



ADOPTED MINUTES

**FOR THE SPECIAL MEETING OF THE
IMPERIAL COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES**

Wednesday, November 8, 2006

CALL TO ORDER/ROLL CALL

On Wednesday, November 8, 2006, at 6:00 p.m., Board President Carlos Acuña called the special meeting of the Imperial Community College District Board of Trustees to order in the Administration Building Room.

BOARD MEMBERS PRESENT

Carlos R. Acuña
Rudy Cardenas, Jr.
Norma Sierra Galindo
Marian Long
Romualdo Medina [6:04 pm]
Rebecca L. Ramirez
Louis Wong

BOARD MEMBERS ABSENT:

None.

REPRESENTATIVES PRESENT:

Frank Fernandez, Student Representative
Gail Parish, Classified Representative

CONSULTANTS PRESENT:

Dr. Paul Pai, Superintendent/President
Dr. Victor Jaime, Vice President for Student Services
Gary Rodgers, Interim Vice President for Academic Services
Dick Fragale, Interim Dean for Business Services

PLEDGE OF ALLEGIANCE

Trustee Cardenas led the Pledge of Allegiance to the Flag.

PUBLIC COMMENT

There was no public comment.

INFORMATION REPORTS

Board Member Reports

Trustee Long reported that she and Interim Vice President for Academic Services Gary Rodgers attended the Board Alliance meeting on November 6th. She stated President and Chief Executive Officer of the Community College League of California Scott Lay was the speaker at the meeting and they discussed the following items:

- The San Diego and Imperial Board Alliance is lacking representation for the Board of Governors and stated it was important to have that representation.
- Chancellor Constance Carroll brought her Public Records Act information to share with the group. Basically, they charge \$10/hour and 10 cents a page. This is important because it will come up eventually and it needs to be wide spread.
- The appreciation dinner to honor Senators Denise Moreno Ducheny and Dennis Hollingsworth to thank them for their support in the successful passage of SB361 is tentatively scheduled for February.
- The California Community College Trustees (CCCT) nominated Senator Denise Moreno Ducheny for SDICCCA's Legislator of the Year due to her efforts in the successful passage of SB361.
- She stated that Scott Lay, who assumed the role of President and Chief Executive Officer of the Community College League of California voiced his concerns over the 45 CEO vacancies that will occur in the near future and people are not willing to take leadership roles. She stated that her personal opinion was that since AB1725, a problem in maintaining leadership has occurred.
- Another problem discussed was student success and the cost of it. She stated that students with problems need help and that all involved need to do what they can to help.

Trustee Galindo asked what type of problems.

Trustee Long stated that problems such as remedial, language, and disability are expensive and IVC cannot ignore it as it will continue to become more expensive.

- There should be prudent use of SB361 monies to meet the needs that are coming in.
- The Community College Initiative, which would enhance work force training programs at community colleges, fell short of its one million signatures that were needed. They received 500,000 signatures. They did raise \$1.1 million.
- Her question to Scott Lay was why does the American with Disabilities Act (ADA) for K-12 provide \$5,700-\$6,700 per student and community colleges only receive \$4,300 per FTES.

Interim Vice President for Academic Services Gary Rodgers whom also attended the joint meeting spoke and stated that other community colleges are looking at COLA and student growth for the coming years.

Associated Student Government Senate Update

ASG President Frank Fernandez reported the following:

- Earlier that day, Mercury transited the sun. He stated it was a special event for that reason and also because someone who used to teach drove down from Oregon and the press interviewed that person.
- Statewide Student Senate met in San Francisco November 3-5. He was selected as state-at-large senator. He stated that he had tied with a Bay area student and when the votes were in, he had won by six votes.
- Halloween Carnival went well and there are plans for a Winter Carnival.
- Wellness screening was held on November 2nd and the people which participated was double of last year's but did not yet have the numbers to report.

Trustee Acuña asked if there were reasons for a bigger turnout.

ASG President Fernandez stated that is was due to more awareness and the location.

Vice President for Student Services Dr. Victor Jaime stated that brochures were also handed out.

President's Update

Dr. Paul Pai reported the following:

- Congratulated ASG President Frank Fernandez with his appointment.
- Michael Heumann was named to the Statewide Academic Senate.
- Dean of Technology/Learning Services Dr. Robin Ying was selected as one of 17 members for the ITAC.
- Proposition 1-D passed. The impact is \$1.5 billion for community colleges.
- Local bond elections for San Diego Community College District and Palomar College passed. Victor Valley College, Santiago College, and Rancho College lost their bond election.
- A Leadership Follow-up Retreat was held and it went well. Participants spoke frankly and they resolved to expand the retreat to all faculty. The next retreat is slated for Friday, February 9, 2007, and it will focus on Student Learning Outcomes.

CONSENT AGENDA - BUSINESS

Trustee Cardenas asked for an explanation as to why the Board was acting on this item again.

Khush Gheyara, Senior Vice President of Caldwell Flores Winters, Inc. spoke and gave an explanation as to the reasons this item was on the agenda for action. He explained that since their first growth estimate was conservative at three percent and the actual growth has been nine percent it is a good idea to refinance the bond and sell more bonds. He stated that in the last two years it has been five times the projection rate and IVC should take advantage of that opportunity. He stated his recommendation was for IVC to issue bonds now since interest rates have dipped.

There was discussion as to the difference for the refunding portion of the bond which is the other resolution. Khush Gheyara stated that the bonds were issued when they were higher and by refinancing the bonds, IVC would have reduced payments. He recommended that the projected \$2 million that would be saved would be distributed by giving 10% back to the voters and the 90% for construction costs. He stated that by refinancing, IVC would shorten the term of the bonds by five years.

Khush Gheyara stated that there is no law that prohibits what can and cannot be done with this money when refinanced and legislation is proposed to secure this loop.

Trustee Medina asked for the worst case scenario.

Khush Gheyara stated that the \$2 million would need to be given back as there are no guarantees.

Trustee Galindo asked Interim Dean for Business Services Dick Fragale for his recommendation.

Interim Dean for Business Services Dick Fragale recommended moving ahead with these resolutions. He stated that he felt with fair certainty that there would only be enough monies for two buildings and felt that with these additional monies a third building would be projected. He stated that further delay in this action would cause a loss of interest from the public.

Khush Gheyara explained that for Resolution 13687 no further action would be required but that Resolution 13688 would require additional action at a future meeting.

There was discussion as to the phases of the building and projections on start up times and costs. There was also some discussion as to potential grants and uses of the buildings.

Trustee Medina asked that the architect provide an analysis of the construction project at their next meeting.

M/S/C Cardenas/Wong

Resolution No. 13687: Resolution of the Board of Trustees of the Imperial Community College District Directing actions for Issuance of 2007 General Obligation Refunding Bonds in the maximum principal amount of \$25,000,000 in exchange for General Obligation Bonds, Election of 2004, Series 2005 and authorizing related documents and actions.

WHEREAS, a special bond election was duly and regularly held in the Imperial Community College District (the "District") on November 2, 2004, for the purpose of submitting to the qualified electors of the District the question whether bonds should be issued in the aggregate principal amount of \$58,600,000 (the "Bonds"), and more than 55% of the votes cast at said election were in favor of the issuance of the Bonds; and

WHEREAS, on December 14, 2004, the Board of Trustees of the District adopted its resolution (the "Series 2005 Bond Resolution") authorizing the issuance of a series of Bonds designated the "Imperial Community College District General Obligation Bonds, Election of 2004, Series 2005" which were issued in the aggregate principal amount of \$24,500,000; and

WHEREAS, under the Series 2005 Bond Resolution, the District has the right to call the Series 2005 Bonds maturing on or after August 1, 2015 (the "Callable Series 2005 Bonds") for redemption on any interest payment date on or after August 1, 2014 (the "Series 2005 Optional Redemption Rights"); and

WHEREAS, the District has determined that due to prevailing low interest rates in the municipal bond market, the Optional Redemption Rights have a significant value because such rights permit the Callable Bonds to be redeemed at a redemption price which is substantially below the price at which the Callable Bonds could otherwise be sold in the open market; and

WHEREAS, in order to realize the value inherent in the Optional Redemption Rights, the District intends to negotiate an agreement with the Pacific Valleys Schools Financing Authority or other appropriate entity (the "Authority") which shall purchase the Optional Redemption Rights under an Optional Redemption Rights Purchase and Bond Exchange Agreement (the "Bond Exchange Agreement"), under which the Authority shall exercise the Optional Redemption Rights and thereby acquire the Callable Bonds through redemption, and shall tender the Callable Bonds to the District in exchange for refunding bonds to be issued by the District as hereinafter provided; and

WHEREAS, the Board of Trustees of the District is authorized to issue such refunding bonds in exchange for the Callable Bonds under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Refunding Bond Law"), in particular the provisions of Section 53555 thereof; and

WHEREAS, to that end, the Board of Trustees has determined at this time to issue its Imperial Community College District 2007 General Obligation Refunding Bonds, under the Refunding Bond Law in the aggregate principal amount of not to exceed \$25,000,000 (the "Refunding Bonds");

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the Imperial Community College District the following:

**ARTICLE I
DEFINITIONS; AUTHORITY**

SECTION 1.01. *Definitions.* The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings given to them below, unless the context clearly requires some other meaning.

“Authority” means the Pacific Valleys Schools Financing Authority, a joint powers authority organized and existing under the laws of the State of California or such other joint powers authority designated in writing by the Superintendent/President.

“Authority Bonds” means the bonds issued by the Authority on the Closing Date in accordance with the Bond Exchange Agreement, the proceeds of which will be applied for the purpose, among others, of exercising the Optional Redemption Rights with respect to the Callable Bonds.

“Board” means the Board of Trustees of the District.

“Bond Counsel” means (a) the firm of Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Exchange Agreement” means the Optional Redemption Rights Purchase and Bond Exchange Agreement, between the District and the Authority, under which the District is obligated to issue the Refunding Bonds in exchange for the Callable Bonds.

“Bond Resolution” means the Series 2005 Bond Resolution.

“Bond Year” means the one-year period beginning on August 1 in each year and ending on the next succeeding July 31; except that the first Bond Year begins on the Closing Date and ends on July 31, 2007.

“Business Day” means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State of California, or in any state in which the Principal Office of the Paying Agent is located.

“Callable Series 2005 Bonds” means the Imperial Community College District General Obligation Bonds, 2004 Election, Series 2005 maturing on or after August 1, 2015.

“Callable Bonds” means the Callable Series 2005 Bonds.

“Closing Date” means the date upon which there is a physical delivery of the Refunding Bonds to the Authority.

“County” means the County of Imperial, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

“Debt Service Fund” means the account established and held by the Treasurer-Tax Collector of the County under Section 4.02.

“District” means the Imperial Community College District, a community college district organized under the Constitution and laws of the State of California, and any successor thereto.

“District Representative” means the Superintendent/President or any other duly appointed officer of the District authorized by resolution of the Board of Trustees to act as a representative of the District hereunder.

“Federal Securities” means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

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

“Interest Payment Date” means the first day of each succeeding February and August as specified in the Bond Exchange Agreement.

“2005 Bonds” means the Imperial Community College District General Obligation Bonds, 2004 Election, Series 2005.

“2005 Paying Agent” means U.S. Bank National Association, as paying agent for the 2005 Bonds.

“Optional Redemption Rights” means the right of the District under the Bond Resolutions to call the Callable Bonds as set forth in the Bond Resolutions.

“Outstanding,” when used as of any particular time with reference to Refunding Bonds, means all Refunding Bonds except: (a) Refunding Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation; (b) Refunding Bonds paid or deemed to have been paid within the meaning of Section 9.02; and (c) Refunding Bonds in lieu of or in substitution for which other Refunding Bonds shall have been authorized, executed, issued and delivered by the District under this Resolution.

“Owner”, whenever used with respect to a Refunding Bond, means the person in whose name the ownership of such Refunding Bond is registered on the Registration Books.

“Paying Agent” means the Paying Agent appointed by the District and acting as paying agent, registrar and authenticating agent for the Refunding Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

“Principal Office” means the office or offices of the Paying Agent for the payment of the Refunding Bonds and the administration of its duties hereunder, as such office or offices shall be identified in a written notice filed with the District by the Paying Agent.

“Record Date” means the 15th day of the month preceding an Interest Payment Date, whether or not such day is a business day.

“Refunding Bond Law” means Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as is in effect on the date of adoption hereof and as amended hereafter.

“Refunding Bonds” means the not to exceed \$25,000,000 aggregate principal amount of Imperial Community College District (Imperial County, California) 2007 General Obligation Refunding Bonds, authorized and at any time Outstanding under this Resolution.

“Registration Books” means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Refunding Bonds under Section 2.08.

“Resolution” means this resolution authorizing the issuance of the Refunding Bonds adopted by the District, including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

“Securities Depositories” means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

“Supplemental Resolution” means any resolution supplemental to or amendatory of this Resolution, adopted by the District in accordance with Article VIII.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

“Underwriter” means the original purchaser of the Authority Bonds.

“Written Request of the District” means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized to act on behalf of the District under a written certificate of a District Representative.

SECTION 1.02. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. *Authority for this Resolution; Findings.* This Resolution is entered into under the provisions of the Refunding Bond Law. The Board hereby certifies that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to

and in the issuance of the Refunding Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Refunding Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II TERMS OF REFUNDING BONDS

SECTION 2.01. *Authorization.* The Board hereby authorizes the issuance of the Refunding Bonds in the aggregate principal amount of not to exceed \$25,000,000, subject to the terms of the Refunding Bond Law and this Resolution, for the purpose of providing bonds to be exchanged for the Callable Bonds as provided in the Bond Exchange Agreement and in Section 53555 of the Refunding Bond Law. This Resolution constitutes a continuing agreement between the District and the Owners of all of the Outstanding Refunding Bonds to secure the full and final payment of principal of and interest and premium, if any, on the Refunding Bonds, subject to the covenants, agreements, provisions and conditions herein contained. The Refunding Bonds are designated the "Imperial Community College District (Imperial County, California) 2007 General Obligation Refunding Bonds".

SECTION 2.02. *Terms of Refunding Bonds.*

(a) Form; Numbering. The Refunding Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of Refunding Bonds maturing in the year of maturity of the Refunding Bond for which the denomination is specified. Refunding Bonds shall be lettered and numbered as the Paying Agent prescribes.

(b) Date of Refunding Bonds. The Refunding Bonds shall be dated as of the Closing Date.

(c) Maturities: Interest. The Refunding Bonds shall mature August 1 in each of the years and principal amounts as set forth in Appendix A to the Bond Exchange Agreement unless specified otherwise in such agreement. As set forth in Section 53555 of the Refunding Bond Law, the principal amount of the Refunding Bonds may not exceed the principal amount of the Callable Bonds plus the costs of issuing the Refunding Bonds.

Each Refunding Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated on or before the first Record Date, in which event it shall bear interest from the dated date of the Refunding Bonds; *provided, however*, that if at the time of authentication of a Refunding Bond, interest is in default thereon, such Refunding Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(e) Payment. Interest on the Refunding Bonds (including the final interest payment upon maturity or redemption) is payable by check or draft of the Paying Agent mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Refunding Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Refunding Bonds shall be

paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. Principal of and premium (if any) on the Refunding Bonds are payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent.

SECTION 2.03. *Redemption.*

(a) Redemption Dates and Prices. The Refunding Bonds are subject to redemption on the dates on which the Authority Bonds are subject to redemption, at the respective redemption prices set forth in the Bond Exchange Agreement.

(b) Selection of Refunding Bonds for Redemption. Whenever less than all of the Outstanding Refunding Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Refunding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Refunding Bond will be deemed to consist of individual Refunding Bonds of \$5,000 denominations, which may be separately redeemed.

(c) Redemption Procedure. The Paying Agent shall cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to (i) one or more of the Information Services, and (ii) to the respective Owners of any Refunding Bonds designated for redemption, at their addresses appearing on the Registration Books. Such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice shall not affect the validity of the proceedings for the redemption of such Refunding Bonds. In addition, the Paying Agent shall give notice of redemption by telecopy or certified, registered or overnight mail to each of the Securities Depositories at least 2 days prior to such mailing to the Refunding Bond Owners.

Such notice must (i) state the redemption date and the redemption price, (ii) if less than all of the then Outstanding Refunding Bonds are to be called for redemption, designate the serial numbers of the Refunding Bonds to be redeemed by giving the individual number of each Refunding Bond or by stating that all Refunding Bonds between two stated numbers, both inclusive, or by stating that all of the Refunding Bonds of one or more maturities have been called for redemption, (iii) require that such Refunding Bonds be then surrendered at the Principal Office of the Paying Agent for redemption at the said redemption price, and (iv) state that further interest on such Refunding Bonds will not accrue from and after the redemption date.

Upon surrender of Refunding Bonds redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Refunding Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Refunding Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Refunding Bonds so called for redemption have been duly provided, such Refunding Bonds so called will cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice. The Paying Agent shall cancel all of the Refunding Bonds, and submit a certificate of cancellation to the District.

SECTION 2.04. *Form of Refunding Bonds.* The Refunding Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear

thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as set forth in Appendix A hereto.

SECTION 2.05. *Execution of Refunding Bonds.* The Refunding Bonds shall be signed by the facsimile signature of the Superintendent/President of the Board and shall be attested by the facsimile signature of the Clerk of the Board, and the seal of the Board shall be reproduced thereon. No Refunding 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 Refunding Bond is signed by the Paying Agent as authenticating agent.

The Refunding Bonds shall be in substantially the form attached hereto as Appendix A and incorporated herein by this reference, allowing those officials executing the Refunding Bonds to make the insertions and deletions necessary to conform the Refunding Bonds to this Resolution.

Only those Refunding Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Refunding Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

SECTION 2.06. *Transfer of Refunding Bonds.* Any Refunding Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Refunding Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new Refunding Bond issued upon any transfer.

Whenever any Refunding Bond is surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Refunding Bond or Bonds, for like aggregate principal amount. No transfers of Refunding Bonds may be made (a) 15 days prior to the date established by the Paying Agent for selection of Refunding Bonds for redemption or (b) with respect to a Refunding Bond which has been selected for redemption.

SECTION 2.07. *Exchange of Refunding Bonds.* Refunding Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Refunding Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Refunding Bond issued upon any exchange (except in the case of any exchange of temporary Refunding Bonds for definitive Refunding Bonds). No exchanges of Refunding Bonds shall be required to be made (a) the 15 days prior to the date established by the Paying Agent for selection of Refunding Bonds for redemption or (b) with respect to a Refunding Bond after such Refunding Bond has been selected for redemption.

SECTION 2.08. *Registration Books.* The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Refunding Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Refunding Bonds as herein before provided.

SECTION 2.09. *Refunding Bonds Mutilated, Lost, Destroyed or Stolen.* If any Refunding Bond is mutilated the District, at the expense of the Owner of said Refunding Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like maturity and principal amount in exchange and substitution for the Refunding Bond so mutilated, but only upon surrender to the Paying Agent of the Refunding Bond so mutilated. Every mutilated Refunding Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Refunding Bond are lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to the District and indemnity satisfactory to it shall be given, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like maturity and principal amount in lieu of and in substitution for the Refunding Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Refunding Bond issued under this Section and of the expenses which may be incurred by the District and the Paying Agent in the premises. Any Refunding Bond issued under the provisions of this Section 2.09 in lieu of any Refunding Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Refunding Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Refunding Bonds issued under this Resolution.

Notwithstanding any other provision of this Section 2.09, in lieu of delivering a new Refunding Bond for which principal has or is about to become due for a Refunding Bond which has been mutilated, lost, destroyed or stolen, the Paying Agent may make payment of such Refunding Bond in accordance with its terms.

ARTICLE III SALE OF OPTIONAL REDEMPTION RIGHTS; DELIVERY OF REFUNDING BONDS

SECTION 3.01. *Sale of Optional Redemption Rights; Approval of Bond Exchange Agreement.* The Board hereby approves the sale of the Optional Redemption Rights to the Authority under and in accordance with the Bond Exchange Agreement. The Board hereby approves the Bond Exchange Agreement in substantially the form on file with the Superintendent/President, together with any additions thereto or changes therein deemed necessary or advisable by the Superintendent/President of the District or his authorized designee. The Board hereby authorizes and directs a District Representative to execute and deliver the Bond Exchange Agreement in the name and on behalf of the District. The purchase price paid by the Authority for the Optional Redemption Rights shall be applied as set forth in the Bond Exchange Agreement and in accordance with the applicable requirements of the Tax Code.

SECTION 3.02. *Delivery of Refunding Bonds; Cancellation of Callable Bonds.* In accordance with the Bond Exchange Agreement, on the Closing Date the Refunding Bonds shall be delivered to the trustee for the Authority Bonds, in exchange for the Callable Bonds. The ownership of the Refunding Bonds shall be registered in the name of the trustee for the Authority Bonds. Upon the tender of the Callable Bonds to the District when they are redeemed, the District shall cancel the Callable Bonds in accordance with the Series 2005 Bond Resolution.

SECTION 3.03. *Official Statement.* The District authorizes a District Representative to review and approve the sections of the preliminary Official Statement relating to the Authority Bonds which describe the District and the Refunding Bonds. A District Representative is hereby

authorized to execute an appropriate certificate stating the District's determination that said sections of the preliminary Official Statement have been deemed nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, except for permitted omissions. The District hereby authorizes the distribution of the Official Statement by the Underwriter.

SECTION 3.04. *Engagement of Professional Services.* The District hereby approves the engagement of Jones Hall, A Professional Law Corporation, to act as bond counsel, and Caldwell, Flores, Winters, Inc. as Financial Advisor to the District in connection with the issuance of the Refunding Bonds. All fees and reimbursement for costs pursuant to such agreements shall be due and payable only after successful closing of the transaction authorized by this resolution and no fees or costs shall be paid if the transaction is not completed. The Superintendent/President is hereby authorized and directed to execute the agreements with said firms in the forms on file with the Superintendent/President.

SECTION 3.05. *Continuing Disclosure.* The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Refunding Bonds; however, any Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Refunding Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

SECTION 3.06. *Official Actions.* The Superintendent/President of the Board, the Superintendent/President, the Clerk of the Board and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

ARTICLE IV SECURITY FOR THE REFUNDING BONDS

SECTION 4.01. *Security for the Refunding Bonds.* The Refunding Bonds are general obligations of the District payable from the levy of ad valorem taxes upon all property within the District subject to taxation by the District, without limitation as to rate or amount, for the payment of the Refunding Bonds and the interest and redemption premium (if any) thereon. The District hereby directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct ad valorem tax annually during the period the Refunding Bonds are Outstanding in an amount sufficient to pay the principal of and interest and redemption premium (if any) on the Refunding Bonds when due, which moneys when collected will be placed in the Debt Service Fund.

The principal of and interest and redemption premium (if any) on Refunding Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof, and neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees

thereof shall be liable thereon. In no event are the principal of and interest and redemption premium (if any) on Refunding Bonds payable out of any funds or properties of the District other than ad valorem taxes levied upon all taxable property in the District.

SECTION 4.02. *Debt Service Fund.* The District hereby directs the Treasurer and Tax Collector of the County to establish, hold and maintain a fund to be known as the "2007 Imperial Community College District 2007 General Obligation Refunding Bond Debt Service Fund", to be maintained by the County as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County, as directed by the District herein, for the payment of the principal of and interest and premium (if any) on the Refunding Bonds in accordance with Section 4.01 shall be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy. The District hereby irrevocably pledges the Debt Service Fund for the payment of the principal of and interest on the Refunding Bonds when and as the same become due. The County shall transfer amounts in the Debt Service Fund to the Paying Agent, to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same become due and payable.

If, after payment in full of the Refunding Bonds, any amounts remain on deposit in the Debt Service Fund, the County shall transfer such amounts to the general fund of the District, upon the Written Request of the District filed with the County, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

SECTION 4.04. *Investments.* All moneys held in any of the funds or accounts established with the County hereunder shall be invested in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof. The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the Refunding Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section 4.04, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

**ARTICLE V
OTHER COVENANTS OF THE DISTRICT;
SECURITY FOR THE REFUNDING BONDS**

SECTION 5.01. *Punctual Payment.* The District will punctually pay, or cause to be paid, the principal of and interest on the Refunding Bonds, in strict conformity with the terms of the Refunding Bonds and of this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and of the Refunding Bonds. Nothing herein prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

SECTION 5.02. *Extension of Time for Payment.* In order to prevent any accumulation of claims for interest after maturity, the District will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Refunding Bonds and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest is extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Resolution, except subject to the prior payment in full of the principal of all of the Refunding Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

SECTION 5.03. *Books and Accounts; Financial Statement.* The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries shall be made of all transactions relating to the expenditure of the proceeds of the Refunding Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Refunding Bonds then Outstanding, or their representatives authorized in writing.

SECTION 5.04. *Protection of Security and Rights of Refunding Bond Owners.* The District will preserve and protect the security of the Refunding Bonds and the rights of the Refunding Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Refunding Bonds by the District, the Refunding Bonds shall be incontestable by the District.

SECTION 5.05. *Tax Covenants.*

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the Refunding Bonds are not so used as to cause the Authority Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Authority Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Refunding Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Refunding Bonds from the gross income of the Owners of the Authority Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate Requirement. The District shall take any and all actions necessary to assure compliance with Section 148(f) of the Tax Code, relating to the rebate of excess investment earnings with respect to the Authority Bonds, if any, to the federal government, to the extent such Section is applicable to the Authority Bonds. The District shall pay all excess investment earnings determined to be due and payable under Section 148(f) of the Tax Code, from any source of legally available funds of the District, and the Authority shall have no liability for such payment.

SECTION 5.06. *Further Assurances.* The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Refunding Bonds of the rights and benefits provided in this Resolution.

ARTICLE VI THE PAYING AGENT

SECTION 6.01. *Appointment of Paying Agent.* The Superintendent/President is hereby authorized and directed to appoint a qualified institution to act as Paying Agent for the Refunding Bonds and, in such capacity, shall also act as registration agent and authentication agent for the Refunding Bonds. The Paying Agent shall undertake to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Refunding Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the District a certificate to that effect.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Refunding Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

SECTION 6.02. *Liability of Paying Agent.* The recitals of facts, covenants and agreements herein and in the Refunding Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or

of the Refunding Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

The Paying Agent is not liable for any error of judgment made in good faith by a responsible officer of its corporate trust department in the absence of the negligence of the Paying Agent.

No provision of this Resolution requires the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.03. *Notice to Paying Agent.* The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

SECTION 6.04. *Compensation; Indemnification.* The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The District will indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

**ARTICLE VII
REMEDIES OF REFUNDING BOND OWNERS**

SECTION 7.01. *Remedies of Refunding Bond Owners.* Any Refunding Bond Owner has the right, for the equal benefit and protection of all Refunding Bond Owners similarly situated:

- (a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Refunding Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;
- (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Refunding Bond Owners' rights; or
- (c) upon the happening and continuation of any default by the District hereunder or under the Refunding Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

SECTION 7.02. *Remedies Not Exclusive.* No remedy herein conferred upon the Owners of Refunding Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Refunding Bond Owners.

**ARTICLE VIII
AMENDMENT OF THIS RESOLUTION**

SECTION 8.01. *Amendments Effective Without Consent of the Owners.* For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted, which, without the requirement of consent of the Owners of the Refunding Bonds, shall be fully effective in accordance with its terms:

- (a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (b) To confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;
- (c) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution, which in any event does not materially adversely affect the interests of the Refunding Bond Owners, in the opinion of Bond Counsel filed with the District; or
- (d) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Authority Bonds.

SECTION 8.02. *Amendments Effective With Consent of the Owners.* Any modification or amendment of this Resolution and of the rights and obligations of the District and of the Owners of the Refunding Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent of the Owners of a majority in aggregate principal amount of the Refunding Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Refunding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Refunding Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 relating to Events of Default, or shall reduce the amount of moneys pledged for the repayment of the Refunding Bonds without the consent of all the Owners of such Refunding Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

ARTICLE IX MISCELLANEOUS

SECTION 9.01. *Benefits of Resolution Limited to Parties.* Nothing in this Resolution, expressed or implied, is intended to give to any person other than the District, the County, the Paying Agent and the Owners of the Refunding Bonds, any right, remedy, claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners of the Refunding Bonds.

SECTION 9.02. *Defeasance.*

(a) Discharge of Resolution. Refunding Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (i) by paying or causing to be paid the principal or redemption price of and interest on such Refunding Bonds, as and when the same become due and payable;
- (ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such Refunding Bonds; or
- (iii) by delivering such Refunding Bonds to the Paying Agent for cancellation.

If the District pays all Outstanding Refunding Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Refunding Bonds have not been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence

such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of Refunding Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Refunding Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding Refunding Bond (whether upon or prior to its maturity or the redemption date of such Refunding Bond), provided that, if such Refunding Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Refunding Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Refunding Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Refunding Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Refunding Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Refunding Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:

- (i) lawful money of the United States of America in an amount equal to the principal amount of such Refunding Bonds and all unpaid interest thereon to maturity, except that, in the case of Refunding Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Refunding Bonds and all unpaid interest thereon to the redemption date; or
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Refunding Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Refunding Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice.

(d) Payment of Refunding Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal or redemption price of, or interest on, any Refunding Bonds and remaining

unclaimed for 2 years after the principal of all of the Refunding Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or 2 years after the date of deposit of such moneys if deposited after said date when all of the Refunding Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Refunding Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Refunding Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

SECTION 9.03. *Execution of Documents and Proof of Ownership by Refunding Bond Owners.* Any request, declaration or other instrument which this Resolution may require or permit to be executed by Refunding Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Refunding Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Refunding Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Refunding Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Refunding Bond shall bind all future Owners of such Refunding Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

SECTION 9.04. *Waiver of Personal Liability.* No Board member, officer, agent or employee of the District is individually or personally liable for the payment of the principal of or interest on the Refunding Bonds. Nothing herein contained relieves any such Board member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.05. *Limited Duties of County; Indemnification.* The County (including its officers, agents and employees) shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Refunding Bonds, no implied covenants or obligations shall be read into this Resolution against the County (including its officers, agents and employees).

The District further agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

SECTION 9.06. *Destruction of Canceled Refunding Bonds.* Whenever in this Resolution provision is made for the surrender to the District of any Refunding Bonds which have been paid

or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Refunding Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Refunding Bonds therein referred to.

SECTION 9.07. *Partial Invalidity.* If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Refunding Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the Assistant Superintendent/President, Business Services of the District in trust for the benefit of the Refunding Bond Owners.

SECTION 9.08. *Effective Date of Resolution.* This Resolution shall take effect from and after the date of its passage and adoption.

M/S/C Cardenas/Wong

Resolution No. 13688: Resolution of the Board of Trustees of the Imperial Community College District, providing for Issuance and Sale of General Obligation Bonds, Election of 2004, Series 2006 B, of Imperial Community College District in the aggregate principal amount not to exceed fourteen million dollars (\$14,000,000).

WHEREAS, a special bond election was duly and regularly held in the Imperial Community College District (the "District") on November 2, 2004, under the procedures specified in Proposition 39 (Article XIII A Section 1 paragraph (b) of the California Constitution) for the purpose of submitting a measure to the qualified electors of the District authorizing the issuance of general obligation bonds of the District in the maximum aggregate principal amount of \$58,600,000 (the "Bonds"), and more than 55% of the votes cast at said election were in favor of the issuance of the Bonds; and

WHEREAS, the Board of Trustees has previously issued Series 2005 of the Bonds in the aggregate principal amount of \$24,500,000; and

WHEREAS, the Board of Trustees of the District wishes at this time to institute proceedings for the sale of a second series of Bonds in the aggregate principal amount of not to exceed \$14,000,000, and the District will be permitted to issue such Bonds directly on its own behalf because the most recent interim report for the District was not qualified, and that the Board of Supervisors of the County has adopted its resolution authorizing the District to issue its bonds directly under the provisions of the Education Code of the State of California;

NOW, THEREFORE, the Board of Trustees of the District hereby finds, determines, declares and resolves as follows:

ARTICLE I
DEFINITIONS; AUTHORITY

SECTION 1.01. *Definitions.* The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings ascribed to them below, unless the context clearly requires some other meaning.

“Board” means the Board of Trustees of the District.

“Bond Counsel” means (a) the firm of Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

“Bond Law” means Chapter 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code as in effect on the date of adoption hereof and as amended hereafter, as amended from time to time. As provided in Section 15266(b) of the California Education Code, the provisions of Chapter 1 of Part 10 of Division 1 of Title 1 of the California Education Code apply to the Bonds where not inconsistent.

“Bond Proposition” means the proposition submitted to, and approved by more than 55% of, the voters under which the issuance of the Bonds has been authorized.

“Bond Year” means the one-year period beginning on August 1 in each year and ending on the next succeeding July 31; except that the first Bond Year begins on the Closing Date and ends on July 31, 2007.

“Building Fund” means the fund established and held by the County under Section 4.02.

“Business Day” means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State of California, or in any state in which the Principal Office of the Paying Agent is located.

“Closing Date” means the date upon which there is a physical delivery of the 2006 Bonds in exchange for the amount representing the purchase price of the 2006 Bonds by the Original Purchaser.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the 2006 Bonds, including but not limited to the costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Paying Agent and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, title insurance premiums, fees and charges for preparation, execution and safekeeping of the 2006 Bonds and any other cost, charge or fee in connection with the original issuance of the 2006 Bonds.

“County” means the County of Imperial, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

“Debt Service Fund” means the account established and held by the County under Section 4.03.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.09.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“District” means the Imperial Community College District, a community college district organized under the Constitution and laws of the State of California, and any successor thereto.

“District Representative” means the Superintendent, the Vice-President/Chief Financial Officer, the Clerk of the Board, or any other duly appointed officer of the District authorized by resolution of the Board to act as a representative of the District hereunder.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Federal Securities” means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

“Information Services” means Financial Information, Inc.’s “Daily Called Bond Service”, 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services’ “Called Bond Service”, 65 Broad Street, 16th Floor, New York, New York 10006; Moody’s Investors Service “Municipal and Government”, 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; Standard & Poor’s Corporation “Called Bond Record”, 25 Broadway, 3rd Floor, New York, New York 10004; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a Written Request of the District delivered to the Paying Agent.

“Interest Payment Date” means February 1, 2007, and the first day of each succeeding February and August or as specified upon the sale of the Bonds.

“Original Purchaser” means the original purchaser of the 2006 Bonds upon the public sale thereof.

“Outstanding,” when used as of any particular time with reference to 2006 Bonds, means all 2006 Bonds except: (a) 2006 Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation; (b) 2006 Bonds paid or deemed to have been paid within the meaning of Section 9.02; and (c) 2006 Bonds in lieu of or in substitution for which other 2006 Bonds shall have been authorized, executed, issued and delivered by the District under this Resolution.

“Owner”, whenever used with respect to a 2006 Bonds Bond, means the person in whose name the ownership of such 2006 Bonds Bond is registered on the Registration Books.

“Paying Agent” means the Paying Agent appointed by the District and acting as paying agent, registrar and authenticating agent for the 2006 Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

“Principal Office” means the office or offices of the Paying Agent for the payment of the 2006 Bonds and the administration of its duties hereunder, as such office or offices shall be identified in a written notice filed with the District by the Paying Agent.

“Proceeds Account” means the account established and held by the Paying Agent under Section 4.01.

“Record Date” means the 15th day of the month preceding an Interest Payment Date, whether or not such day is a business day.

“Registration Books” means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the 2006 Bonds under Section 2.08.

“Resolution” means this Resolution, as originally adopted by the Board and including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

“Securities Depositories” means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

“2006 Bonds” means the not to exceed \$14,000,000 aggregate principal amount of Imperial Community College District (Imperial County, California) General Obligation Bonds Election of 2004, Series 2006 B, at any time Outstanding under this Resolution.

“Supplemental Resolution” means any resolution supplemental to or amendatory of this Resolution, adopted by the District in accordance with Article VIII.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

“Written Request of the District” means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized to act on behalf of the District pursuant to a written certificate of a District Representative.

SECTION 1.02. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. *Authority for this Resolution; Findings.* This Resolution is entered into under the provisions of the Bond Law. The Board hereby certifies that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the 2006 Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount

of the 2006 Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II TERMS OF 2006 BONDS

SECTION 2.01. *Authorization.* The 2006 Bonds are hereby authorized to be sold as a second issue of the Bonds, in the aggregate principal amount of not to exceed \$14,000,000, subject to the terms of the Bond Law and this Resolution, for the purpose of raising money to finance educational facilities for which the Bonds have been authorized under the Bond Proposition. This Resolution constitutes a continuing agreement between the District and the Owners of all of the Outstanding 2006 Bonds to secure the full and final payment of principal of and interest and premium, if any, on the 2006 Bonds, subject to the covenants, agreements, provisions and conditions herein contained. The 2006 Bonds are designated the "Imperial Community College District (Imperial County, California) General Obligation Bonds Election of 2004, Series 2006 B".

SECTION 2.02. *Terms of 2006 Bonds.*

(a) Form; Numbering. The 2006 Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of 2006 Bonds maturing in the year of maturity of the 2006 Bonds Bond for which the denomination is specified. 2006 Bonds shall be lettered and numbered as the Paying Agent prescribes.

(b) Date of 2006 Bonds. The 2006 Bonds shall be dated as of the Closing Date or as specified upon the sale of the Bonds.

(c) Maturities; Interest. The 2006 Bonds shall mature (or, alternatively, be subject to mandatory sinking fund redemption as hereinafter provided) August 1 in each of the years 2008 through 2031, in the respective principal amounts or alternative dates as determined upon the sale thereof.

Each 2006 Bonds Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated on or before the first Record Date, in which event it shall bear interest from the dated date of the 2006 Bonds; *provided, however,* that if at the time of authentication of a 2006 Bonds Bond, interest is in default thereon, such 2006 Bonds Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(e) Payment. Interest on the 2006 Bonds (including the final interest payment upon maturity or redemption) is payable by check or draft of the Paying Agent mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the 2006 Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such 2006 Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. Principal of and premium (if any) on the 2006 Bonds are payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent.

SECTION 2.03. *Redemption.*

(a) Redemption Dates and Prices. The 2006 Bonds shall be subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds on dates and at redemption prices (expressed as a percentage of the principal amount of 2006 Bonds to be redeemed) as set forth upon the sale thereof, together with accrued interest thereon to the date fixed for redemption.

(b) Mandatory Sinking Fund Redemption. If and to the extent specified in the bid of the winning bidder for the 2006 Bonds, any maturity of 2006 Bonds will be designated as "Term Bonds" which are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in such bid, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If some but not all of such Term Bonds are redeemed under the preceding subsection (a) of this Section, the aggregate principal amount of Term Bonds to be redeemed in each year under this subsection (b) will be reduced on a pro rata basis in integral multiples of \$5,000, as designated by the District in written notice filed with the Paying Agent.

(c) Selection of 2006 Bonds for Redemption. Whenever less than all of the Outstanding 2006 Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding 2006 Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each 2006 Bonds Bond will be deemed to consist of individual 2006 Bonds of \$5,000 denominations, which may be separately redeemed.

(d) Redemption Procedure. The Paying Agent shall cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to (i) one or more of the Information Services, and (ii) to the respective Owners of any 2006 Bonds designated for redemption, at their addresses appearing on the Registration Books. Such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice shall not affect the validity of the proceedings for the redemption of such 2006 Bonds. In addition, the Paying Agent shall give notice of redemption by telecopy or certified, registered or overnight mail to each of the Securities Depositories at least 2 days prior to such mailing to the 2006 Bonds Bond Owners.

Such notice must (i) state the redemption date and the redemption price, (ii) if less than all of the then Outstanding 2006 Bonds are to be called for redemption, designate the serial numbers of the 2006 Bonds to be redeemed by giving the individual number of each 2006 Bonds Bond or by stating that all 2006 Bonds between two stated numbers, both inclusive, or by stating that all of the 2006 Bonds of one or more maturities have been called for redemption, (iii) require that such 2006 Bonds be then surrendered at the Principal Office of the Paying Agent for redemption at the said redemption price, and (iv) state that further interest on such 2006 Bonds will not accrue from and after the redemption date.

Upon surrender of 2006 Bonds redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new 2006 Bonds Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2006 Bonds Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the 2006 Bonds so called for redemption have been duly provided, such 2006 Bonds so called will cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice. The Paying Agent shall cancel all of the 2006 Bonds, and submit a certificate of cancellation to the District.

SECTION 2.04. *Form of 2006 Bonds.* The 2006 Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as set forth in Appendix A hereto.

SECTION 2.05. *Execution of 2006 Bonds.* The 2006 Bonds shall be signed by the facsimile signature of the President of the Board and shall be attested by the facsimile signature of the Clerk of the Board, and the seal of the Board shall be reproduced thereon. No 2006 Bonds 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 2006 Bonds Bond is signed by the Paying Agent as authenticating agent.

The 2006 Bonds shall be in substantially the form attached hereto as Appendix A and incorporated herein by this reference, allowing those officials executing the 2006 Bonds to make the insertions and deletions necessary to conform the 2006 Bonds to this Resolution and the winning bid for the 2006 Bonds.

Only those 2006 Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the 2006 Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

SECTION 2.06. *Transfer of 2006 Bonds.* Any 2006 Bonds Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2006 Bonds Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new 2006 Bonds Bond issued upon any transfer.

Whenever any 2006 Bonds Bond is surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new 2006 Bonds Bond or Bonds, for like aggregate principal amount. No transfers of 2006 Bonds may be made (a) 15 days prior to the date established by the Paying Agent for selection of 2006 Bonds for redemption or (b) with respect to a 2006 Bonds Bond which has been selected for redemption.

SECTION 2.07. *Exchange of 2006 Bonds.* 2006 Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of 2006 Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new 2006 Bonds Bond issued upon any exchange (except in the case of any exchange of temporary 2006 Bonds for definitive 2006 Bonds). No exchanges of 2006 Bonds shall be required to be made (a) the 15 days prior to the date established by the Paying Agent for selection of 2006 Bonds for redemption or (b) with respect to a 2006 Bonds Bond after such 2006 Bonds Bond has been selected for redemption.

SECTION 2.08. *Registration Books.* The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the 2006 Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, 2006 Bonds as herein before provided.

SECTION 2.09. *Book-Entry System.* Except as provided below, the Owner of all of the 2006 Bonds shall be DTC, and the 2006 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The 2006 Bonds shall be initially executed and delivered in the form of a single fully registered 2006 Bonds Bond for each maturity date of the 2006 Bonds in the full aggregate principal amount of the 2006 Bonds maturing on such date. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the 2006 Bonds registered in its name for all purposes of this Resolution, and neither the Paying Agent nor the District shall be affected by any notice to the contrary. The Paying Agent and the District shall not have any responsibility or obligation to any Depository System Participant, any person claiming a beneficial ownership interest in the 2006 Bonds under or through DTC or a Depository System Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Depository System Participant or the payment by DTC or any Depository System Participant by DTC or any Depository System Participant of any amount in respect of the principal or interest with respect to the 2006 Bonds. The District shall cause to be paid all principal and interest with respect to the 2006 Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the 2006 Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a 2006 Bonds Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the District determines that it is in the best interest of the beneficial owners that they be able to obtain 2006 Bonds and delivers a written certificate to DTC and the District to that effect, DTC shall notify the Depository System Participants of the availability through DTC of 2006 Bonds. In such event, the District shall issue, transfer and exchange 2006 Bonds as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the 2006 Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the District shall be obligated to deliver 2006 Bonds as described in this Resolution. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate 2006 Bonds evidencing the 2006 Bonds to any Depository System Participant having 2006 Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the 2006 Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any 2006 Bonds Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such 2006 Bonds Bond and all notices with respect to such 2006 Bonds Bond shall be made and given, respectively, to DTC as provided as in the representation letter delivered on the date of issuance of the 2006 Bonds.

SECTION 2.10. *2006 Bonds Mutilated, Lost, Destroyed or Stolen.* If any 2006 Bonds Bond is mutilated the District, at the expense of the Owner of said 2006 Bonds Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new 2006 Bonds Bond of like maturity and principal amount in exchange and substitution for the 2006 Bonds Bond so

mutilated, but only upon surrender to the Paying Agent of the 2006 Bonds Bond so mutilated. Every mutilated 2006 Bonds Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District. If any 2006 Bonds Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to the District and indemnity satisfactory to it shall be given, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new 2006 Bonds Bond of like maturity and principal amount in lieu of and in substitution for the 2006 Bonds Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new 2006 Bonds Bond issued under this Section and of the expenses which may be incurred by the District and the Paying Agent in the premises. Any 2006 Bonds Bond issued under the provisions of this Section 2.10 in lieu of any 2006 Bonds Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the 2006 Bonds Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other 2006 Bonds issued under this Resolution.

Notwithstanding any other provision of this Section 2.10, in lieu of delivering a new 2006 Bonds Bond for which principal has or is about to become due for a 2006 Bonds Bond which has been mutilated, lost, destroyed or stolen, the Paying Agent may make payment of such 2006 Bonds Bond in accordance with its terms.

ARTICLE III SALE OF 2006 BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. *Sale of 2006 Bonds; Approval of Sale Documents.*

(a) Official Notice of Sale. The Board hereby authorizes the sale of the 2006 Bonds by competitive bid in accordance with the provisions of the Official Notice of Sale for the 2006 Bonds in substantially the form on file with the Clerk of the Board, together with such additions thereto and changes therein as may be approved by a District Representative, which is hereby incorporated herein by this reference. Said Official Notice of Sale is hereby approved and incorporated in this Resolution.

(b) Publication of Notice of Intention to Sell 2006 Bonds. Under Government Code Section 53692, the Board hereby approves and authorizes the publication by Jones Hall, A Professional Law Corporation, as Bond Counsel to the District, of a Notice of Intention to Sell Bonds in form and substance acceptable to Bond Counsel, in *The Bond Buyer* once at least 5 days prior to the date fixed for receipt of bids.

(c) Official Statement. The Board hereby approves and deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the preliminary Official Statement describing the 2006 Bonds in the form on file with the Clerk of the Board. A District Representative is hereby individually authorized, at the request of the Original Purchaser, to execute an appropriate certificate affirming the Board's determination that the preliminary Official Statement has been deemed nearly final within the meaning of such Rule. Distribution of the preliminary Official Statement by the Original Purchaser is hereby approved. A District Representative is hereby individually authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by such District Representative shall be conclusive evidence of approval of any such changes and additions. The Board hereby authorizes the distribution of the final Official Statement by the Original Purchaser. A District Representative shall execute the final Official Statement in the name and on behalf of the District.

(d) Furnishing of Official Notice of Sale and Official Statement. The Board authorizes and directs Caldwell, Flores, Winters, Inc., as financial adviser to the District, to cause to be furnished to prospective bidders a reasonable number of copies of said Official Notice of Sale and a reasonable number of copies of the Preliminary Official Statement relating to the 2006 Bonds.

(e) Terms and Conditions of Sale. The Vice President/Chief Financial Officer or designee, on behalf of the District, is hereby delegated the authority to accept the best responsible bid for the purchase of the 2006 Bonds, determined in accordance with the Official Notice of Sale. If two or more bids setting forth identical interest rates and premium, if any, are received, the Vice President/Chief Financial Officer or designee, on behalf of the District, may exercise his or her own discretion and judgment in making the award and may award the 2006 Bonds on a pro rata basis in such denominations as he or she shall determine, and may, in his or her discretion, reject any and all bids and waive any irregularity or informality in any bid. Sale of the 2006 Bonds shall be awarded, or all bids shall be rejected, not later than 24 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder.

SECTION 3.02. *Application of Proceeds of Sale of 2006 Bonds.* The Paying Agent shall deposit the proceeds of sale of the 2006 Bonds received by it in the Proceeds Account, to be applied on the Closing Date as follows:

- (a) The Paying Agent shall withdraw from the Proceeds Account and transfer to the County for deposit in the Debt Service Fund an amount equal to the premium (if any) received on the sale of the 2006 Bonds.
- (b) The Paying Agent shall retain in the Proceeds Account an amount set forth in a Written Request of the District filed with the Paying Agent as of the Closing Date, which amount is equal to the estimated Costs of Issuance.
- (c) The Paying Agent shall transfer the remainder of such proceeds to the Auditor-Controller/Tax Collector-Treasurer of the County on behalf of the District, for deposit in the Building Fund.

ARTICLE IV FUNDS AND ACCOUNTS

SECTION 4.01. *Proceeds Account.* There is hereby created the "2006 Bonds Bond Proceeds Account", which shall be held and maintained by the Paying Agent as a separate account, distinct from all other funds of the District, into which shall be deposited the proceeds of sale of the 2006 Bonds under Section 3.02. Amounts remaining on deposit in the Proceeds Account under Section 3.02(b) shall be disbursed for the purpose of paying the Costs of Issuance upon the receipt by the Paying Agent of Written Requests of the District. On April 1, 2007, the Paying Agent shall withdraw all amounts remaining on deposit in the Proceeds Account and transfer such amounts to the County for deposit in the Building Fund.

SECTION 4.02. *Building Fund.* The District hereby directs the Tax Collector-Treasurer of the County to establish, hold and maintain a fund to be known as the "2006 Bonds Imperial Community College District Building Fund", which the County shall maintain as a separate account, distinct from all other funds of the County and the District. The proceeds from the sale of the 2006 Bonds, to the extent required under Section 3.02(c), shall be transferred to the

County on behalf of the District to be credited to the Building Fund, to be expended by the District solely for the acquisition or improvement of real property for which the 2006 Bonds Bond proceeds are authorized to be expended pursuant to the Bond Proposition. All interest and other gain arising from the investment of amounts deposited to the Building Fund shall be retained in the Building Fund and used for the purposes thereof. At the Written Request of the District filed with the County, any amounts remaining on deposit in the Building Fund and not needed for the purposes thereof shall be withdrawn from the Building Fund and transferred to the Debt Service Fund, to be applied to pay the principal of and interest on the 2006 Bonds.

SECTION 4.03. *Debt Service Fund.* The District hereby directs the Tax Collector-Treasurer of the County to establish, hold and maintain a fund to be known as the "2006 Bonds Imperial Community College District General Obligation Bond Debt Service Fund", to be maintained by the County as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County, as directed by the District herein, for the payment of the principal of and interest and premium (if any) on the 2006 Bonds in accordance with Section 5.03 shall be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy. The District hereby irrevocably pledges the Debt Service Fund for the payment of the principal of and interest on the 2006 Bonds when and as the same become due. The County shall transfer amounts in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the 2006 Bonds as the same become due and payable, to the Paying Agent upon the Written Request of the District filed with the County.

If, after payment in full of the 2006 Bonds, any amounts remain on deposit in the Debt Service Fund, the County shall transfer such amounts to the general fund of the District, upon the Written Request of the District filed with the County, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

SECTION 4.04. *Investments.* All moneys in the Proceeds Account shall be invested by the Paying Agent solely in investments pursuant to and as identified in the Written Request of the District given to the Paying Agent in advance of the making of such investments (and promptly confirmed in writing, as to any such direction given orally). All moneys held in any of the funds or accounts established with the County hereunder shall be invested in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof. The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the 2006 Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section 4.03, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government

Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

**ARTICLE V
OTHER COVENANTS OF THE DISTRICT;
SECURITY FOR THE 2006 BONDS**

SECTION 5.01. *Punctual Payment.* The District will punctually pay, or cause to be paid, the principal of and interest on the 2006 Bonds, in strict conformity with the terms of the 2006 Bonds and of this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and of the 2006 Bonds. Nothing herein contained shall prevent the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

SECTION 5.02. *Extension of Time for Payment.* In order to prevent any accumulation of claims for interest after maturity, the District will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the 2006 Bonds and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Resolution, except subject to the prior payment in full of the principal of all of the 2006 Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

SECTION 5.03. *Security for the 2006 Bonds.* The 2006 Bonds are general obligations of the District payable from the levy of ad valorem taxes upon all property within the District subject to taxation by the District, without limitation as to rate or amount, for the payment of the 2006 Bonds and the interest thereon. The District hereby directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct and ad valorem tax annually during the period the 2006 Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the 2006 Bonds when due, including the principal of any 2006 Bonds upon the mandatory sinking fund redemption thereof under Section 2.03(b), which moneys when collected will be placed in the Debt Service Fund.

The principal of and interest and redemption premium (if any) on 2006 Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof, and neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof shall be liable thereon. In no event are the principal of and interest and redemption premium (if any) on 2006 Bonds payable out of any funds or properties of the District other than ad valorem taxes levied upon all taxable property in the District.

SECTION 5.04. *Books and Accounts; Financial Statement.* The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries shall be made of all transactions relating to the expenditure of the proceeds of the 2006 Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the 2006 Bonds then Outstanding, or their representatives authorized in writing.

SECTION 5.05. *Protection of Security and Rights of 2006 Bonds Bond Owners.* The District will preserve and protect the security of the 2006 Bonds and the rights of the 2006 Bonds Bond

Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the 2006 Bonds by the District, the 2006 Bonds shall be incontestable by the District.

SECTION 5.06. *Tax Covenants.*

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the 2006 Bonds are not so used as to cause the 2006 Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2006 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the 2006 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the 2006 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the 2006 Bonds from the gross income of the Owners of the 2006 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Exemption from Rebate Requirement. The District is a governmental unit with the power to impose taxes of general applicability which, when collected, may be used for general purposes of the District; the Bonds are not private activity bonds within the meaning of section 141 of the Internal Revenue Code of 1986 (the "Code"); and ninety-five percent (95%) of the Net Sale Proceeds of the Bonds are to be used for local governmental activities of the District. The aggregate face amount (or, issue prices, in the case of issues with a net original issue discount or net original issue premium in excess of two percent (2%) of the principal amount of the issue, excluding original issue premium used for reasonable underwriter's compensation) of all tax-exempt obligations (other than private activity bonds as defined in section 141 of the Code) issued by the District, including all subordinate entities of the District and all entities which may issue obligations on behalf of the District, during the calendar year during which the Bonds are being issued, is not reasonably expected to exceed \$15,000,000, of which no more than \$5,000,000 is for other than the construction of public school facilities, excluding, however, that portion of current refunding obligations having a principal amount not in excess of the principal amount of the refunded obligation (collectively the "\$15,000,000 Limitation"). By reason of the statements set forth in this subparagraph, the District will not rebate excess investment earnings, if any, to the federal government from the date hereof through and including December 31, 2010. On January 1, 2011, the \$15,000,000 Limitation is set to expire and will revert to a maximum of \$10,000,000, of which no more than \$5,000,000 is for other than the construction of public school facilities (the "Post 12-31-10 Limitation"). Unless the Code is amended to remove this expiration, if the amount of bonds issued by the District during the calendar year exceeds the Post 12-31-10 Limitation, the Bonds will become subject to the rebate requirement beginning January 1, 2011.

SECTION 5.07. *Continuing Disclosure.* The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the

Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the 2006 Bonds; however, any Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the 2006 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

SECTION 5.08. *Further Assurances.* The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the 2006 Bonds of the rights and benefits provided in this Resolution.

ARTICLE VI THE PAYING AGENT

SECTION 6.01. *Appointment of Paying Agent.* A Paying Agent for the Bonds shall be designated upon the sale thereof. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the 2006 Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the District a certificate to that effect.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the 2006 Bonds Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

SECTION 6.02. *Paying Agent May Hold 2006 Bonds.* The Paying Agent may become the owner of any of the 2006 Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

SECTION 6.03. *Liability of Agents.* The recitals of facts, covenants and agreements herein and in the 2006 Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the 2006 Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

The Paying Agent is not liable for any error of judgment made in good faith by a responsible officer of its corporate trust department in the absence of the negligence of the Paying Agent.

No provision of this Resolution requires the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.04. *Notice to Agents.* The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

SECTION 6.05. *Compensation; Indemnification.* The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The District will indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

ARTICLE VII REMEDIES OF 2006 BONDS BOND OWNERS

SECTION 7.01. *Remedies of 2006 Bonds Bond Owners.* Any 2006 Bonds Bond Owner has the right, for the equal benefit and protection of all 2006 Bonds Bond Owners similarly situated:

- (a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the 2006 Bonds,

and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;

- (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the 2006 Bonds Bond Owners' rights; or
- (c) upon the happening and continuation of any default by the District hereunder or under the 2006 Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

SECTION 7.02. *Remedies Not Exclusive.* No remedy herein conferred upon the Owners of 2006 Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the 2006 Bonds Bond Owners.

ARTICLE VIII AMENDMENT OF THIS RESOLUTION

SECTION 8.01. *Amendments Effective Without Consent of the Owners.* For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted, which, without the requirement of consent of the Owners of the 2006 Bonds, shall be fully effective in accordance with its terms:

- (a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (b) To confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;
- (c) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution, which in any event shall not materially adversely affect the interests of the 2006 Bonds Bond Owners, in the opinion of Bond Counsel filed with the District; or
- (d) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the 2006 Bonds.

SECTION 8.02. *Amendments Effective With Consent of the Owners.* Any modification or amendment of this Resolution and of the rights and obligations of the District and of the Owners of the 2006 Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent of the Owners of a majority in aggregate principal amount of the 2006 Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding 2006 Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of 2006 Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in

Section 7.01 relating to Events of Default, or shall reduce the amount of moneys pledged for the repayment of the 2006 Bonds without the consent of all the Owners of such 2006 Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

ARTICLE IX MISCELLANEOUS

SECTION 9.01. *Benefits of Resolution Limited to Parties.* Nothing in the Authorizing Resolution or this Resolution, expressed or implied, is intended to give to any person other than the District, the County, the Paying Agent and the Owners of the 2006 Bonds, any right, remedy, claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in the Authorizing Resolution and this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners of the 2006 Bonds.

SECTION 9.02. *Defeasance.*

(a) Discharge of Resolution. 2006 Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (i) by paying or causing to be paid the principal or redemption price of and interest on such 2006 Bonds, as and when the same become due and payable;
- (ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such 2006 Bonds; or
- (iii) by delivering such 2006 Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding 2006 Bonds also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any 2006 Bonds have not been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of 2006 Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on 2006 Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding 2006 Bonds Bond (whether upon or prior to its maturity or the redemption date of such 2006 Bonds Bond), provided that, if such 2006 Bonds Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section

2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such 2006 Bonds Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such 2006 Bonds Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any 2006 Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such 2006 Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any 2006 Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:

- (i) lawful money of the United States of America in an amount equal to the principal amount of such 2006 Bonds and all unpaid interest thereon to maturity, except that, in the case of 2006 Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such 2006 Bonds and all unpaid interest thereon to the redemption date; or
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the 2006 Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of 2006 Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice.

(d) Payment of 2006 Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal or redemption price of, or interest on, any 2006 Bonds and remaining unclaimed for 2 years after the principal of all of the 2006 Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or 2 years after the date of deposit of such moneys if deposited after said date when all of the 2006 Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however,* that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all 2006 Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the 2006 Bonds so payable

and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

SECTION 9.03. *Execution of Documents and Proof of Ownership by 2006 Bonds Bond Owners.* Any request, declaration or other instrument which this Resolution may require or permit to be executed by 2006 Bonds Bond Owners may be in one or more instruments of similar tenor, and shall be executed by 2006 Bonds Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any 2006 Bonds Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered 2006 Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any 2006 Bonds Bond shall bind all future Owners of such 2006 Bonds Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

SECTION 9.04. *Waiver of Personal Liability.* No Board member, officer, agent or employee of the District is individually or personally liable for the payment of the principal of or interest on the 2006 Bonds. Nothing herein contained relieves any such Board member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.05. *Limited Duties of County; Indemnification.* The County (including its officers, agents and employees) shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the 2006 Bonds, no implied covenants or obligations shall be read into this Resolution against the County (including its officers, agents and employees).

The District further agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

SECTION 9.06. *Destruction of Canceled 2006 Bonds.* Whenever in this Resolution provision is made for the surrender to the District of any 2006 Bonds which have been paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled 2006 Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such 2006 Bonds therein referred to.

SECTION 9.07. *Partial Invalidity.* If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the 2006 Bonds pursuant thereto irrespective of the

fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the Deputy Superintendent/Chief Financial Officer of the District in trust for the benefit of the 2006 Bonds Bond Owners.

SECTION 9.08. *Execution of Documents.* The Superintendent, the Vice President/Chief Financial Officer, the Clerk of the Board and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the 2006 Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

SECTION 9.09. *Effective Date of Resolution.* This Resolution shall take effect from and after the date of its passage and adoption.

ADJOURNMENT

M/S/C Ramirez/Medina to ADJOURN the meeting at 6:50 p.m.

The next regular meeting of the Board of Trustees is scheduled for the THIRD TUESDAY, NOVEMBER 21, 2006, at 6:00 P.M. in the Administration Building Board Room.

Adopted this ____ day of _____, 2007.

ICCD Board President

ICCD Board Secretary