COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

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

MARK J. SALADINO
TREASURER AND TAX COLLECTOR

November 21, 2003

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

Dear Supervisors:

ISSUANCE AND SALE OF LENNOX SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 1998, SERIES 2003
(SECOND DISTRICT) (3-VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the Resolution authorizing the issuance and sale of General Obligation Bonds of the Lennox School District in an amount not to exceed $2,000,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 18, 2003, the Governing Board of the Lennox School District adopted a Resolution determining that the District needs to borrow funds in an aggregate principal amount not to exceed $2,000,000 to be used for authorized purposes.

On June 2, 1998, an election was held whereby qualified voters of the District approved the proposition authorizing the District to issue $10,000,000 in general obligation bonds to finance the construction and improvement of school facilities. This is the third issuance of bonds authorized under this bond measure. The prior series of bonds were issued in the aggregate principal amount totaling $6,842,652.70.

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

Implementation of Strategic Plan Goals

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

FISCAL IMPACT/FINANCING

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Resolution provides for issuance of General Obligation Bonds at an interest rate not to exceed a true interest cost of 8%. The final structure will be determined at the time of pricing to achieve the lowest cost of financing within the limits of the proposition's tax levy. The term of the bonds will not exceed twenty-five years. Provisions for optional redemption of the bonds will be described in the Contract of Purchase.

The Resolution provides for the negotiated sale of the bonds, with participation by the Treasurer and Tax Collector in pricing of the bonds, to the Underwriters. The District has selected Banc of America Securities LLC as Underwriter; the firm of O'Melveny and Myers, LLP as Bond Counsel; and U.S. Bank Trust National Association as Paying Agent.

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

CONCLUSION

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

Respectfully submitted,

MARK J. SALADINO
Treasurer and Tax Collector

MJS:DL:TG:pab
Pb/Board/LennoxSD

Attachments (2)

c: Chief Administrative Officer
Auditor-Controller
County Counsel
Lennox School District
Los Angeles County Office of Education
O'Melveny and Myers, LLP
Banc of America Securities LLC
U. S. Bank Trust, National Association

RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES CALIFORNIA
AUTHORIZING THE ISSUANCE AND SALE OF
GENERAL OBLIGATION BONDS OF THE LENNOX
SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL
AMOUNT NOT TO EXCEED $2,000,000

TABLE OF CONTENTS

Page

SECTION 1. Definitions 1
SECTION 2. Rules of Construction 7
SECTION 3. Authority for this Resolution 7
SECTION 4. Resolution to Constitute Contract 7
SECTION 5. Approval of Contract of Purchase 7
SECTION 6. Authorization of Officers 8
SECTION 7. Use of Bond Proceeds 8
SECTION 8. Designation and Form; Payment 8
SECTION 9. Description of Current Interest Bonds 8
SECTION 10. Description of Capital Appreciation Bonds 9
SECTION 11. Book-Entry System 9
SECTION 12. Execution of the Bonds 11
SECTION 13. Transfer and Exchange 12
SECTION 14. Bonds Mutilated, Destroyed, Stolen or Lost 12
SECTION 15. Bond Register 13
SECTION 16. Unclaimed Money 13
SECTION 17. Application of Proceeds 13
SECTION 18. Payment and Security for the Bonds 14
SECTION 19. Debt Service Fund 14
SECTION 20. Establishment and Application of Excess Earnings Fund 14
SECTION 21. Payments of Costs of Issuance 15
SECTION 22. Establishment of Additional Funds and Accounts 15
SECTION 23. Redemption 15
SECTION 24. Selection of Bonds for Redemption 15
SECTION 25. Notice of Redemption 15
SECTION 26. Partial Redemption of Bonds 16
SECTION 27. Effect of Notice of Redemption 17
SECTION 28. Paying Agent; Appointment and Acceptance of Duties 17
SECTION 29. Liability of Paying Agent 17
SECTION 30. Evidence on Which Paying Agent May Act 17
SECTION 31. Compensation 18
SECTION 32. Ownership of Bonds Permitted 18

SECTION 33. Resignation or Removal of Paying Agent and Appointment of Successor 18
SECTION 34. Investment of Certain Funds 18
SECTION 35. Valuation and Sale of Investments. 18
SECTION 36. Supplemental Resolutions With Consent of Owners 19
SECTION 37. Supplemental Resolutions Effective Without Consent of Owners 19
SECTION 38. Effect of Supplemental Resolution 19
SECTION 39. Defeasance 20
SECTION 40. Bond Insurance 20
SECTION 41. Approval of Actions. 20

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES CALIFORNIA AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, ELECTION OF 1998, SERIES 2003 OF THE LENNOX SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED TWO MILLION DOLLARS ($2,000,000)

WHEREAS, a duly called election was held in the Lennox School District (the "District"), County of Los Angeles, (the "County"), California, on June 2, 1998 and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite two-third (2/3) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of $10,000,000, payable from the levy of an ad valorem tax against the taxable property in the District; and

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

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

WHEREAS, the County Board of Supervisors (the "County Board") has heretofore authorized and issued in the name and on behalf of the District (i) the initial series of such bonds in the aggregate amount of $5,503,266.20 and (ii) a second series of such bonds in the aggregate principal amount of $1,339,386.50; and

WHEREAS, the County Board has received a resolution of the Board of Trustees of the District (the "District Resolution"), adopted on November 18, 2003, requesting the issuance of the third series of such bonds in the aggregate principal amount not-to-exceed Two Million Dollars ($2,000,000) (the "Bonds"); and

NOW THEREFORE, IT IS ORDERED by the Board of Supervisors of the County as follows:

SECTION 1. Definitions. The following terms shall for all purposes of this Resolution have the following meanings:

"Accreted Value" shall mean with respect to any Capital Appreciation Bond, as of any date of calculation, the sum of the Principal Amount thereof and the interest accrued thereon to such date of calculation, compounded from the date of initial issuance at the stated yield to

maturity thereof on each February 1 and August 1, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

"Authorized Investments" shall mean, if and to the extent permitted by law and by any policy guidelines promulgated by the County:

(1) Investments in the pool established by the County, in which other funds of the District are invested;

(2) Federal Securities;

(3) bonds, notes or other evidences of indebtedness rated "AAA" by S&P or "Aaa" by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(4) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P or "P-1" by Moody's and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(5) commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P or "P-1" by Moody's, and which matures not more than 270 days after the date of purchase;

(6) investments in a money market fund rated at the time of purchase in the single highest rating category by S&P or Moody's;

(7) pre-refunded municipal obligations defined as follows:

Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (A) which are rated, based on the escrow, in the highest rating category of S&P or Moody's or any successors thereto; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (1) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate; and

(8) other forms of investments which are legal investments pursuant to California Government Code Section 53601.

"Authorizing Law" shall mean, collectively, (i) Chapter 2, Part 10, Division 1, Title 1 of the California Education Code of the State of California (commencing with Section 15100), as amended, and (ii) Article XIIIA of the California Constitution.

"Board" shall mean the Board of Supervisors of the County.

"Bond Insurance Policy" shall mean any insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of Principal and interest in respect of the Bonds when due.

"Bond Insurer" shall mean any insurer chosen to insure the Bonds.

"Bond Obligation" shall mean from time to time as of the date of calculation, with respect to any Current Interest Bond, the Principal Amount thereof and, with respect to any Capital Appreciation Bond, the Accreted Value thereof.

"Bond Register" shall mean the books referred to in Section 15 of this Resolution.

"Bonds" shall mean the Lennox School District General Obligation Bonds, Election of 1998, Series 2003, issued and delivered pursuant to this Resolution.

"Bond Year" shall mean the twelve-month period commencing February 1 in any year and ending on the last day of January in the next succeeding year, both dates inclusive; provided, however, that the first Bond Year shall commence on the day the Bonds are issued and shall end on January 31, 2004, both dates inclusive.

"Business Day" shall mean a day which is not a Saturday, Sunday or a day on which banking institutions in the State or the State of New York and the New York Stock Exchange are authorized or required to be closed.

"Capital Appreciation Bonds" shall mean the Bonds designated as such in Section 10 of this Resolution.

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

"Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate of the District for the benefit of the Owners of the Bonds.

"Contract of Purchase" shall mean the Contract of Purchase by and among the County, the District and the Underwriter relating to the Bonds.

"Costs of Issuance" shall mean all of the costs of issuing the Bonds, including but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds and the Official Statement pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith;

financial advisory fees; underwriter's fees; rating agency fees; auditor's fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Paying Agent; fees for credit enhancement relating to the Bonds; and other fees and expenses incurred in connection with the issuance of the Bonds or the implementation of the financing for the Projects, to the extent such fees and expenses are approved by the District.

"County" shall mean the County of Los Angeles, California.

"County Office of Education" shall mean the Office of Education of the County and such other persons as may be designated by the County Office of Education to perform the operational and disbursement functions hereunder.

"Current Interest Bonds" shall mean the Bonds designated as such in Section 9 of this Resolution.

"Debt Service" shall have the meaning given to that term in Section 19(c) of this Resolution.

"Debt Service Fund" shall mean the Debt Service Fund established pursuant to Section 19(a) of this Resolution.

"Depository" shall mean DTC and its successors and assigns or if (a) the then Depository resigns from its functions as securities depository of the Bonds, or (b) the County discontinues use of the Depository pursuant to this Resolution, any other securities depository which agrees to follow procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Treasurer.

"District" shall mean Lennox School District.

"DTC" shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

"Excess Earnings Fund" shall mean the Excess Earnings Fund established pursuant to Section 20 of this Resolution.

"Federal Securities" shall mean direct obligations of the United States Treasury or obligations which are unconditionally guaranteed by the United States or the Export-Import Bank, Farmers Home Administration, General Services Administration, Small Business Administration, Government National Mortgage Association, United States Department of Housing and Urban Affairs and Federal Housing Administration (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States).

"Fiscal Year" shall mean the twelve-month period commencing on July 1 of each year and ending on the following June 30.

"General Obligation Building Fund" shall mean the Lennox School District General Obligation Bonds, Election of 1998, Series 2003 Building Fund established by the

Superintendent of Schools at the direction of the District and held by the County Office of Education.

"Information Services" shall mean Bloomberg Municipal Repositories; DPC Data Inc.; Interactive Data; or Standard & Poor's J.J. Kenny Repository.

"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, 2004 or as specified in the Contract of Purchase, and (ii) any Capital Appreciation Bond, the maturity or mandatory redemption date thereof, or in each case, such other interest payment dates as shall be specified in the Contract of Purchase.

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

"Moody's" shall mean Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, 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.

"Nominee" shall mean the nominee of the Depository which may be the Depository, as determined from time to time by the Depository.

"Nonarbitrage Certificate" shall mean the Tax and Nonarbitrage Certificate of the District delivered in connection with the issuance of the Bonds.

"Outstanding" when used with reference to the Bonds, shall mean, 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 14 hereof;

(iii) Bonds for the payment or redemption of which funds or eligible securities 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 39 of this Resolution.

"Owner" shall mean the registered owner, as indicated in the Bond Register, of any Bond.

"Participant" shall mean a member of or participant in the Depository.

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

"Pledged Moneys" shall have the meaning given to that term in Section 18 of this Resolution.

"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, the Accreted Value thereof.

"Project" shall have the meaning given to that term in Section 7 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.

"Record Date" shall mean the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date.

"Regulations" shall mean the regulations of the United States Department of the Treasury proposed or promulgated under Sections 103 and 141 through 150 of the Code which by their terms are effective with respect to the Bonds and similar Treasury Regulations to the extent not inconsistent with Sections 103 and 141 through 150 of the Code, including regulations promulgated under Section 103 of the Internal Revenue Code of 1954, as amended.

"Resolution" shall mean this "Resolution of The Board of Supervisors of the County of Los Angeles, California Authorizing The Issuance and Sale of General Obligation Bonds Election of 1998, Series 2003 of the Lennox School District in an Aggregate Principal Amount Not to Exceed $2,000,000" except as amended or supplemented from time to time by Supplemental Resolutions in accordance with the terms hereof.

"S&P" shall mean Standard & Poor's Ratings Group, 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.

"Securities Depositories" shall mean The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Facsimile transmission: (516) 227-4039, (516) 227-4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South La Salle Street, Chicago, Illinois 60605, Facsimile transmission: (312) 663-2343; Pacific Securities Depository Trust Company, Pacific and Company, P.O. Box 7041, San Francisco, California 94120, Facsimile transmission: (415) 393-4128; and Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Facsimile transmission: (215) 496-5058.

"State" shall mean the State of California.

"Superintendent of Schools" shall mean the Superintendent of Schools of the County.

"Supplemental Resolution" shall mean any resolution supplemental to or amendatory of this Resolution, adopted by the County in accordance with Section 36 or Section 37 hereof.

"Transfer Amount" shall mean, with respect to (i) any Outstanding Current Interest Bond, the aggregate Principal Amount thereof, and (ii) any Outstanding Capital Appreciation Bond, the Maturity Amount thereof.

"Treasurer" shall mean the Treasurer and Tax Collector of the County and any authorized deputy thereof.

"Underwriter" shall mean the Banc of America Securities LLC.

SECTION 2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and vice versa. Except where the context otherwise requires, words importing the singular shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

SECTION 3. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Authorizing Law.

SECTION 4. 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 County, 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 5. Approval of Contract of Purchase. The Treasurer and such officers of the District as shall be authorized by the Board of Trustees of the District, are hereby authorized and directed to issue and deliver the Bonds and to establish the final Principal Amount thereof; provided, however, that such Principal Amount shall not exceed the maximum aggregate Principal Amount of $2,000,000. The form of the Contract of Purchase attached hereto as Exhibit B is hereby approved. The Treasurer is authorized and directed to execute and deliver the Contract of Purchase on behalf of the County, with such additions, changes or corrections therein as the officer executing the same on behalf of the County may approve, in his discretion, as being in the best interests of the County and the District, such approval to be conclusively evidenced by such officer's execution thereof, and any other documents required to be executed thereunder, and to deliver the same to the Underwriter. The Treasurer is, in consultation with such authorized officers of the District, authorized and directed to negotiate with the Underwriter the interest rates on the Bonds and the purchase price of the Bonds to be paid by the Underwriter, which purchase price shall reflect an underwriter's discount of not more than two percent (2%) (not including original issue discount) of the Principal Amount thereof. The true interest cost on the Bonds shall not exceed eight percent (8%).

SECTION 6. Authorization of Officers. The officers of the County and their authorized representatives are, and each of them acting alone is, hereby authorized to execute any and all documents and 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 purpose.

SECTION 7. Use of Bond Proceeds. Bonds of the District shall be issued in the name and on behalf of the District in an aggregate Principal Amount not to exceed $2,000,000, for acquisition and construction for some or all of the purposes authorized at the June 2, 1998 election (collectively, the "Project"). The County makes no assurance regarding the use of the proceeds of the Bonds.

SECTION 8. Designation and Form; Payment.

(a) An issue of Bonds entitled to the benefit, protection and security of this Resolution is hereby authorized in an aggregate Principal Amount not to exceed $2,000,000. Such Bonds shall be general obligations of the District, payable as to Principal, premium, if any, and interest from ad valorem taxes to be levied upon all of the taxable property in the District. The Bonds shall be designated "Lennox School District General Obligation Bonds, Election of 1998, Series 2003." The Bonds may be issued as Current Interest Bonds and/or Capital Appreciation Bonds as set forth in the Contract of Purchase, subject to the provisions of this Resolution.

(b) The form of the Bonds shall be substantially in conformity with the standard forms of registered school district bonds, copies of which are attached hereto as Exhibit A-1 and Exhibit A-2 and incorporated herein by this reference.

(c) Principal, premium, if any, and interest with respect to any Bond are payable in lawful money of the United States of America. Principal and premium, if any, is payable upon surrender thereof at maturity or earlier redemption at the office designated by the Paying Agent in Los Angeles County, California.

SECTION 9. Description of Current Interest Bonds.

(a) The Current Interest Bonds shall be issued in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof, except as set forth in the Contract of Purchase. The Current Interest Bonds shall be dated and shall mature on the dates, in the years and in the Principal Amounts, and interest shall be computed at the rates, set forth in the Contract of Purchase.

(b) Interest on each Current Interest Bond shall accrue from its dated date as set forth in the Contract of Purchase. Interest on Current Interest Bonds shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest with respect to each Current Interest Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest

Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Current Interest Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Current Interest Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of $1,000,000 or more of such Current Interest Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Current Interest Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest.

SECTION 10. Description of Capital Appreciation Bonds.

(a) The Capital Appreciation Bonds shall be issued in fully registered form in any denominations of their Principal Amounts but shall reflect denominations of $5,000 Maturity Amount or any integral multiple thereof, except as set forth in the Contract of Purchase. The Capital Appreciation Bonds shall be dated as of the date of their issuance, shall be issued in the aggregate Principal Amounts, shall mature on the dates, in the years and in the Maturity Amounts, and shall accrete interest with the yields to maturity all as set forth in the Contract of Purchase.

(b) Interest on each Capital Appreciation Bond shall be compounded semiannually on February 1 and August 1 of each year until maturity, commencing August 1, 2004, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity as part of the Maturity Amount or upon prior redemption, if any. Unless otherwise set forth in the Contract of Purchase.

SECTION 11. Book-Entry System.

(a) The Bonds shall be initially issued in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such global Bond shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as provided in subsection (c) hereof, all of the Outstanding Bonds shall be registered in the Bond Register in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository. Each global Bond shall bear a legend substantially to the following effect: "UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE,

OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

With respect to Bonds registered in the Bond Register in the name of the Nominee, the County and the District shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the County and the District 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 beneficial ownership interest in the Bonds, (ii) the delivery to any Participant, beneficial owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any Redemption Notice, (iii) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (iv) the payment to any Participant, beneficial owner or any other person, other than the Depository, of any amount with respect to Principal of, premium, if any, and interest on the Bonds. The County and the District may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of Principal of, premium, if any, and interest on such Bond, for the purpose of giving Redemption Notices and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Paying Agent shall pay all Principal of, premium, if any, and interest on the Bonds only to the respective Bond Owners, as shown in the Bond Register, and all such payments shall be valid hereunder with respect to payment of Principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of Principal of, premium, if any, and interest, pursuant to this Resolution. Upon delivery by the Depository to the Paying Agent and the County 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 hereof with respect to Record Dates, the word Nominee in this Resolution shall refer to such new nominee of the Depository.

(b) In order to qualify the Bonds for the Depository's book-entry system, the District is hereby authorized to execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The execution and delivery of the Representation Letter shall not in any way limit the provisions of subsection (a) hereof or in any other way impose upon the District any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the Owners, as shown in the Bond Register. In addition to the execution and delivery of the Representation Letter, the District, and their respective deputies and designees, are hereby authorized to take any other actions, not inconsistent with this Resolution, to qualify the Bonds for the Depository's book-entry program.

(c) If at any time the Depository notifies the County and the District that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act

or other applicable statute or regulation and a successor Depository is not appointed by the Treasurer within 90 days after the County and the District receive notice or become aware of such condition, as the case may be, subsection (a) hereof shall no longer be applicable and the Treasurer shall issue bonds representing the Bonds as provided below. In addition, the County and the District may determine at any time that the Bonds shall no longer be represented by global bonds and that the provisions of subsection (a) hereof shall no longer apply to the Bonds. In any such event the Treasurer shall execute and deliver bonds representing the Bonds as provided below. Bonds issued in exchange for global bonds pursuant to this subsection (c) shall be registered in such names and delivered in such denominations as the Depository shall instruct the County and the District. The Treasurer shall deliver such bonds representing the Bonds to the persons in whose names such Bonds are so registered.

If the County and the District determine to replace the Depository with another qualified securities depository, the County and the District shall prepare or cause to be prepared a new fully-registered global bond for each of the maturities of Bonds, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the County, the District and such securities depository and not inconsistent with the terms of this Resolution.

(d) Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to Principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

(e) The initial Depository under this Resolution shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

SECTION 12. Execution of the Bonds.

(a) The Bonds shall be executed in the name of the District by the County by the manual or facsimile signature of the Chairman of the Board and the manual or facsimile signature of the Treasurer, and shall be countersigned by the manual or facsimile signature of the Executive Officer - Clerk of the Board or by a deputy of either of the officers. The County's seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced on each Bond. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been issued by the County on behalf of the District, such Bonds may, nevertheless, be issued, as herein provided, as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any of the Bonds may be signed and sealed on behalf of the County by such persons as at the time of the execution of such Bonds shall be duly authorized to hold or shall hold the proper offices in the County, although at the date borne by the Bonds such persons may not have been so authorized or have held such offices.

(b) The Bonds shall bear thereon a certificate of authentication executed manually by the Paying Agent. Only such Bonds as shall bear thereon such certificate of authentication duly executed by the Paying Agent shall be entitled to any right or benefit under

this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Paying Agent. Such certificate of the Paying Agent upon any Bond shall be conclusive evidence that the Bond so authorized has been duly authenticated and delivered under this Resolution and that the Owner thereof is entitled to the benefit of this Resolution.

SECTION 13. Transfer and Exchange. The registration of any Bond may be transferred upon the Bond Register upon surrender of such Bond to the Paying Agent. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer shown in Exhibit A-1 or A-2 hereto, duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether the Principal, premium, if any, or interest with respect to such Bond shall be overdue or not, for the purpose of receiving payment of Principal, premium, if any, and interest with respect to such Bond and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the County, the District or the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged at the office of the Paying Agent for Bonds of like tenor, maturity and Transfer Amount of other authorized denominations. All Bonds surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Bond executed and delivered upon any exchange (except in the case of the first exchange of any Bond in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be required to register the transfer or exchange of any Bond (i) during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or (ii) that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

SECTION 14. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, the Paying Agent, at the expense of the Owner, shall deliver a new Bond of like date, interest rate, maturity, Transfer Amount and tenor as the Bond so mutilated in exchange and substitution for such mutilated Bond, upon surrender and cancellation thereof. All Bonds so surrendered shall be cancelled. If any Bond shall be destroyed, stolen or lost, evidence of such destruction, theft or loss may be submitted to the Paying Agent and if such evidence is

satisfactory to the Paying Agent that such Bond has been destroyed, stolen or lost, and upon furnishing the Paying Agent with indemnity satisfactory to the Paying Agent and complying with such other reasonable regulations as the Paying Agent may prescribe and paying such expenses as the Paying Agent may incur the Paying Agent shall, at the expense of the Owner, execute and deliver a new Bond of like date, interest rate, maturity, Transfer Amount and tenor in lieu of and in substitution for the Bond so destroyed, stolen or lost. Any new Bonds issued pursuant to this Section 14 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Bonds so alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Bonds.

SECTION 15. Bond Register. The Paying Agent shall keep or cause to be kept at its office sufficient books for the registration and registration of transfer of the Bonds. Upon presentation for registration of transfer, the Paying Agent shall, as above provided and under such reasonable regulations as it may prescribe subject to the provisions hereof, register or register the transfer of the Bonds, or cause the same to be registered or cause the registration of the same to be transferred, on such books.

SECTION 16. Unclaimed Money. All money which the Paying Agent shall have received from any source and set aside for the purpose of paying or redeeming any of the Bonds shall be held in trust for the respective Owners of such Bonds, but any money which shall be so set aside or deposited by the Paying Agent and which shall remain unclaimed by the Owners of such Bonds for a period of one year after the date on which any payment or redemption with respect to such Bonds shall have become due and payable shall be transferred to the General Fund of the District; provided, however, that the Paying Agent, before making such payment, shall cause notice to be mailed to the Owners of such Bonds, by first-class mail, postage prepaid, therein any unclaimed balance of said money then remaining will be transferred to the General Fund of the District under the order of the County Office of Education. Thereafter, the Owners of such Bonds shall look only to the General Fund of the District for payment of such Bonds.

SECTION 17. Application of Proceeds. Upon the sale of the Bonds, the Treasurer is hereby directed to deposit or cause to be deposited the proceeds thereof, exclusive of accrued interest and any original issue premium, into the fund established for the account of the District and designated as the General Obligation Building Fund. The District shall, from time to time, disburse from the General Obligation Building Fund to pay the Projects Costs. Amounts in the General Obligation Building Fund shall be invested so as to be available for the aforementioned disbursements. The District shall keep a written record of disbursements from the General Obligation Building Fund.

Any amounts that remain in the General Obligation Building Fund at the completion of the Projects 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 Nonarbitrage Certificate.

SECTION 18. Payment and Security for the Bonds. The Board shall annually at the time of making the levy of taxes for County purposes, levy a continuing direct ad valorem tax for the Fiscal Year upon the taxable property in the District in an amount at least sufficient, together with moneys on deposit in the Debt Service Fund and available for such purpose, to pay the Principal of, premium, if any, and interest on each Bond as each becomes due and payable in the next succeeding Bond Year. The tax levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The County, on behalf of the District, hereby pledges as security for the Bonds and the interest thereon, and the Treasurer is directed to deposit or cause to be deposited in the District's Debt Service Fund, the proceeds from the levy of the aforementioned tax which the County receives (the "Pledged Moneys"). The Pledged Moneys shall be used to pay the Principal of, premium, if any, and interest on the Bonds when and as the same shall become due and payable. The Bonds are the general obligations of the District and do not constitute an obligation of the County except as provided in this Resolution. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds.

SECTION 19. Debt Service Fund.

(a) The County is hereby directed to deposit or cause to be deposited any accrued interest and any original issue premium received by the County from the sale of the Bonds in the fund established for the account of the District and designated as the "Lennox School District General Obligation Bonds, Election of 1998, Series 2003, Debt Service Fund" (the "Debt Service Fund") to be used only for the payment of the Principal of, premium, if any, and interest on the Bonds.

(b) All Pledged Moneys shall be deposited upon collection by the County into the Debt Service Fund and used for the payment of the Principal of, premium, if any, and interest on the Bonds.

(c) On the Business Day immediately preceding each Interest Payment Date if the Paying Agent is not the Treasurer, and on the Interest Payment Date if the Paying Agent is the Treasurer, the District shall transfer or cause to be transferred from the Debt Service Fund to the Paying Agent, an amount, in immediately available funds, sufficient to pay all the Principal of, premium, if any, and interest on the Bonds (collectively, the "Debt Service") on such Payment Date. Debt Service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of Debt Service.

(d) The District shall cause moneys to be transferred to the extent needed to comply with the Nonarbitrage Certificate. Any amounts on deposit in the Debt Service Fund when there are no longer any Bonds Outstanding shall be transferred to the General Fund of the District subject to any conditions set forth in the Nonarbitrage Certificate.

SECTION 20. Establishment and Application of Excess Earnings Fund. There is hereby established in trust a special fund designated "Lennox School District General Obligation Bonds, Election of 1998, Series 2003, Excess Earnings Fund" (the "Excess Earnings Fund") which shall be held by the County Office of Education for the account of the District and which shall be kept separate and apart from all other funds and accounts held hereunder. The District

shall transfer, or cause to be transferred, moneys from the General Obligation Building Fund to the Excess Earnings Fund in accordance with the provisions of the Nonarbitrage Certificate. Amounts on deposit in the Excess Earnings Fund shall only be applied to payments made to the United States or otherwise transferred to other accounts or funds established hereunder in accordance with the Nonarbitrage Certificate.

SECTION 21. Payments of Costs of Issuance. The District shall pay, or cause to be paid, Costs of Issuance using moneys disbursed from time to time, as appropriate, from the General Obligation Building Fund. Notwithstanding the foregoing, all or a portion of the Costs of Issuance may be paid by the Underwriter on behalf of the District. Any amounts retained by the Underwriter for payment of Costs of Issuance and returned to the District pursuant to the Contract of Purchase shall be applied to the payment of Principal of and/or interest on the Bonds.

SECTION 22. Establishment of Additional Funds and Accounts. If at any time it is deemed necessary or desirable by the District, the County Office of Education may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

SECTION 23. Redemption.

(a) The Current Interest Bonds shall be subject to redemption as provided in the Contract of Purchase.

(b) The Capital Appreciation Bonds shall not be subject to optional redemption, except as set forth in the Contract of Purchase. The Capital Appreciation Bonds shall be subject to mandatory redemption prior to their maturity date, by lot, at the Accreted Value thereof, without premium, on the dates, if any, in the years and in an amount equal to the aggregate Accreted Values all as set forth in the Contract of Purchase.

SECTION 24. Selection of Bonds for Redemption. Whenever provision is made in this Resolution or in the Contract of Purchase for the redemption of the Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 60 days prior to the Payment Date designated for such redemption, shall select Bonds for redemption 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. The Accreted Value of such Capital Appreciation Bond shall be determined by reference to a schedule to be provided to the Paying Agent.

SECTION 25. Notice of Redemption. When redemption of the Bonds is authorized or required pursuant to this Resolution or the Contract of Purchase, the Paying Agent, upon written instruction from the District given at least 60 days prior to the Interest Payment Date designated for such redemption, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds or designated

portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount or Accreted Value, as appropriate, of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with the interest accrued to the redemption date in the case of Current Interest Bonds, and that from and after such date interest with respect thereto shall cease to accrue or accrete and be payable.

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

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

(b) In the event that the Bonds shall no longer be held in book-entry only form, at least 35 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) first class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.

(c) In the event that the Bonds shall no longer be held in book-entry only form, at least 35 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) first class mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

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

SECTION 26. 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 County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

SECTION 27. Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the Debt Service Fund, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 23 hereof, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 27 shall be cancelled upon surrender thereof and delivered to or upon the order of the County and the District. All or any portion of a Bond purchased by the County or the District shall be cancelled by the Paying Agent upon written notice by the County or the District given to the Paying Agent.

SECTION 28. Paying Agent; Appointment and Acceptance of Duties.

(a) The Board and the Treasurer hereby consent to and confirm the appointment of U.S. Bank Trust National Association to act as Paying Agent for the Bonds under this Resolution. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District. The District shall function as the dissemination agent and shall perform all duties and obligations as set forth in the Continuing Disclosure Certificate. The Paying Agent, other than the Treasurer acting as Paying Agent pursuant to Section 33 hereof, shall have a corporate trust office in Los Angeles or San Francisco, California.

(b) Unless otherwise provided, the office of the Paying Agent designated by the Paying Agent shall be the place for the payment of Principal of, premium, if any, and interest on the Bonds.

SECTION 29. Liability of Paying Agent. The Paying Agent makes no representations as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder or as to the security afforded by this Resolution, and the Paying Agent shall incur no liability in respect hereof or thereof.

SECTION 30. Evidence on Which Paying Agent May Act. The Paying Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent may consult with counsel, who may or may not be counsel to the County or the District, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

SECTION 31. Compensation. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution. Pursuant to Section 15232 of the California Education Code, such payments, charges and expenses may be paid out of the tax levied and collected for the payment of the Bonds. In no event shall the County be required to expend its own funds hereunder.

SECTION 32. Ownership of Bonds Permitted. The Paying Agent or the Underwriter may become the Owner of any Bonds.

SECTION 33. Resignation or Removal of Paying Agent and Appointment of Successor.

(a) The Paying Agent initially appointed may resign from service as Paying Agent and may be removed at any time by the Treasurer as provided in the Paying Agent's service agreement. Without further action by the District, if at any time the Paying Agent shall resign or be removed, the Treasurer shall appoint a successor Paying Agent, which shall be a bank or trust company doing business in and having a corporate trust office in Monterey or San Francisco, California, with at least $100,000,000 in net assets. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the County in a format mutually agreeable to the Paying Agent and the County. Such successor Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the County and the District, a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or, if there is no successor, the Treasurer shall remain the Paying Agent. The County shall promptly publish in an Authorized Newspaper the name and principal corporate trust office address of the Paying Agent appointed to replace any resigned or removed Paying Agent.

SECTION 34. Investment of Certain Funds. Moneys held in all funds and accounts established hereunder shall be invested and reinvested by the Treasurer in Authorized Investments to the fullest extent practicable as shall be necessary to provide moneys when needed for payments to be made from such funds or accounts, subject to any conditions set forth in the Nonarbitrage Certificate. Nothing in this Resolution shall prevent any investment securities acquired as investments of funds held hereunder from being issued or held in book-entry form on the books of the Department of the Treasury of the United States. All investment earnings on amounts on deposit in the General Obligation Building Fund, the Excess Earnings Fund and the Debt Service Fund shall remain on deposit in such funds.

SECTION 35. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any fund or account shall be deemed at all times to be a part of such fund or account. Profits or losses attributable to any fund or account shall be credited or charged to such fund or account. In computing the amount in any fund or account created under the

provisions of this Resolution for any purpose provided in this Resolution, obligations purchased as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued interest.

SECTION 36. Supplemental Resolutions With Consent of Owners. This Resolution, and the rights and obligations of the County, the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the County with the written consent of Owners owning at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

SECTION 37. Supplemental Resolutions Effective Without Consent of Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the County may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms;

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

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

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

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

(e) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the Owners.

SECTION 38. Effect of Supplemental Resolution. Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified

matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the County or the District or any officer or agent of either from taking any action pursuant thereto.

SECTION 39. Defeasance. If all Outstanding Bonds shall be paid and discharged in any one or more of the following ways:

(1) by well and truly paying or causing to be paid the Principal and interest on all Bonds Outstanding, and when the same become due and payable;

(2) by depositing with the Paying Agent, in trust, at or before maturity, cash which together with the amounts then on deposit in the Debt Service Fund (and the accounts therein except the Available Balance Account) together with the interest to accrue thereon without the need for further investment, is fully sufficient to pay all Bonds Outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

(3) by depositing with an institution that meets the requirements of serving as successor Paying Agent pursuant to Section 33, in trust, lawful money or noncallable direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay and discharge all Bonds Outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment;

then all obligations of the County, the District and the Paying Agent under this Resolution with respect to all Outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of the Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under Section 31 hereof.

SECTION 40. Bond Insurance. All or a portion of the Bonds may be sold with bond insurance or other form of credit enhancement, if the Treasurer, in consultation with the Underwriter and the District, determines that the savings to the District resulting from the purchase of such bond insurance exceeds the cost thereof.

SECTION 41. Approval of Actions. The Officers of the Board of Supervisors and County 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.

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

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

By: _____
Deputy

APPROVED AS TO FORM:
LLOYD W. PELLMAN, COUNTY COUNSEL

By: Sheilah Curtis
Deputy County Counsel

EXHIBIT A-1

FORM OF CURRENT INTEREST BOND

UNITED STATES OF AMERICA STATE OF CALIFORNIA

LENNOX SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 1998, SERIES 2003

$_____ No. ____

Interest Rate	Maturity Date	Dated Date	CUSIP
%	_____ ____	_____, 2003	

REGISTERED OWNER:
PRINCIPAL AMOUNT:

The Lennox School District (the "District") of the County of Los Angeles, State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the dated date set forth above until the Principal Amount hereof shall have been paid or provided for, in accordance with the Resolution hereinafter referred to, at the interest rate set forth above. Interest on this Bond is payable on August 1, 2004 and semiannually thereafter on the first day of February and August (each an "Interest Payment Date") in each year to the registered owner hereof from the Interest Payment Date next preceding the date on which this Bond is registered (unless it is registered after the close of business on the fifteenth calendar day of the month preceding any Interest Payment Date (a "Record Date") and before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Bond is registered prior to the close of business on _____ __, 20__, in which event it shall bear interest from its date; provided, however, that if at the time of registration of this Bond interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment). The Principal Amount hereof is payable at the office of the Treasurer and Tax Collector of the County of Los Angeles, as paying agent (the "Paying Agent"), in Los Angeles County, California, or at the office of a successor Paying Agent appointed by the Treasurer. The interest hereon is payable by check or draft mailed by first class mail to each registered owner, at his address as it appears on the registration books kept by the Paying Agent as of the Record Date.

The Bonds of this issue are comprised of $_____ Principal Amount of Current Interest Bonds, of which this Bond is a part (a "Current Interest Bond") and $_____ Principal Amount of Capital Appreciation Bonds. This Bond is issued by the County of Los Angeles (the "County") in the name of and on behalf of the District under and in accordance with the provisions of (i) Title 1, Division 1, Part 10, Chapter 2 of the California Education Code (commencing with Section 15100) (the "Act") and (ii) Article XIIIA of the California Constitution, and pursuant to that certain "Resolution of the Board of Supervisors of the County of Los Angeles, California Authorizing the Issuance and Sale of General Obligation Bonds of the Lennox School District in an Aggregate Principal Amount not to Exceed $2,000,000" adopted by the Board of Supervisors of the County on _____ (the "Resolution"). Reference is hereby made to the Resolution, a copy of which is on file at the office of the Treasurer of the County, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, the County and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of two-thirds of the qualified electors of the District voting on the proposition at a special election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to both Principal and interest from ad valorem taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Principal of this Bond, or any part thereof, nor any interest or premium hereon constitute a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District, the County and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

Current Interest Bonds maturing on or before _____, ____ shall not be subject to redemption prior to their maturity dates. Current Interest Bonds maturing on or before _____, ____ may be redeemed before maturity at the option of the District, from any source of funds, on _____, ____ or on any Interest Payment Date thereafter as a whole, or in part, in inverse order of maturity and by lot within a maturity. For the purposes of such selection, Current Interest Bonds will be deemed to consist of $_____ portions, and any such portion may be separately redeemed. The Current Interest Bonds called prior to maturity will be redeemed at the following redemption prices, expressed as a percentage of par value, together with accrued interest to the date of redemption:

Redemption Dates	Redemption Price

[To Come From Purchase Contract]

The rights and obligations of the County and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County; provided, however, that no such modification or amendment shall, without the express consent of the registered owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, extend its maturity or the times for paying interest thereon or change the monetary medium in which the Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof.

A supplemental resolution of the County may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the County in the Resolution, other covenants and agreements to be observed by the County or the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the County or the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally-recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Principal Amount of this Bond plus premium, if any, and accrued interest due with respect hereto are duly provided therefor as specified in the Resolution, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Act and that all of the proceedings of the Board of Trustees of the District and of the Board of Supervisors of the County in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Act and of the Constitution of the State of California, and that the total bonded indebtedness of the District, including the issue of which this Bond is a part, does not exceed any limit prescribed by said Act.

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

Dated: _____

_____
Chairman
Board of Supervisors

_____
Treasurer and Tax Collector

[SEAL]

_____
Executive Officer - Clerk of
the Board of Supervisors

The following Certificate of Authentication shall be printed on the face of each Bond:

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Supervisors of the County of Los Angeles.

DATED: _____

Treasurer and Tax Collector, as Paying Agent

By: U.S. Bank Trust National Association, as authenticating agent:

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____
Address for Payment of Interest: _____
_____
Social Security Number or other Tax Identification No.:
_____

the within-mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

_____
Registered Owner

Dated: _____

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

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT A-2

FORM OF CAPITAL APPRECIATION BOND

UNITED STATES OF AMERICA STATE OF CALIFORNIA

LENNOX SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 1998, SERIES 2003

No. _____

Yield to Maturity	Maturity Date	Dated Date	CUSIP
%			

REGISTERED OWNER:

PRINCIPAL AMOUNT:

MATURITY AMOUNT:

The Lennox School District of the County of Los Angeles (the "District"), State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Maturity Amount set forth above, on the Maturity Date set forth above. Interest on this Bond with respect to the Principal Amount hereof will accrete at Yield to Maturity per annum shown above from the Dated Date shown above and will be compounded semiannually on February 1 and August 1 of each year until maturity, commencing on August 1, 2004, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity as part of the Maturity Amount. The Accreted Value hereof is payable at the office of the Treasurer and Tax Collector of the County of Los Angeles, as paying agent (the "Paying Agent"), in Los Angeles County, California, or at the office of a successor Paying Agent appointed by the Treasurer.

The bonds of this issue are comprised of $_____ of Principal Amount of Capital Appreciation Bonds of which this Bond is a part (a "Capital Appreciation Bond") and $_____ Principal Amount of Current Interest Bonds. This Bond is issued by the County of Los Angeles (the "County") in the name of and on behalf of the District under and in accordance with the provisions of (i) Title 1, Division 1, Part 10, Chapter 2 of the California Education Code (commencing with Section 15100) (the "Act") and (ii) Article XIIIA of the California Constitution, and pursuant to that certain "Resolution of the Board Of Supervisors of the County of Los Angeles, California Authorizing the Issuance and Sale of General Obligations

Bonds of the Lennox School District in an Aggregate Principal Amount not to Exceed $2,000,000.00" adopted by the Board of Supervisors of the County on _____ (the "Resolution"). Reference is hereby made to the Resolution, a copy of which is on file at the office of the Treasurer of the County, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, the County and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of two-thirds of the qualified electors of the District voting on the proposition at a special election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to Maturity Amount from ad valorem taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Maturity Amount of this Bond, or any part hereof, nor any premium hereon constitute a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District, the County and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

Mandatory Redemption of Capital Appreciation Bonds. The Capital Appreciation Bonds are subject to mandatory redemption prior to their maturity date, by lot, at the Accreted Value thereof, without premium, on each _____, in the years and in an amount equal to the aggregate Accreted Values set forth below:

Redemption Date	Accreted Value To Be Redeemed

[To Come]

The rights and obligations of the County and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County; provided, however, that no such modification or amendment shall, without the express consent of the registered owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, extend its maturity or the times for paying interest thereon, extend its maturity or the times for paying interest thereon or change the monetary medium in which the Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof.

A supplemental resolution of the County may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the County in the Resolution, other covenants and agreements to be observed by the County which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the County which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally-recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Maturity Amount, without premium, is duly provided therefor as specified in the Resolution, then interest shall cease to accrete with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Act and that all of the proceedings of the Board of Trustees of the District and of the Board of Supervisors of the County in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Act and of the Constitution of the State of California, and that the total bonded indebtedness of the District, including the issue of which this Bond is a part, does not exceed any limit prescribed by said Act.

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

Dated: _____

_____
Chairman
Board of Supervisors

_____
Treasurer and Tax Collector

[SEAL]

_____
Executive Officer - Clerk of
the Board of Supervisors

The following Certificate of Authentication shall be printed on the face of each Bond:

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Supervisors of the County of Los Angeles.

DATED: _____

Treasurer and Tax Collector, as Paying Agent

By: U.S. Bank Trust National Association, as authenticating agent:

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____
Address for Payment of Interest: _____
_____
Social Security Number or other Tax Identification No.:_____

the within-mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

_____
Registered Owner

Dated: _____

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

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

TABLE OF ACCRETED VALUES

(to come)

EXHIBIT B

FORM OF CONTRACT OF PURCHASE

$_____

LENNOX SCHOOL DISTRICT
COUNTY OF LOS ANGELES, CALIFORNIA
GENERAL OBLIGATION BONDS, ELECTION OF 1998, SERIES 2003

CONTRACT OF PURCHASE

December ____, 2003

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

Lennox School District
Board of Trustees
10319 Firmona Avenue
Lennox, California 90304

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this Contract of Purchase (the "Contract of Purchase") with the County of Los Angeles, California (the "County") and the Lennox School District (the "District"), which, upon your acceptance hereof, will be binding upon the District, the County and the Underwriter. This offer is made subject to the written acceptance of this Contract of Purchase by the County and the District and delivery of such acceptance to us at or prior to 11:59 p.m., California Time, on the date hereof.

1. **Purchase and Sale of the Bonds**. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of $_____ in aggregate initial amount of the District's General Obligation Bonds, Election of 1998, Series 2003 (the "Bonds"). The Bonds shall bear or accrete interest at the rates, and shall mature in the years shown on Exhibit A hereto, which is incorporated herein by this reference.

The purchase price of the Bonds shall be $_____ (consisting of the $_____ principal amount of the Bonds, plus $_____ original issue premium less an underwriter's discount of $_____ and less $_____ to be used by the Underwriter to pay costs of issuance, as provided below), provided, however, that

the Underwriter shall pay costs of issuance of the Bonds (including the bond insurance premium), in an amount not to exceed $_____. If, after payment of all costs of issuance, the amount paid by the Underwriter is less than the $_____, the Underwriter shall return the remaining amount plus earnings thereon, to the District.

2. **The Bonds**. The Bonds shall be issued in the form of Current Interest Bonds and/or Capital Appreciation Bonds, as identified on Appendix A hereto. In all other respects the Bonds shall be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the District adopted on _____ (the "Bond Resolution") and the Resolution of the Board of Supervisors of the County adopted on _____ (the "County Resolution" and collectively with the Bond Resolution, the "Resolutions") and Section 15100 et seq., of the California Education Code (the "Act"). All capitalized terms used herein without definition shall have the meanings given to them in the County Resolution.

The Current Interest Bonds and the Capital Appreciation Bonds shall be dated the date of delivery thereof. Interest on the Current Interest Bonds shall be payable on each February 1 and August 1, commencing August 1, 2004 . Interest on the Capital Appreciation Bonds will accrete from the date of delivery, will be compounded semiannually on February 1 and August 1 of each year, commencing August 1, 2004, and will be payable only upon maturity or prior redemption thereof.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Contract of Purchase and the Resolutions. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York; the Current Interest Bonds shall initially be in authorized denominations of $5,000 maturity value each or any integral multiple thereof. The Capital Appreciation Bonds shall initially be in any denomination, but shall reflect denominations of $5,000 Maturity Amount or any integral multiple thereof. The payment of principal of and interest on the Bonds shall be secured by a municipal bond insurance policy to be issued by [Financial Security Assurance Inc].

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

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

5. **Review of Official Statement**. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated _____, 2003 (the "Preliminary Official Statement"). The District represents that it

deems the Preliminary Official Statement to be final, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule").

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

6. **Closing**. At 8:30 a.m., California Time, on December ____, 2003, or at such other time or on such other date as shall have been mutually agreed upon by you and us (the "Closing"), you will deliver to us, at the offices of The Depository Trust Company ("DTC") in New York, New York, or at such other place as we may mutually agree upon, the bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and in Los Angeles, California, the other documents hereinafter mentioned; and we will accept such delivery and pay the purchase price thereof as provided in Section 1 in immediately available funds by check, draft or wire transfer to an account or accounts within the United States designated by the District.

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

(a) Due Organization. The District is a public instrumentality duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Contract of Purchase, to adopt the Bond Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Contract of Purchase and the Bond Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Resolutions and this Contract of Purchase have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Contract of Purchase constitutes a valid and legally binding obligation of the District: and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Contract of Purchase.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or

governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request.

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

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

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

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

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

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

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

(b) Due Authorization. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Contract of Purchase, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Contract of Purchase and the Resolutions; (iii) the execution and delivery or adoption of, and the performance by the County of the obligations contained in the Bonds, the County Resolution and this Contract of Purchase have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Contract of Purchase constitutes a valid and legally binding obligation of the County; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Contract of Purchase.

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

(d) No Conflicts. To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Contract of Purchase, the County Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the County a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any

agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject.

(e) Litigation. To the best knowledge of the County, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective officers; (b) seeking to prohibit, restrain or enjoin the execution of the Contract of Purchase or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, the Contract of Purchase or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Resolution or the Contract of Purchase; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds.

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

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

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

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

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

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Bond Resolution;

(c) Official Statement. The District hereby agrees to deliver or cause to be (and the County agrees to cooperate with the District in connection with

such delivery) delivered to the Underwriter, not later than the seventh (7th) business day following the date this Contract of Purchase is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being called the "Official Statement") in such reasonable quantities as may be requested by the Underwriter not later than five (5) business days following the date this Contract of Purchase is signed, in order to permit the Underwriter to comply with paragraph (b) (4) of the Rule and with the rule of the Municipal Securities Rulemaking Board. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

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

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

(f) Amendments to Official Statement. For a period of twenty-five (25) days after the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale, the District will not adopt any amendment of or supplement to the Official Statement to which, promptly after having been furnished with a copy, the Underwriter shall reasonably object in writing or which shall be disapproved by the Underwriter; and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance reasonably satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

10. **Conditions to Closing**. The Underwriter has entered into this Contract of Purchase in reliance upon the representations and warranties of the County and the District contained herein and the performance by the County and the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this

Contract of Purchase are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

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

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Contract of Purchase and the Resolutions shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by us; (ii) all actions under the Act which, in the opinion of O'Melveny & Myers LLP, bond counsel ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the County and the District shall perform or have performed all of their obligations required under or specified in the Resolutions, this Purchase Agreement or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Contract of Purchase (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, be threatened which has any of the effects described in Section 7(e) or 8(e) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, of the Bonds shall not have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the County and the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

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

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service,

with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; or

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

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

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

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

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

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

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made

therein, in light of the circumstances under which they were made, not misleading.

(e) Delivery of Documents. At or prior to the date of the Closing, the Underwriter shall receive three copies of the following documents in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the County and the District in the form attached as Appendix A to the Official Statement;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in (e)(1) above;

(3) Certificates. A certificate signed by appropriate officials of the County and the District, respectively, to the effect that (i) such officials are authorized to execute this Contract of Purchase, (ii) the representations, agreements and warranties of the County and the District herein are true and correct in all material respects as of the date of Closing, (iii) the County and the District have complied with all the terms of the Bond Resolution, the County Resolution and this Contract of Purchase to be complied with by the County and the District prior to or concurrently with the Closing and, as to the District, such documents are in full force and effect, (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement does not contain any untrue statement of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Contract of Purchase substantially conform to the descriptions thereof contained in the County Resolution;

(4) Arbitrage. A nonarbitrage certificate of the District in form satisfactory to Bond Counsel;

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

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

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

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

(7) Continuing Disclosure Certificate. A certificate of the District for the benefit of the Owners of the Bonds.

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

(9) County Counsel Opinion. An opinion of Counsel to the County in the form attached hereto as Appendix C;

(10) Evidence of Rating. A statement from the rating agency assigning a rating to the Bonds.

(11) 15c2-12 Certificate. A certificate, executed by the District, for compliance with Rule 15c2-12 of the Securities and Exchange Commission.

(12) Official Statement. Certificates of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule;

[(13) Insurance Policy. A copy of the municipal bond insurance policy (the "Policy") issued by Financial Security Assurance Inc. (the "Insurer"), insuring payment of the principal of and interest on the Bonds;]

[(14) Insurer Certificate. A certificate of the Insurer, dated the day of the Closing, to the effect that the information included in the Official Statement describing the Policy and the Insurer is true and correct;]

[(15) Insurer Opinion. An opinion, dated the day of the Closing, and addressed to the County, the District and the Underwriter, of counsel to the Insurer, in form and substance acceptable to the Underwriter; and]

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

(17) Owner. The registered owner, as indicated in the Bond Register, of any Bond.

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

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

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

12. **Expense**. At the closing, the Underwriter may pay any expenses incident to the issuance of the Bonds (except as otherwise agreed to by the District), including but not limited to the following: (i) the fees and disbursements of the District's financial advisors; (ii) the fees and disbursements of Bond Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for Bond ratings, including all necessary travel expenses; (v) the cost of the printing and distribution of the Official Statement; (vi) the initial fees of the Paying Agent; and (vii) all other fees and expenses incident to the issuance and sale of the Bonds, including bond insurance premium and fees of counsel to the Underwriter.

13. **Notices**. Any notice or other communication to be given under this Contract of Purchase (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer and Tax Collector of Los Angeles County, 500 West Temple Street, Room 437, Los Angeles, California 90012, if to the District, to the Superintendent, Lennox School District, 10319 Firmona Avenue, Lennox, California 90304, or if to the Underwriter, to Banc of America Securities LLC, 300 South Grand Avenue, CA9-704-19-19, Los Angeles, California 90071 Attention: Scott Gorzeman.

14. **Parties in Interest; Survival of Representations and Warranties**. This Contract of Purchase when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriter. This

Contract of Purchase is made solely for the benefit of the County, the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All your representation, warranties and agreements of the County and the District in this Contract of Purchase shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Contract of Purchase.

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

[Remainder of Page Intentionally Left Bank]

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

Very truly yours,

BANC OF AMERICA SECURITIES LLC

By: _____
Authorized Signatory

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

COUNTY OF LOS ANGELES

By: _____
Treasurer and Tax Collector

APPROVED AS TO FORM:
LLOYD W. PELLMAN, COUNTY COUNSEL

By: _____
Deputy County Counsel

LENNOX SCHOOL DISTRICT

By: _____
Superintendent

APPENDIX A

CURRENT INTEREST BONDS

$_____
Current Interest Serial Bonds

Maturity Date	Principal Amount	Interest Rate	Yield

CAPITAL APPRECIATION BONDS

$_____
Capital Appreciation Serial Bonds

Maturity Date	Original Principal Amount	Yield to Maturity	Priced to Yield	Maturity Value

REDEMPTION PROVISIONS

Optional Redemption Bonds. [The Capital Appreciation Bonds shall not be subject to optional redemption.] The Current Interest Bonds maturing on or before August 1, ____, are not subject to redemption prior to their maturity dates. The Current Interest Bonds maturing on or after August 1, ____ may be redeemed before maturity at the option of the District, from any source of funds, on August 1, ____ or on any date thereafter as a whole, or in part and by lot within a maturity. For the purposes of such selection, Current Interest Bonds will be deemed to consist of $5,000 portions, and any such portion may be separately redeemed. The Current Interest Bonds called prior to maturity will be redeemed at the following redemption prices, expressed as a percentage of par value, together with accrued interest to the date of redemption:

Redemption Date	Redemption Price
August 1, ____ through July 31, ____	
August 1, ____ through July 31, ____	
August 1, ____ through and thereafter	

APPENDIX B

FORM OF DISTRICT COUNSEL OPINION

$_____
LENNOX SCHOOL DISTRICT
COUNTY OF LOS ANGELES, CALIFORNIA
GENERAL OBLIGATION BONDS, ELECTION OF 1998, SERIES 2003

Ladies and Gentlemen:

As counsel to the Lennox District (the "District"), I have reviewed the Official Statement (the "Official Statement") for the above-described bonds (the "Bonds"), the Resolution of the Board of Trustees of the District adopted on November 18, 2003 (the "Resolution"), the proceedings relating to the special election of the District, at which the Bonds were authorized, and the Contract of Purchase (the "Contract of Purchase"), dated as of December _____, 2003, by and among the County of Los Angeles, the District and the Underwriter.

Having reviewed these documents, it is my opinion that:

1. The District is a school district duly organized, validly existing and in good standing under the Constitution and the laws of the State of California.

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

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

4. To the best of my knowledge, the obligations of the District under the Bonds, the execution and delivery of the Contract of Purchase and the approval of the Official Statement, and compliance with the provisions thereof, under the circumstances contemplated

thereby, do not and will not in any material respect conflict with or constitute on the part of the District a breach of or default under any agreement or other instrument to which the District is a party or by which it is bound or any existing law, regulation court order or consent decree to which the District is subject.

5. The election proceedings conducted in relation to the Bonds were in compliance with all requirements of California law and no authorization, approval, consent, or other order of the State of California, or other governmental authority or agency within the State of California, is required for the valid authorization of the Bonds, the approval of the Official Statement, or the execution and delivery of the Contract of Purchase.

Very truly yours,

APPENDIX C

FORM OF OPINION OF COUNTY COUNSEL

$_____
LENNOX SCHOOL DISTRICT
COUNTY OF LOS ANGELES, CALIFORNIA
GENERAL OBLIGATION BONDS, ELECTION OF 1998, SERIES 2003

Ladies and Gentlemen:

As counsel to the Board of Supervisors (the "Board") of the County of Los Angeles, California (the "County"), I have reviewed the Official Statement for the above-described bonds (the "Bonds"), the Resolution of the Board adopted on _____ with respect to the Bonds (the "County Resolution") and the Contract of Purchase (the "Purchase Contract"), dated as of _____, by and among the County, Lennox School District and Banc of America Securities LLC.

In rendering this opinion, we have examined the County Resolution and such other documents, records and instruments and made such investigations of law and fact as we have deemed necessary to render the opinions expressed herein.

Based upon the foregoing, and solely with respect to the laws of the State of California (the "State"), we are of the opinion, as of the date hereof, that:

1. The County is a political subdivision duly organized and validly existing under the Constitution and the laws of the State of California.

2. The County Resolution approving and authorizing the execution and delivery of the Purchase Contract and the issuance of the Bonds was duly adopted at a meeting of the governing body of the County which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption.

3. To the best of my knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective officers; (b) seeking to prohibit, restrain or enjoin the execution of the Purchase Contract or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, the Purchase Contract, or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the

County Resolution or the Purchase Contract; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds.

4. The Purchase Contract has been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, the Purchase Contract will constitute the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms.

With respect to the opinions we have expressed, enforcement of the rights and obligations under the County Resolution, the Purchase Contract and the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles if equitable remedies are sought, and by limitations on legal remedies imposed in actions against public entities in the State. We express no opinion as to the availability of equitable remedies in connection with enforcement of the County Resolution, the Purchase Contract or the Bonds.

Very truly yours,

Lloyd W. Pellman
County Counsel

By _____
Senior Deputy County Counsel

RESOLUTION NO. 03-16

RESOLUTION OF THE BOARD OF TRUSTEES OF LENNOX SCHOOL DISTRICT REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA, TO SELL BONDS OF SAID DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $2,000,000, PRESCRIBING THE USE OF BOND PROCEEDS, APPROVING AN OFFICIAL STATEMENT AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, the County of Los Angeles, California (the County) held an election on June 2, 1998 at which it submitted to the qualified voters of the District the following proposition, to wit:

> In order to acquire, construct and improve school facilities to reduce student overcrowding, repair leaky classroom roofs, build permanent classrooms, repair and upgrade schools throughout the district, and make the district eligible to receive state matching funds, shall the Lennox School District be authorized to issue bonds in the maximum amount not to exceed $10,000,000 with the interest rate not to exceed the statutory maximum?

WHEREAS, this proposition received the affirmative vote of more than two-thirds of all of the qualified voters voting on the proposition at the election; and

WHEREAS, this Board of Trustees has heretofore authorized and directed the issuance of (1) the first series of such bonds in an aggregate principal amount of $5,503,266.20 and (ii) the second series of such bonds in an aggregate principal amount of $1,339,386.50; and

WHEREAS, this Board of Trustees hereby determines that a third series of such bonds in an aggregate principal amount not to exceed $2,000,000 of the authorized amount should be offered for sale by the Board of Supervisors of the County in a series to be designated as the Lennox School District General Obligation Bonds, Election of 1998, Series 2003 (the Bonds); and

WHEREAS, the Bonds will be issued pursuant to California Education Code /15100 et. seq.; and

WHEREAS, this Board of Trustees deems it proper and necessary to specify its intended use of the proceeds from the sale of the Bonds; and

WHEREAS, the District will cause to be prepared a preliminary official statement (the Preliminary Official Statement) relating to the Bonds; and

WHEREAS, a form of contract of purchase (the Contract of Purchase) among the District, the County and Banc of America Securities LLC, as underwriter for the Bonds (the Underwriter) has been prepared and presented to this Board of Trustees; and

WHEREAS, a form of continuing disclosure certificate (the Continuing Disclosure Certificate) has been prepared by O Melveny°& Myers LLP, bond counsel, and presented to this Board of Trustees;

NOW, THEREFORE, BE IT RESOLVED:

Section 1. The Bonds of the District in an aggregate principal amount not to exceed $2,000,000 shall be issued by the County on behalf of the District and offered for sale to the Underwriter pursuant to the terms of the Contract of Purchase.

Section 2. The Board of Supervisors of the County is hereby requested to issue and sell bonds up to an aggregate initial principal amount of $2,000,000 authorized at the aforementioned election as a series to be designated Lennox School District General Obligation Bonds (Election of 1998, Series 2003) (or such other designation as shall be provided in the resolution of the Board of Supervisors of the County authorizing the issuance of the Bonds (the County Resolution)), upon such terms and conditions (including, but not limited to, the dates upon which payments of the principal of and interest on the Bonds are to be paid) not inconsistent with this Resolution.

Section 3. The Board of Supervisors is hereby requested to offer such Bonds for sale in the manner provided by law and in accordance with the terms of the Contract of Purchase as soon as possible following the receipt of this Resolution.

Section 4. The Clerk of this Board of Trustees is hereby directed to send a certified copy of this Resolution to the Board of Supervisors and the Treasurer and Tax Collector of the County (the Treasurer).

Section 5. Following receipt of a proposal, Banc of America Securities LLC is hereby appointed to serve as the Underwriter for the bonds, which shall be sold at negotiated sale under the Contract of Purchase, upon the terms and conditions set forth herein and in the Contract of Purchase.

Section 6. The preparation of the Preliminary Official Statement relating to the Bonds is hereby approved and the use and distribution of the Preliminary Official Statement and an Official Statement in substantially the form of the Preliminary Official Statement with such changes as may be necessary in connection with the sale of the Bonds is hereby authorized. The Superintendent or designee, and such other officers of the District as may be authorized by this Board of Trustees are, and each of them acting alone hereby is, authorized to deliver copies of the Preliminary Official Statement with such changes therein as the officer delivering the same may approve. Upon approval of the Preliminary Official Statement by such officer as evidenced by execution of a certificate substantially in the form of Exhibit A attached hereto and by this reference incorporated herein, the Preliminary Official Statement shall be deemed final as of its date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The Superintendent or designee, and such other officers of the District as may be authorized by this Board of Trustees are, and each of them acting alone hereby is, authorized to execute and deliver the final Official Statement on behalf of the District, with such changes from the Preliminary Official Statement as the officer

executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District, such approval to be conclusively evidenced by such officer s execution thereof.

The preparation of an official statement relating to the Bonds (the Official Statement) in substantially the form of the Preliminary Official Statement with such changes as may be necessary in connection with the sale of the Bonds and the use and distribution thereof is hereby authorized and approved.

Section 7. The form of the Contract of Purchase is hereby approved. The Superintendent or designee, and such other officers of the District as may be authorized by this Board of Trustees are, and each of them acting alone hereby is, authorized to execute and deliver the Contract of Purchase on behalf of the District, with such changes therein as the officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District, such approval to be conclusively evidenced by such officer s execution thereof, and any other documents required to be executed thereunder, and to deliver the same to the Underwriter. The Superintendent or designee, and such other officers of the District as may be authorized by this Board of Trustees are, and each of them acting alone hereby is, in consultation with the Underwriter and Bond Counsel, authorized and directed to establish the final principal amount of the Bonds; provided, however, that such principal amount shall not exceed the amount authorized in Section 1 hereof. The Superintendent or designee, and such other officers of the District as may be authorized by this Board of Trustees are, and each of them acting alone hereby is, authorized and directed to negotiate, with the Underwriter, the true interest cost, not to exceed 8% per annum, on the Bonds and the Underwriter s discount, if any, on the purchase price of the Bonds, not to exceed 2% (not including original issue discount and costs of issuance) of the principal amount of the Bonds.

Section 8. The form of the Continuing Disclosure Certificate is hereby approved. The Superintendent or designee, and such other officers of the District as may be authorized by this Board of Trustees, are, and each of them acting alone hereby is, authorized to execute and deliver the Continuing Disclosure Certificate on behalf of the District, with such changes therein as the officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District, such approval to be conclusively evidenced by such officer s execution thereof, and any other documents required to be executed thereunder, and to deliver the same to the Underwriter. The District hereby covenants and agrees that it, and not the County, has the duty to comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an event of default and shall not be deemed to create any monetary liability on the part of the District to any other persons, including owners of the Bonds.

Section 9. This Board of Trustees will use the proceeds from the sale of the Bonds to finance the acquisition and construction of some or all of the purposes authorized at the June 2, 1998 election (collectively, the Projects).

Section 10. This Board of Trustees authorizes the payment to the County for County staff expenses in connection with the County s support of, and participation in, the issuance of the Bonds.

Section 11. In order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, this Board of Trustees hereby covenants to comply with each applicable requirement of Section°103 and Sections°141 through 150 of the Internal Revenue Code of 1986, as amended (the Code). In furtherance of this covenant, the District agrees to comply with the covenants contained in the Tax and Nonarbitrage Certificate (the Nonarbitrage Certificate) to be executed by the District on the date of delivery of the Bonds. The District hereby agrees to deliver such instructions to the paying agent for the Bonds (the Paying Agent) as may be necessary in order to comply with the Nonarbitrage Certificate.

Section 12. The Board of Supervisors of the County is hereby authorized to select and appoint the Paying Agent for the Bonds. Such Paying Agent (which may be the Treasurer and Tax Collector of the County) shall signify the acceptance of its duties and obligations by executing and delivering to the County and the District a written acceptance thereof. The fees of the Paying Agent and any other ongoing fees and expenses of administering the Bonds shall be paid by the District.

Section 13. Upon the sale of the Bonds, the proceeds thereof, exclusive of accrued interest and any original issue premium, shall be deposited into a fund established and held by the County for the account of the District and designated as the General Obligation Building Fund 2003 (the General Obligation Building Fund). The District shall, from time to time, request disbursements from the General Obligation Building Fund to pay the costs of the Project in the same manner as other school money disbursements. The District may pay, or cause to be paid, costs of issuance using moneys disbursed from time to time, as appropriate, from the General Obligation Building Fund 2003.

Costs of issuance shall include all of the costs of issuing the Bonds, including but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds and the Official Statement pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; financial advisory fees; underwriter s fees; rating agency fees; auditor s fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Paying Agent; fees for any credit enhancement relating to the Bonds; and other fees and expenses incurred in connection with the issuance of the Bonds or the implementation of the financing for the Projects, to the extent such fees and expenses are approved by the District. Some or all of the costs of issuance may be paid by the Underwriter.

Section 14. The District hereby covenants to spend all Bond proceeds in accordance with applicable law, including but not limited to Chapter 2, Part 10, Division 1, Title 1 of the California Education Code of the State of California (commencing with Section 15100), as amended, and Article XIIIA of the California Constitution.

Section 15. The Superintendent or designee is hereby authorized and directed to take such other actions as may be necessary to sell all or a portion of the Bonds with bond insurance, if the Superintendent, in consultation with the Underwriter and the County,

determines that the savings to the District resulting from the purchase of such bond insurance exceeds the cost thereof.

Section 16. The Bonds may be issued as current interest bonds and/or capital appreciation bonds as set forth in the Contract of Purchase, subject to the provisions of the County Resolution.

(a) The Bonds shall be subject to redemption as provided in the Contract of Purchase.

(b) The Board of Supervisors of the County is hereby authorized to set the terms of the redemption of the Bonds in the Contract of Purchase and to provide in the County Resolution the method of giving notice of redemption to holders of Bonds to be redeemed.

Section 17. The execution and delivery of a letter of representations and such additional documents, instruments and certifications as may be necessary to qualify the Bonds for the book-entry-only system of The Depository Trust Company is hereby authorized and approved.

[The remainder of this page is intentionally blank]

ADOPTED, SIGNED AND APPROVED this 18th day of November, 2003.

BOARD OF TRUSTEES OF
LENNOX SCHOOL DISTRICT

BY .....
President

Attest:

.....
Clerk of the Board of Trustees
of Lennox School District

EXHIBIT A

FORM OF 15C2-12 CERTIFICATE

[NAME OF UNDERWRITER]

Ladies and Gentlemen:

With respect to the proposed sale of its General Obligation Bonds (Election of 1998, Series˚2003) (the Bonds), in an aggregate amount not to exceed $2,000,000.00 Lennox School District (the District) has delivered to you a Preliminary Official Statement, dated as of the date hereof (the Preliminary Official Statement). The District, for purposes of compliance with Rule 15c2-12 of the Securities Exchange Commission (Rule 15c2-12), deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the information permitted under Rule 15c2-12.

LENNOX SCHOOL DISTRICT

Dated: November 18, 2003

BY _____
Superintendent

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

I, Jose Rivas, do hereby certify that the foregoing is a true and correct copy of Resolution # 03-16 which was duly adopted by the Board of Trustees of Lennox School District at a special meeting thereof held on the 18th day of November 2003, and that it was so adopted by the following vote:

AYES: 4

NOES: 0

ABSENT: 1

ABSTAIN: 0

By _____
Clerk of the Board of Trustees
for Lennox School District