and deliver a new Certificate or Certificates for a like aggregate principal amount of authorized denominations.

(b) Exchange of Certificates. Certificates may be exchanged at the Principal Corporate Trust Office of the Certificate Agent for a like aggregate principal amount of Certificates of other authorized denominations. The Certificate Agent shall require the payment by the Registered Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. All Certificates surrendered pursuant to the provisions of this Section shall be canceled by the Certificate Agent and shall not be redelivered.

SECTION 3.7 Mutilated, Lost, Destroyed or Stolen Certificates. If any Certificate shall become mutilated, the Certificate Agent shall execute and deliver a new Certificate of like tenor and maturity in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Certificate Agent of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Certificate Agent shall be canceled by it. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Certificate Agent, and, if such evidence is satisfactory to the Certificate Agent and, if an indemnity satisfactory to the Certificate Agent shall be given, the Certificate Agent shall execute and deliver a new Certificate of like tenor and maturity and numbered as the Certificate Agent shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Certificate Agent may require payment of an appropriate fee from the Registered Owner of such lost, stolen or destroyed Certificates for each new Certificate delivered under this Section. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Agreement with all other Certificates secured by this Agreement.

SECTION 3.8 Use of Depository Trust Company. Notwithstanding any provision of this Agreement to the contrary:

(a) The Certificates shall be initially delivered and registered as provided in Section 3.4. Registered ownership of the Certificates, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of the DTC or its nominee, or to any substitute Securities Depository designated pursuant to clause (ii) of this subsection (a) (“Substitute Depository”); *provided* that any successor of DTC or a Substitute

Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any Substitute Depository designated by the Treasurer and not objected to by the Certificate Agent, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) or (2) a determination by the Treasurer that DTC or its successor (or any Substitute Depository or its successor) is no longer able to carry out its functions as the Securities Depository; *provided* that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of DTC or its successor (or Substitute Depository or its successor) from its functions as depository; *provided* that no Substitute Depository which is not objected to by the Certificate Agent can be obtained or (2) a determination by the Treasurer that it is in the best interests of the beneficial owners of the Certificates to remove DTC or its successor (or any Substitute Depository or its successor) from its functions as Securities Depository hereunder.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Certificates by the Certificate Agent, together with a request from the Treasurer to the Certificate Agent, a single new Certificate shall be executed and delivered in the aggregate principal amount of the Certificates 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 request from the Treasurer. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the Outstanding Certificates by the Certificate Agent, new Certificates shall be executed and delivered in such denominations and registered in the names of such persons as are requested by DTC or its successors, subject to the limitations of Section 3.4 hereof.

(c) The Treasurer and the Certificate Agent shall be entitled to treat the person in whose name any Certificate is registered as the Registered Owner thereof for all purposes of this Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Certificate Agent; and the Treasurer and the Certificate Agent shall have no responsibility for transmitting payments to, communication with, notifying or otherwise dealing with any beneficial owners of the Certificates. The Treasurer and the Certificate Agent will have no responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including DTC or its successors, except for the Registered Owner of any Certificate.

(d) So long as the Outstanding Certificates are registered in the name of Depository Trust Company or a Substitute Depository, the Treasurer and the Certificate Agent shall cooperate with Depository Trust Company or such successor depository, as sole Registered Owner, in effecting payment of the principal of and prepayment premium, if any, and interest with respect to the Certificates by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(e) Notwithstanding the foregoing, at any time during the Fiscal Year, the Treasurer may determine that participation in the book-entry only system of DTC is no longer in the best interests of the Pooled Program and may thereupon provide for certificated securities representing the Certificates. In the event the Treasurer determines that the continuation of the system of book-entry only transfers through DTC (or a successor securities depository) is not in the best interests of the Pooled Program, the Treasurer will notify DTC of the availability through DTC of certificated securities representing the Certificates. In such event, the County shall direct the Certificate Agent to execute and deliver and shall register Certificates in authorized denominations as requested by DTC.

SECTION 3.9 Certificate Register. The Certificate Agent will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient books for the registration and transfer of the Certificates which shall at all times be open to inspection by the Treasurer during regular business hours with reasonable prior notice; and, upon presentation for such purpose, the Certificate Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on said books, Certificates as hereinbefore provided. The Treasurer and the Certificate Agent shall be entitled to treat the Registered Owner of a Certificate as the absolute owner thereof for all purposes, whether or not a Certificate shall be overdue, and the Treasurer and the Certificate Agent shall not be affected by any notice to the contrary.

SECTION 3.10 Place and Manner of Payment. The Certificates shall be payable upon surrender thereof by check or wire transfer in lawful money of the United States of America (but only from amounts received in payment of the Notes) at the office of the Fiscal Agent. The Certificates shall be payable from payments made on the Notes in accordance with Section 5.1 and any payments of any Defaulted Notes in accordance with Section 5.8 of this Agreement.

## ARTICLE IV

### APPLICATION OF PROCEEDS

SECTION 4.1 Deposit of Sale Proceeds. The moneys representing the net proceeds of sale of the Certificates shall be used to pay the purchase price of the Notes. \$\_\_\_\_\_ of the net proceeds of the sale of the Notes shall be deposited in the Costs of Delivery Fund maintained by the Certificate Agent. The balance of the net proceeds of sale of the Notes shall be deposited with the Treasurer for credit to each of the general funds of the Participants, in amounts which represent the proportion which the Note of each Participant shall bear to the aggregate principal amount of Certificates authorized and delivered hereunder.

Such net proceeds of sale of the Notes shall be invested in accordance with the definition of Permitted Investments as directed in writing by the County or in the Investment Agreement, as directed in writing by the County. Proceeds may be withdrawn from such investments and remitted to the respective Participants in accordance with their *pro rata* shares. In the event that any portion of such proceeds with respect to any Participant is not withdrawn from the respective county school service fund or general fund prior to such Participant's first

scheduled deposit of Pledged Revenues into its Repayment Fund, an amount equal to such Participant's scheduled deposit on such date shall be transferred from such county school service fund or general fund to the credit of its Repayment Fund. In the event that any portion of the proceeds of sale of the Notes with respect to any Participant is likewise not withdrawn prior to such Participant's second, third or fourth, as applicable, scheduled deposit of Pledged Revenues into its Repayment Fund, an amount equal to such Participant's second, third or fourth, respectively, scheduled deposit on such dates shall be transferred to the credit of its Repayment Fund.

The Certificate Agent shall not invest any cash held by it hereunder in the absence of timely and specific written direction from the County. In no event shall the Certificate Agent be liable for the selection of investments or for investment losses incurred thereon. The Certificate Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Agreement. The Certificate Agent may conclusively rely upon such written direction from the County as to both the suitability and legality of the directed investments. The County acknowledges that regulations of the Comptroller of the Currency grant the County the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the County specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Certificate Agent that no brokerage confirmations need be sent relating to the security transactions as they occur

SECTION 4.2 Costs of Delivery. There is hereby established with the Certificate Agent the Costs of Delivery Fund. Amounts in the Costs of Delivery Fund shall be invested in Permitted Investments until expended. The Certificate Agent will make payment by check or wire transfer from amounts on deposit in the Costs of Delivery Fund for costs of delivery as may be requested by the Office of Education upon receipt by the Certificate Agent of a requisition signed by an authorized officer of the Office of Education. In the event the total of any requisition exceeds the amount then on deposit in the Costs of Delivery Fund, the Certificate Agent shall promptly notify the Office of Education of the shortfall, and await further instructions from the Office of Education.

On the earliest of the date on which all amounts in the Costs of Delivery Fund are expended or October 31, 2011 or as designated by the Office of Education, the Certificate Agent shall close the Costs of Delivery Fund and any remainder from the Costs of Delivery Fund shall be refunded to the Treasurer for subsequent *pro rata* credit to the Participants.

## ARTICLE V

### COUNTY COVENANTS; PLEDGED REVENUES

SECTION 5.1 Punctual Payment. The County covenants that it shall duly and punctually cause to be paid from the payments of principal of and interest on the Notes payable on the Maturity Date thereof the principal and interest with respect to each Certificate at the place and in the manner stated in the Certificates and in accordance with the provisions of this Agreement. The County further covenants that it shall faithfully observe and perform all of the conditions, covenants and requirements of this Agreement which are expressly applicable to the

County, and that it shall not, except as provided hereunder, pledge, assign, subject to any lien or otherwise encumber the Notes, or any interest therein other than as contemplated by the terms of this Agreement. The County acknowledges and agrees, in furtherance of the terms, intent and purposes of each District Note Resolution, to recognize each Registered Owner as the beneficial owner of the Note of each such Participant, in each case to the extent of such Registered Owner's direct, proportional and undivided interest in such Note, and following a default with respect to a related Certificate such Registered Owner individually shall have and may exercise any and all rights and remedies directly against each such Participant to the full extent as if such Registered Owner were the owner of record of Notes of each such Participant in principal amount equal to such Registered Owner's direct, proportional and undivided interest in such Notes.

SECTION 5.2 Intercept Procedure. The County covenants that it will intercept the amounts received in each Participant's general fund as set forth in Section 5.3 and 5.4 herein and in Exhibit C – "Repayment Schedule" as established in the Purchase Contract and Notes, and place such amounts on deposit directly in the Repayment Fund held by the County with a designation of the amounts to be credited for each Participant. Upon each such deposit, such funds will be invested in the Los Angeles County Treasury Pool, or in such other Permitted Investments and will not be available to the Participants. In the event that there have been insufficient Pledged Revenues received by a Participant by the third Business Day prior to any Pledge Date to permit the deposit into its Repayment Fund of the full amount of the Pledged Revenues required to be deposited with respect to such Pledge Date, the Treasurer shall direct the Los Angeles County Auditor-Controller (the "Auditor-Controller") to collect the amount of any deficiency and deposit such amount in the Repayment Fund in such amount as may be directed by the Treasurer from any other unrestricted moneys of the affected Participant lawfully available for the payment of the principal of the Notes and the interest thereon on such Pledge Date or thereafter on a daily basis, when and as such Pledged Revenues and unrestricted moneys are received by the affected Participant and will deposit said moneys with the Treasurer for deposit directly in the respective Repayment Fund.

SECTION 5.3 Pledged Revenues. In order to facilitate the collection of the Pledged Revenues, the County shall hold Pledged Revenues which have been deposited from specific amounts from the respective Participant's funds on deposit with the Treasurer for such purpose and received from each of the respective Participants for the account of such respective Participants established under the respective Participants' Note Resolution. The Treasurer shall transmit or cause to be transmitted a monthly statement on a per-Participant basis of all transactions and investments made by or through the County and of all amounts on deposit with the County hereunder, including, in the event that sufficient Pledged Revenues have not been timely deposited in a Participant's Repayment Fund in accordance with its District Note Resolution, written confirmation of such event, to the Office of Education, and shall invest such Pledged Revenues in the Los Angeles County Treasury Pool or in such other Permitted Investments.

All principal and interest payments on the Notes shall be paid directly by each Participant to the Treasurer or by the Auditor-Controller to the County pursuant to the intercept procedure set forth in Section 5.2 above. All principal and interest payments on the Notes received by the Treasurer shall be held in trust by the Treasurer under the terms of this

Agreement and shall be deposited by it, as and when received, in the Repayment Funds of the respective Participants established under this Agreement. All money in the Repayment Funds shall be held in trust by the Treasurer for the benefit and security of the Registered Owners of the Certificates to the extent provided in this Agreement and shall be invested in the Los Angeles County Treasury Pool or in such other Permitted Investments. Moneys received by the Treasurer attributable to a Participant shall not be used in any manner (directly or indirectly) to make up any deficiency in any other Participant's Note payments. Notwithstanding any deposit to a Repayment Fund, each Participant shall remain obligated to pay the principal of and interest on its respective Note in accordance with its terms.

To the extent the Treasurer receives Note repayments from a Participant that are less than the amounts required to pay the interest due on such Participant's Note on the Maturity Date thereof, and the principal on such Note payable on the Maturity Date thereof, the Treasurer shall apply the moneys received first, to pay interest on such Note, and second, to pay the principal of such Note. Any moneys deposited in the Repayment Funds for the Notes shall be for the sole benefit of the Registered Owners of the Certificates, and until the Notes and all interest thereon are paid or until provision has been made for the payment of the principal of and interest on the Notes payable on the Maturity Date thereof, the moneys in the Repayment Funds shall be applied only for the purpose for which such Repayment Funds are created.

If the amount on deposit in a Participant's Repayment Fund is in excess of the amounts required to pay the interest and the principal on the respective Note payable on the Maturity Date thereof, and after the payment of interest and principal with respect to the Certificates corresponding to such Participant's Note, the Treasurer shall pay over for the account of the Participant all moneys or deposits or investments held by it pursuant hereto and attributable to such Participant which are not required for the payment of principal of and interest on such Note.

**SECTION 5.4 Pledge of Notes and Unrestricted Revenues.** The Notes and all right, title and interest therein and all payments thereon are irrevocably assigned, pledged and transferred to the Certificate Agent for the benefit of the Registered Owners of the Certificates. The Debt Service Payments on the Notes, together with investment earnings thereon, shall be used for the payment of interest and principal with respect to the Certificates and the Notes will not be used for any other purpose while any of the Certificates remain outstanding. The assignment, transfer and pledge of the Notes to the Certificate Agent pursuant to this Agreement shall constitute a first and exclusive lien on the principal and interest payments and all other rights under the Notes in accordance with this Agreement.

Pursuant to Section 53856 of the Act, each Participant has pledged in its respective District Note Resolution and Note as security for the payment of the principal of and interest on its respective Note the first unrestricted revenues received by the Participant in the Repayment Month until the amount in the respective Repayment Fund is equal to the percentage stated in the respective District Note Resolution and in this Section of principal due on its respective Note at maturity plus interest due at maturity; provided that, the amounts due in the Repayment Month shall take into consideration anticipated earnings to be received from Permitted Investments through the end of the Participant's Repayment Month, whichever is

earlier. The principal of each Note and the interest thereon shall be payable from the Pledged Revenues and, to the extent not so paid, shall be paid from any other moneys of the Participant lawfully available therefor.

The County covenants that all Pledged Revenues transferred pursuant to the schedule set forth in this Section will be held in trust in the respective Repayment Funds and will be applied only for the purposes for which such Repayment Funds were created and as directed in the District Note Resolutions for the benefit of Registered Owners of the Certificates. The County represents that this Agreement creates a valid, binding lien on and first priority perfected security interest in Pledged Revenues in favor of the Registered Owners as security for payment of the principal of and interest on the Notes.

**Pledge Dates and Percentages of each Participant’s Note**

<u>Participant</u>	<u>1st Pledge</u>	<u>2nd Pledge</u>	<u>3rd Pledge</u>
Alhambra Unified School District	%	%	%
Antelope Valley Union High School District			
Beverly Hills Unified school District			
Cerritos Community College District			
Charter Oak Unified School District			
Compton Community College District			
El Camino Community College District			
Glendale Community College District			
Hawthorne School District			
La Cañada Unified School District			
Little Lake City School District			
Long Beach Community College District			
Montebello Unified School District			
Palmdale School District			
Palos Verdes Peninsula Unified School District			
Redondo Beach Unified School District			
Wiseburn School District			

The amounts determined by applying the foregoing percentages to the principal amount of each Participant’s Note represent the “Pledged Revenues” for the Notes, as defined and pledged in the related District Note Resolutions, and the principal and interest due under the Certificates shall be payable from such Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the related Participants lawfully available therefor.

**SECTION 5.5 Participants Not Liable for other Participant’s Default.** No Participant has covenanted to pay or provide for the payment of any other Participant’s Pledged

Revenues, and the Repayment Funds for the several Participants are not pooled. No Participant's Repayment Fund is available to make up a deficiency in the Repayment Fund of another Participant or payment of principal of and interest on another Participant's Note. One Participant's default in the payment of principal of and interest on its Note will cause a partial default in the payment of the Certificates, even though the non-defaulting Participants make timely payments of principal of and interest due on their Notes; *provided, however*, that the Registered Owner of any Certificate individually shall have and may exercise any and all rights and remedies directly against any such defaulting Participant to the full extent as if such Registered Owner were the owner of record of the Note of each such Participant in Principal Amount equal to such Registered Owner's direct, proportional and undivided interest in such Notes as provided in this Agreement.

SECTION 5.6 Registered Owner's Interests. The Treasurer (or any substitute Fiscal Agent), as agent for each Participant with respect to the execution and delivery of the Notes and in connection with execution and delivery of the Certificates by the Certificate Agent, regarding moneys paid by such Participant to the County as and for Debt Service Payments pursuant to the terms of the Note of such Participant, hereby acknowledges and agrees, in furtherance of the terms, intent and purposes of each such District Note Resolution, to recognize each Registered Owner as the beneficial owner of the Note of each such Participant, in each case to the extent of such Registered Owner's direct, proportional and undivided interest in such Note (as noted on the face of the Certificates), and such Registered Owner individually shall have and may exercise any and all rights and remedies directly against each such Participant to the full extent as if such Registered Owner were the owner of record of Notes of each such Participant in principal amount equal to such Registered Owner's direct, proportional and undivided interest in such Notes.

## ARTICLE VI

### THE CERTIFICATE AGENT AND THE COUNTY

SECTION 6.1 Duties of the Certificate Agent. The Certificate Agent covenants that it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement which are expressly applicable to the Certificate Agent, *provided, however* that in no event shall the Certificate Agent be required to expend any of its own funds or incur any personal liability. The Certificate Agent further covenants that it shall not pledge, assign, subject to any lien or otherwise encumber the Notes, or any interest therein other than as contemplated by the terms of this Agreement. In addition, the Certificate Agent covenants that it will hold the Notes for the sole benefit of the Registered Owners until the Maturity Date. The Certificate Agent shall only be required to perform the duties expressly set forth herein. No implied duties or obligations shall be read into this Agreement against the Certificate Agent.

SECTION 6.2 Reliance on Documents, Etc.

(A) The Certificate Agent may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Certificate Agent by the County and the Participants.

(B) Neither the Certificate Agent nor the County shall be liable in connection with the performance of their duties hereunder except for their own negligence or willful misconduct. The County may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys, and the County shall not be responsible for any misconduct or negligence on the part of any agent (other than an employee) or attorney appointed with due care.

(C) No provision of this Agreement shall require the County to expend or risk their own funds or otherwise incur any financial liability for performance of any of their duties hereunder, or in the exercise of any of their rights or powers.

(D) The Certificate Agent and the County may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document (including facsimile copies) believed by them to be genuine and to have been signed or presented by the proper party or parties. The Certificate Agent and the County need not examine the ownership of any Certificates, but are protected in acting upon receipt of Certificates containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Registered Owner or agent of the Registered Owner.

(E) The Certificate Agent and the County may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by them hereunder in good faith and reliance thereon. The County agrees to cause the Participants to pay the fees and expenses of such counsel in connection herewith.

(F) Neither the Certificate Agent nor the County shall be charged with notice or knowledge of any default hereunder unless and until a responsible officer of the Certificate Agent or the County charged with the administration of this Agreement shall have actual knowledge thereof.

Anything in this Agreement to the contrary notwithstanding, in no event shall the Certificate Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Certificate Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. The Certificate Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Certificate Agent and could not have been avoided by exercising due care. Force majeure shall include acts

of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Certificate Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured electronic mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Certificate Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the County elects to give the Certificate Agent electronic mail or facsimile instructions (or instructions by a similar electronic method) and the Certificate Agent in its discretion elects to act upon such instructions, the Certificate Agent's understanding of such instructions shall be deemed controlling. The Certificate Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Certificate Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The County agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Certificate Agent, including without limitation the risk of the Certificate Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 6.3 No Liability of the Certificate Agent or the County to the Registered Owners. Neither the Certificate Agent nor the County shall have any obligation or liability to the Registered Owners with respect to the payment when due of the principal and interest with respect to the Certificates, except from the Debt Service Payments received with respect to the Notes, or with respect to the observance or performance by the Participants of the other agreements, conditions, covenants and terms required to be observed or performed by them contained in the related District Note Resolutions, as applicable, or with respect to the performance by the Treasurer, of any right or obligation required to be observed or performed by her/him contained herein or in the District Note Resolutions.

SECTION 6.4 Certificate Agent May Own Certificates. The Certificate Agent, in its individual or any other capacity, may become the owner or pledgee of Certificates with the same rights it would have if it were not the Certificate Agent and Registrar for the Certificates.

SECTION 6.5 Other Transactions. The Certificate Agent may engage in or be interested in any financial or other transaction with the County, *provided* that if the Certificate Agent determines that any such relationship is in conflict with its duties under this Agreement, it shall eliminate the conflict or resign as Certificate Agent.

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

SECTION 7.1 Amendments Permitted. This Agreement and the rights and obligations of the Registered Owners may be modified or amended only by an agreement in writing signed by the County and the Certificate Agent.

SECTION 7.2 Assignment. This Agreement may be assigned by either the County or the Certificate Agent only with the prior written consent of the other parties hereto (such prior written consent not being required if such assignment is made as a result of an event occurring pursuant to Section 2.1(e) hereof).

SECTION 7.3 Notices. Any request, demand, authorization, direction, notice, waiver or other document provided or permitted hereby to be given or furnished to the Office of Education, the Treasurer or the Certificate Agent shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time by fifteen (15) days written notice:

If to the Treasurer:                   Treasurer and Tax Collector of the County of Los Angeles  
437 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012  
Attention: Public Finance

If to the Certificate Agent:       The Bank of New York Mellon Trust Company, N.A.  
700 S. Flower Street, 5th Floor  
Los Angeles, California 90017  
Attention: Deborah Young  
Telephone: (213) 630-6260  
Fax: (213) 630-6215

If to the Office of Education:       Los Angeles County Office of Education  
9300 Imperial Highway  
Downey, California 90242-2890  
Attention: Roger Chang, Controller - Division of Business  
Advisory Services

SECTION 7.4 Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or other subdivisions of this Agreement; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision hereof.

SECTION 7.5 Successors and Assigns. All covenants and agreements herein by the County and the Certificate Agent shall bind their successors and assigns, whether so expressed or not.

SECTION 7.6 Severability. If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, and this

Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

SECTION 7.7 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or legal or equitable right, remedy or claim hereunder.

SECTION 7.8 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto relevant to the Certificate Agent's acting as Certificate Agent and Registrar.

SECTION 7.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

SECTION 7.10 Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State applicable to contracts made and performed therein.

[Remainder of page intentionally left blank]

SECTION 7.11 Limited Liability of the County. Any provision of this Agreement which requires the County to pay money (including, without limitation, Sections 2.2, 3.1 and 5.7) shall be satisfied only from funds received by the County from the Participants pursuant to the District Note Resolutions, and in no event shall the County be obligated to make any expenditure required by this Agreement from its own funds.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

**COUNTY OF LOS ANGELES**

By: \_\_\_\_\_  
Mark J. Saladino  
Treasurer and Tax Collector

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.  
as Certificate Agent and Registrar**

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

**PARTICIPATION CERTIFICATE  
LOS ANGELES COUNTY SCHOOLS POOLED FINANCING PROGRAM  
2011-2012 POOLED TRAN, SERIES A**

Evidencing and Representing Proportionate and Undivided  
Interests of the Owners Thereof in  
Tax and Revenue Anticipation Notes of Certain  
Los Angeles County School Districts and Community College Districts

**No. R-1**

**Principal Amount: \$[Principal Amount]**

<b>ORIGINAL EXECUTION DATE</b> [Closing Date]	<b>MATURITY DATE</b> [Maturity Date]	<b>INTEREST RATE</b> %	<b>CUSIP</b>
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**REGISTERED OWNER: Cede & Co.**

**THIS IS TO CERTIFY THAT CEDE & CO.**, as Registered Owner of this Participation Certificate (the "Certificate"), is the owner of a direct, proportionate and undivided interest in the payments of principal of and interest on 2011-2012 Tax and Revenue Anticipation Notes (individually, a "Note" and, collectively, the "Notes"), and the debt service payments (the "Debt Service Payments") to be made thereon, issued by the local agencies, each being a school district or a community college district, located within the County of Los Angeles, organized and existing under the Constitution and laws of the State of California, identified in the Trust Agreement hereinafter referred to (collectively, the "Participants"), each maturing on [Maturity Date], and issued in the principal amounts established in the Trust Agreement herein referred to.

Except as to principal amount, the Notes are all of like date, tenor and effect, made, executed and given pursuant to and by authority of a resolution duly passed and adopted by the governing board of each Participant pertaining to the respective Note of such Participant (collectively, the "District Note Resolutions") and of a resolution duly passed and adopted by the Board of Supervisors of the County on [County Reso Date] (the "County Resolution") under and by authority of Section 53853(a) and of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5, California Government Code. The District Note Resolutions and the County Resolution shall be referred to herein collectively as the "Resolutions." The owner of this Certificate is entitled to receive, subject to the terms of the Resolutions, on the Maturity Date stated above, the Principal Amount specified above, representing a direct, undivided interest in the principal payments to be made by each Participant on its respective Note, together with interest thereon accrued at the Interest Rate stated above. Payments of principal and interest with respect to the Certificates properly presented for payment upon maturity shall be made by wire transfer by the County in immediately available funds to the Depository Trust Company, New York, New York, as initial securities depository for the Certificates (or a successor securities depository).

Unless this Certificate is presented by an authorized representative of The Depository Trust Company to the Certificate Agent or the Treasurer and Tax Collector of Los Angeles County or any Certificate executed and delivered 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 so long as the Registered Owner hereof, Cede & Co., has an interest herein.

Pursuant to the terms of the Trust Agreement by and between the County and The Bank of New York Mellon Trust Company, N.A., as Certificate Agent (the "Certificate Agent"), dated as of [As of Date] (the "Trust Agreement"), the Certificate Agent shall hold in trust each Note represented by this Certificate in the principal amount shown above and maturing on the date this Certificate matures. The Notes will be held by the Certificate Agent and the Debt Service Payments will be held by the County in the Repayment Funds (as defined in the Trust Agreement).

The principal amount represented by this Certificate, together with the interest evidenced and represented hereby, shall be payable from the principal of and interest coming due on the Notes. Each Note constitutes the general obligation of the Participant issuing the same and shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the respective Participant during, or are attributable to, fiscal year 2011-12, and which are lawfully available therefor, all as set forth in the respective District Note Resolution. As security for the Notes, each Participant has individually pledged certain of its unrestricted revenues received in the amounts and as of the dates provided in the respective District Note Resolution, plus in the month during which the final payment of Pledged Revenues is to occur, an amount sufficient to pay interest on such Note.

No Participant has covenanted to pay or provide for the payment of any other Participant's Pledged Revenues, and the Repayment Funds established by the County for the several Participants are not pooled. No Participant's Repayment Fund held by the County is available to make up a deficiency in the Repayment Fund of another Participant or payment of principal of and interest on another Participant's Note. One Participant's default in the payment of principal of and interest on its Note will cause a partial default in payment of the Certificates, even though the non-defaulting Participants make timely payments of principal of and interest due on their Notes; *provided, however*, that the Registered Owner hereof individually shall have and may exercise any and all rights and remedies directly against any such defaulting Participant to the full extent as if such Registered Owner were the owner of record of Notes of each such Participant in Principal Amount equal to such Registered Owner's direct, proportional and undivided interest in such Notes as provided above.

The County does not warrant the accuracy of the statements and recitals herein. The County has no obligation or liability to make payments with respect to the Certificates except from Debt Service Payments of the Notes by the Participants and from the funds and accounts established for such purpose by the Trust Agreement.

The Participants have certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of California and the provisions of the District Note Resolutions to exist, to have happened and to have been performed precedent to and in the execution and delivery of the Notes do exist, have happened and have been performed in due time, form and manner as required by law and that the Notes, together with all other indebtedness and obligations of the respective Participants, do not exceed any limit prescribed by the Constitution or laws of the State of California.

**IN WITNESS WHEREOF**, The Bank of New York Mellon Trust Company, N.A., as Certificate Agent, has caused this Certificate to be executed by its authorized signatory this \_\_\_\_ day of \_\_\_\_\_ 2011.

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.,  
as Certificate Agent**

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT B**

**FORM OF REQUISITION FROM COSTS OF DELIVERY FUND**

The Bank of New York Mellon Trust Company, N.A.  
700 S. Flower Street, 5<sup>th</sup> Floor  
Los Angeles, California 90017  
Attn: Deborah Young

Re: Los Angeles County Schools Pooled Financing Program 2011-12  
Pooled TRAN Participation Certificates, Series A

Requisition No. 1

1. The undersigned authorized officer of the Los Angeles County Office of Education hereby presents this Requisition for payment of costs of delivery in connection with the captioned financing.

2. Attached as Schedule I is a list of payees from whom invoices for costs of delivery have been received (copies of which are attached to said Schedule I). You are hereby directed to make payment by check or wire transfer (in accordance with the request of the respective payees) to said persons in the amounts invoiced but not in excess of the amounts identified in Schedule I. None of the items listed in Schedule I have been heretofore paid and each represents a proper charge against the Costs of Delivery Fund.

Date: \_\_\_\_\_, 2011

By: \_\_\_\_\_  
Authorized Officer  
Los Angeles County Office of Education

cc: County of Los Angeles, Treasurer and Tax Collector

## SCHEDULE I

### INITIAL PAYEES FROM COSTS OF DELIVERY FUND

The following costs are to be paid by the Treasurer for the costs of delivery relating to the Notes and Certificates from amounts deposited in the Costs of Delivery Fund.

<u>Name and Address of Payees</u>	<u>Purpose</u>	<u>Maximum Authorized Amount</u>
Hawkins Delafield & Wood LLP 333 South Grand Avenue, Suite 3650 Los Angeles, California 90071	Bond Counsel	
Treasurer and Tax Collector of the County of Los Angeles 437 Hall of Administration 500 West Temple Street Los Angeles, California 90012	Administration	
Los Angeles County Office of Education 9300 Imperial Highway Downey, California 90242-2890	Administration	
The Bank of New York Mellon Trust Company, N.A. 700 South Flower Street, Suite 500 Los Angeles, California 90017	Certificating Agent Services	
Fulbright & Jaworski L.L.P. 555 South Flower Street, 41 <sup>st</sup> Floor Los Angeles, California 90071	Disclosure Counsel	
AVIA Communications Inc.	Printing Fee	
Standard & Poor's Ratings Services Rating Agency 55 Water Street, 38 <sup>th</sup> Floor New York, New York 10041	Rating Agency	
Annette Yee & Co.	Co-Banker Fee	
CalMuni, CDIAC and Contingency	Miscellaneous	

**EXHIBIT C  
REPAYMENT SCHEDULE**

<u>District Participant</u>	<u>Note</u>	<u>Month</u>	<u>Amount</u>	<u>%</u>	<u>Note</u>	<u>Month</u>	<u>Amount</u>	<u>%</u>	<u>Interest</u>	<u>Full Payment</u>
Alhambra Unified School District										
Antelope Valley Union High School District										
Beverly Hills Unified school District										
Cerritos Community College District										
Charter Oak Unified School District										
Compton Community College District										
El Camino Community College District										
Glendale Community College District										
Hawthorne School District										
La Cañada Unified School District										
Little Lake City School District										
Long Beach Community College District										
Montebello Unified School District										
Palmdale School District										
Palos Verdes Peninsula Unified School District										
Redondo Beach Unified School District										
Wiseburn School District										