PALO VERDE COMMUNITY COLLEGE DISTRICT

RESOLUTION NO. 12-03-B-14

RESOLUTION OF THE BOARD OF TRUSTEES OF THE PALO VERDE COMMUNITY COLLEGE DISTRICT APPROVING, AUTHORIZING AND DIRECTING EXECUTION AND DELIVERY BY THE DISTRICT OF DOCUMENTATION IN CONNECTION WITH THE PREPAYMENT OF THE DISTRICT'S OUTSTANDING CERTIFICATES OF PARTICIPATION (2008 CONVERSION OF 2007 AUCTION RATE CERTIFICATES) AND TAKING CERTAIN ACTIONS WITH RESPECT THERETO.

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WHEREAS, the District, working together with the Palo Verde Community College District Financing Corporation, a California nonprofit public benefit corporation (the "Corporation"), authorized the execution and delivery of $31,995,000 aggregate principal amount of the District's Certificates of Participation (2008 Conversion of 2007 Auction Rate Certificates) (the "2008 Certificates"), under that certain Amended and Restated Trust Agreement, by and among Deutsche Bank National Trust Company, as Trustee (the "Trustee"), the District and the Corporation, dated as of July 1, 2008 (the "Trust Agreement"); and

WHEREAS, **in accordance with their terms,** the 2008 Certificates **will** not **be** subject to call for prepayment **until January 1. 2016. at a price of 102% of their principal;** and

WHEREAS, the District has determined that it is in the public interest for the District to declare the Project described in the Trust Agreement to be complete and to apply proceeds of the 2008 Certificates remaining in the Construction Completion Fund (the "Transferred Proceeds") established under the Trust Agreement to the purchase of a portion of the 2008 Certificates on the next feasible date therefor; and

WHEREAS, the District has received certain Matching Funds from the State of California for the Project (the "State Funds"), and has determined that it is in the public interest for the District to apply the State Funds to the purchase of a portion of the 2008 Certificates on the next feasible date therefor; and

WHEREAS, in order to establish a purchase date for the 2008 Certificates prior to the first prepayment date set forth in the Trust Agreement, **it** is necessary for the District to engage professional assistance in order to effect a call of the 2008 Certificates in the financial markets and their purchase and cancellation (collectively, the "Open Market Purchase"), which purchase would be accomplished with a combination of the Transferred Proceeds and the State Funds; and

WHEREAS, RBC Capital Markets Group **(the "Dealer")** has proposed to assist the District as Dealer for the tender and call of the 2008 Certificates in the **financial** markets

and has offered to use its best efforts to effect the Open Market Purchase of all or a portion of the 2008 Certificates during the first quarter of2012; and

WHEREAS, the District has full legal right, power and authority under the Constitution of the State of California and the laws of the State of California to enter into the transactions herein authorized;

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, it is hereby RESOLVED by the Board of Trustees of the Palo Verde Community College District, as follows:

Section 1. All of the recitals herein contained are complete, true and correct and the Board so finds.

Section 2. The Board hereby appoints RBC Capital Markets Group as the Dealer for the Tender and Call of the 2008 Certificates, or such portion of the 2008 Certificates as may be tendered and purchased in accordance with this Resolution. The Interim President or the Chief Business Official of the District (each, an "Authorized Officer") is hereby authorized and directed to enter into a letter agreement with the Dealer, setting forth the terms and provisions under which the Dealer will conduct the Open Market Purchase described herein. The sum ofthe Transferred Proceeds and the State Funds (collectively, the "Available Amount") shall provide the sole sources of the Open Market Purchase authorized hereunder; accordingly, the District shall set aside the sum of **$12.5 million** from the Available Amount to pay the costs of the Open Market Purchase described herein, apart from the costs and expenses of the Dealer, which will be paid from the spread between the open market purchase price of the 2008 Certificates and the sale price to the District. The amount of the Available Amount remaining following the setting aside of such sum is referred to as the "Net Amount." The Board directs that the Open Market Purchase be structured so that the maximum aggregate principal amount of the outstanding 2008 Certificates be purchased, at a price to be established by the Dealer, not to exceed 102% of par, plus interest accrued to the purchase date established therefor, using solely the Net Amount, and that the Net Amount be used to purchase, first, the 2008 Certificates representing the highest interest rate, and thereafter, the 2008 Certificates representing interest in descending order, until the Net Amount is fully expended.

Section 3. The Board hereby authorizes the preparation of such materials as may, in the professional judgment of the Dealer, be necessary in order to effect the Open Market Purchase on behalf of and in the name of the District (the "Purchase Materials"), subject to the approval of the Purchase Materials by Special Counsel, identified below.

Section 4. The Board hereby authorizes and directs the Authorized Officers, and each of them, to take such further actions and execute documents as are deemed necessary and appropriate to establish and create such entity.

Section 5. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things, to execute such other agreements, documents and certificates as they may deem necessary to effect the purposes of this Resolution and the Open Market Purchase herein authorized, and the engagement of **the Dealer and** the law firm of Fulbright & Jaworski L.L.P., in the capacity of Special Counsel, pursuant to letter **agreements** executed **or to be executed** on behalf of the District by an Authorized Officer, is hereby **authorized and/or** confirmed.

Section 6. All actions heretofore taken by the officers, employers and agents of the District with respect to the transaction set forth above are hereby approved, confirmed and ratified.

Section 7. This Resolution shall take effect immediately upon adoption by the Board.

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SUPPLEMENTAL INFORMATION

Open Market Purchase Memorandum

Board Authorization: On [February 28, 2012], the Board of Trustees of the Palo Verde Community College District (the "District") authorized utilizing [unused proceeds of the captioned certificates of participation (the "2008 COPs") and state grant monies] in the approximate amount of [$13,000,000] to purchase not to exceed [$18,000,000] ofthe 2008 COPs (the "Available Amount").

Moneys Available For Purchase: By 10:00 AM on [Tuesday, March 6, 2012], Deutsche Bank, as trustee for the 2008 COPs, will confirm that the Available Amount has been transferred or deposited into the Prepayment Account for the 2008 COPs.

Indicative Purchase Price Range: By 12:00 PM on [Tuesday, March 6, 2012], RBC CM will provide the District an indicative purchase price range for the 2008 COPs.

Acceptable Purchase Price Range: By I:00 PM on [Tuesday, March 6, 2012], the District will provide RBC CM an acceptable purchase price range for the 2008 COPs, which. upon contirmation by RBC CM. shall comprise the "Agreed-Upon Price Range".

Purchasing the 2008 COPs: On [Wednesday, March 7, 2012], RBC CM will purchase all 2008 COPs tendered for purchase at prices within the Agreed-Upon Price Range, up to the Available Amount (the ""Tendered 2008 COPs"). The District has directed that if more 2008 COPs are tendered for purchase at prices within the Agreed-Upon Price Range than can be paid for from the Available Amount, RBC CM will identify to the District and will purchase 2008 COPs representing interest at the highest interest rates first, until the Available Amount is exhausted.

Transfer of 2008 COPs: RBC CM will use Delivery vs. Payment ("DVP") for the Tendered 2008 COPs through the facilities of the Depository Trust Company ("DTC").

Use of Available Amount to Pay Pure base Price: The Trustee will, pursuant to written instruction from the District, transfer the Available Amount, or so much thereof as is necessary to purchase the Tendered 2008 COPs at their Purchase Price, to DTC.

Settlement of 2008 COPs: The Tendered 2008 COPs will settle (regular settlement T+3) on [Monday, March 12, 2012].

Cancellation of 2008 COPs: Upon purchasing the 2008 COPs, the Trustee for the 2008 COPs shall cancel the Tendered 2008 COPs.

Material Events Notice: The District will execute and deliver to EMMA a Notice of Material Event relating to the prepayment and extinguishment of the Tendered 2008 COPs.

CLERKCERTIFICATE

I, the undersigned Clerk of the Palo Verde Community College District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of Trustees of the District at a meeting thereof on the **28th** day of **February,** 2012, **at Blythe. California.** by the following vote of the members thereof:

AYES, and in favor thereof: _____

_____

NOES: _____

ABSENT: _____ _____

ABSTAIN: _____

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Clerk
Palo Verde Community College District