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WILLIAM T FUJIOKA
**Chief Executive Officer**

**Board of Supervisors**
**GLORIA MOLINA**
**First District**

**YVONNE B. BURKE**
**Second District**

**ZEV YAROSLAVSKY**
**Third District**

**DON KNABE**
**Fourth District**

**MICHAEL D. ANTONOVICH**
**Fifth District**

August 21, 2007

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:

**DEPARTMENT OF TREASURER AND TAX COLLECTOR:**
**ISSUANCE AND SALE OF**
**ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT**
**GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES C**
**(FIFTH DISTRICT) (3 VOTES)**

## IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the Resolution authorizing the issuance and sale of general obligation bonds of the Antelope Valley Community College District (the "District") in an aggregate principal amount of not to exceed $109,000,000.

## PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The governing board of the District adopted a resolution on July 9, 2007 and determined that the District needs to borrow funds in an aggregate principal amount of not to exceed $109,000,000 to be used for authorized purposes.

On November 2, 2004, an election was held whereby voters residing in the District approved a ballot measure authorizing the District to issue $139,000,000 in general obligation bonds to fund various capital improvements. The District has previously issued $30,000,000 of bonds authorized under this bond measure.

Pursuant to Section 15100 et seq. **of the California Education Code, the Board** of Supervisors is responsible for offering the District's bonds for sale. Such bonds are to be issued in the name and on behalf of such school district by the Board of Supervisors of the County following receipt of the district resolution requesting such borrowing.

**Implementation of Strategic Plan Goals**

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

**FISCAL IMPACT/FINANCING**

There will be no fiscal impact to the County.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Resolution provides for issuance of bonds at an interest rate not to exceed the maximum rate permitted by law. The final structure will be determined at the time of pricing to achieve the lowest cost of financing within the limits of the proposition's tax levy. The final maturity of the bonds will not exceed twenty-five (25) years. Provisions for optional redemption of the bonds will be described in the Purchase Contract.

The Resolution provides for the negotiated sale of the bonds to the underwriter, with participation by the Treasurer and Tax Collector in pricing the bonds. The District has selected UBS Securities LLC as underwriter, and the firm of Stradling Yocca Carlson & Rauth as bond counsel. U.S. Bank National Association will be appointed as the paying agent.

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

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

Not Applicable.

**CONCLUSION**

Upon approval of this Resolution, the Treasurer and Tax Collector will need two (2) originally executed copies of the adopted Resolution.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:LN:MJS
LM:dc

Attachments (3)

c: Treasurer and Tax Collector
Auditor-Controller
County Counsel
Antelope Valley Community College District
Los Angeles County Office of Education
Stradling Yocca Carlson & Rauth
U.S. Bank National Association

Antelope Valley.bl

A RESOLUTION OF THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT (KERN AND LOS ANGELES COUNTIES, CALIFORNIA) GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES C, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ONE HUNDRED NINE MILLION DOLLARS ($109,000,000).

**WHEREAS**, a duly called election was held in the Antelope Valley Community College District (the "District"), Kern and Los Angeles Counties, State of California on November 2, 2004 (the "Election") and thereafter canvassed pursuant to law; and

**WHEREAS**, at such election there was submitted to and approved by the requisite fifty-five percent 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 $139,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization"); and

**WHEREAS,** Article 2 of Chapter 2 of Part 9 of Division 1 of Title 1 of the California Education Code provides for the levying and collection of such taxes for community college districts situated within two or more counties; and

**WHEREAS**, pursuant to Chapter 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code (the "Act"), bonds are authorized to be issued for the purposes set forth in the ballot submitted to voters; and

**WHEREAS**, on April 12, 2005, the Board of Supervisors of the County of Los Angeles issued in the name of the District $30,000,000 aggregate principal amount of a first series of bonds pursuant to the Authorization entitled the "Antelope Valley Community College District, Kern and Los Angeles Counties, California, General Obligation Bonds, Election of 2004, Series A"; and

**WHEREAS**, the District may concurrently issue its "Antelope Valley Community College District, Kern and Los Angeles Counties, California, General Obligation Bonds, Election 2004 Series B" (the "Series B Bonds") pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), such that the combined issuance of Series B Bonds and Series C Bonds will not exceed $109,000,000; and

**WHEREAS,** the County of Los Angeles (the "County") Board of Supervisors (the "County Board") has received a resolution (the "District Resolution") adopted by the governing board of the District (the "District Board") on July 9, 2007 which requests the County Board to issue a series of such bonds in an aggregate principal amount of not to exceed $109,000,000 designated as "Antelope Valley Community College District, Kern and Los Angeles Counties, California, General Obligation Bonds, Election of 2004, Series C" (the "Bonds");

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

**SECTION 1.** **Purpose of Bonds**. To raise money for the purposes authorized by voters of the District at the Election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the County Board authorizes the issuance of the Bonds in the name of the

District.

**SECTION 2.** **Terms and Conditions of Sale**. The Treasurer, as defined below, is hereby authorized to negotiate the sale of the Bonds in consultation with the District President/Superintendent or Vice President, Business Services. The Bonds shall be sold pursuant to the terms and conditions set forth in the form of Contract of Purchase, as described below.

**SECTION 3.** **Approval of Contract of Purchase**. The form of Contract of Purchase (the "Contract of Purchase") by and among the County, the District and UBS Securities LLC (the "Underwriter"), for the purchase and sale of the Bonds, substantially in the form attached, is hereby approved and the Treasurer and Tax Collector of the County or any authorized deputy thereof (the "Treasurer") is hereby authorized to execute and deliver the Contract of Purchase, and either the Superintendent/President or the Vice President, Business Services of the District is hereby requested to acknowledge the execution of such Contract of Purchase, with such changes therein, deletions therefrom and modifications thereto as the Treasurer may approve, such approval to be conclusively evidenced by his execution and delivery thereof; provided, however, that the true interest cost on the Bonds shall not exceed 7% and the Underwriter's discount, excluding original issue discount and reimbursable expenses, thereon shall not exceed 1% of the aggregate of principal amount of Bonds issued. The Treasurer is further authorized to determine the principal amount of the Bonds to be specified in the Contract of Purchase for sale by the County Board up to $109,000,000 and to enter into and execute the Contract of Purchase with the Underwriter, if the conditions set forth in this Resolution are satisfied. The County Board hereby approves the sale of the Bonds at a negotiated sale, which the District Board has determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriter to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. The District Board estimates that the costs associated with the issuance of the Bonds, including compensation to the Underwriter and any such costs which the Underwriter agrees to pay pursuant to the Purchase Contract, will equal approximately 2.5% of the principal amount of the Bonds.

**SECTION 4.** **Certain Definitions**. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

(a) **"Accreted Interest"** means, with respect to the Capital Appreciation Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

(b) **"Accreted Value"** means with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1 (commencing on February 1, 2008 (unless otherwise provided in the Purchase Contract)) at the stated Accretion Rate to maturity thereof, 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.

(c) **"Accretion Rate"** means, unless otherwise provided by the Purchase Contract, that rate which, when applied to the Denominational Amount of any Capital Appreciation Bond and compounded semiannually on each February 1 and August 1

(commencing on February 1, 2008), produces the Maturity Value on the maturity date.

(d) **"Bond Insurer"** means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal and Maturity Value of and interest on the Bonds.

(e) **"Bond Payment Date"** means (unless otherwise provided by the Purchase Contract), with respect to the Current Interest Bonds, February 1 and August 1 of each year commencing February 1, 2008 with respect to the interest on the Current Interest Bonds and August 1, of each year commencing August 1, 2008 with respect to the principal payments on the Current Interest Bonds, and, with respect to the Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

(f) **"Bond Registrar"** means the Treasurer and his designated agent or his successor or assignee, 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 Bond Registrar under this Resolution.

(g) **"Capital Appreciation Bonds"** means the Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Value for such Bonds in the Purchase Contract.

(h) "**Chair of the Board of Supervisors**" shall mean the Chair, Chairperson, Chairman or Mayor of the Board of Supervisors of the County of Los Angeles.

(i) **"Continuing Disclosure Certificate"** means that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

(j) **"Current Interest Bonds"** means the Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

(k) **"Denominational Amount"** means, with respect to the Capital Appreciation Bonds, the initial principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.

(l) **"Depository"** means the securities depository acting as Depository pursuant to Section 5(c) hereof.

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

(n) **"Information Services"** means Financial Information, Inc.'s Financial Daily Called Bond Service; Moody's Municipal and Government; or Standard & Poor's J. J. Kenny Information Services Called Bond Service.

(o) **"Maturity Value"** means the Accreted Value of any Capital Appreciation

Bond on its maturity date.

(p) **"Nominee"** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 5(c) hereof.

(q) **"Owner"** means the registered owner of a Bond as set forth on the registration books maintained by the Paying Agent pursuant to Section 7 hereof.

(r) **"Participants"** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(s) **"Principal"** or **"Principal Amount"** means, with respect to any Current Interest Bond, the principal or principal amount thereof and, with respect to any Capital Appreciation Bond, the Denominational Amount.

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

(u) **"Securities Depositories"** means The Depository Trust Company, 55 Water Street, New York, New York 10041, Tel: (212) 855-1000 or Fax: (212) 855-7320.

(v) **"Term Bonds"** means those Bonds for which mandatory redemption dates have been established in the Purchase Contract.

(w) **"Transfer Amount"** means, with respect to any Outstanding Current Interest Bond, the Principal Amount and, with respect to any Capital Appreciation Bond, the Maturity Value.

(x) **"Treasurer"** means the Treasurer and Tax Collector of the County of Los Angeles or any authorized deputy thereof.

**SECTION 5. Terms of the Bonds.** (a) Denomination, Interest, Dated Dates. The Bonds shall be issued as Bonds registered as to both principal and interest, in the denominations of, with respect to the Current Interest Bonds, Five Thousand Dollars ($5,000) Denominational Amount or any integral multiple thereof (except for one odd denomination), and with respect to the Capital Appreciation Bonds, Five Thousand Dollars ($5,000) Maturity Value, or any integral multiple thereof.

Each Capital Appreciation Bond shall be dated, and shall accrete interest from, its date of date of delivery unless otherwise set forth in the Purchase Contract. Capital Appreciation Bonds will not bear interest on a current basis.

Each Current Interest Bond shall be dated their date of delivery or such date as shall appear in the Purchase Contract (the "Dated Date"), and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2008, in which event it shall bear interest from the Dated Date. Interest on the Current Interest Bonds shall be calculated on the basis of a 360-day year of

twelve 30-day months.

The Bonds shall bear interest or accrete interest at a rate or rates such that the interest rate or maximum interest cost shall not exceed the maximum rate permitted by law. Interest shall be payable on the respective Bond Payment Dates.

The Capital Appreciation Bonds shall mature in the years and shall be issued in the aggregate Denominational Amount set forth in the Purchase Contract and the Official Statement and shall have an Accretion Rate and shall have Denominational Amounts per each Five Thousand Dollars ($5,000) in Maturity Value as shown in the Accreted Value table attached to the Purchase Contract.

(b) Redemption.

(i) Optional Redemption. The Bonds shall be subject to optional redemption prior to maturity as provided in the Purchase Contract.

(ii) Mandatory Redemption. Any Bonds sold as Term Bonds shall be subject to mandatory redemption from monies in the Debt Service Fund established in Section 11 hereof prior to their stated maturity date, at the Principal Amount or Accreted Value thereof, as applicable, without premium on each August 1, in the years and in the amounts as set forth in the Purchase Contract.

(iii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the optional redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Bond Registrar, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Bond Registrar shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Bond Registrar 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 integral multiples of the Accreted Value per $5,000 Maturity Value thereof.

(iv) Notice of Redemption. When redemption is authorized or required pursuant to this resolution, the Bond Registrar, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Bond Registrar, the redemption price, the CUSIP numbers (if any) assigned to the Bonds to be redeemed, the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and the date of delivery, interest rate or Accretion 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 thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

The Bond Registrar 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 registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depositories.

(c) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Neither 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 Bond Registrar for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(v) Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Bond Registrar 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.

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

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 5(b) hereof, together with interest accrued to such redemption date, shall be held by the Bond Registrar 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 or accrete and become payable. All money held by or on behalf of the Bond Registrar for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 5 shall be cancelled upon surrender thereof and be 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 Bond Registrar.

(vii) Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Bond Registrar, in form satisfactory to it, and sufficient

moneys shall be held by the Bond Registrar irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, in the case of Current Interest Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Bond Registrar for cancellation.

(c) Book-Entry System.

(i) Definitions. As used in this Section, the terms set forth below shall have the meanings ascribed to them:

"Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section.

"Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(ii) Election of Book-Entry System. The Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination (except for any odd denomination Capital Appreciation Bond). The ownership of each such Bond shall be registered in the Bond Register (as defined below) in the name of the Nominee, as nominee of the Depository and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 5(c)(ii)(4).

With respect to book-entry Bonds, the District and the Bond Registrar shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the District and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an owner as shown in the Bond Register, of any notice with respect to book-entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be prepaid in the event the District redeems the Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Accreted Value, Principal, premium, if any, or interest on the book-entry Bonds. The District and the Bond Registrar may treat and consider the person in whose name each book-entry Bond is registered in the Bond Register as the absolute owner of such book-entry Bond for the purpose of payment of Accreted Value or Principal of and premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all Accreted Value or Principal of and premium, if any, and interest on the Bonds only to or upon the order of the respective owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Accreted Value or Principal of, and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Accreted Value or Principal of, and premium, if any, and interest on the Bonds. Upon delivery by the Depository to the owner and the Bond Registrar, of written notice to the effect that the Depository has determined to substitute a new

nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository's book-entry system, the District shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Bond Registrar any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the owners, as shown on the Bond Register. By executing a Letter of Representations, the Bond Registrar shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such book-entry Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 5(c).

3. Payments to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all outstanding Bonds are held in book-entry and registered in the name of the Nominee, all payments with respect to Accreted Value or Principal of and premium, if any, or interest on the Bonds and all notices with respect to such Bonds shall be made and given, respectively to the Nominees, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Bond Registrar notwithstanding any inconsistent provisions herein.

4. Transfer of Bonds to Substitute Depository.

(A) The Bonds shall be initially issued as described in this Resolution. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 5(c)(ii)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository designated by the District, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor)

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

(3) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 5(c)(ii)(4)(A)(1) or (2), upon receipt of all outstanding Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 5(c)(ii)(4)(A)(3), upon receipt of all outstanding Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Bond Registrar shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the Maturity Value or Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in Maturity Value or Principal, in form acceptable to the Bond Registrar, all in accordance with the Letter of Representations. The Bond Registrar shall not be liable for such Depository's failure to make such notations or errors in making such notations.

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

**SECTION 6. <u>Execution of Bonds</u>**. The Bonds shall be signed by the Chair of the County Board and the Treasurer by their manual or facsimile signatures and countersigned by the manual or facsimile signature of and the seal of the County affixed thereto by the Executive Officer-Clerk of the Board of Supervisors, all in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the

certificate of authentication printed on the Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

**SECTION 7. Bond Registrar; Transfer and Exchange.** This Board does hereby appoint the Treasurer to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Bonds. The Treasurer is authorized to contract with any third party to perform the services of Bond Registrar under this Resolution.

So long as any of the Bonds remains outstanding, the Bond Registrar shall maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 8 below, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal or Accreted Value of and premium, if any, and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Bond Registrar, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the principal office of the Bond Registrar together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer, the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

If any Bond shall become mutilated, the County, at the expense of the Owner of said Bond, shall execute, and the Bond Registrar shall thereupon authenticate and deliver, a new Bond of like series, tenor and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Bond Registrar of the Bond so mutilated. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Bond Registrar and, if such evidence be satisfactory to the Bond Registrar and indemnity for the Bond Registrar, the County and the District satisfactory to the Bond Registrar shall be given by the owner, the County, at the expense of the Bond owner, shall execute, and the Bond Registrar shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Bond Registrar may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Bond Registrar). The Bond Registrar may require payment of a reasonable fee for each new Bond issued under this paragraph and of the expenses which may be incurred by the County and the Bond Registrar.

If manual signatures on behalf of the County are required in connection with an exchange or

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

Any Bond surrendered to the Bond Registrar for payment, retirement, exchange, replacement or transfer shall be cancelled by the Bond Registrar. The District and the County may at any time deliver to the Bond Registrar for cancellation any previously authenticated and delivered Bonds that the District and the County may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Bond Registrar.

Neither the District, the County nor the Bond Registrar will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th day of the month next preceding any Bond Payment Date or the 15th day preceding any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

**SECTION 8. Payment.** Payment of interest on any Current Interest Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Bond Registrar as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Bond Registrar for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount or Maturity Value of One Million Dollars ($1,000,000) or more may request in writing to the Bond Registrar that such Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date. The principal, and redemption premiums, if any, payable on the Current Interest Bonds and the Accreted Value and redemption premiums, if any, on the Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Bond Registrar. The interest, Accreted Value, Principal and premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Bond Registrar is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District and do not constitute an obligation of the County except as provided in this Bond Resolution. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

**SECTION 9. Form of Bonds.** The Bonds shall be in substantially the following form, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution, and the Purchase Contract.

(Form of Current Interest Bond)

REGISTERED
NO.

REGISTERED
$

ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT
(KERN COUNTY AND LOS ANGELES COUNTY, CALIFORNIA)
GENERAL OBLIGATION BOND, ELECTION OF 2004, SERIES C

| INTEREST RATE: | MATURITY DATE: | DATED AS OF: | CUSIP |
|---|---|---|---|
| ___% per annum | August 1, ____ | Date of Delivery | |

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Antelope Valley Community College District (the "District") in Kern County and Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing February 1, 2008. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2008, in which event it shall bear interest from its Dated Date. Interest on this bond shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond is registered (the "Registered Owner") on the Register maintained by the Bond Registrar, initially the Treasurer and Tax Collector of Los Angeles County. Principal is payable upon presentation and surrender of this bond at the principal office of the Bond Registrar. Interest is payable by check or draft mailed by the Bond Registrar on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current Interest Bonds in the aggregate principal amount of One Million Dollars ($1,000,000) or more may request in writing to the Bond Registrar that the Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date.

This bond is one of an authorization of $_____ of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the Election, defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent vote of the electors of the District cast at an election held on November 2, 2004 (the "Election"), upon the question of issuing bonds in the amount of $139,000,000 and the resolution of the Board of Trustees of the District adopted on July 9, 2007 and the resolution of the County Board of Supervisors adopted on _____, 2007 (the "Bond Resolution"). This bond and the issue of

which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District and do not constitute an obligation of the County except as provided in the Bond Resolution. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

The bonds of this issue comprise $_____ principal amount of Current Interest Bonds, of which this bond is a part (a "Current Interest Bond") and Capital Appreciation Bonds of which $_____ represents the Denominational Amount and $_____ represents the Maturity Value.

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

Neither the District, the County nor the Bond Registrar will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th day of the month next preceding any Bond Payment Date or the 15th day preceding any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 20__ are subject to redemption on or after August 1, 20__ at the option of the District as a whole or in part on any date, at a redemption price equal to 100% of the Principal Amount of the Current Interest Bonds called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

The Current Interest Bonds maturing on August 1, 20__ are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

| Redemption Date (August 1) | Principal Amount |
|---|---|
| 20__ | |
| 20__ | |
| 20__ | |
| 20__[1] | |
| TOTAL | $ |

[1] Final Maturity

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of Five Thousand Dollars ($5,000) or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this Series, the rights, duties and obligations of the District, the County, the Bond Registrar and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

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

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

COUNTY OF LOS ANGELES, CALIFORNIA

By: _____
Chairman of the Board of Supervisors

COUNTERSIGNED:

_____
Executive Officer-Clerk of the Board of Supervisors

By: _____
Treasurer and Tax Collector

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2007.

TREASURER AND TAX COLLECTOR OF
LOS ANGELES COUNTY

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

By: _____
Authorized Signatory

## ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee):

_____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____ _____

Signature Guaranteed:

_____

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

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

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

(Form of Capital Appreciation Bond)

REGISTERED NO. | REGISTERED $

ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT
(KERN COUNTY AND LOS ANGELES COUNTY, CALIFORNIA)
GENERAL OBLIGATION BOND, ELECTION OF 2004, SERIES C

| ACCRETION RATE: | MATURITY DATE: | DATED AS OF: | CUSIP |
|---|---|---|---|
| | August 1, ____ | Date of Delivery | |

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The Antelope Valley Community College District (the "District") in Kern County and Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing on February 1, 2008, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denomination Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond is registered (the "Registered Owner") on the Register maintained by the Bond Registrar, initially the Treasurer and Tax Collector of Los Angeles County. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Bond Registrar.

This bond is one of an authorization of $_____ of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the Election, as defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent vote of the electors of the District cast at an election held on November 2, 2004 (the "Election"), upon the question of issuing bonds in the amount of $139,000,000 and the resolution of the Board of Trustees of the District adopted on July 9, 2007 and the resolution of the County Board of Supervisors adopted on __, 2007 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

The bonds of this issue comprise $_____ principal amount of Current Interest Bonds (each a "Current Interest Bond") and Capital Appreciation Bonds, of which this bond is a part, in the

Denominational Amount of $_____ and the Maturity Value of $_____.

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

Neither the District, the County nor the Bond Registrar will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th day of the month next preceding any Bond Payment Date or the 15th day preceding any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Capital Appreciation Bonds maturing on August 1, 20__ are subject to mandatory redemption prior to their stated maturity date, at the Accreted Value thereof without premium on each August 1 on and after August 1, 20__, in the Accreted Value as set forth in the following

| **Redemption Dates** | **Accreted Values** |
|---|---|
| August 1, 20__ | $ |
| August 1, 20__ | |
| August 1, 20__ | |
| August 1, 20__ (final maturity) | |
| TOTAL | $ |

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Capital Appreciation Bonds of this Series, the rights, duties and obligations of the District, the County, the Bond Registrar and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

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

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

**COUNTY OF LOS ANGELES, CALIFORNIA**

By: _____
Chairman of the Board of Supervisors

**COUNTERSIGNED**:

_____
Executive Officer-Clerk of the Board of Supervisors

_____
Treasurer and Tax Collector

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____ __, 2007.

TREASURER AND TAX COLLECTOR OF LOS ANGELES COUNTY

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

By: _____
Authorized Signatory

## ASSIGNMENT

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

Dated: _____ _____

Signature Guaranteed:

_____

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

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

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

**SECTION 10. Delivery of Bonds.** The proper officials of the County shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered to the original purchaser upon payment of the purchase price therefor.

**SECTION 11. Deposit of Proceeds of Bonds.** The proceeds from the sale of the Bonds, to the extent of the Denominational Amount and the Principal Amount thereof, shall be paid to the County to the credit of the fund to be created and established and to be known as the "Antelope Valley Community College District General Obligation Bonds, Election of 2004, Series C Building Fund" (the "Building Fund") of the District, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued and provided further that such proceeds shall be applied solely to the purposes of the Election. The County shall have no responsibility for assuring the proper use of the Bond proceeds by the District. The accrued interest and any premium received by the District from the sale of the Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Antelope Valley Community College District General Obligation Bonds, Election of 2004, Series C Debt Service Fund" (the "Debt Service Fund") for the Bonds and used only for payment of Accreted Value or Principal of and interest on the Bonds. Interest earnings on monies held in the Building Fund shall be retained in the Building Fund. Interest earnings on monies held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued, upon written notice from the District, shall be transferred to the Debt Service Fund and applied to the payment of Accreted Value or Principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess funds, any such excess amounts shall be transferred to the General Fund of the District. Costs associated with the issuance of the Bonds shall be paid by the District from moneys deposited in the Building Fund or by the Underwriter, on behalf of the District, from premium paid on the Bonds and not received by the County.

Subject to federal tax restrictions, monies in the funds created hereunder shall be invested in any lawful investment permitted by Sections 16429.1 and 53601 of the Government Code of the State of California (the "Government Code") or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code.

Except as required below to satisfy the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used by the County to pay the Accreted Value or principal of and interest on the Bonds when due.

**SECTION 12. Rebate Fund.**

(a) The District shall create and establish a special fund designated the "Antelope Valley Community College District General Obligation Bonds, Election of 2004, Series C Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District.

(b) Within forty-five (45) days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Treasury Regulations, using as the "computation date" for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the "rebate amount" so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the "rebate amount" calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section. The District shall not be required to calculate the "rebate amount" and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Bonds (including amounts treated as proceeds of the Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a "bona fide debt service fund." In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the "rebate amount" and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than sixty (60) days after the end of (i) the fifth (5th) Bond Year, and (ii) each fifth (5th) Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the "rebate amount" calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than sixty (60) days after the payment of all Bonds, an amount equal to one hundred percent (100%) of the "rebate amount" calculated as of the date of such payment (and any income attributable to the "rebate amount" determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the "rebate amount" calculated in accordance with said subsection, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) The District shall retain records of all determinations made hereunder until six years after the complete retirement of the Bonds.

(i) Notwithstanding anything in this Resolution to the contrary, the rebate Requirement shall survive the payment in full or defeasance of the Bonds.

**SECTION 13. Security for the Bonds.** The Boards of Supervisors of the counties shall annually levy, in addition to all other taxes, a continuing direct *ad valorem* tax on all taxable property in the District during the period the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due, which monies when collected will be placed in the Debt Service Fund of the District, which fund is irrevocably pledged for the payment of the principal of and interest on the Bonds when and as the same fall due.

**SECTION 14. Arbitrage Covenant.** The County acknowledges that the District has covenanted that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

**SECTION15. Conditions Precedent.** Based in part on representations of the District, this Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith, credit and revenues of the District are pledged for the timely payment of the principal of and interest on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

**SECTION 16. Insurance.** In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the principal, interest or Accreted Value on the Bonds, it shall become the owner of such Bonds with the right to payment of principal, interest or Accreted Value on the Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Bond Registrar shall note the Bond Insurer's rights as subrogee on the registration books for the Bonds maintained by the Bond Registrar upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due principal or Accreted Value, the Bond Registrar shall note the Bond Insurer as subrogee on the registration books

for the Bonds maintained by the Bond Registrar upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**SECTION 17. Defeasance.** All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with the County or with an independent escrow agent selected by the District, and satisfactory to the County, an amount of cash which together with amounts then on deposit in the Debt Service Fund (as defined herein) is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal and interest and premium, if any; or

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

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

For purposes of this Section, Government Obligations shall mean:

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

**SECTION 18. Amendments.** The County may from time to time (which may be at the request of the District, made in writing), and at any time, without notice to or consent of any of the

Owners, by action of the County Board, amend the provisions of this Resolution for any of the following reasons:

(a) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or therein, or to make any other provision with respect to matters or questions arising under this Resolution, provided that such action shall not adversely affect the interests of the Bond owners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in this Resolution which are not contrary to or inconsistent with this Resolution as theretofore in effect; and

(c) to modify, alter, amend or supplement this Resolution in any other respect which is not materially adverse to the Bond owners.

In the event of any such amendment, the County shall promptly provide the District and the paying agent with copies of such amendment and the action of the County Board approving such amendment.

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

**SECTION 20. Continuing Disclosure.** The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section.

**SECTION 20. Unclaimed Funds.** Notwithstanding any other provisions of this Resolution, any monies held in any fund created pursuant to this Resolution, or by the Bond Registrar in trust, for the payment of the principal of, redemption premium, if any, interest in Maturity Value on the Bonds and remaining unclaimed for one year after the principal of all of the Bonds have become due and payable (whether by maturity or upon prior redemption) shall be, after payment in full of the Bonds, transferred to the general fund of the District to be applied in accordance with law; provided, however, that the Bond Registrar, before making such payment, shall cause notice to be mailed to the Owners of all Bonds that have not been paid, by first-class mail at the addresses on the Bonds Register, postage prepaid, no less than 90 days prior to the date of such payment. Thereafter, the District shall have all responsibility and liability for the payment of such Bonds.

**SECTION 21. Effective Date.** This Resolution shall take effect immediately upon its passage.

The foregoing resolution was on the __th day of August, 2007, 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.

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

By: _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

By: _____
Principal Deputy County Counsel

**$_____**
**ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT**
**(Kern and Los Angeles Counties, California)**
**General Obligation Bonds, Election of 2004, Series C**

**PURCHASE CONTRACT**

August__, 2007

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

Antelope Valley Community College District
Board of Trustees
3041 West Avenue K
Lancaster, California 93536

Ladies and Gentlemen:

UBS Securities LLC (the "Underwriter") offers to enter into this Purchase Contract (the "Purchase Contract") with the County of Los Angeles, California (the "County"), and the Antelope Valley Community College District (the "District") which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the County and the District and delivery of such acceptance to the Underwriter at or prior to 11:59 P.M., California Time, on the date hereof.

1. Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of $_____ in aggregate principal amount of the District's General Obligation Bonds, Election of 2004, Series C (the "Bonds"). The Bonds shall bear interest at the rates and shall mature in the years shown on APPENDIX A hereto, which is incorporated herein by this reference. The Underwriter shall purchase the Bonds at a price of $_____ (consisting of the principal amount of the Bonds $_____, plus net original issue premium of $_____, less Underwriter's discount of $_____, less $_____ to be retained by the Underwriter and used to pay the bond insurance premium, and less $_____ to be retained by the Underwriter and used to pay the other costs of issuing the Bonds as provided in Section 15).

Inasmuch as this purchase and sale represents a negotiated transaction, the District understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the District, but rather is acting solely in its capacity as Underwriter, for its own account. The Underwriter has been duly authorized to execute this Purchase Contract and to act hereunder.

**2. The Bonds.** The Bonds shall be dated the date of their original delivery. The Bonds shall mature on August 1 in the years shown in Appendix A hereto, except as provided herein, and shall otherwise be as described in the Official Statement (as defined below), and shall be issued and secured under the provisions of the resolution of the District adopted on July 9, 2007 (the "District Resolution"), the resolution of the Board of Supervisors of the County adopted on _____ __, 2007 (the "County Resolution" and together with the District Resolution, the "Resolutions"), and Chapter 1.5 of Part 10, Division 1, Title 1 of the Education Code of the State of California (the "Bond Law") and other applicable provisions of law.

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

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

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

**5. Preliminary and Final Official Statement; Continuing Disclosure.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated August__, 2007 (the "Preliminary Official Statement"). The District represents that it deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), yield(s) to maturity, selling compensation, aggregate principal amount and maturity value, denominational amount and maturity value per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and under Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12").

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

**6. Closing.** At 8:00 A.M., Pacific time, on ____, 2007, or at such other time or on such other date as are mutually agreed upon by the County, District, and Underwriter, (the "Closing Date"), the County and the District will deliver to the Underwriter (except as otherwise provided in the Resolutions), at the offices of The Depository Trust Company ("DTC") in New York, New York, or at such other place as the County, District, and Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and in San Francisco, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to the account of the County.

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

(a) Due Organization. The District is a community college district duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds under the Bond Law.

(b) Due Authorization. (i) On or before the Closing Date, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Contract and the Continuing Disclosure Certificate, to adopt the District Resolution, to perform its obligations under the District Resolution and the County Resolution; and (iii) this Purchase Contract and the Continuing Disclosure Certificate constitute valid and legally binding obligations of the District.

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

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

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

(f) Litigation. No action, suit, proceeding, hearing or investigation is pending against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several officers of the District required to execute any documents or certificates in connection with the delivery of the Bonds or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of taxes of the District pledged or to be pledged or available to pay the principal and maturity value of and interest on the Bonds, or the pledge thereof, or, the levy of any taxes contemplated by the Resolutions, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract, the Continuing Disclosure Certificate or the Resolutions or contesting the powers of the District or its authority with respect to the Bonds, the Resolutions, or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Contract, the Continuing Disclosure Certificate or the Resolutions, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

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

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

(i) Continuing Disclosure. The District has never failed to comply in all material respects with any prior undertakings under Rule 15c2-12(b)(5). Further, at or prior to the Closing, the District shall have duly authorized, executed and delivered a continuing disclosure certificate (the "Continuing Disclosure Certificate") on behalf of each obligated person for which financial and/or operating data is presented in the Official Statement. The Continuing Disclosure Certificate shall comply with the provisions of Rule 15c 2-12(b)(5) and be substantially in the form attached to the Official Statement in Appendix C.

(j) Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

(k) Levy of Tax. The District hereby agrees to take any and all actions as may be required by the County, and Kern County or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide the following to the Auditor-Controller and Treasurer and Tax Collector of the County, and the Auditor and Treasurer and Tax Collector of Kern County, all in accordance with and to the extent required by Education Code Section 15140(c): (A) a copy of the Bond Resolution, (B) a copy of Appendix A hereto, and (C) the full debt service schedule for the Bonds.

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

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

(b) Due Authorization. (i) On or before the Closing Date, 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 Purchase Contract, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument; and (iii) this Purchase Contract constitutes a valid and legally binding obligation of the County.

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

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

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

(f) Official Statement Accurate and Complete. The section of the Preliminary Official Statement entitled "Los Angeles County Investment Pool," at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the section of the final Official Statement entitled "Los Angeles County Investment Pool" did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

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

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

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

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

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

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

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the 7th business day following the date this Purchase Contract is signed, and in sufficient time to accompany any confirmation that requests payment from a customer, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as are accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the "Official Statement") in such quantities (including a representative number of originally executed copies) as may be requested by the

Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the Municipal Securities Rulemaking Board;

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

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

(f) Amendments to Official Statement. For a period of 90 days after the Closing Date or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale, the District will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing or which shall be disapproved by the Underwriter (the Underwriter's approval of such amendment or supplement shall not be unreasonably withheld); and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, the District shall forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time such supplemental Official Statement is delivered to a purchaser, not misleading.

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

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

(b) Obligations Performed. As of the Closing Date, (i) the Official Statement, this Purchase Contract and the Resolutions are in full force and effect and have been amended, modified or supplemented except as are agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, bond counsel ("Bond Counsel"), are necessary in connection with the transactions contemplated hereby have been duly taken and

are in full force and effect; and (iii) the District has performed all of its obligations required under or specified in the Resolutions, this Purchase Contract or the Official Statement to be performed at or prior to the Closing Date.

(c) Adverse Rulings. No decision, ruling or finding has been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened which would constitute a ground for termination of this Purchase Contract by the Underwriter, which contests in any way the completeness or accuracy of the Official Statement.

(d) Delivery of Documents. On or before the Closing Date, Bond Counsel must deliver sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the Closing Date, addressed to the District, in substantially the form appended to the Official Statement;

(2) Supplemental Opinion of Bond Counsel. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter, dated as of the Closing Date, substantially to the following effect:

(i) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions "INTRODUCTION," "THE BONDS" (excluding any and all information contained under the subheadings " -Bond Insurance"), "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS," "LEGAL MATTERS," and "TAX MATTERS," to the extent they purport to summarize certain provisions of the Resolution, the Continuing Disclosure Certificate and California law or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical data, information concerning the Depository Trust Company or related to its book-entry only system, or any information concerning the Insurer or the Policy (as such terms are defined in the Official Statement) contained therein;

(ii) This Purchase Contract has been duly authorized, executed and delivered by the District and constitutes a valid, legal and binding agreement of the District enforceable in accordance with its terms, provided that no opinion need be expressed with regard to the enforceability of the indemnification provisions herein.

(iii) The Bonds, the County Resolution and this Purchase Contract have been duly authorized, executed and delivered by the County and constitute a valid, legal and binding agreements of the County enforceable in accordance with their respective terms, provided that no opinion need be expressed with regard to the enforceability of the indemnification provisions herein.

(iv) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

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

(4) Underwriter's Counsel Opinion. The opinion of _____, ____, California, as counsel to the Underwriter ("Underwriter's Counsel"), in form and substance satisfactory to the Underwriter, addressed to the Underwriter, the County and the District, dated the Closing Date, to the effect that:

(i) during the course of serving as Underwriter's Counsel in connection with the issuance of the Bonds and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, no information came to the attention of the attorneys in such firm rendering legal services in connection with the issuance of the Bonds that would lead them to believe that the Official Statement (excluding therefrom the financial statements, any financial or statistical data, or forecasts, charts, numbers, estimates, projections, assumptions or expressions of opinion included in the Official Statement and the appendices to the Official Statement as to which no opinion need be expressed), as of the date thereof or the Closing Date, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(ii) the Bonds are exempt from registration under the Securities Act of 1933, as amended.

(5) Certificate of the District. A certificate signed by appropriate officials of the District to the effect that (A) such officials are authorized to execute this Purchase Contract; (B) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing; (C) the District has complied with all the terms of the Resolutions and this Purchase Contract which are necessary to be complied with prior to or before the Closing Date and such documents are in full force and effect; (D) the District has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue

statement of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, excepting therefrom those sections of the Official Statement describing the Depository Trust Company and its Book-Entry-Only System, any bond insurance and the provider of such bond insurance, and the investment policies of the County; (E) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the Bond Resolution; and (F) no event concerning the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement thereto, but should be disclosed in order to the make the statements in the Official Statement in light of the circumstances in which they were made not misleading.

(6) Certificate of the County. A certificate signed by appropriate officials of the County to the effect that (A) such officials are authorized to execute the Resolutions and this Purchase Contract; (B) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing; and (C) the County has complied with all the terms of the Resolutions and this Purchase Contract which are necessary to be complied with on or before the Closing Date.

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

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

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

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

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

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

(ii) that the County Resolution was duly.

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

(11) Official Statement. Certificates of the appropriate officials of the District evidencing their determinations respecting the Official Statement in accordance with Rule 15c2-12.

(12) Continuing Disclosure Certificate. A Continuing Disclosure Certificate of the District as summarized in the Official Statement and in a form satisfactory to the Underwriter which complies with S.E.C. Rule 15c2-12(b)(5), in substantially the form appended to the Official Statement.

(13) Evidence of Bond Insurance. A policy of municipal bond insurance issued by _____ insuring the payment of principal and maturity value of and interest on the Bonds together with such opinions and certifications as are reasonably required by Bond Counsel.

(14) Ratings. Evidence that the Bonds have been rated "___" by Moody's Investors Service ("Moody's") and "___" by Standard & Poor's, a Division of The McGraw-Hill Companies ("S&P") (or such other equivalent ratings as such rating agencies may give), based on the policy of municipal bond insurance.

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

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

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

(iii) the certification of the Underwriter, in form satisfactory to Bond Counsel, that the present value of the interest saved as a result of the policy of municipal bond insurance with respect to the Bonds exceeds the premium paid for said insurance, and said premium is not unreasonable.

(16) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence (i) compliance by the County and the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein

contained, and (iii) the due performance or satisfaction by the County and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

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

**12. Underwriter's Right to Terminate.**

(a) Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds have not been delivered by the District to the Underwriter prior to the close of business, Pacific Time, on ____, 2007 then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect.

(b) In addition, the Underwriter has the right to terminate this Purchase Contract, without liability therefor, by notification to the District if at any time at or prior to the Closing, upon the occurrence of any Termination Event described below:

(i) any event occurs which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by any of the following:

(1) an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State of California, or

(2) the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or

(3) the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or

(4) the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the

Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or

(5) any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the District, or the interest on bonds or notes or obligations of the general character of the Bonds; or

(c) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of California, or a decision by any court of competent jurisdiction within the State of California or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(d) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Bond Resolution needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(e) additional material restrictions not in force as of the date hereof are imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter's ability to trade the Bonds; or

(f) a general banking moratorium has been established by federal or State of California authorities; or

(g) there shall have occurred any outbreak of escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Underwriter, impractical or inadvisable to proceed with the offering or delivery of the Bonds as contemplated by the Official Statement (exclusive of any amendment or supplement thereto); or

(h) any rating of the Bonds has been downgraded, suspended or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(i) the commencement of any action, suit or proceeding which, in the judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(j) there is in force a general suspension of trading on the New York Stock Exchange; or there occurs any other event which, in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Bonds at the rates set forth in Appendix A.

**13. Unexcused Failure of Underwriter to Purchase.** If the Underwriter fails to purchase the Bonds for any reason not provided in this Purchase Contract, the District shall be entitled to liquidated damages equal to the present value of the difference between the debt service payments provided for herein and the resulting debt service from a subsequent closing of the Bonds, not to exceed 1% of the principal amount of the Bonds.

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

**15. Costs of Issuance; Expenses.** From the amount retained by the Underwriter pursuant to Section 1 hereof, and only from such amount, the Underwriter shall pay the following expenses up to the amount of $_____: (i) the cost of the preparation and reproduction of the Resolution; (ii) the fees and disbursements of the District's Bond Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for Bond ratings, including all necessary travel expenses; (v) the cost of the printing and distribution of the Official Statement; (vi) the initial fees of the Paying Agent; (vii) the bond insurance premium; (viii) expenses for travel, lodging, and subsistence related to rating agency visits and other meetings connected to the authorization, sale, issuance and distribution of the Bonds; and (ix) all other fees and expenses incident to the issuance and sale of the Bonds. The balance of any costs of issuance not paid by the Underwriter shall be paid by the District. In the event that following payment of (1) the expenses set forth above and (2) the Underwriter's discount as shown in Section 1 hereof, there is any portion of the amount retained by the Underwriter to pay costs of issuance remaining with the Underwriter, the Underwriter shall remit such remaining amount to the District and the District shall deposit such amount into the Debt Service Fund. At the time that all costs of issuance are paid, the Underwriter shall provide the District with a complete accounting of the payments made by the Underwriter and any amounts remaining after all payments have been made. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, travel and other expenses (except those expressly provided above) without limitation. Notwithstanding the above, the District hereby agrees, in the event the purchase and sale of the Bonds does not occur as contemplated hereunder, to reimburse the Underwriter for any costs of travel and lodging in connection with bond rating meetings that are attributable to District personnel.

**16. Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer and Tax Collector of the County of Los Angeles, or if to the District, to the Vice President, Business Services in each case to the address first set forth above; or if to the Underwriter, to UBS Securities LLC, One California Street, Suite 2700, San Francisco, CA 94111, Attention: Jim Roth.

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

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

**19. Non-Assignment**. Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior consent of the other party hereto.

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

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

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

Very truly yours,

UBS SECURITIES LLC

By: _____
Authorized Representative

By: _____
Authorized Representative

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

COUNTY OF LOS ANGELES

By: _____
Treasurer and Tax Collector

ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT

By: _____
Vice President, Business Services

## APPENDIX A

**$_____**
**ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT**
**(Kern and Los Angeles Counties, California)**
**General Obligation Bonds, Election of 2004, Series C**

**$_____ Current Interest Serial Bonds**

| Maturity (August 1) | Principal Amount | Interest Rate | Yield |
|---|---|---|---|

**$_____ ____% Current Interest Term Bonds due August 1, 20__ – Yield ____%**
**$_____ ____% Current Interest Term Bonds due August 1, 20__ – Yield ____%**

**$_____ Capital Appreciation Serial Bonds**

| Maturity (August 1) | Denominational Amount | Accretion Rate | Maturity Value | Reoffering Yield |
|---|---|---|---|---|

**Redemption**

***Optional Redemption.*** The Current Interest Bonds maturing on or before August 1, 20__ are not subject to redemption. The Current Interest Bonds maturing on or after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part on any date, on or after August 1, 20__, at a redemption price equal to the principal amount of the Bonds called for redemption, without premium, together with interest accrued thereon to the date of redemption.

The Capital Appreciation Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their stated maturity dates. The Capital Appreciation Bonds maturing on or after

August 1, 20__ are subject to redemption on or after August 1, 20__at the option of the District as a whole or in part on any date, at a redemption price equal to 100% of the Accreted Value as of the date fixed for redemption of the Capital Appreciation Bonds called for redemption, without premium.

**APPENDIX B**

OPINION OF COUNTY COUNSEL

$_____
ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT
(Kern and Los Angeles Counties, California)
General Obligation Bonds, Election of 2004, Series C

Ladies and Gentlemen

This opinion is rendered as counsel to Los Angeles County (the "County") in connection with the issuance by the Antelope Valley Community College District (the "District") of its General Obligation Bonds, Election of 2004, Series C in the aggregate principal amount of $_____ ("Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County adopted on _____ __, 2007 (the "County Resolution"), at the request of the District made pursuant to a resolution adopted by the Board of Trustees of the District on July 9, 2007 (the "District Resolution").

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

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

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

2. The County Resolution approving and authorizing the execution and delivery of the Purchase Contract and the issuance of the Bonds was duly adopted at a meeting of the governing body of the County which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption, has not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof.

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

4. The Purchase Contract has been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of

the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, the Purchase Contract will constitute the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms.

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

Very truly yours,

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

By:_____
Principal Deputy County Counsel

**ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT**
**RESOLUTION NO. 3-2007-08-R**

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT AUTHORIZING THE ISSUANCE OF ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES C.

**WHEREAS**, a duly called election was held in the Antelope Valley Community College District (the "District"), Kern and Los Angeles Counties, State of California on November 2, 2004 (the "Election") and thereafter canvassed pursuant to law; and

**WHEREAS**, at such election there was submitted to and approved by the requisite fifty-five percent 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 $139,000,000 payable from the levy of an ad valorem tax against the taxable property in the District (the "Authorization"); and

**WHEREAS**, pursuant to Chapter 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code (the "Act"), bonds are authorized to be issued for the purposes set forth in the ballot submitted to voters; and

**WHEREAS**, on April 12, 2005, the Board of Supervisors of the County of Los Angeles issued in the name of the District $30,000,000 aggregate principal amount of a first series of bonds under the Authorization styled as the "Antelope Valley Community College District, Kern and Los Angeles Counties, California, General Obligation Bonds, Election of 2004 Series A"; and

**WHEREAS**, on June 12, 2006 the District adopted a resolution authorizing $109,000,000 aggregate principal amount of the second series of bonds styled as the "Antelope Valley Community College District, Kern and Los Angeles Counties, California, General Obligation Bonds, Election of 2004, Series B"; and

**WHEREAS**, such bonds were not issued pursuant to the June 12, 2006 resolution and the District hereby rescinds the June 12, 2006 resolution and reauthorizes $109,000,000 aggregate principle amount of the second series of bonds under the Authorization to be styled as the "Antelope Valley Community College District, Kern and Los Angeles Counties, California, General Obligation Bonds, Election of 2004, Series C" (the "Bonds"), and

**WHEREAS**, the District may concurrently issue its "Antelope Valley Community College District, Kern and Los Angeles Counties, California, General Obligation Bonds, Election 2004 Series B" (the "Series B Bonds") pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and in such event the aggregate principal of the "Series B Bonds" and "Series C Bonds" shall not exceed $109,000,000.

**WHEREAS**, this Board desires to appoint and reappoint certain professionals to provide services related to the issuance of the Bonds as well as other debt of the District; and

**WHEREAS**, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general

obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT AS FOLLOWS:

**Section 1.** **Purpose.** To raise money for the purposes authorized by voters of the District at the Election and to pay all necessary legal, financial and contingent costs in connection with issuing the Bonds, this Board hereby petitions the Board of Supervisors of the County of Los Angeles to authorize the issuance of the Bonds and to order such Bonds sold at a negotiated sale such that the Bonds shall be dated as of a date to be determined by said Board of Supervisors, shall bear interest at a rate not to exceed that authorized at the Election, and shall be payable upon such terms and provisions as shall be set forth in the Bonds.

**Section 2.** **Paying Agent.** This Board does hereby authorize the appointment of the Los Angeles County Treasurer and Tax Collector, as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Bonds issued by the Board of Supervisors of the County on behalf of the District. The District acknowledges that ongoing expenses and fees of the Bond Registrar and all other fees and costs incurred in connection with the Bonds will be paid by the District.

**Section 3.** **Tax Covenants.** The District hereby covenants with the holders of the Bonds that, notwithstanding any other provisions of this Resolution, it will (1) comply with all of the provisions of the resolution of the Board of Supervisors of the County authorizing the issuance of the Bonds relating to the Rebate Fund (as defined therein) and perform all acts necessary to be performed by the District in connection therewith, and (2) make no use of the proceeds of the Bonds or of any other amounts, regardless of the source, or of any property or take any action, or refrain from taking any action, 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").

The District will not make any use of the proceeds of the Bonds or any other funds of the District, or take or omit to take any other action, that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code or "federally guaranteed" within the meaning of Section 149(b) of the Code. To that end, so long as any Bonds are unpaid, the District, with respect to such proceeds and such other funds, will comply with all requirements of such Sections and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Code, to the extent such requirements are, at the time, applicable and in effect.

The District will not use or permit the use of its facilities or any portion thereof by any person other than a governmental unit as such term is used in Section 141 of the Code, in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of the interest paid on the Bonds. In furtherance of the foregoing tax covenants of this Section 3, the District covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered by the District on the date of issuance of the Bonds, which is incorporated herein as if fully set forth herein. These covenants shall survive the payment in full or defeasance of the Bonds.

**Section 4.** **Legislative Determinations.** This Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the

issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith, credit and revenues of the District are hereby pledged for the timely payment of the principal of and interest on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

**SECTION 5. Official Statement.** The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Clerk of the Board is hereby approved and the Superintendent/President of the District (the "Superintendent"), Vice President, Business Services of the District, or a designated deputy thereof (each an "Authorized Officer"), each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to UBS Securities LLC (the "Underwriter"), to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on the behalf of the District, to deem the Preliminary Official Statement, "final" pursuant to 15c2-12 of the Securities and Exchange Act of 1934, prior to its distribution, and to execute and delver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modification thereto as the Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of Bonds and is directed to deliver copies of any final official statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

**SECTION 6. Purchase Contract.** The form of the Purchase Contract on file with the Clerk of the Board is hereby approved. In connection with the sale of the Bonds the Board authorizes the Authorized Officers, each alone, on behalf of the District, to execute and deliver to the Underwriter, a Purchase Contract for the Bonds, with such terms and conditions as may be acceptable to such official; provided, however, that the true interest cost of the Bonds shall not exceed that authorized at the Election, the underwriting discount (excluding original issue discount) shall not exceed 1.8% of the aggregate principal amount of the Bonds issued, and the aggregate principal amount of the Bonds shall not exceed $109,000,000. The Board hereby approves the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriter to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. The Board estimates that the costs associated with the issuance of the Bonds, including compensation to the Underwriter and any such costs which the Underwriter agrees to pay pursuant to the Purchase Contract, will equal approximately 2.5% of the principal amount of the Bonds.

**SECTION 7. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

**SECTION 8.** **Authorized Actions.** Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds, including the purchase of municipal bond insurance, and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

**SECTION 9.** **Professional Services.** The District hereby reappoints Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California as Bond Counsel in connection with the issuance of the Bonds. The District also reappoints UBS Securities LLC, Los Angeles, California, as Underwriter in connection with the issuance of the Bonds.

**SECTION 10.** **Recitals.** All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

**SECTION 11.** **Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 9th day of July, 2007, by the following vote:

| | |
|---|---|
| AYES: | 5 |
| NOES: | 0 |
| ABSENT: | 0 |
| ABSTENTIONS: | 0 |

**BOARD OF TRUSTEES OF THE ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT**

President

Attest:

Clerk of the Board of Trustees
Antelope Valley Community College District

## CLERK'S CERTIFICATE

I, Steve Fox, Clerk of the Board of Trustees of the Antelope Valley Community College District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on July 9, 2007, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

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

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

Dated: July 9, 2007

Clerk of the Board of Trustees