# COUNTY OF LOS ANGELES
# TREASURER AND TAX COLLECTOR

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**MARK J. SALADINO**
***TREASURER*** AND TAX COLLECTOR


April 23, 2004

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 RIO HONDO COMMUNITY COLLEGE DISTRICT (COUNTY OF LOS ANGELES, CALIFORNIA) GENERAL OBLIGATION BONDS, 2004 ELECTION, 2004 SERIES A (FOURTH DISTRICT) (3-VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Adopt the Resolution authorizing the issuance and sale of general obligation bonds of the Rio Hondo Community College District in an aggregate principal amount not to exceed $58,000,000.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Governing Board of the Rio Hondo Community College District adopted a resolution on April 14, 2004 and determined that the District needs to borrow funds in an aggregate principal amount not to exceed $58 million to be used for authorized purposes.

On March 2, 2004, an election was held whereby qualified voters of the District approved the proposition authorizing the District to issue $245,581,122 in general obligation bonds in order to finance the acquisition, improvement, furnishing and equipping of District facilities. This is the first issuance of bonds authorized under this bond measure.

Pursuant to Section 15266 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 of Los Angeles following receipt of the District resolution requesting such borrowing.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal of Service Excellence by providing one stop service delivery to the 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 the bonds with interest rate not to exceed 8% per annum. 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. Final maturity of the bonds shall not exceed twenty-five years. Provisions for optional redemption of these bonds will be described in the Purchase Contract.

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 Underwriter. The District has selected RBC Dain Rauscher and UBS Financial Services Inc. as Underwriters; Fulbright & Jaworski as Bond Counsel; Caldwell Flores Winters, Inc. as Financial Advisor.

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

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Not Applicable

**CONCLUSION**

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

Respectfully submitted,

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GAB:BLC:pab
pb/brd ltrs/riohondoccd

Attachments (2)

c: Chief Administrative Officer
Auditor-Controller
County Counsel
Rio Hondo Community College District
Los Angeles County Office of Education
Fulbright and Jaworski
Caldwell Flores Winters, Inc.

RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF LOS ANGELES, CALIFORNIA,
AUTHORIZING THE ISSUANCE AND SALE OF
GENERAL OBLIGATION BONDS, 2004 ELECTION, 2004 SERIES A,
OF THE RIO HONDO COMMUNITY COLLEGE DISTRICT
IN AN AGGREGATE PRINCIPAL AMOUNT
NOT TO EXCEED FIFTY-EIGHT MILLION DOLLARS

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**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, 2004 ELECTION, 2004 SERIES A OF THE RIO HONDO COMMUNITY COLLEGE DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FIFTY-EIGHT MILLION DOLLARS**

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**WHEREAS**, a duly called election was held within the Rio Hondo Community College District (the "District"), County of Los Angeles (the "County"), on March 2, 2004 and thereafter canvassed pursuant to law; and

**WHEREAS**, at such election there was submitted to and approved by the requisite fifty-five percent (55%) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of $245,581,122, payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization"); and

**WHEREAS**, Section 15140 of the Education Code of the State of California (the "Education Code") requires that general obligation bonds of a district, including a community college 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**, none of the bonds authorized under the Authorization have heretofore been issued and sold; and

**WHEREAS**, the County Board has received a resolution of the Board of Trustees of the District (the "District Resolution") requesting the issuance of the first series of such bonds within the Authorization, in the aggregate principal amount of not to exceed Fifty-Eight Million Dollars ($58,000,000) (the "Bonds") in order to finance the acquisition, improvement, furnishing and equipping of District facilities;

**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, or as otherwise set forth in the Purchase Contract, 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 legal investments authorized by Section 53601 of the Government Code of the State of California.

"Authorizing Law" shall mean, collectively, (i) Title 1, Division 1, Part 10, Chapter 1.5 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 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 Rio Hondo Community College District General Obligation Bonds, 2004 Election, 2004 Series A, 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, or as otherwise set forth in the Purchase Contract; provided, however, that the first Bond Year shall commence on the day the Bonds are issued and shall end on January 31, 2005, both dates inclusive, or as otherwise set forth in the Purchase Contract.

"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 Undertaking" shall mean the Continuing Disclosure Undertaking of the District for the benefit of the Owners of 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 and related travel expenses; 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 Rio Hondo Community College 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.

"Fiscal Year" shall mean the twelve-month period commencing on July 1 of each year and ending on the following June 30 or any other fiscal year in effect for the District.

"General Obligation Building Fund Series A" shall mean the General Obligation Building Fund 2004 Series A of the District established by the Superintendent of Schools at the direction of the District and administered by the County Office of Education.

"Information Services" shall mean Financial Information, Inc.'s "Daily Called Special Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Mergent/FIS, Inc., 5250 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Municipal News Reports; and Kenny S&P, 55 Water Street, 45th Floor, New York, New York 10041, Attention: Notification Department; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the County may designate in a Certificate of the County delivered to the Paying Agent.

"Interest Payment Date" shall mean with respect to (i) any Current Interest Bond, February 1 and August 1 in each year, or as otherwise specified in the Purchase Contract, commencing on the date specified in the Purchase Contract, and (ii) any Capital Appreciation Bond, the maturity or prior redemption date thereof.

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

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

"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.

"Principal Payment Date" shall mean August 1 in each year, or as otherwise specified in the Purchase Contract, commencing on the date specified in the Purchase Contract.

"Projects" 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.

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

"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.

"Representative" shall mean RBC Dain Rauscher Inc., as representative of the underwriters.

"Resolution" shall mean this Resolution.

"S&P" shall mean Standard & Poor's, a division of the McGraw-Hill Companies, 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, 55 Water Street, New York, New York 10041, Fax (212) 855-1000 or 7320; and, in accordance with then current guidelines of the securities and Exchange Commission, such other addresses and/or such other securities depositories as the County may designate in a Certificate of the County delivered to the Paying Agent.

"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.

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

"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 or any authorized deputy thereof.

"Underwriters" shall mean RBC Dain Rauscher Inc. and UBS Financial Services Inc.

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 Purchase Contract. The Treasurer, or his deputy, and such other officers of the County as shall be authorized by the Board, in consultation with the Representative and bond counsel and such officers of the District as shall be authorized by the Governing Board 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 combined Principal Amount (in one or two series) shall not exceed the maximum aggregate Principal Amount of $58,000,000. Should any premium remain following the payment of Costs of Issuance, the Representative shall remit such amount back to the District. The form of the Purchase Contract attached hereto as Exhibit B is hereby approved. The Treasurer, or his deputy, and such other officers of the County as may be authorized by the Board are, and each of them acting alone is, authorized and directed to execute and deliver the Purchase Contract for and in the name and 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 Representative. The Treasurer, or his deputy, and such other officers of the County as may be authorized by the Board are, and each of them acting alone hereby is, in consultation with such authorized officers of the District, authorized and directed to negotiate with the Representative the interest rates on the Bonds and the purchase price of the Bonds to be paid by the Representative, which purchase price shall reflect an Underwriter's discount of not to exceed two percent (2.0%) (not including original issue discount) of the Principal Amount thereof. The interest rate on the Bonds shall not exceed eight percent (8.0%) per annum. Final terms of the Bonds shall be as set forth in the Purchase Contract.

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 $58,000,000, for the acquisition, construction, furnishing and equipping of District facilities for some or all of the purposes authorized at the March 2, 2004 Election, the bond proposition approved at which shall be incorporated herein by this reference as though fully set forth in this Resolution (the "Projects"). 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 of one or two series entitled to the benefit, protection and security of this Resolution is hereby authorized in an aggregate Principal Amount not to exceed $58,000,000. 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 "Rio Hondo Community College District General Obligation Bonds, 2004 Election, 2004 Series A" with such additional series designations as may be necessary or advisable in order to market the Bonds, as set forth in the Purchase Contract. The Bonds may be issued as Current Interest Bonds and/or Capital Appreciation Bonds and shall be subject to redemption as further set forth in the Purchase Contract, pursuant to this Resolution.

(b) The forms 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 Bonds issued as Current Interest Bonds shall be issued in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof, provided that one such Bond may be in an irregular denomination. 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 Purchase Contract.

(b) Interest on each Current Interest Bond shall accrue from its dated date as set forth in the Purchase Contract. 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 Bonds issued as 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 that one such Bond may reflect an irregular denomination. 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 Purchase Contract.

(b) Interest on each Capital Appreciation Bond, if any, shall be compounded semiannually on February 1 and August 1 of each year until maturity, or as otherwise set forth in the Purchase Contract, commencing on the date set forth in the Purchase Contract, 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.

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 within each series. Upon initial issuance, the ownership of each such Bond certificate 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 Bond certificate shall bear a legend substantially to the following effect: "UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH

OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

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) 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 book-entry securities 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 certificates representing the Bonds as provided below. Bonds issued in exchange for book-entry securities 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 book-entry security 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.

(c) 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.

(d) 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 such 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, series 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, not less than 90 days prior to the date of such payment to the effect that said money has not been claimed and that after a date named therein any unclaimed balance of said money then remaining will be transferred to the General Fund of the District. 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 "Rio Hondo Community College District General Obligation Building Fund 2004 Series A" which shall be administered by the County Office of Education for the account of the District and which shall be kept separate and apart from all other accounts held hereunder. The District shall, from time to time, disburse from the General Obligation Building Fund 2004 Series A to pay the Project Costs. Amounts in the General Obligation Building Fund 2004 Series A 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 2004 Series A.

Any amounts that remain in the General Obligation Building Fund 2004 Series A 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 Tax 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 or the interest thereon.

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 "Rio Hondo Community College District General Obligation Bonds, 2004 Election, 2004 Series A, Debt Service Fund" (the "Debt Service Fund") to be administered by the County and 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 Interest 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 Tax 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 Tax Certificate.

SECTION 20. Establishment and Application of Excess Earnings Fund. There is hereby established in trust a special fund designated "Rio Hondo Community College District General Obligation Bonds, 2004 Election, 2004 Series A, Excess Earnings Fund" (the "Excess Earnings Fund") which shall be administered 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 2004 Series A to the Excess Earnings Fund in accordance with the provisions of the Tax 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 Tax 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 2004 Series A.

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. The Bonds shall be subject to redemption as provided in the Purchase Contract.

SECTION 24. Selection of Bonds for Redemption. Whenever provision is made in this Resolution or in the Purchase Contract 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 Interest Payment Date designated for such redemption, shall select Bonds for redemption in such order as the District may direct, or, in the absence of such direction, in inverse order of maturity within a series. 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 is authorized or required pursuant to this Resolution or the Purchase Contract, 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 two days before the date of the notice required by clause (a) of this Section 25, 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 two days before the date of the notice required by clause (a) of this Section, 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 series 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 for the payment of their redemption price, 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 Sections 23, 24 and 25 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 the Treasurer 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 Undertaking. The Paying Agent, if other than the Treasurer acting as Paying Agent, shall have a corporate trust office in Los Angeles, 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. 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 hereunder may resign from service as Paying Agent and in the event the Treasurer selects a third party to perform the services of initial Paying Agent, the Treasurer may remove such Paying Agent or any subsequent Paying Agent as provided in the respective 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 Los Angeles, California, with at least $50,000,000 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.

(b) 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.

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 Tax 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 Series A, 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 so long as the Bond Insurance Policy is in effect, and provided that the Bond Insurer complies with its obligations thereunder, the Bond Insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, 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 thereof or hereof. 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 of 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 plus the interest to accrue thereon without the need for further investment, is fully sufficient to pay all Bonds Outstanding on the redemption date or 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 to act as escrow agent selected by the District and approved by the County and which meets the requirements of serving as Paying Agent pursuant to Section 33, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) 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, in the opinion of a verification agent satisfactory to the County, 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.

The foregoing resolution was, on the ____ day of _____, 2004, 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:

OFFICE OF THE COUNTY COUNSEL

By: Sheilah Curtis
Deputy County Counsel

**EXHIBIT A-1**

**FORM OF CURRENT INTEREST BOND**

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

UNITED STATES OF AMERICA STATE OF CALIFORNIA

RIO HONDO COMMUNITY COLLEGE DISTRICT (COUNTY OF LOS ANGELES)
GENERAL OBLIGATION BONDS, 2004 ELECTION, 2004 SERIES A

$_____ No. _____

| Interest Rate | Maturity Date | Dated Date | CUSIP |
|---|---|---|---|
| ___% | August 1, 20__ | Date of Delivery | |

REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT:

The Rio Hondo Community College 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 July 15, 2004, 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 initial paying agent (the "Paying Agent"), in Los Angeles County, California. 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 1.5 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, 2004 Election, 2004 Series A, of the Rio Hondo Community College District in an Aggregate Principal Amount Not to Exceed $58,000,000" adopted by the Board of Supervisors of the County on _____, 2004 (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 more than 55% of the qualified electors of the District voting on the proposition at a general 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 August 1, 20__ shall not be subject to redemption prior to their maturity dates. Current Interest Bonds maturing on or before August 1, 20__ may be redeemed before maturity at the option of the District, from any source of funds, on August 1, 20__ or on any 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 $5,000 portions by Maturity Amount, 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, at the principal amount thereof, together with accrued interest to the date of redemption.

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 or the District; 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 Governing Board 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 signature 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 as of the date stated above.

COUNTY OF LOS ANGELES

By:_____
Chairman of the Board of Supervisors

Countersigned:

By:_____
Executive Officer - Clerk of the Board of Supervisors of the County

By:_____
Treasurer and Tax Collector

[SEAL]

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: _____, 2004

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

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

By: _____
Authorized Designee

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

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

UNITED STATES OF AMERICA STATE OF CALIFORNIA

RIO HONDO COMMUNITY COLLEGE DISTRICT (COUNTY OF LOS ANGELES)
GENERAL OBLIGATION BONDS, 2004 ELECTION, 2004 SERIES A

No. _____

| Reoffering Yield | Yield to Maturity | Maturity Date | Dated Date | CUSIP |
|---|---|---|---|---|
| % | ___% | August 1, 20__ | Date of Delivery | |

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

MATURITY AMOUNT:

The Rio Hondo Community College 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 accrue at the Interest Rate 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, 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 initial paying agent (the "Paying Agent"), in Los Angeles County, California.

[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 1.5 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, 2004 Election, 2004 Series A, of the Rio Hondo Community College District in an Aggregate Amount Not to Exceed $58,000,000" adopted by the Board of Supervisors of the County on _____, 2004 (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 more than 55% of the qualified electors of the District voting on the proposition at a general 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.

[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 August 1, in the years and in an amount equal to the aggregate Accreted Values set forth below:]

| Redemption Date | Accreted Value To Be Redeemed |
|---|---|

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 or the District; 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 Governing Board 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 signature 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 as of the date stated above.

COUNTY OF LOS ANGELES

By:_____
Chairman of the Board of Supervisors

Countersigned:

By:_____
Executive Officer - Clerk of the Board of Supervisors of the County

By:_____
Treasurer and Tax Collector

[SEAL]

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

CERTIFICATE OF AUTHENTICATION

DATED: _____, 2004

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

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

By: _____
Authorized Officer

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 B

# FORM OF PURCHASE CONTRACT

**Rio Hondo Community College District**
**County of Los Angeles, State of California**

**RESOLUTION NO. ___**

**RESOLUTION AUTHORIZING ISSUANCE OF NOT TO EXCEED $58,000,000 OF RIO HONDO COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, 2004 ELECTION, 2004 SERIES A AND ORDERING CERTAIN ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the issuance of not to exceed $245,581,122 aggregate principal amount of general obligation bonds (the "Authorization") of the Rio Hondo Community College District (the "District"), County of Los Angeles (the "County"), State of California, was authorized at an election (the "Election") held in said District on March 2, 2004, the proceeds of which are to be used for the construction, equipping, furnishing and improvement of certain capital facilities of the District; and

WHEREAS, the Registrar-Recorder of the County has certified to the effect that the official canvass of returns for the Election reflected that more than fifty-five percent (55%) of the votes cast on the District's bond measure submitted to the voters at the Election (the "Measure") were cast in favor of the Measure, and such result has been entered in the minutes of this Board of Trustees (the "District Board"); and

WHEREAS, pursuant to Section 15278(a) of the Education Code, this District Board will appoint a Citizens Oversight Committee (the "Committee") for its 2004 Election General Obligation Bonds, being comprised of at least seven (7) members, and which otherwise meets the requirements of Section 15282 of the Education Code; and

WHEREAS, Section 15140 of the Education Code of the State of California authorizes the Board of Supervisors of the County (the "County Board") to borrow funds through the issuance of bonds in the name and on behalf of the District, pursuant to a resolution adopted by the District; and

WHEREAS, no general obligation bonds under the Authorization have heretofore been issued by the County Board on behalf of the District; and

WHEREAS, it now appears to this District Board that financial market conditions are favorable for the issuance and sale of not to exceed $58,000,000 in one or more series of bonds of the Authorization to be used for the various purposes outlined in the official Project List of the District approved at the Election; and

WHEREAS, this District Board hereby determines that such bonds should be offered at this time, in one or more series, and requests the County Board to offer such bonds for sale;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Rio Hondo Community College District as follows:

Section 1. This District Board hereby determines that general obligation bonds of the District in the aggregate principal or issue amount of not to exceed $58,000,000 (the "Bonds") be offered for sale, in one or more series, the proceeds of which are to be used for the construction, equipping, furnishing and improvement of certain capital facilities of the District as set forth in the Measure approved at the Election, as detailed in the official Project List for the Authorization.

Section 2. For the above purposes, this District Board hereby requests the County Board to issue the Bonds and to order such Bonds to be sold to RBC Dain Rauscher, Inc. and UBS Financial Services, Inc., as the underwriters (collectively, the "Underwriters") at a negotiated sale in accordance with a Contract of Purchase to be prepared and entered into by and among the District, the County and the representative of the Underwriters in connection with the sale of the Bonds, substantially in the form submitted to and considered by this Board (the "Contract of Purchase"). The Bonds shall bear or accrete interest at rates not to exceed 8% per annum and shall not exceed 25 years in maturity from their date of issuance. The form of Contract of Purchase on file with the District Board is hereby approved and the Superintendent of the District, its Chief Financial Officer or any designee of either thereof, (each, an "Authorized Officer,") and each of them is hereby authorized to execute the Contract of Purchase, with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The District has instructed the Underwriters to establish the terms, series, interest structure and redemption provisions for the Bonds in order to take advantage of financial market conditions prevailing at the date of sale of the Bonds under the Contract of Purchase. Depending upon market conditions, the District may elect to purchase bond insurance to secure the payment of principal of and interest on or accreted value of the Bonds, or any portion thereof.

Section 3. The District Board hereby approves the use by the Underwriters of a Preliminary Official Statement relating to the Bonds, substantially in the form submitted to and considered by this District Board (the "Preliminary Official Statement") and following pricing, an Official Statement in connection with the sale of the Bonds (the "Official Statement"), in each case with such changes as may be approved by the Authorized Officer and such other officers of the District as may be authorized by the District Board are, and each of them acting alone hereby is, authorized to deliver copies of the Preliminary Official Statement and the Official Statement with such changes therein as such Authorized Officer shall approve, in his or her discretion, as being in the best interests of the District. Upon the approval of such changes by such Authorized Officer, 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 "Rule"). The Authorized Officer is hereby authorized and directed to execute such Official Statement with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Bonds shall be issued in book-entry only form, to be lodged with The Depository Trust Company ("DTC") in New York, New York, which shall be the registered owner of the Bonds issued at the closing in the form of a single certificated Bond for each maturity within a series of the Bonds described in the Contract of Purchase. The

Underwriter is directed to assist the District and the County in qualifying the Bonds for deposit with DTC.

Section 5. Unless the Treasurer-Tax Collector of the County (the "Treasurer") shall appoint a commercial bank as paying agent in connection with the closing of the Bonds, the Treasurer shall serve as Paying Agent for the Bonds, the first annual fees for which shall be paid from proceeds of the Bonds; subsequent annual fees shall be paid from *ad valorem* property tax levies within the District.

Section 6. The District Board hereby confirms the designation of Caldwell Flores Winters, Inc. as Financial Advisor and the law firm of Fulbright & Jaworski L.L.P., Los Angeles, California, as Bond Counsel to the District in connection with the authorization and issuance of the Bonds.

Section 7. The District hereby covenants that it shall not, directly or indirectly, use or permit the use of any proceeds of any of the Bonds, or of any of the property financed or refinanced with the proceeds of the Bonds, or other funds of the District, or take or omit to take any action that would cause the Bonds to be deemed "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). To that end, the District shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury promulgated thereunder to the extent that such requirements are in effect and applicable to the Bonds.

Section 8. The District Board determines that all acts and conditions necessary to be performed by the District Board or to have been met precedent to and in the issuing and sale of the Bonds in order to make them the legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and met, in regular and due form as required by law; and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 9. The form of Continuing Disclosure Agreement on file with the District Board prepared in connection with the Bonds and to be dated the date of sale of the Bonds, for the benefit of the registered owners from time to time of the Bonds (the "Owners") is hereby approved and the District Board hereby authorizes the Authorized Officer to execute such Continuing Disclosure Agreement with such changes therein as may be approved by the Authorized Officer. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Agreement in order to assist the Underwriter to comply with the requirements of the Rule. Any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section; however, noncompliance with this Section shall not constitute a default under or cause the acceleration of the Bonds.

Section 10. Should the Authorized Officer, upon consultation and advice of the Underwriter, determine it is in the best interests of the District to obtain credit enhancement for the Bonds, including municipal bond insurance, to improve their marketability, the Authorized

Officer is hereby authorized and directed to sign documents to secure such credit enhancement on such terms and subject to such conditions as may be established by the Authorized Officer, in agreements relating to such credit enhancement.

Section 11. The County Board is hereby requested to assist the District in the issuance and sale of the Bonds; in order to meet the requirements of law and the procedures of the County with respect to such a request, the Secretary of the District Board is hereby directed to lodge a certified copy of this Resolution with the Clerk of the County Board and with the Superintendent of Schools of the County promptly following adoption hereof, and the District represents and warrants to the County that annual administrative expenses associated with the Bonds at the time outstanding shall be the sole responsibility of the District and the District shall reimburse the County's costs and expenses incurred in connection with the issuance and sale of the Bonds. The Bonds are the general obligations of the District secured by tax levies and do not constitute an obligation of the County except as set forth in the resolution to be adopted by the County Board authorizing the issuance of the Bonds. The County will bear no responsibility for the acquisition, construction or installation of the project, or any part thereof.

Section 12. Officers of the District Board and District officials and staff, their authorized deputies and designees, 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 as may have heretofore been taken by such officers, officials and staff are hereby ratified, confirmed and approved.

Section 13. Effective Date. This Resolution shall take effect immediately upon its adoption.

---

Disposition:

It was moved by MR. MENDEZ, seconded by MS. MARTINEZ and carried, that Report No. III.D.__ with the following revisions: ~~NONE~~ AS AMENDED be

__X__ Accepted and approved – Action No. 73

____ Not approved

____ Delayed for further study

| | Yes | No |
|---|---|---|
| Vote: | 5 | 0 |
| Student Trustee Advisory Vote: | 1 | __ |

Rose Marie Joyce, PhD, President
Rio Hondo Community College District

**SS&D Draft 4/19/04**

# CONTRACT OF PURCHASE

**$_____**
**RIO HONDO COMMUNITY COLLEGE DISTRICT**
**General Obligation Bonds,**
**Election of 2004, Series 2004A**

May ___, 2004

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

Rio Hondo Community College District
3600 Workman Mill Road
Whittier, California 90601

Ladies and Gentlemen:

The undersigned, as representative (the "Representative") of RBC Dain Rauscher, Inc. and UBS Financial Services, Inc. (collectively, the *"Underwriters"*) hereby offers to enter into this Contract of Purchase (this *"Contract"*) with the County of Los Angeles, California (the *"County"*) and the Rio Hondo Community College District (the *"District"*), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriters. By execution of this Contract, the District and the County acknowledge the terms hereof and recognize that it will be bound by certain of the provisions hereof, and to the extent binding on the District and the County, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Contract 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.* Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree 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 Underwriters for such purpose, all (but not less than all) of the District's 2004 General Obligation Bonds, Election of 2004, Series 2004A (the *"Bonds"*) in an aggregate principal amount of $_____. The Bonds shall be dated, bear interest at the rates and mature in the years as set forth in Schedule I hereto. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the District, adopted on _____, 2004 (the "*District Resolution*"), and the Resolution of the County, adopted on _____, 2004 (the "County Resolution" and, collectively with the District Resolution, the "*Resolutions*"), this Contract and Section 15100 *et seq.*, of the California Education Code (the "*Act*"). Inasmuch as this purchase and sale represents a negotiated transaction, the County understands, and hereby confirms, that the Underwriters are not acting as a fiduciary of the County, but rather is acting solely in their capacity as Underwriters for their own account. The Representative has been duly authorized to execute this Contract and to act hereunder.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Contract and the Resolutions. The Bonds shall be in definitive 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 ("DTC"). The payment of principal of and interest (but not any prepayment premium) on the Bonds will be secured by a financial guaranty insurance policy (the "Insurance Policy") to be issued simultaneously with the issuance of the Bonds by MBIA Insurance Corporation (the "Insurer").

The Underwriters shall purchase the Bonds at a price of $_____ (consisting of the aggregate initial principal amount of the Bonds of $_____, plus an original issue premium of $_____, less an Underwriters' discount of $_____, less $_____to be retained by the Underwriters to pay costs of issuance, and less bond insurance premium of $_____. If, after payment of all costs of issuance, the amount retained by the Underwriters for such purpose is less than $_____, then the remaining amount of the original issue premium shall be paid by the Underwriters to the District for deposit into the District's Debt Service Fund (as defined in the County Resolution). If the amount deposited in the costs of issuance account is insufficient to pay costs of issuance, any shortfall shall be paid by the District.

2. *Public Offering.* The Underwriters agrees to make a bona fide public offering of all of the Bonds at a price not to exceed the public offering price set forth herein and may subsequently change such offering price without any requirement of prior notice. The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering price stated on the cover of the Official Statement.

3. *The Official Statement.* (a) The District has previously delivered to the Underwriters the Preliminary Official Statement dated May ___, 2004 (the *"Preliminary Official Statement"*), including the cover page and Appendices thereto, of the District relating to the Bonds. The final Official Statement delivered pursuant to Section 3(c) below is hereinafter called the *"Official Statement."*

(b) The Preliminary Official Statement has been prepared for use by the Underwriters by Disclosure Counsel in connection with the public offering, sale and distribution of the Bonds. The District hereby represents and warrants that the Preliminary Official Statement was deemed final by the District as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the *"Rule"*).

(c) The District hereby authorizes the Official Statement and the information therein contained to be used by the Underwriters in connection with the public offering and the sale of the Bonds. The District consents to the use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The District shall provide, or cause to be provided, to the Underwriters as soon as practicable after the date of the District's acceptance of this Contract (but, in any event, not later than within seven business days after the District's acceptance of this Contract and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriters in such quantity as the Underwriters shall request in order to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

(d) If, after the date of this Contract to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the District becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the District will notify the Representative (and for the purposes of this clause provide the Representative with such information as it may from time to time request), and if, in the opinion of the Representative, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the District will forthwith prepare and furnish, at the District's own expense (in a form and manner approved by the Representative), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing (as defined herein), the District shall furnish such legal opinions, certificates, instruments and other documents as the Representative may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Representative hereby agrees to file the Official Statement with a nationally recognized municipal securities information repository. Unless otherwise notified in writing by the Representative on or prior to the date of the Closing, the District can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

4. *Representations, Warranties, and Covenants of the District.* The District hereby represents and warrants to and covenants with the Underwriters that:

(a) The District is a community college district, duly created, organized and existing under the laws of the State of California (the *"State"*), and has full legal right, power and authority, and at the date of the Closing will have full legal right, power and authority (i) to enter into, execute and deliver this Contract, the Continuing Disclosure Undertaking (the "*Undertaking*") as defined in Section 7(h)(3) hereof and all documents required hereunder and thereunder to be executed and delivered by the District (this Contract, the District Resolution and the Undertaking are hereinafter referred to as the *"District Documents"*), (ii) to sell, issue and deliver the Bonds pursuant to the Act to the Underwriters as provided herein, and (iii) to carry out and complete the transactions described in this Contract, the District Resolution, the Undertaking and the Official Statement and will at the Closing be in compliance in all respects, with the terms of the District Documents as they pertain to such transactions;

(b) By all necessary official action of the District prior to or concurrently with the acceptance hereof, the District has duly authorized all necessary action to be taken by it for (i) the adoption of the District Resolution and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the District of the obligations on its part, contained in the Bonds and the District Documents and (iii) the completion by it of all other transactions described in the Official Statement, and the District Documents and any and all such

other agreements and documents as may be required to be executed, delivered and/or received by the District in order to carry out, give effect to, and complete the transactions contemplated herein and in the Official Statement;

(c) The District Documents constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for, in accordance with the District Resolution, the County Resolution and this Contract, will constitute legal, valid and binding obligations of the District entitled to the benefits of the District Resolution and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights;

(d) The District is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District is or any of its property or assets are otherwise subject, in any material respect, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing; and the execution and delivery of the Bonds, the District Documents and the adoption of the District Resolution and compliance with the provisions on the District's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Resolutions;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required to be obtained by the District for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the District of its obligations under the District Documents, and the Bonds or with respect to the Project have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) No legislation has been introduced, nor is there any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body pending or, to the best knowledge of the District after due inquiry, threatened against the District, affecting the existence of the District or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds pursuant to the District Resolution or in any way contesting or affecting the validity or enforceability of the Bonds, the District Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes or State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official

Statement or the Official Statement or any supplement or amendment thereto or contesting the powers of the District or any authority for the issuance of the Bonds, the adoption of the District Resolution or the execution and delivery of the District Documents, nor, to the best knowledge of the District, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the District Documents;

(g) As of the date thereof, the Preliminary Official Statement (excluding information relating to DTC, DTC's book-entry system, the Insurer and the Insurance Policy) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) At the time of the District's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Contract) at all times subsequent thereto during the period up to and including the date of Closing, the Preliminary Official Statement (excluding information relating to DTC, DTC's book-entry system, the Insurer and the Insurance Policy) as of its date does not and the Official Statement (excluding information relating to DTC, DTC's book-entry system, the Insurer and the Insurance Policy) will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(i) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Contract, at the time of each supplement or amendment thereto (unless subsequently again supplemented or amended pursuant to such paragraph) the District agrees to provide the Underwriters with a certificate dated the date of any such supplement or amendment stating that the Official Statement as so supplemented or amended (excluding information relating to DTC, DTC's book-entry system, the Insurer and the Insurance Policy) does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(j) As of the date of Closing, the District will have complied with the Internal Revenue Code of 1986, as amended, with respect to the Bonds.

(k) The District will furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Underwriters may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate and determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the District will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriters immediately of receipt by the District of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(l) The financial statements of, and other financial information regarding the District, in the Official Statement fairly present the financial position and results of the District as of the dates and for the periods therein set forth and since such dates there has been no adverse

change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the District. The District is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District;

(m) Prior to the Closing, the District will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Bonds without the prior approval of the Representative; and

(n) Any certificate, signed by any official of the District authorized to do so in connection with the transactions contemplated by this Contract, shall be deemed a representation and warranty by the District to the Underwriters as to the statements made therein.

5. *Representations, Warranties, and Covenants of the County*. The County hereby represents and warrants to and covenants with the Underwriters that:

(a) The County has the power under the laws of the State of California to issue the Bonds pursuant to the Act;

(b) (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, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriters 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 and the Resolutions; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in the Bonds, the County Resolution and this Contract have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Contract constitutes a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Contract;

(c) 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 Underwriters may reasonably request, or which have not been taken or obtained; *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) To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Contract, the County Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the County a violation of, or material 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 material 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) As of the time of acceptance hereof, to the best knowledge of the County, no action, suit, proceeding, hearing or investigation is pending or threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices of the titles of the officials of the County 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 in any way contesting or affecting the validity or enforceability of the Bonds, this Contract or the Resolutions or contesting the powers of the County or its authority with respect to the Bonds, the Resolutions or this Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County or the consummation of the transactions contemplated by this Contract or the County Resolution, (b) declare this Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation;

(f) Between the date hereof and the Closing, without the prior written consent of the Representative, 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; and

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

6. *Closing.* At 9:00 a.m., California Time, on _____, 2004, or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (herein, the "Closing"), the District will direct U.S. Bank National Association, as agent for the Paying Agent (herein, the "Paying Agent") and registrar for the Bonds to deliver to the Underwriters, at the offices of DTC in New York, New York, or at such other place as the County and the Underwriters may mutually agree upon, the Bonds in fully registered book-entry form, duly executed, together with the other documents hereinafter mentioned. Upon fulfillment of all conditions to Closing herein, the Underwriters will accept such delivery and pay the purchase price thereof in immediately available funds (by check, wire transfer or such other manner of payment as the Underwriters and the Treasurer and Tax Collector of the County (the "Treasurer") shall reasonably agree upon) to the order of the Treasurer.

7. *Closing Conditions.* The Underwriters have entered into this Contract in reliance upon the representations, warranties and agreements of the District contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the District of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Representative:

(a) The representations and warranties of the District and the County contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The District and the County shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the District Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Representative and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative; and (ii) all actions of the District and the County required to be taken by the District and the County shall be performed in order for Bond Counsel, Disclosure Counsel and Underwriters' Counsel to deliver their respective opinions referred to hereafter;

(d) At or prior to the Closing, the District Resolution and the County Resolution shall have been duly executed and delivered by the District and the County, respectively, and the Bonds shall have been duly executed and delivered and the Paying Agent shall have authenticated the Bonds;

(e) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the Project, in the condition, financial or otherwise, or in the revenues or operations of the District, from that set forth in the Official Statement that in the judgment of the Representative, is material and adverse and that makes it, in the judgment of the Representative, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(f) The District has not failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(g) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Contract shall be reasonably satisfactory in legal form and effect to the Underwriters;

(h) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the District by its authorized representative, or such other official as may have been agreed to by the Representative, and the reports and audits referred to or appearing in the Official Statement;

(2) The Resolutions, with such supplements or amendments as may have been agreed to by the Representative;

(3) The Undertaking of the District which satisfies the requirements of section (b)(5)(i) of the Rule;

(4) The final approving opinion of Bond Counsel with respect to the Bonds, in substantially the form attached to the Official Statement;

(5) A reliance letter from Bond Counsel to the effect that the Underwriters may rely upon the approving opinion described in (h)(4) above, together with an additional supplemental opinion, dated the Closing Date and addressed to the Underwriters, to the effect that:

(i) the District has full right and lawful authority to enter into and perform its duties under this Contract and this Contract has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other respective parties thereto, constitutes a legal, valid and binding obligation of the District, enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought;

(ii) by all necessary official action of the District prior to or concurrently with the acceptance hereof, the District has duly authorized all necessary action to be taken by it for the adoption of the District Resolution and the issuance and sale of the Bonds;

(iii) the District Resolution and all other proceedings of the District pertinent to the validity and enforceability of the Bonds have been duly and validly adopted or undertaken in compliance with all applicable procedural requirements of the District and in compliance with the Constitution and laws of the State, including the Act;

(iv) the statements contained in the Official Statement in the sections entitled "INTRODUCTION," "THE BONDS," and "TAX MATTERS," (excluding any information relating to DTC, DTC's book-entry system, the Insurer or the Insurance Policy) insofar as such statements purport to summarize certain provisions of the Bonds and the tax status of the Bonds for federal and State income tax purposes, present a fair and accurate summary of such documents, such tax status and the matters discussed therein;

(v) no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the District of this Contract or the consummation by the District of the other transactions contemplated by such agreement (provided no opinion is expressed as to any action required under state securities or blue sky laws in connection with the purchase or distribution of the Bonds by the Underwriters); and

(vi) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the County Resolution is exempt from qualification pursuant to the Trust Indenture Act, as amended;

(6) An opinion of counsel for the Underwriters, dated the date of the Closing and addressed to the Underwriters, in form and substance acceptable to the Representative;

(7) An opinion of County Counsel for the County of Los Angeles, addressed to the District and the Underwriters, dated the Closing Date, in the form attached hereto as Appendix A.

(8) A certificate, dated the date of Closing, of the District to the effect that (i) the representations and warranties of the District contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) no litigation or proceeding against it is pending or, to its knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the District to hold and exercise their respective positions, (b) contest the due organization and valid existence of the District, (c) contest the validity, due authorization and execution of the Bonds or the District Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the District from functioning and collecting revenues, including payments on the Bonds, pursuant to the District Resolution, and other income or the levy or collection of the taxes pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof; (iii) the resolutions of the District authorizing the execution, delivery and/or performance of the Official Statement, the Bonds and District Documents have been duly adopted by the District, are in full force and effect and have not been modified, amended or repealed, and (iv) to the best of its knowledge, no event affecting the District has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and (v) the information contained in the Official Statement (excluding information relating to DTC, DTC's book-entry system [the Bond Insurer and the Bond Insurance Policy] is correct in all material respects and, as of its date the Official Statement (excluding information relating to DTC, DTC's book-entry system [the Bond Insurer and the Bond Insurance Policy] did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit 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;

(9) A certificate of the District in form and substance satisfactory to Bond Counsel and counsel to the Underwriters (a) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the *"Code"*), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (b) certifying that to the best of the knowledge and belief of the District there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(10) Evidence satisfactory to the Underwriters that the Bonds have been rated "Aaa" and "AAA," by Moody's Investors Service and Standard & Poor's, respectively, and that such ratings are in effect as of the date of Closing;

(11) The Insurance Policy issued by the Insurer with respect to the insured Bonds, a certificate of the Insurer and an opinion of counsel to the Insurer regarding the enforceability of the Insurance Policy, each in form and substance satisfactory to the District and the Underwriters; and

(12) Such additional legal opinions, certificates, instruments and other documents as the Representative or counsel to the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the District's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the District on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the District.

8. *Termination.* The Representative shall have the right to cancel the obligation to purchase the Bonds if, between the date of this Contract and the Closing, the market price or marketability of the Bonds shall be materially adversely affected by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation or State income taxation upon interest received on obligations of the general character of the Bonds or, with respect to State taxation, of the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the County Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act, as amended, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange LLC, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of underwriters in general;

(f) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon), or the validity or enforceability of the assessments or the levy of taxes to pay principal of and interest on the Bonds;

(g) any event occurring, or information becoming known which, in the judgment of the Representative, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Contract any materially adverse change in the affairs or financial condition of the District;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) any fact or event shall exist or have existed that, in the Representative's judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred any downgrading, or any notice shall have been given of any intended or potential downgrading; and

(l) the purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

9. *Expenses*. The Bonds are being sold with an original issue premium in order to provide funds to pay costs of issuance thereof, as described in Section 1 above. The District shall pay any expenses incident to the performance of its obligations hereunder from the proceeds of the Bonds,

including but not limited to the following: (i) the fees and disbursements of Bond Counsel and Disclosure Counsel; (ii) the cost of the preparation, printing and delivery of the Bonds; (iii) the fees, if any, for Bond ratings and Bond insurance premiums, and all related expenses; (iv) the cost of the printing and distribution of the Official Statement; (v) the initial fees of the Paying Agent; and (vi) all other fees and expenses incident to the issuance and sale of Bonds, but only to the extent that original issue premium retained by the Representative at closing proves insufficient to pay the same. If following payment of the expenses set forth above, the amount retained by the Representative for costs of issuance is less than $_____, the Representative shall remit such remaining amount to the District and the District shall deposit such amount into the District's Debt Service Fund. Any expenses owing following the depletion of said amount shall be for the account of the District. The Underwriters shall pay their out-of-pocket expenses, other than interstate travel incurred in connection with obtaining ratings and bond insurance, and the fees and expenses of their counsel.

If this Contract shall be terminated by the Underwriters because of any failure or refusal on the part of the District to comply with the terms or to fulfill any of the conditions of this Contract, the District will reimburse the Underwriters for all out-of-pocket expenses (including the fees and disbursements of counsel to the Underwriters) reasonably incurred by the Underwriters in connection with this Contract or the offering contemplated hereunder.

10. *Notices.* Any notice or other communication to be given under this Contract may be given by delivering the same in writing to the County at County of Los Angeles, Treasurer and Tax Collector's Office, at 432 Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, to the District at Rio Hondo Community College District, 3600 Workman Mill Road, Whittier, California 90601, Attention: Superintendent; to the Representative at RBC Dain Rauscher Inc., 777 South Figueroa Street, Suite 850, Los Angeles, California 90017, Attention: Public Finance and Roderick A. Carter, Managing Director.

11. *Parties in Interest.* This Contract as heretofore specified shall constitute the entire agreement between the parties hereto and is made solely for the benefit of the District and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Contract may not be assigned by the District. All of the District's representations, warranties and agreements contained in this Contract shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Contract; and (iii) any termination of this Contract.

12. *Effectiveness.* This Contract shall become effective upon the acceptance hereof by the District and shall be valid and enforceable at the time of such acceptance.

13. *Choice of Law.* This Contract shall be governed by and construed in accordance with the law of the State of California.

14. *Severability.* If any provision of this Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Contract invalid, inoperative or unenforceable to any extent whatever.

15. *Business Day*. For purposes of this Contract, "business day" means any day other than (a) a Saturday or Sunday, (b) a day on which the District or the Paying Agent is required by law to close, or (c) a day on which banks located in the city of the principal office of the Paying Agent is located are required by law to close.

16. *Section Headings*. Section headings have been inserted in this Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Contract and will not be used in the interpretation of any provisions of this Contract.

17. *Counterparts*. This Contract may be executed in several counterparts, each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

If you agree with the foregoing, please sign the enclosed counterpart of this Contract and return it to the Underwriters. This Contract shall become a binding agreement between you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

RBC DAIN RAUSCHER INC., as
Representative of the Underwriters

By: _____
Roderick A. Carter
Managing Director

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

COUNTY OF LOS ANGELES

By: _____
Mark J. Saladino
Treasurer and Tax Collector

Approved as to form:

OFFICE OF THE COUNTY COUNSEL

By: _____
Deputy County Counsel

RIO HONDO COMMUNITY COLLEGE DISTRICT

By: _____
President

**Schedule I**

**MATURITY SCHEDULE**

| Year (July 1) | Principal | Interest Rate | Yield |
|---|---|---|---|

$_____ _____% Term Bonds due _____ 1, 20__ – Priced to Yield _____%

## APPENDIX A

## FORM OF COUNTY COUNSEL OPINION

[Closing Date]

Rio Hondo Community College District
3600 Workman Mill Road
Whittier, California 90601
Attention: Superintendent

RBC Dain Rauscher Inc.
777 South Figueroa Street, Suite 850
Los Angeles, CA 90071

Re: Rio Hondo Community College District 2004 General Obligation Bonds, 2004 Election, Series A

Ladies and Gentlemen:

This opinion is rendered and delivered in connection with the issuance by the Board of Supervisors of the County of Los Angeles (the "County") on behalf of the Rio Hondo Community College District (the "District") of $_____ aggregate principal amount of bonds designated "Rio Hondo Community College District 2004 General Obligation Bonds, Election of 2004, Series 2004A" (collectively, the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County of Los Angeles, California (the "County") adopted _____, 2004 (the "County Resolution"), at the request of the District made pursuant to a resolution adopted _____, 2004, by the District (the "District Resolution").

In rendering this opinion, we have examined the County Resolution, the Contract of Purchase dated May ___, 2004 (the "Contract"), among the District, the County and RBC Dain Rauscher Inc., as Representative of the Underwriters, 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:

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

The County Resolution approving and authorizing the execution, sale and delivery of the Contract and the issuance of the Bonds was duly adopted at a meeting of the Board of Supervisors 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;

## TERMS OF REDEMPTION

[to come]

## TABLE OF ACCRETED VALUES

[to come]

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public agency or body pending or, to the best knowledge of County Counsel, 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 or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, the 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 Contract; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds;

The 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 Contract will constitute the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought and by the limitations on legal remedies imposed on actions against counties in the State;

With respect to the opinions we have expressed above, enforcement of the rights and obligations under the County Resolution, the Purchase Agreement 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 Agreement or the Bonds.

Very truly yours,

RAYMOND FORTNER
Chief Deputy County Counsel

By:
SHEILAH CURTIS
Principal Deputy County Counsel
Management Services Division