

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
July 25, 2007

SUBJECT: Resolution No. 2007-392 - Tax and Revenue Anticipation Notes Palo Verde Community College District (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2007-392 - providing for issuance and sale of Tax and Revenue Anticipation Notes for the Palo Verde Community College District (the "District") in a principal amount not to exceed \$2,500,000.

BACKGROUND: Government Code Section 53853 requires that a community college district's tax and revenue anticipation notes be issued by the Board of Supervisors of Riverside County when the Riverside County Superintendent of Schools has jurisdiction over that district. The Riverside County Superintendent of Schools has jurisdiction over the District, therefore the District has requested, by resolution, that the Board of Supervisors issue Palo Verde Community College District Tax and Revenue Anticipation Notes on behalf of the District.

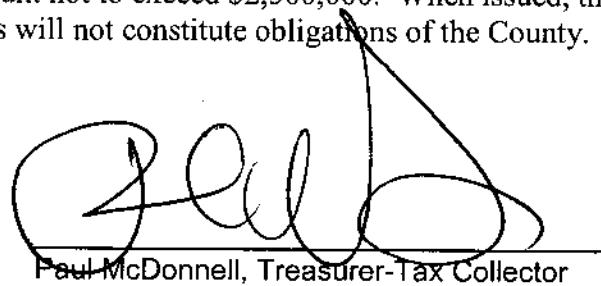
Resolution No. 2007-392 authorizes the issuance of Palo Verde Community College District Tax and Revenue Anticipation Notes in a principal amount not to exceed \$2,500,000. When issued, the notes will constitute obligations of the District. The notes will not constitute obligations of the County.

FORM APPROVED
COUNTY COUNSEL

JUL 25 2007

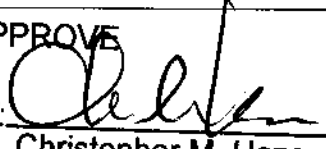
Departmental Concurrence

BY: Dale A. Gardner


Paul McDonnell, Treasurer-Tax Collector

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
BY: 
County Executive Office Signature Christopher M. Hans

Dept't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: _____ District: _____ Agenda Number: **3.154**

2
3 RESOLUTION NO. . 2007-392

4 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
5 PROVIDING FOR THE ISSUANCE OF PALO VERDE COMMUNITY COLLEGE DISTRICT,
6 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, 2007-08 TAX AND REVENUE ANTICIPATION
7 NOTES

8 WHEREAS, pursuant to Section 53850 *et seq.* of the Government Code of the State of California (the "Act")
9 contained in Article 7.6 thereof, entitled "Temporary Borrowing," that provides for temporary borrowing by certain
10 local agencies, on or after the first day of any fiscal year (being July 1), a community college district may borrow
11 money by issuing notes for any purpose for which the community college district is authorized to expend moneys,
12 including but not limited to current expenses, capital expenditures, and the discharge of any obligation or
13 indebtedness of the community college district; and

14 WHEREAS, Section 53853 of the Act provides that such notes must be issued in the name of the community
15 college district by the board of supervisors of a county, the county superintendent of which has jurisdiction over the
16 community college district, as soon as possible following the receipt of a resolution of the governing board of the
17 community college district requesting the borrowing; and

18 WHEREAS, the County Superintendent of the County of Riverside (the "County") has jurisdiction over the
19 Palo Verde Community College District (the "District"), and this Board of Supervisors of the County (the "County
20 Board") has received a resolution of the Board of Trustees of the District (the "District Board"), being the governing
21 board of the District, dated July 24, 2007, entitled "RESOLUTION OF THE BOARD OF TRUSTEES OF THE PALO
22 VERDE COMMUNITY COLLEGE DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED
23 \$2,500,000 PALO VERDE COMMUNITY COLLEGE DISTRICT, CALIFORNIA, 2007-2008 TAX AND REVENUE
24 ANTICIPATION NOTES; DELEGATING TO AUTHORIZED REPRESENTATIVES AUTHORIZATION TO
25 CONSUMMATE THE SALE OF SAID NOTES; APPROVING THE EXECUTION AND DELIVERY OF A
26 CONTINUING DISCLOSURE CERTIFICATE; AND AUTHORIZING TAKING OF NECESSARY ACTIONS AND
27 EXECUTION OF NECESSARY DOCUMENTS" (the "District Resolution") which District Resolution requests the
28 borrowing of not exceeding \$2,500,000 at an interest rate not to exceed the rate permitted under the Code, through

1 the issuance either by the District or the County Board of 2007-08 Tax and Revenue Anticipation Notes (the "Notes")
2 in the name of the District; and

3 WHEREAS, such Notes are payable on such date that is not later than thirteen months after the date of
4 issue, and such Notes shall be payable only from the District's revenue received or accrued during the fiscal year
5 2007-08 in which issued; and

6
7 WHEREAS, pursuant to Section 53856 of the Act, the District may pledge any taxes, income, revenue, cash
8 receipts or other moneys deposited in inactive or term deposits (excepting certain moneys encumbered for a special
9 purpose); and the District Resolution specifies that certain unrestricted revenues that will be received by the District
10 for the General Fund of the District during or allocable to fiscal year 2007-08 are pledged for the payment of the
11 Notes; and

12 WHEREAS, the Notes shall be a general obligation of the District, and to the extent not paid from the taxes,
13 income, revenue, cash receipts and other moneys of the District pledged for the payment thereof shall be paid with
14 interest thereon from any other moneys of the District lawfully available therefor, as required by Section 53857 of the
15 Act, and shall not in any way be payable from County moneys; and

16
17 WHEREAS, the Notes shall be in denominations of \$5,000 or integral multiples thereof, as permitted by
18 Section 53854 of the Act; shall be issued on a date to be designated, as permitted by Section 53853 of the Act; and
19 shall be in the form and executed in the manner prescribed in the District Resolution and herein, as required by
20 Section 53853 of the Act; and

21
22 WHEREAS, the County Board has no independent knowledge of but accepts the determination by the
23 District that said \$2,500,000 maximum principal amount of Notes to be issued by the County Board in fiscal year
24 2007-08, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated
25 amount of the uncollected taxes, income, revenue (including but not limited to revenue from state and federal
26 governments), cash receipts and other moneys of the District which will be available for the payment of the Notes
27 and interest thereon, as required by Section 53858 of the Act; and

28 WHEREAS, the District has determined that the Notes will not be outstanding after a period ending thirteen
months after the date on which such Notes are issued and will not be issued in an amount greater than the maximum

1 anticipated cumulative cash flow deficit to be financed by the anticipated tax or other revenue sources for the period
2 for which such taxes or other revenues are anticipated and during which such Notes are outstanding, all as provided
3 in Section 1.103-14(c) of the Income Tax Regulations of the United States Treasury; and

4
5 WHEREAS, the District desires that such Notes be sold pursuant to a negotiated sale;

6 NOW, THEREFORE, the Board of Supervisors of the County of Riverside hereby resolves as follows:

7
8 Section 1. (a) Authorization of Issuance of Notes; Terms Thereof; Paying Agent. The District Board hereby
9 requests the County Board to issue in the name of the District, an amount not to exceed \$2,500,000 principal amount
10 of Notes under Sections 53850 et seq. of the Act, designated "Palo Verde Community College District, County of
11 Riverside, State of California, 2007-08 Tax and Revenue Anticipation Notes" (the "Notes"); to be numbered from 1
12 consecutively upward in order of issuance; to be in the denominations of \$5,000, or integral multiples thereof, as
13 determined by the financial advisor to the District; to be dated the date of delivery thereof; to mature (without option
14 of prior redemption) either within 364 days from said date of delivery (or 359 days computed (on a 30-day
15 month/360-day year basis), or if such date is not a day on which banks in the States of New York or California are
16 open for business, on the last day such banks are open for business prior to such date, or some later date as set
17 forth in the official statement pertaining to the Notes (the "Official Statement"), but in no event later than thirteen
18 months after the date of issuance, (on a 30-day month/360-day year basis), as described in the Official Statement;
19 and unless otherwise provided for in the Note or in the Official Statement, to bear interest, payable on the date
20 shown in the Official Statement, which date shall be less than 12 months from the date of maturity, and/or at maturity
21 and computed on a 30-day month/360-day year basis, at the rate or rates determined at the time of sale thereof, but
22 not in excess of the maximum rate per annum permitted by the Code and authorized by the District. Both the
23 principal of and interest on the Notes shall be payable, only upon surrender thereof, in lawful money of the United
24 States of America at the office of the Treasurer-Tax Collector of the County of Riverside or his designee (the
25 "Treasurer-Tax Collector"), which is hereby designated to be the paying agent for the Notes (in such capacity, the
26 "Paying Agent"), or such other paying agent as the District may designate. This Board hereby approves the payment
27 of the reasonable fees and expenses of the Paying Agent as they shall become due and payable.

28
(b) Resignation or Removal of Paying Agent and Appointment of Successor. (i) The Paying Agent may at
any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 30 days'

1 written notice to the District and the County. The Paying Agent may be removed at any time by an instrument filed
2 with such Paying Agent and the County and signed by the District. A successor Paying Agent shall be appointed by
3 the District with the written consent of the Treasurer, which consent shall not be unreasonably withheld, and shall be
4 a bank or trust company organized under the laws of any state of the United States, a national banking association or
5 any other financial institution, having capital stock and surplus aggregating at least \$50,000,000 and doing business
6 in the State and willing and able to accept the office on reasonable and customary terms and authorized by law to
7 perform all the duties imposed upon it by this Resolution. Such Paying Agent shall signify the acceptance of its
8 duties and obligations hereunder by executing and delivering to the County and the District a written acceptance
9 thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a
10 successor Paying Agent.

11
12 (ii) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over,
13 assign and deliver any moneys held by it as Paying Agent to its successor, or, if there is no successor, to the
14 Treasurer-Tax Collector. In the event that for any reason there shall be a vacancy in the office of the Paying Agent,
15 the Treasurer-Tax Collector shall act as such Paying Agent. The County shall promptly publish in an Authorized
16 Newspaper the name and principal corporate trust office address of the Paying Agent appointed to replace any
17 resigned or removed Paying Agent.

18 Section 2. Form of Notes. The Notes shall be issued in registered form, without coupons, and shall be
19 substantially in the form and substance set forth in Exhibit A of the District's resolution and by reference incorporated
20 herein, the blanks in said form to be filled in with appropriate words and figures. The Notes shall be initially registered
21 in the name of "Cede & Co." as nominee of The Depository Trust Company, and shall be evidenced by one note in
22 the full principal amount of the Notes. The Depository Trust Company, New York, New York is hereby appointed
23 depository for the Notes (the "Depository"). Registered ownership may not thereafter be transferred except as set
24 forth in Section 4 hereof. There shall be simultaneously delivered with each note, the legal opinion of Greenberg
25 Traurig, LLP, respecting the validity of said Notes.

26
27 Section 3. Transfer and Exchange of Notes. In the event the Notes are no longer registered in the name of
28 "Cede & Co.," the registration of any note may, in accordance with its terms, be transferred, upon the registration
books kept by the Paying Agent for such purpose, by the person in whose name it is registered, in person or by his or

1 her duly authorized attorney, upon surrender of such note for cancellation, accompanied by delivery of a written
2 instrument of transfer, duly executed in a form approved by the Paying Agent.

3
4 Whenever any note shall be surrendered for registration or transfer, the Paying Agent shall execute and
5 deliver a new note, for a like aggregate principal amount. The Paying Agent shall require the note owner requesting
6 such registration of transfer to pay any tax or other governmental charge required to be paid with respect to such
7 transfer. The Paying Agent may require the owner requesting such registration of transfer to pay such additional
8 reasonable charge as may be necessary to cover customary expenses incurred and fees charged by the Paying
9 Agent with respect to such registration of transfer. The Paying Agent may treat the registered owner of any note as
10 the absolute owner thereof for all purposes whatsoever in accordance with this resolution, and the Paying Agent shall
11 not be affected by any notice to the contrary.

12 Subject to the provisions of Section 4 hereof, Notes may be exchanged at the office of the Paying Agent in
13 Riverside, California for a like aggregate principal amount of Notes in other authorized denominations.

14
15 Section 4. Use of Depository. (1) The Notes shall be initially registered as provided in Section 2 hereof.
16 Registered ownership of the Notes, or any portion thereof, may not thereafter be transferred except:

17
18 a. To any successor of Cede & Co., as nominee of The Depository Trust
19 Company, or its nominee, or to any substitute depository designated pursuant to clause (b) of this
20 Section 4 (a "substitute depository"); *provided*, that any successor of Cede & Co., as nominee of The
21 Depository Trust Company or a substitute depository, shall be qualified under any applicable laws to
22 provide the services proposed to be provided by it;

23
24 b. To any substitute depository not objected to by the Paying Agent, upon (i)
25 the resignation of The Depository Trust Company or its successor (or any substitute depository or its
26 successor) from its functions as depository, or (ii) a determination by the Treasurer-Tax Collector to
27 substitute another depository for The Depository Trust Company (or its successor) because The
28 Depository Trust Company or its successor (or any substitute depository or its successor) is no
longer able to carry out its functions as depository; *provided*, that any such substitute depository
shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

1 c. To any person as provided below, upon (i) the resignation of The Depository
2 Trust Company or its successor (or substitute depository or its successor) from its functions as
3 depository, or (ii) a determination by the County to remove The Depository Trust Company or its
4 successor (or any substitute depository or its successor) from its functions as depository.

5
6 (2) In the case of any transfer pursuant to clause (a) or clause (b) of subsection (1) of this
7 Section 4, upon receipt of the outstanding Notes by the Paying Agent, together with a request of the District
8 to the Paying Agent, a new note shall be executed and delivered in the aggregate principal amount of the
9 Notes registered in the name of such successor or such substitute depository, or their nominees, as the case
10 may be, all as specified in such request of the District. In the case of any transfer pursuant to clause (c) of
11 subsection (1) of this Section 4, upon receipt of the outstanding Notes by the Paying Agent together with a
12 request of the District to the Paying Agent, new Notes shall be executed and delivered in such
13 denominations numbered in the manner determined by the Paying Agent and registered in the names of
14 such persons as are requested in such a request of the District; *provided*, the Paying Agent shall not be
15 required to deliver such new Notes within a period less than sixty (60) days from the date of receipt of such a
16 request of the District. Thereafter, Notes shall be transferred pursuant to Section 3 hereof.

17 (3) The Paying Agent shall be entitled to treat the person in whose name any Note is registered
18 as the owner thereof (the "Owner") for all purposes of this resolution and any applicable laws,
19 notwithstanding any notice to the contrary received by the Paying Agent or the District; and the Paying Agent
20 shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing
21 with any beneficial owners of the Notes and neither the District nor the Paying Agent will have any
22 responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party, including The
23 Depository Trust Company or its successor (or substitute depository or its successor), except for the Owner
24 of any Notes.

25
26 (4) So long as the outstanding Notes are registered in the name of Cede & Co. or its registered
27 assigns, the Paying Agent shall cooperate with Cede & Co., as sole registered Owner, or its registered
28 assigns in effecting payment of the principal of and interest on the Notes by arranging for payment in such

1 manner that funds for such payments are properly identified and are made immediately available on the date
2 they are due.

3 Section 5. Deposit of Note Proceeds. The moneys so borrowed shall be deposited in the General Fund of
4 the District.

5
6 Section 6. Payment of Notes.

7
8 A. Source of Payment. The principal amount of the Notes, together with the interest thereon, shall be
9 payable from taxes, income, revenue, cash receipts and other moneys which are received by the District during fiscal
10 year 2007-08 and which are available therefor, and are not payable from moneys of the County. The Notes shall be
11 a general obligation of the District, and to the extent the Notes are not paid from the Pledged Revenues defined
12 below, the Notes shall be paid with interest thereon from any other moneys of the District lawfully available therefor,
13 as provided in the District Resolution and by law. Notwithstanding anything to the contrary contained herein or in any
14 document mentioned herein or related to the Notes and in the event Note proceeds or moneys on deposit in the
15 Repayment Fund, as defined in subsection 6C, below are invested pursuant to Section 12 hereof, the County shall
16 not have any monetary liability hereunder or by reason hereof or in connection with the transactions contemplated
17 hereby and the Notes shall be payable solely from the moneys of the District available therefor as set forth in this
18 Section and in Section 4 of the District Resolution.

19
20 B. Pledged Revenues. The District has pledged as security for the payment of the principal of and
21 interest on the Notes, as provided in the District Resolution, to the Paying Agent for deposit in trust in a special fund
22 designated as the "2007-2008 Tax and Revenue Anticipation Note Repayment Fund" (the "Repayment Fund"), which
23 fund the District shall establish and maintain with the Paying Agent while any Notes are Outstanding: (i) from the first
24 Unrestricted Revenues received by the District during the accounting period commencing on January 1, 2008 and
25 ending January 31, 2008, inclusive (the "First Pledge Period"), an amount that, together with amounts, if any, then on
26 deposit in the Repayment Fund, equal to one third (33%) of the aggregate principal amount of the Notes and (ii) from
27 the first Unrestricted Revenues received by the District during the accounting period commencing on April 1, 2008
28 and ending April 30, 2008, inclusive (the "Second Pledge Period"), an amount equal to one third (33%) of the
aggregate principal amount of the Notes and (iii) from the first Unrestricted Revenues received by the District during
the accounting period commencing on May 1, 2008 and ending May 30, 2008, inclusive (the "Third Pledge Period"),

1 an amount equal to one third (33%) of the aggregate principal amount of the Notes plus an amount equal to the
2 interest then due which, when aggregated with the amounts set forth in (i) and (ii) above, shall be sufficient to pay all
3 of the principal of and interest on the Notes then due and to make up any deficiencies in the Repayment Fund (such
4 amounts, however, may be altered as evidenced by the precise terms of the Notes and as confirmed in the Official
5 Statement). The amounts pledged by the District for deposit into the Repayment Fund from the Unrestricted
6 Revenues received during each indicated accounting period are hereinafter called the "Pledged Revenues." The term
7 "unrestricted revenues" shall mean taxes, income, revenue, cash receipts, and other money of the District as
8 provided in Section 53856 of the Act, which are intended as receipts for the General Fund of the District and which
9 are generally available for the payment of current expenses and other obligations of the District.

10 The principal of the Notes and the interest thereon shall be a first lien and charge against and shall be
11 payable from the first moneys received by the District from such Pledged Revenues as provided by law.

12
13 In the event that there are insufficient unrestricted revenues received by the District to permit the deposit into
14 the Repayment Fund of the full amount of Pledged Revenues to be deposited from unrestricted revenues in any
15 month, then the amount of such deficiency shall be satisfied and made up from any other moneys of the District
16 lawfully available for the repayment of the Notes and the interest thereon.

17 C. Deposit of Pledged Revenues. The Pledged Revenues shall be held by the Treasurer-Tax Collector
18 in the County investment pool as a special fund designated as the "2007-2008 Tax and Revenue Anticipation Note
19 Repayment Fund" or such other name as convenient and applied as directed in this Resolution. Any moneys
20 accounted for in the Repayment Fund shall be for the benefit of the holders of the Notes, and until the Notes and all
21 interest thereon are paid or until provision has been made for the payment of the Notes at maturity with interest to
22 maturity, the moneys accounted for in the Repayment Fund shall be applied only for the purposes for which the
23 Repayment Fund is created.

24
25 D. Disbursement and Investment of Moneys in Repayment Fund. From the date this Resolution takes
26 effect, all Pledged Revenues shall, when received, be deposited in the Repayment Fund. After such date as the
27 amount of Pledged Revenues deposited in the Repayment Fund shall be sufficient to pay in full the principal of and
28 interest on the Notes, when due, any moneys in excess of such amount remaining in or accruing to the Repayment
Fund shall be transferred to the General Fund of the District upon the request of the District. On the maturity date of

1 the Notes, the moneys in the Repayment Fund shall be used, to the extent necessary, to pay the principal of and
2 interest on the Notes.

3
4 Moneys in the Repayment Fund shall be invested as permitted by applicable California law, as it is now in
5 effect and as it may be amended, modified or supplemented from time to time, including investments authorized by
6 Section 12 hereof; provided that no such investments shall have a maturity date later than the maturity date of the
7 Notes. To the extent that moneys invested or held by the County are subject to arbitrage rebate, neither the County
8 nor any officer or employee of the County shall assume hereunder or under the provisions of any rebate certificate
9 any duty or obligation to make the actual calculations of arbitrage rebate liability of the District, or to pay any such
10 rebate or any penalties in regard thereto if the District miscalculates or fails to pay or cause such rebate or such
11 penalties to be paid.

12 Section 7. Execution of Notes. The Treasurer-Tax Collector, or a designated deputy thereof, is hereby
13 authorized to sign the Notes manually or by facsimile signature; and the Clerk of the County Board (the "Clerk") is
14 hereby authorized to countersign the Notes manually or by facsimile signature; the Clerk is hereby authorized to affix
15 the seal of the County Board thereto by facsimile impression thereof; and said officers are hereby authorized to
16 cause the blank spaces thereof to be filled in as may be appropriate.

17
18 Section 8. Sale of Notes; Contract of Purchase. The Notes shall be sold on a private, negotiated basis. The
19 Contract of Purchase submitted to and on file with the Clerk to this Board of Supervisors providing for the sale by this
20 Board of Supervisors and the purchase by the Underwriter of the Notes at a purchase price to be set forth therein
21 (which purchase price shall be approved by the Treasurer, this Board of Supervisors hereby expressly delegating to
22 such officer the authority to execute the Contract of Purchase on its behalf or to designate an authorized
23 representative of the District to approve and execute the same), is hereby approved; provided, however, that (a) the
24 true interest cost for the Notes shall not be in excess of 8% per annum, (b) the interest rate for the Notes shall not
25 exceed 8% per annum, (c) the Underwriter's discount for the sale of the Notes shall not exceed 2% or such
26 percentage as is lawful and approved by the District and confirmed by the Treasurer (exclusive of any costs of
27 issuance the Underwriter or District contracts to pay, and (d) the Notes shall otherwise conform to the limitations
28 specified herein.

1 The Contract of Purchase shall recite the aggregate principal amount of the Notes, shall recite the date
2 thereof, the maturity date(s) and annual rate of interest, payment date(s) and the like.

3
4 The Treasurer (or an authorized deputy or delegate) is hereby authorized and directed to accept the offer of
5 the Underwriter when the offer is satisfactory to the District and to execute and deliver the Contract of Purchase on
6 behalf of the County or the District, as the case may be, with such changes therein as shall be approved by the
7 Treasurer or an authorized deputy or delegate, and such execution shall constitute conclusive evidence of the
8 necessary approvals to be obtained from the Treasurer and the Board of Supervisors' approval of any change therein
9 from the form of such Contract of Purchase.

10 Section 9. Authorization of Preliminary Official Statement and Official Statement. Nollenberger Capital
11 Partners, the District's financial advisor, and Greenberg Traurig, LLP, Bond Counsel, are hereby authorized to
12 prepare an Official Statement relating to the Notes, to be used in connection with the offering and sale of the Notes.
13

14 Section 10. Delivery of Notes. The proper officers of the County are hereby authorized and directed to
15 deliver the Notes in accordance with the directions of the District. All actions heretofore taken by the officers and
16 agents of the County with respect to the sale and issuance of the Notes are hereby approved, confirmed and ratified,
17 and the officers of the County are hereby authorized and directed, for and in the name and on behalf of the County,
18 to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and
19 other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful
20 issuance and delivery of the Notes in accordance with this Resolution and resolutions heretofore adopted by the
21 District Board.

22 Section 11. Further Actions Authorized. It is hereby covenanted that the County, and its appropriate
23 officials, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings
24 necessary to be taken by them, for the levy, collection and enforcement of the secured property taxes pledged under
25 the District Resolution in accordance with the law and for carrying out the provisions of the District Resolution and of
26 this Resolution.
27

28 Section 12. Authorization to Enter into Investment Agreement; LAIF. Notwithstanding anything to the
contrary contained herein, the proceeds of the Notes shall be pledged to the payment of the Notes in the event and

1 to the extent sufficient Pledged Revenues of the District and other legally available revenues are not deposited into
2 the Repayment Fund. In addition to investments in the Riverside County Treasurer-Tax Collector's Investment Pool,
3 pursuant to Section 53601(1) of the Government Code of the State of California, the following are hereby designated
4 as authorized investments for the proceeds of the Notes and the Repayment Fund: (i) so long as the moneys to be
5 invested shall be held by an independent paying agent and not by the Treasurer-Tax Collector, a guaranteed
6 investment contract with a financial institution or insurance company which has or its guarantor has at the date of
7 execution thereof one or more outstanding issues of unsecured, uninsured and unguaranteed debt obligations or a
8 claims paying ability rating not lower than the second highest rating category (without regard to subcategories) by
9 Standard & Poor's Ratings Services and Moody's Investors Service (in which case, the District Resolution has
10 authorized the Superintendent or business officer of the District to execute a certificate of indemnity holding the
11 Treasurer-Tax Collector and the County, its officers, employees and servants harmless and indemnifying them from
12 any costs, liabilities, claims or damages, including but not limited to attorneys' fees, caused by or arising from the
13 investment of the funds in such an instrument, or, alternatively, a written agreement to pay for any costs, liabilities,
14 claims or damages, including but not limited to attorneys' fees, to the Treasurer-Tax Collector, the County, its
15 officers, employees and servants, caused by or arising from the investment of the funds in such an instrument); or (ii)
16 the Local Agency Investment Fund (LAIF) administered by the State of California.

17
18 Section 13. Recitals. All the recitals in this Resolution above are true and correct and this County Board so
19 finds, determines and represents.

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1 PASSED AND ADOPTED by the Board of Supervisors of the County of Riverside this 31st day of July, 2007,

2 by the following vote:

3 AYES:

4 NOES:

5 ABSENT:

6
7
8 COUNTY OF RIVERSIDE

9
10
11 By: _____
Chairman, Board of Supervisors

12 ATTEST:

13
14 By: _____
15 Clerk of the Board of Supervisors

16
17
18 FORM APPROVED
COUNTY COUNSEL

19 JUL 25 2007

20 BY *Dale A. Gardner*

21 Dale A. Gardner
22
23
24
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PALO VERDE COMMUNITY COLLEGE DISTRICT

NOTE PURCHASE AGREEMENT

THIS NOTE PURCHASE AGREEMENT (the "Purchase Agreement"), dated as of the purchase date (the "Purchase Date") specified in Exhibit A attached hereto and made a part hereof, entered into by and between the PALO VERDE COMMUNITY COLLEGE DISTRICT (the "District") and NOLLENBERGER CAPITAL PARTNERS ("Nollenberger"), for the sale and delivery of the principal amount specified in Exhibit A of the District's 2007-08 Tax and Revenue Anticipation Note (the "Note");

WITNESSETH:

WHEREAS, local agencies are authorized by Sections 53850 to 53858, both inclusive, of the Government Code of the State of California (the "Act") (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code) to borrow money by the issuance of temporary notes;

WHEREAS, the legislative body of the District (the "Legislative Body") has adopted its resolution finding that the District needs to borrow funds in its fiscal year ending June 30, 2008 ("Fiscal Year 2007-08") in the principal amount set forth in Exhibit A and that it is necessary that said sum be borrowed at this time by the issuance of a note therefor in anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received by the District during or attributable to Fiscal Year 2007-08;

WHEREAS, the District has adopted a resolution or resolutions (collectively or singularly, as applicable, the "Resolution") authorizing the issuance and sale of the Note in the name and on behalf of the District;

WHEREAS, the District has determined that it is in the best interest to issue tax and revenue anticipation promissory notes for purchase by Nollenberger; and

WHEREAS, Nollenberger is submitting this offer to purchase the Note pursuant to this Purchase Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Obligation to Purchase. Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, Nollenberger shall purchase from the District (or the County of Riverside (the "County") should the County issue the Note), and the District (or the County if the County shall issue the Note) shall sell to Nollenberger, the Note, as described herein and in the Resolution.

Section 2. Purchase Price. The purchase price of the Note shall be the purchase price set forth in the pricing confirmation attached hereto as Exhibit A (the "Pricing Confirmation"). The Note shall bear interest at an interest rate per annum set forth in the Pricing Confirmation, which is hereby agreed to by and between Nollenberger and the District by its duly authorized representative executing this Purchase Agreement on behalf of the District.

Section 3. Adjustments to Principal Amount of Note and Purchase Price. The District (or its designee) hereby agrees that the principal amount of the Note purchased by Nollenberger and sold to Nollenberger pursuant to this Purchase Agreement may be reduced, as determined by Nollenberger and the District, based upon the advice of Greenberg Traurig LLP ("Bond Counsel"), in order that the proceeds produced from such sale of such Note will be an amount which will not be subject

to either (i) yield restriction (in order for interest to be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code")) or (ii) a rebate requirement (under Section 148 of the Code). The District hereby further agrees that the purchase price of the Note shall be reduced as a result of any reduction of the principal amount of the Note required by this section.

Section 4. Delivery of and Payment for the Note. The delivery of the Note (the "Closing") shall take place at 8:00 a.m., California time, on the closing date set forth in the Pricing Confirmation or at such other time or date as may be mutually agreeable to the District and Nollenberger, as the Underwriter, at the Santa Monica, California office of Greenberg Traurig, LLP or such other place as the District or Nollenberger shall mutually agree. At the Closing, the District shall cause the Note to be delivered to Nollenberger, duly executed and authenticated, together with the other documents hereinafter mentioned, and the proceeds of the purchase price of the Note set forth in the Pricing Confirmation shall be deposited in an amount indicated in the Pricing Confirmation as the Deposit to Proceeds Fund which shall be held by the Trustee for the District and the remainder in the Costs of Issuance Fund held thereunder.

If at any time prior to 90 days after the Closing Date, any event occurs as a result of which information relating to the District included in the official statement of Nollenberger relating to the Series of Bonds to which the Note is assigned (the "Official Statement") contains an untrue statement of a material fact or omits to state any material fact necessary to make the statements therein in light of the circumstances under which they were made, not misleading, the District shall promptly notify Nollenberger and the Underwriter thereof, and if, in the opinion of Nollenberger or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District shall cooperate with Nollenberger and the Underwriter in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by Nollenberger and the Underwriter, and all reasonable expenses incurred thereby shall be paid by the District.

Section 5. The Note. The Note shall be issued in substantially the form set forth in the District's Resolution, without coupons in the full principal amount set forth in Exhibit A.

Section 6. Representations and Warranties of the District. The District represents and warrants to Nollenberger that:

(a) All representations and warranties set forth in the Resolution are true and correct on the date hereof and are made for the benefit of Nollenberger as if set forth herein.

(b) The information relating to the District included in the Official Statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in light of the circumstance under which they were made not misleading.

(c) A copy of the Resolution has been delivered to Nollenberger, and the Resolution will not be amended or repealed without the consent of Nollenberger, which consent will not be unreasonably withheld.

(d) The District has not issued and will not issue any obligation or obligations, other than the Note, to finance the working capital deficit for which the Note is being issued.

Section 7. Conditions Precedent to the Closing. Conditions precedent to the Closing are as follows:

(a) The execution and delivery of the Note consistent with the Resolution.

(b) Delivery of a legal opinion addressed to the District (with a reliance letter addressed to Nollenberger), dated the date of closing of Bond Counsel with respect to the validity of the Bonds in form and substance acceptable to Nollenberger.

(c) Delivery of a legal opinion, dated the date of Closing, of counsel to the District, with respect to the due authorization, execution and delivery of the Note, in form and substance acceptable to Bond Counsel.

(d) Delivery of each certificate, document, instrument and opinion required by the agreement between Nollenberger for the sale by Nollenberger.

(e) Delivery of such other certificates, instruments or opinions as Bond Counsel may deem necessary or desirable to evidence the due authorization, execution and delivery of documents pertaining to this transaction and the legal, valid and binding nature thereof, as well as compliance of all parties with the terms and conditions thereof.

Section 8. Events Permitting Nollenberger to Terminate. Nollenberger may terminate its obligation to purchase the Note at any time before the Closing if any of the following occurs:

(a) Any legislative, executive or regulatory action (including the introduction of legislation) or any court decision which, in the judgment of Nollenberger, casts sufficient doubt on the legality of obligations such as the Note, and the tax-exempt status of interest on obligations such as the Bonds, so as to impair materially the marketability or to reduce materially the market price of such obligations;

(b) Any action by the Securities and Exchange Commission or a court which would require registration of the Note or any instrument securing the Note under the Securities Act of 1933, as amended, in connection with the public offering thereof, or qualification of the Resolution under the Trust Indenture Act of 1939, as amended;

(c) Any restriction on trading in securities, or any banking moratorium, or the inception or escalation of any war or major military hostilities which, in the judgment of Nollenberger, substantially impairs the ability of the Underwriter to market the Bonds; or

Nollenberger shall not be responsible for the payment of any fees, costs or expenses of the issuance, offering and sale of the District's Note except the Underwriter shall be responsible for California Debt and Investment Advisory Commission fees and for its own internal costs. The District shall pay any additional costs attributable to it as set forth in the Resolution.

Section 9. Indemnification. To the extent permitted by law, the District agrees to indemnify and hold harmless Nollenberger and each person, if any, who controls (within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities Act of 1934, as amended) Nollenberger, and the officers, directors, agents and employees of Nollenberger against any and all losses, claims, damages, liabilities and expenses arising out of any statement or information in the Official Statement (other than statements or information regarding an Issuer other than the District) that is untrue or incorrect in any material respect or the omission or alleged omission therefrom of any statement or information (other than statements or information regarding an Issuer other than the District) that should be stated therein or that is necessary to make the statements and information therein not misleading in any material respect.

Section 10. Notices. Any notices to be given to Nollenberger under the Purchase Agreement shall be given in writing to Nollenberger Capital Partners, 101 California Street, Suite 3100, San Francisco, CA 94111, Attention: Kenneth D. Ough, Managing Director. Any notices to be given to the District under the Purchase Agreement shall be given in writing to the Palo Verde Community College District, One College Drive, Blythe, California 92225, Attention: Geri Butter.

Section 11. No Assignment. The Purchase Agreement has been made by the District and Nollenberger, and no person other than the District and Nollenberger or their successors or assigns and the Underwriter shall acquire or have any right under or by virtue of the Purchase

Agreement. All of the representations, warranties and agreements contained in the Purchase Agreement shall survive the delivery of and payment by Nollenberger for the Note and any termination of the Purchase Agreement.

Section 12. **Applicable Law.** The Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

Section 13. **Effectiveness.** The Purchase Agreement shall become effective upon the execution hereof by Nollenberger and execution of the Pricing Confirmation by the District, and the Purchase Agreement, including the Pricing Confirmation, shall be valid, binding and enforceable from and after the time of such effectiveness.

Section 14. **Severability.** In the event any provision of the Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 15. **Headings.** Any headings preceding the text of several sections hereof shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

Section 16. **Execution in Counterparts.** This Purchase Agreement may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Purchase Agreement to be

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executed by their duly authorized representatives as of the Purchase Date set forth in Exhibit A attached hereto and incorporated herein.

DISTRICT:

PALO VERDE COMMUNITY COLLEGE DISTRICT

By: _____, Authorized Signatory

UNDERWRITER:

NOLLENBERGER CAPITAL PARTNERS

By: _____, Authorized Signatory

IN WITNESS WHEREOF, the Purchase Agreement, including this Pricing Confirmation, is agreed and accepted to on the Purchase Date set forth above.

PALO VERDE COMMUNITY COLLEGE DISTRICT

By: _____
Authorized Representative

Print Name of Person Signing

PALO VERDE COMMUNITY COLLEGE DISTRICT**RESOLUTION NO. 07-09 B-79****RESOLUTION OF THE BOARD OF TRUSTEES OF THE PALO VERDE COMMUNITY COLLEGE DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$2,500,000 PALO VERDE COMMUNITY COLLEGE DISTRICT, CALIFORNIA, 2007-2008 TAX AND REVENUE ANTICIPATION NOTES; DELEGATING TO AUTHORIZED REPRESENTATIVES AUTHORIZATION TO CONSUMMATE THE SALE OF SAID NOTES; APPROVING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; AND AUTHORIZING TAKING OF NECESSARY ACTIONS AND EXECUTION OF NECESSARY DOCUMENTS**

WHEREAS, pursuant to the Government Code of the State of California (the "Government Code"), this Board of Trustees (the "Board") has found and determined that the sum of not to exceed Two Million, Five Hundred Thousand Dollars (\$2,500,000) is needed for the requirements of the Palo Verde Community College District (the "District") to satisfy obligations payable from the general fund of the District (the "General Fund") and that it is necessary that said sum be borrowed for such purpose at this time by the issuance of temporary notes (the "Notes") therefor in anticipation of the receipt of taxes, revenue and other moneys to be received by the District for the General Fund allocable to Fiscal Year 2007-2008;

WHEREAS, it appears, and the Board hereby finds and determines, that said sum of Two Million, Five Hundred Thousand Dollars (\$2,500,000), when added to the interest estimated to be payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys to be received by the District for the General Fund attributable to Fiscal Year 2007-2008 and available for the payment of the principal of and interest on the Notes;

WHEREAS, no money has heretofore been borrowed by the District through the issuance of any temporary notes in anticipation of the receipt of, or payable or secured by, taxes, income, revenue, cash receipts or other moneys of the District received or accrued during or allocable to Fiscal Year 2007-2008;

WHEREAS, pursuant to the Government Code, certain revenues which will be received by the District for the General Fund and attributable to Fiscal Year 2007-2008 can be pledged for the payment of the principal of and interest on the Notes;

WHEREAS, the District wishes to authorize the issuance of the Notes in an aggregate amount not to exceed \$3,000,000;

WHEREAS, the Notes shall be sold to Nollenberger Capital Partners pursuant to a negotiated sale established pursuant to a Note Purchase Agreement entered into by an Authorized Representative of the District (as hereinafter defined);

WHEREAS, an Official Statement describing the Notes will be distributed to the potential purchaser(s) of the Notes;

WHEREAS, this Board has been presented with the form of each document hereinafter referred to, relating to the Notes, and the Board has examined and approved the form of each document and desires to authorize and direct the execution of such documents and the issuance of the Notes; and

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

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

Section 1. Recitals. The foregoing recitals are true and correct and this Board hereby so finds and determines.

Section 2. Authorization and Issuance.

(A) Solely for the purpose of anticipating taxes, income, revenues, cash receipts and other moneys to be received by the District for the General Fund allocable to Fiscal Year 2007-2008, and not pursuant to any common plan of financing, the District hereby determines to and shall borrow the aggregate principal sum of not to exceed Two Million, Five Hundred Thousand Dollars (\$2,500,000), by the issuance of temporary notes under the Government Code, designated the "Palo Verde Community College District, California, 2007-2008 Tax and Revenue Anticipation Notes."

(B) The Notes shall be initially issued and registered as provided in Section 9 hereof and otherwise shall be in the denominations of \$5,000 or any integral multiple thereof, and shall be dated the date of issuance thereof, shall mature (without option of prior redemption) not later than August 15, 2008, and shall bear interest, payable at maturity and computed on the basis of a 360-day year composed of twelve 30-day months, at the rate per annum determined in accordance with this Resolution.

(C) Both the principal of the Notes and interest due on the Notes at maturity shall be payable in lawful money of the United States of America, only to the registered owners of the Notes upon surrender thereof at the office of the paying agent for the Notes (the "Paying Agent") which may be the County of Riverside or Deutsche Bank National Trust Company, as determined by the Authorized Representative of the District, upon the maturity thereof. No interest shall be payable on any Note for any period after maturity during which the registered owner thereof fails to properly present such Note for payment.

(D) At any time after the sale of the Notes, the District shall execute the Notes for issuance hereunder and shall deliver them to the Paying Agent, and thereupon such Notes shall be authenticated and delivered by the Paying Agent to the purchaser thereof upon the written request of the District and upon receipt of payment therefor from the purchaser thereof.

Section 3. Sale of Notes. The proposed form of the Official Notice of Sale for the Notes, in substantially the form presented to this meeting (a copy of which is on file with the Clerk of the Board), is hereby approved and adopted as the Official Notice of Sale for the Notes. The Superintendent/President and Chief Executive Officer or Vice President of Administrative Services (the "Authorized Representatives"), are hereby authorized and directed, severally, for and in the name of and on behalf of the District, to execute and deliver such Official Notice of Sale, with such changes, additions, completions and corrections therein as such Authorized Representative shall require or approve, including specifying the term of the Notes, such approval to be conclusively evidenced by the execution and delivery thereof. All of the Notes shall be offered for public sale in accordance with the Official Notice of Sale. Nollenberger Capital Partners (the "Financial Advisor") is hereby authorized and directed to cause to be delivered to the prospective purchaser(s) of the Notes copies of said Official Notice of Sale, subject to such changes, additions and completions as may be acceptable to the Authorized Representatives.

Section 4. Disposition of Proceeds of Notes. Proceeds of the sale of the Notes, shall be deposited in a separate account of the District hereby designated the "Palo Verde Community College District 2007-2008 Tax and Revenue Anticipation Note Proceeds Account" (herein called the "Note Proceeds Account") which account is hereby established and shall be maintained by the Paying Agent. All moneys in the Note Proceeds Account shall be invested, at the written direction of the District, in Permitted Investments (as hereinafter defined), and the proceeds of such investments shall be retained in the Note Proceeds Account.

Amounts in the Note Proceeds Account shall be withdrawn and expended by the District for any purpose for which the District is authorized to expend funds from the General Fund, but (except for costs related to the issuance of the Notes) only after exhausting funds otherwise available for such purposes (which are not restricted funds), and only to the extent that on any given day such other funds are not then available, and for purposes of this section, otherwise available funds excludes amounts that are held or set aside in a reasonable working capital reserve (as described in the tax certificate of the District delivered upon issuance of the Notes and, in any event, not exceeding five percent (5%) of the District's total working capital expenditures from its available funds in fiscal year 2006-2007). If on the date that is six months from the date of issuance of the Notes all amounts attributable to the proceeds of the Notes (including investment earnings thereon) have not been so expended, the District shall promptly notify Greenberg Traurig LLP ("Bond Counsel") and, to the extent of its power and authority, comply with

the instructions from Bond Counsel as to the means of satisfying the rebate requirements of Section 148 of the Internal Revenue Code of 1986 (the "Code").

Section 5. Source of Payment.

(A) The principal of and interest on the Notes shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the District for the General Fund for the fiscal year 2007-2008 and which are lawfully available for the payment of current expenses and other obligations of the District (the "Unrestricted Revenues"). Anything herein to the contrary notwithstanding, Unrestricted Revenues pledged to the payment of the Notes shall not include any amounts transferred by the District to the payment of any outstanding bonds or certificates of participation obligations (the "Bonds").

(B) As security for the payment of the principal of and interest on the Notes, the District hereby pledges to transfer to the Paying Agent for deposit in trust in a special fund designated as the "2007-2008 Tax and Revenue Anticipation Note Repayment Fund" (the "Repayment Fund"), which fund the District shall establish and maintain with the Paying Agent while any Notes are Outstanding: (i) from the first Unrestricted Revenues received by the District during the accounting period commencing on January 1, 2008 and ending January 31, 2008, inclusive (the "First Pledge Period"), an amount that, together with amounts, if any, then on deposit in the Repayment Fund, is equal to fifty percent (50%) of the aggregate principal amount of the Notes and (ii) from the first Unrestricted Revenues received by the District during the accounting period commencing on July 1, 2008 and ending July 31, 2008, inclusive (the "Second Pledge Period"), an amount that, together with amounts then on deposit in the Repayment Fund, is sufficient to pay the principal of and interest on the Notes when due and to make up any deficiencies in the Repayment Fund; provided, however, that the allocations and payments may be adjusted as the Authorized Representatives shall deem appropriate prior to the issuance of the Notes. The amounts pledged by the District for deposit into the Repayment Fund from the Unrestricted Revenues received during each indicated accounting period are hereinafter called the "Pledged Revenues."

(C) In the event that there have been insufficient Unrestricted Revenues received by the District by the third business day prior to the end of any such Pledge Period to permit the deposit into the Repayment Fund of the full amount of the Pledged Revenues required to be deposited with respect to such Pledge Period, then the amount of any deficiency in the Repayment Fund shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of the Notes and the interest thereon on such date or thereafter on a daily basis, when and as such Pledged Revenues and Other Pledged Moneys are received by the District.

(D) The Repayment Fund shall be held by the Paying Agent, in trust, and applied only for the purposes and as directed in this Resolution. Any moneys deposited in the Repayment Fund shall be for the benefit of the owners of the Notes and the Noteholders shall have a first lien on amounts held in the Repayment Fund.

Section 6. Pledged Revenues.

(A) The Pledged Revenues shall be transferred by the District to the Paying Agent for deposit in the Repayment Fund on or prior to the last business day of each respective Pledge Period, and applied as directed in this Resolution; and the Other Pledged Moneys, if any, shall be deposited by the District to the Paying Agent for deposit in the Repayment Fund on the last business day of such Pledge Period and on each business day thereafter, until the full amount of the moneys required by Section 5(B) has been so deposited in the Repayment Fund; provided that, if on the date that is six months from the date of issuance of the Notes all amounts attributable to the proceeds of the Notes (including investment earnings thereon) have not been expended in accordance with Section 4, the amounts to be deposited in the Repayment Fund during the period in which received shall be deposited as soon as received. The principal of and interest on the Notes constitute a first lien and charge on, and shall be payable from, moneys in the Repayment Fund. Moneys in the Repayment Fund shall be applied only as hereinafter in this Section 6 provided.

(B) The Paying Agent shall use the moneys in the Repayment Fund on the maturity date of the Notes to pay the principal of and interest on the Notes then due. Any moneys remaining in the Repayment Fund after all such payments, or after provision for such payments have been made, shall be transferred to the General Fund. If for any reason amounts in the Repayment Fund are insufficient to pay

the Notes in full, such amounts shall be applied pro rata to the payment of Notes based on the total principal of and interest payable upon the Notes at the maturity thereof, taking into account anticipated earnings to be received on amounts in the Repayment Fund prior to the final maturity date thereof.

(C) Moneys in the Repayment Fund shall be invested, at the written direction of the District, by the Paying Agent in Permitted Investments as defined below, except that no such investments shall have a maturity date later than the maturity date of the Notes expected to be paid with proceeds of such investments. The proceeds of any such investments shall be retained in the Repayment Fund until payment of principal of and interest on the Notes (or provision therefor) has been made in accordance with paragraph (B), at which time any excess amount shall be transferred to the General Fund of the District.

- (D) Permitted Investments mean any of the following:
- (1) United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
 - (2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board (FHLB); (b) the Federal Home Loan Mortgage Corporation (FHLMC); (c) the Federal National Mortgage Association (FNMA); (d) Federal Farm Credit Bank (FFCB); (e) Government National Mortgage Association (GNMA); (f) Student Loan Marketing Association (SLMA); Federal Agricultural Mortgage Association and (g) guaranteed portions of Small Business Administration (SBA) notes.
 - (3) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances. Purchases of bankers acceptances may not exceed a maturity of 180 days. The financial institution must have a minimum short-term rating of "P-1" by Moody's and a long-term rating of no less than "A".
 - (4) Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's ("P-1"). Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000). Purchases of eligible commercial paper may not exceed a maturity of 270 days.
 - (5) Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank in each case which has, or which is a subsidiary of a parent company which has, the highest letter and numerical rating from Moody's ("P-1").
 - (6) Investments in repurchase agreements of any securities listed in (1) through (4) above. Investments in repurchase agreements may be made with financial institutions having a rating of "Aa" or better from Moody's, and when the term of the agreement does not exceed 30 days and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number (2) above.
 - (7) Deposits in the State of California Treasurer's Local Agency Investment Fund (LAIF).
 - (8) Investment agreements with or the obligations of which are guaranteed by (a) a domestic bank, financial institution or insurance company the financial capacity to honor its senior obligations of which is rated at least "Aa2" by Moody's; or (b) a foreign bank the long-term debt of which is rated "Aa2" by Moody's (a "Qualified Provider"); provided, that the investment agreement shall provide that if during its

term the provider's (or, if guaranteed, the guarantor's) rating by Moody's falls below "Aa2", the provider must within 10 business days assign the investment agreement to a Qualified Provider reasonably acceptable to the District or collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the District or a third party acting solely as agent therefor (the "Holder of the Collateral") United States Treasury Obligations which are free and clear of any third-party liens or claims at sufficient collateral levels to maintain the highest short-term rating on the Notes.

(9) **The Riverside County Investment Pool.**

Section 7. Execution of Notes. The Authorized Representatives, severally, are hereby authorized to execute the Notes by use of manual or facsimile signatures, and the Clerk of the Board of Trustees of the District is hereby authorized to countersign, by manual or facsimile signature, the Notes and to affix the seal of the District thereto by impressing the seal or by imprinting a facsimile of the seal thereon. Said officers are hereby authorized to cause the blank spaces in Exhibit A to be filled in as may be appropriate and to deliver the Notes to the respective purchasers thereof.

In case any officer whose signature appears on the Notes shall cease to be such officer before the delivery of the Notes to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Notes.

Only those Notes bearing thereon a certificate of authentication and registration in the form hereinafter recited, executed manually and dated by the Paying Agent, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Paying Agent shall be conclusive evidence that the Notes so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

Section 8. Form of Notes and Certificate of Authentication and Registration. The Notes shall be issued in fully registered form without coupons and the Notes and the Certificate of Authentication and Registration shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures.

Section 9. Use of Depository; Registration, Exchange and Transfer.

(A) The Depository Trust Company, New York, New York, is hereby appointed depository for the Notes. The Depository Trust Company shall act as depository pursuant to the Blanket Issuer Letter of Representations on file with the Clerk of the Board. The Notes shall be initially issued and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York and shall be evidenced by a single Note. Registered ownership of each Note, or any portion thereof, may not thereafter be transferred except as set forth in Section 9(B).

(B) The Notes shall be initially issued and registered as provided in Section (A) hereof. Registered ownership of the Notes, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or of any substitute depository designated pursuant to clause (ii) of this subsection (B) ("Substitute Depository"); provided that any successor of Cede & Co., as nominee of The Depository Trust Company or Substitute Depository, shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any Substitute Depository not objected to by the Superintendent/President and Chief Executive Officer or Vice President of Administrative Services, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) determination by the Director of Finance to substitute another depository for The Depository Trust Company (or its successor) because the Depository Trust Company (or its successor) is no longer able to carry out its functions as depository; provided that any

such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the Director of Finance to discontinue using The Depository Trust Company or a depository.

(C) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (B) of this Section, upon receipt of all outstanding Notes by the Paying Agent (together, in the case of a successor paying agent appointed by the District pursuant to Section 12 hereof, with a written request of the Superintendent/President and Chief Executive Officer, Vice President of Administrative Services to such successor paying agent designating the Substitute Depository), a single new Note, which the District shall prepare or cause to be prepared, shall be executed and delivered, registered in the name of any such successor to Cede & Co. or such Substitute Depository, or their respective nominees, as the case may be, all as specified by the Director of Finance or, in the case of a successor paying agent appointed by the District pursuant to Section 12 hereof, as specified in the written request of the Director of Finance. In the case of any transfer pursuant to clause (iii) of Subsection (B) of this Section 9 upon receipt of all outstanding Notes by the Paying Agent (together, in the case of a successor paying agent appointed by the District pursuant to Section 12 hereof, with a written request of the Superintendent/President and Chief Executive Officer or Vice President of Administrative Services to such successor paying agent), new Notes, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as specified by the Director of Finance or, in the case of a successor paying agent appointed by the District pursuant to Section 12 hereof, as are requested in such written request of the Director of Finance, subject to the limitations of this Section 9, provided that the Paying Agent shall deliver such new Notes as soon as practicable.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Note is registered as the owner thereof for all purposes of the Resolution and for purposes of payment of principal of and interest on such Note, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Notes. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including The Depository Trust Company or its successor (or Substitute Depository or its successor), except to the owner of any Notes, and the Paying Agent may rely conclusively on its records as to the identity of the owners of the Notes.

(E) Notwithstanding any other provision of this Resolution and so long as all outstanding Notes are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co. or its registered assigns, as sole registered owner, in effecting payment of the principal of and interest on the Notes by arranging for payment in such manner that funds for such payments are properly identified and are made available on the date they are due all in accordance with the Letter of Representations, the provisions of which the Paying Agent may rely upon to implement the foregoing procedures notwithstanding any inconsistent provisions herein.

(F) In the case of any transfer pursuant to clause (iii) of subsection (B) of this Section, any Note may, in accordance with its terms, be transferred or exchanged for a like aggregate principal amount in authorized denominations, upon the books required to be kept by the Paying Agent pursuant to the provisions hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation, and, in the case of a transfer, accompanied by delivery of a written instrument of transfer, duly executed and in form approved by the Paying Agent.

Whenever any Note shall be surrendered for transfer or exchange, the District shall execute and the Paying Agent shall authenticate, if required, and deliver a new Note or Notes of authorized denominations, for a like aggregate principal amount. The Paying Agent shall require the owner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(G) The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection by the District. 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 such books, Notes as hereinbefore provided.

(H) If any Note shall become mutilated, the District, at the expense of the owner of such Note, shall execute, and the Paying Agent shall thereupon authenticate, if required, and deliver a new Note, tenor and number in exchange and substitution for the Note so mutilated, but only upon surrender to the Paying Agent of the Note so mutilated. Every mutilated Note so surrendered to the Paying Agent shall be cancelled by it and delivered to, or upon the order of, the District. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and the Paying Agent and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the District, at the expense of the owner, shall execute, and the Paying Agent shall thereupon authenticate, if required, and deliver a new Note of like tenor and number in lieu of and in substitution for the Note so lost, destroyed or stolen (or if any such Note shall have matured or shall be about to mature, instead of issuing a substitute Note, the Paying Agent may pay the same without surrender thereof). The Paying Agent may require payment by the registered owner of a Note of a sum not exceeding the actual cost of preparing each new Note issued pursuant to this paragraph and of the expenses which may be incurred by the District and the Paying Agent. Any Note issued under these provisions in lieu of any Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Note so alleged to be lost, destroyed or stolen be, at any time, enforceable by anyone, and shall be entitled to the benefits of this Resolution with all other Notes secured by this Resolution.

All Notes surrendered for payment or registration of transfer, if surrendered to any person other than the Paying Agent, shall be delivered to the Paying Agent and shall be promptly cancelled by it. The District may at any time deliver to the Paying Agent for cancellation any Notes previously authenticated and delivered hereunder which the District may have acquired in any manner whatsoever, and all Notes so delivered shall promptly be cancelled by the Paying Agent. No Note shall be authenticated in lieu of or in exchange for any Notes cancelled as provided herein, except as expressly permitted hereunder. All cancelled Notes held by the Paying Agent shall be disposed of as directed by the District.

Section 10. General Covenants. It is hereby covenanted and warranted by the Board that all representations and recitals contained in this Resolution are true and correct and that the Board and the District, and their appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for the levy, collection and enforcement of the taxes, income, revenue, cash receipts and other moneys pledged hereunder in accordance with law and for carrying out the provisions of this Resolution and the Notes and shall cause to be paid in accordance with their terms the principal of and interest on the Notes.

Section 11. Tax Covenants: Rebate Fund

(A) The District hereby covenants that it will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Notes under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate of the District with respect to the Notes (the "Tax Certificate"), to be entered into by the District as of the date of issuance of the Notes. The provisions of this Section 11 shall survive payment in full or defeasance of the Notes.

(B) The District covenants that it shall make or cause to be made all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of the Notes due to the United States Treasury, shall segregate and set aside from lawfully available sources the amount such calculations may indicate may be required to be paid to the United States Treasury and shall otherwise at all times do and perform all acts and things necessary and within its power and authority, including complying with each applicable requirement of Section 103 and Sections 141 through 150 of the Code and complying with the instructions of Bond Counsel referred to in Section 4 hereof, to assure that interest paid on the Notes shall, for the purposes of federal income taxes and California personal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation. As part of the performance of the covenant contained in the preceding sentence, promptly after six months from the date of the issuance of the Notes, the District will reasonably and prudently calculate the amount of the Note proceeds which have been expended, with a view to determining whether or not the District has met the requirements of Section 148(f)(4)(B) of the Code with

respect to the Notes, and if it has not met such requirements, it will reasonably and prudently calculate or cause to be calculated the amount, if any, of investment earnings which must be rebated to the United States and will immediately set aside, from revenues attributable to the 2007-2008 Fiscal Year or, to the extent not available from such revenues, from any other moneys lawfully available, the amount of any such rebate in the Fund referred to in paragraph (C) of this Section 11.

(C) If funds are required to be deposited therein, the District shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the "2007-2008 Tax and Revenue Anticipation Note Rebate Fund". There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein in accordance with the written instructions from Bond Counsel pursuant to Section 4 hereof.

(D) Notwithstanding any other provision of this Resolution to the contrary, upon the District's failure to observe, or refusal to comply with, the covenants contained in this Section, no one other than the owners or former owners of the Notes shall be entitled to exercise any right or remedy under this Resolution on the basis of the District's failure to observe, or refusal to comply with, such covenants.

(E) Notwithstanding any provision of this section, if the District shall provide to the Paying Agent an opinion of Bond Counsel that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the Notes, the Paying Agent and the District may conclusively rely on such opinion in complying with the requirements of this section, and the covenants hereunder shall be deemed to be modified to that extent.

Section 12. Paying Agent. Deutsche Bank National Trust Company or the County of Riverside, as finally determined by the President/Superintendent, is hereby appointed as Paying Agent for the Notes. The District hereby directs and authorizes the payment by the Paying Agent of the interest on and principal of the Notes when such become due and payable, from the Repayment Fund in the manner set forth herein. The District hereby covenants to deposit funds in the Repayment Fund at the times and in the amounts specified herein to provide sufficient moneys to pay the principal of and interest on the Notes on the day or days on which they mature. Payment of the Notes shall be in accordance with the terms of the Notes and this Resolution.

The Paying Agent is also appointed as registrar and upon the request of any registered owner is authorized to record the transfer or exchange of Notes in accordance with the provisions hereof.

Section 13. Official Statement for Notes. The proposed form of Official Statement relating to the Notes (the "Official Statement"), on file with the Clerk of the Board of Trustees and incorporated into this Resolution by reference, is hereby approved with such changes, additions, completion and corrections as the Authorized Representatives, severally, may approve. Such Authorized Representative or his designee is hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver an official statement in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. Distribution by the Financial Advisor of a preliminary Official Statement relating to the Notes is hereby approved and the Authorized Representative or his designee is hereby authorized and directed, for and in the name and on behalf of the District, to execute a certificate confirming that the Preliminary Official Statement has been "deemed final" by the District for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 14. Continuing Disclosure. The Authorized Representatives, severally, are hereby authorized to execute a Continuing Disclosure Certificate on behalf of the District containing such covenants of the District as shall be necessary to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate.

Section 16. Approval of Actions. All actions heretofore taken by the officers and agents of the District including but not limited to the Authorized Representative or the Board with respect to the sale and issuance of the Notes are hereby approved, confirmed and ratified, and the officers of the District and the Board are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions and execute any and all certificates, agreements (including, but not limited to, a paying agent agreement) and other documents which they, or

any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes in accordance with this Resolution.

Section 16. Proceedings Constitute Contract. The provisions of the Notes and of this Resolution shall constitute a contract between the District and the registered owners of the Notes, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction, and, upon issuance of the Notes, shall be irrevocable.

Section 17. Severability if any one or more of the agreements, conditions, covenants or terms contained herein required to be observed or performed by or on the part of the Board shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void and shall be deemed severable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Notes, and the owners of the Notes shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The Board hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Notes pursuant hereto irrespective of the fact that any one or more of the sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

ON A MOTION by Trustee Mr. BULLON, seconded by Trustee Ms. Birdsong, the foregoing resolution was passed and adopted by the Board of Trustees of the Palo Verde Community College District, State of California, this 24th day of July, 2007, by the following vote, to wit

AYES: 4

NOES: 0

ABSENT: 3

ABSTAIN: 0


President of the Board of Trustees

(SEAL)

ATTEST: Edmund R. Puzos
Clerk of the Board

EXHIBIT A

REGISTERED

REGISTERED

No. R- ___

\$ _____

PALO VERDE COMMUNITY COLLEGE DISTRICT, CALIFORNIA,
2007-2008 TAX AND REVENUE ANTICIPATION NOTE

Rate of Interest:

Note Date:

Maturity Date:

CUSIP No.:

___ %

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

FOR VALUE RECEIVED, the Palo Verde Community College District (the "District"), State of California, acknowledges itself indebted to and promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, together with interest thereon payable at the maturity thereof, at the Rate of Interest per annum set forth above (computed on the basis of a 360-day year composed of twelve 30-day months) in like lawful money from the Note Date specified above until payment in full of said principal sum. The principal of and interest on this Note shall be payable only to the registered owner hereof upon surrender of this Note at the office of Deutsche Bank National Trust Company, as paying agent (together with any successor appointed by the District, the "Paying Agent") as the same shall fall due; provided, however, that no interest shall be payable for any period after maturity during which the registered owner hereof fails to properly present this Note for payment.

It is hereby certified, recited and declared that this Note is issued in the aggregate principal amount of \$ _____ and is part of an authorized issue of Notes entitled "Palo Verde Community College District, California, 2007-2008 Tax and Revenue Anticipation Notes" (the "Notes"), authorized in the aggregate principal amount of _____ Dollars (\$ _____), all of like tenor, made, executed and given pursuant to the authority of the California Government Code and all laws amendatory thereof or supplemental thereto, and under and pursuant to the provisions of a Resolution of the Board of Trustees of the District adopted on July 24, 2007 (herein called the "Resolution"), authorizing the issuance of the Notes, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

The principal of and interest on the Notes shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the District for the General Fund of the District for the fiscal year 2007-2008 and which are lawfully available for the payment of current expenses and other obligations of the District (the "Unrestricted Revenues"). As security for the payment of the principal of and interest on the Notes, the District hereby pledges to transfer to the Paying Agent for deposit in trust in a special fund designated as the "2007-2008 Tax and Revenue Anticipation Note Repayment Fund" (the "Repayment Fund"), which fund the District shall establish and maintain with the Paying Agent while any Notes are Outstanding: (1) from the first Unrestricted Revenues received by the District during the

accounting period commencing on January 1, 2008 and ending January 31, 2008, inclusive (the "First Pledge Period"), an amount that, together with amounts, if any, then on deposit in the Repayment Fund, is equal to fifty percent (50%) of the aggregate principal amount of the Notes and (ii) from the first Unrestricted Revenues received by the District during the accounting period commencing on July 1, 2008 and ending July 31, 2008, inclusive (the "Second Pledge Period"), an amount that, together with amounts then on deposit in the Repayment Fund, is sufficient to pay the principal of and interest on the Notes when due and to make up any deficiencies in the Repayment Fund. The amounts pledged by the District for deposit into the Repayment Fund from the Unrestricted Revenues received during each indicated accounting period are hereinafter called the "Pledged Revenues." In the event that there are insufficient Pledged Revenues received by the District by the third business day prior to the end of any such Pledge Period to permit the deposit into the Repayment Fund of the full amount of the aforesaid moneys to be deposited, then the amount of any deficiency in the Repayment Fund shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of and interest on the Notes (such other pledged moneys being hereinafter called the "Other Pledged Moneys"). The principal of and interest on the Notes shall constitute a first lien and charge on, and shall be payable from, moneys in the Repayment Fund.

This Note is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations and for the same aggregate principal amount will be issued to the transferees in exchange herefor.

The District and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Registration hereon shall have been signed by the Paying Agent.

Remainder of page intentionally left blank.

CLERK'S CERTIFICATE

The undersigned Clerk of the Board of Trustees of the Palo Verde Community College District, hereby certifies as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on July 24, 2007, of which meeting all of the members of the Board of Trustees of said District had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

Ayes: 4

Noes: 0


Absent: 3

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

I further certify that an agenda of said meeting was posted at least 72 hours prior to the date of the meeting in a place in the County of Riverside, California, freely accessible to members of the public and that a short description of said resolution appeared on said agenda.

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

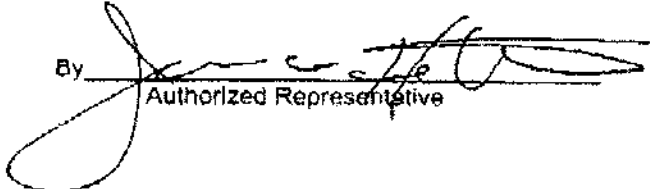
Dated: July 24, 2007


Clerk of the Board of Trustees
Palo Verde Community College District

[Seal]


IN WITNESS WHEREOF, the Palo Verde Community College District has caused this Note to be executed by the manual or facsimile signature of its Authorized Representative and countersigned by the manual or facsimile signature of the Clerk of its Board of Trustees and caused the official seal of its Board of Trustees to be impressed hereon, all as of the Note Date specified above.

PALO VERDE COMMUNITY COLLEGE DISTRICT

By  Authorized Representative

(SEAL)

Countersigned:


Clerk of the Board of Trustees

[FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This Note is one of the Notes described in the within-mentioned Resolution, which Note has been authenticated and registered on the date set forth below.

Date of Authentication: _____, 2007

By _____
Paying Agent

[FORM OF DTC LEGEND]

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