

**THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA**  
**and for Special Districts, Agencies and Authorities Governed by the Board**

Adopted this Resolution on 02/24/2009 by the following vote:

AYES:   
NOES:   
ABSENT:   
ABSTAIN:   
RECUSE:



**Resolution No. 2009/48**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA, PROVIDING FOR AUTHORIZATION OF ISSUANCE AND SALE OF PITTSBURG UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES B (2009), IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$35,000,000**

RESOLVED, by the Board of Supervisors (the "Board") of Contra Costa County, California (the "County"), as follows:

WHEREAS, an election was regularly held in the Pittsburg Unified School District (the "District") on November 7, 2006, at which a proposition was submitted to the electors of the District to authorize the District to issue and sell bonds of up to \$85,000,000 in aggregate principal amount to build new classrooms at Pittsburg high schools, emphasize science, technology, and vocational rooms, separate ninth and tenth grade classrooms and facilities, upgrade cafeteria and library, renovate restrooms, and upgrade electrical and plumbing systems (collectively, the "Project"), and, as set forth in the Bond project list:

**Pittsburg High School**

- Build new permanent classrooms, emphasizing science and computer/vocational labs.
- Build new separate classrooms and facilities to better accommodate ninth and tenth grade students.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

Contact:

**ATTESTED: February 24, 2009**

, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Lisa Driscoll, County Finance Director, Brice Bins, Assistant Treasurer, Steve Ybarra, County Auditor-Controller

- Upgrade the high school electrical systems in order to improve student access to computers and technology.
- Replace aging plumbing and renovate restrooms.
- Expand and upgrade vocational and career technology classrooms.
- Renovate support facilities and administrative offices.
- Upgrade heating and ventilating systems.
- Buy new classroom desks, chairs and tables.
- Build a new library and cafeteria.

#### **Riverside High School**

- Create new classrooms, including science and technology/vocational labs.
- Improve heating, ventilating, plumbing, and electrical systems.

#### **Other Projects**

- Construct classrooms and support facilities necessary to meet expanding student population.
- Remove hazardous materials, e.g., asbestos, lead, etc., where necessary.
- Provide other improvements to comply with access requirements of the Americans with Disabilities Act.
- Furnish and equip newly constructed and renovated classrooms and facilities.
- Perform site work (including demolition) as necessary in connection with new construction or installation or removal of relocatable classrooms.
- Rent or construct temporary classrooms (including relocatables) as needed to house students displaced during construction.

WHEREAS, at least 55% of the votes cast on said proposition were in favor of issuing said bonds, payable from the levy of an ad valorem tax against the taxable property in the District (the "Bonds");

WHEREAS, the Board has previously received a resolution of the Governing Board of the District requesting the issuance of an initial series of Bonds in the aggregate principal amount of not to exceed \$15,000,000 to be entitled Pittsburg Unified School District (Contra Costa County, California) General Obligation Bonds, Election of 2006, Series A (the "Series A Bonds"), for the purpose of raising funds needed to finance a portion of the Project and other authorized costs, and the Board has issued the Series A Bonds;

WHEREAS, the Board has received a resolution of the Governing Board of the District requesting the issuance of the second series of Bonds in the aggregate principal amount of not to exceed \$35,000,000 to be entitled Pittsburg Unified School District (Contra Costa County, California) General Obligation Bonds, Election of 2006, Series B (2009) (the "Series B Bonds"), for the purpose of raising funds needed to finance a portion of the Project and other authorized costs; and

WHEREAS, in its resolution, the District found and informed this Board that all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Series B Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Contra Costa County, State of California, as follows:

Section 1. Purpose of Series B Bonds. That for the purpose of raising money for real property acquisition or improvements, namely: (a) for the purpose of raising funds needed for the Project, and (b) to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Series B Bonds.

Section 2. Sale of the Series B Bonds; Approval of Bond Purchase Agreement. The form of bond purchase agreement by and among the County, the District and to such underwriter as shall be selected by the District (the "Underwriter"), substantially in the form attached hereto as Exhibit A (the "Bond Purchase Agreement"), is hereby approved and the Treasurer-Tax Collector of the County (the "Treasurer-Tax Collector"), or a designated deputy thereof, or the Chairman of the Board or such Chairman's designee is hereby authorized to execute and deliver the Bond Purchase Agreement, and the Superintendent of the District or the Assistant Superintendent, Business Services of the District, or the designee thereof, is hereby authorized and requested to acknowledge the execution of such Bond Purchase Agreement, if necessary, but with such changes therein, deletions therefrom and modifications thereto as the Treasurer-Tax Collector, or designated deputy thereof, or the Chairman of the Board or such Chairman's designee may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the maximum interest rate on the Series B Bonds shall not exceed the maximum rate permitted by law and the Underwriter's compensation shall not exceed 1.25% of the par amount of the Series B Bonds. The Treasurer-Tax Collector, any designated deputy thereof, or the Chairman of the Board is further authorized to determine the principal amount of the Series B Bonds to be specified in the Bond Purchase Agreement for sale by the Board of not to exceed \$35,000,000 for the purpose of raising funds for the Project and other authorized costs and to enter into and execute the Bond Purchase Agreement with the Underwriter, if the conditions set forth in this Resolution are satisfied.

Section 3. Series B Bond Terms. The Series B Bonds shall be issued as fully registered Bonds, without coupons, in the denominations of \$5,000 each or any integral multiple thereof, and shall be dated as of their date of delivery.

The Series B Bonds shall bear interest from the date of the Series B Bonds to maturity of each of the Series B Bonds at a rate or rates not in excess of eight percent (8%) per annum. Interest shall be payable on February 1 and August 1 of each year (the "Interest Payment Dates"), based on a 360-day year composed of 12 months of 30 days commencing February 1, 2010, until the principal amount has been paid or provided for. Each Series B Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated as of a business day following the 15th day of the month immediately preceding any Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before January 15, 2010, in which event it shall bear interest from its date of delivery.

The Series B Bonds shall mature (or, alternatively, be subject to mandatory sinking fund redemption as hereinafter provided) on August 1 of the years and in the amounts as shall be determined at the time of sale of the Series B Bonds to the Underwriter.

#### Section 4. Redemption of Series B Bonds.

(a) *Optional Redemption.* The Series B Bonds maturing on or before August 1, 2018, shall not be subject to redemption prior to their respective stated maturities. The Series B Bonds maturing on or after August 1, 2019, shall be subject to redemption prior to maturity, at the option of the District, from any available source of funds, on any date on or after August 1, 2018, at a redemption price equal to the principal amount thereof together with accrued interest thereon to the date fixed for redemption, without a premium.

(b) *Mandatory Sinking Fund Redemption.* In the event and to the extent specified in the the Bond Purchase Agreement at the time of sale of the Series B Bonds to the Underwriter, any maturity of Series B Bonds shall be designated as "Term Bonds" and shall be subject to mandatory sinking fund redemption on August 1 in each of the years set forth in the Bond Purchase Agreement, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If some but not all of such Term Bonds have been redeemed pursuant to the preceding subsection (a) of this Section 4, the aggregate principal amount of such Term Bonds to be redeemed in each year pursuant to this subsection (b) shall be reduced on a pro rata basis in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the County and the Paying Agent (as defined in Section 8 hereof).

(c) *Selection of Bonds for Redemption.* If less than all of the Series B Bonds shall be called for redemption, the particular Series B Bonds or portions thereof to be redeemed shall be called in such order as shall be directed by the District and, in lieu of such direction, in inverse order of their maturity. Within a maturity, the Paying Agent shall select the Series B Bonds for redemption by lot; provided, however, that the portion of any Series B Bond to be redeemed shall be in the principal amount of five thousand dollars (\$5,000) or some integral multiple thereof and that, in selecting Series B Bonds for redemption, the Paying Agent shall treat each Series B Bond as representing that number of Series B Bonds which is obtained by dividing the principal amount of such Series B Bond by five thousand dollars (\$5,000).

(d) *Notice of Redemption.* The Paying Agent shall give notice of the redemption of the Series B Bonds at the expense of the District. Such notice shall specify: (a) that the Series B Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Series B Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Series B Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Series B Bond to be redeemed, the portion of the principal amount of such Series B Bond to be redeemed, together with interest accrued to said date, and redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Series B Bonds, or if the registered owner is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices, and by first class mail, postage prepaid, to the District and County and the respective owners of any registered Series B Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least thirty (30) days, but not more than sixty (60) days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series B Bonds.

(e) *Partial Redemption of Bonds.* Upon the surrender of any Series B Bond redeemed in part only, the Paying Agent shall execute and deliver to the registered owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Series B Bonds surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such registered owner, the County, the Paying Agent and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(f) *Effect of Redemption.* Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside with the County for such purpose, the Series B Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Series B Bonds to be redeemed as provided in this Section 4,

together with interest to such redemption date, shall be held by the Treasurer-Tax Collector so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Series B Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Treasurer-Tax Collector for the redemption of Series B Bonds shall be held in trust for the account of the registered owners of the Series B Bonds so to be redeemed.

All Series B Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 4 shall be canceled upon surrender thereof and be delivered to or upon the order of the County and the District. All or any portion of a Series B Bond purchased by the County or the District shall be canceled by the Paying Agent.

Series B Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Treasurer-Tax Collector irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, all as provided in this resolution, then such Series B Bonds shall no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

Section 5. Execution of Bonds. The Series B Bonds shall be signed by the manual or facsimile signatures of the Chair of the Board of Supervisors, the Clerk of the Board and the Treasurer-Tax Collector, and the seal of the County shall be reproduced thereon. No Series B Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this resolution unless and until the certificate of authentication printed on the Series B Bond is signed by the Paying Agent as authenticating agent, that the Series B Bond as authenticated has been duly issued, signed and delivered under this resolution and is entitled to the security and benefit of this resolution.

Section 6. Appointment of Paying Agent. The Board hereby appoints The Bank of New York Mellon Trust Company, N.A., San Francisco, California, to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Series B Bonds. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District.

(a) The Paying Agent may at any time resign and be discharged of the duties and obligations created by this resolution by giving at least 60 days' written notice to the District and the Treasurer-Tax Collector. The Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Treasurer-Tax Collector and signed by the District. A successor Paying Agent shall be appointed by the District with the written consent of the Treasurer-Tax Collector, which consent shall not be unreasonably withheld, and shall be a bank or trust company organized under the laws of the state or any state of the United States, a national banking association or any other financial institution, having capital stock and surplus aggregating at least \$50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this resolution. Such Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District and the Treasurer-Tax Collector, a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

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

Section 7. Payment of Principal and Interest. The principal of and interest on the Series B Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Paying Agent. Principal shall be payable when due upon presentation and surrender of the Series B Bonds at the principal corporate trust office of the Paying Agent. Interest on a Series B Bond shall be paid on each Interest Payment Date by check or draft mailed by first class mail to the person in whose name the Series B Bond was registered, and to that person's address appearing on the Bond Register (as defined in Section 8 below) at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (a "Record Date").

Section 8. Bond Registration and Transfer. If the book entry system is no longer in effect as provided in Section 10, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Series B Bonds as provided in this Section 8 (the "Bond Register"). While such book entry system is in effect, such books need not be kept, as the Series B Bonds will be represented by one Bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

Subject to the provisions of Section 7 above, the person in whose name a Series B Bond is registered on the Bond Register shall be regarded as the absolute owner of that Series B Bond for all purposes of this resolution. Payment of or on account of the principal of and interest on any Series B Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section 8. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Series B Bonds, including interest, to the extent of the amount or amounts so paid.

Any Series B Bond may be exchanged for Series B Bonds of a like maturity in any authorized denomination, upon presentation and surrender at the office of the Paying Agent designated for such purpose, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Any Bond may, in accordance with its terms, but only if the District determines to no longer maintain the book entry only status of the Series B Bonds or if DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of this Section 8, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

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

Section 9. Form of Bond. The Series B Bonds shall be in substantially the form set forth in Exhibit B attached hereto and incorporated herein, allowing those officials executing the Series B Bonds to make the insertions and deletions necessary to conform the Series B Bonds to this resolution and the provisions of the Bond Purchase Agreement at the time of sale of the Series B Bonds to the Underwriter.

Section 10. Book-Entry System. Except as provided below, the owner of all of the Series B Bonds shall be The Depository Trust Company, New York, New York (“DTC”), and the Series B Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Series B Bonds shall be initially executed and delivered in the form of a single fully registered Series B Bond for each maturity date of the Series B Bonds in the full aggregate principal amount of the Series B Bonds maturing on such date. The County, the Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Series B Bonds registered in its name for all purposes of this resolution, and neither the County, the Paying Agent nor the District shall be affected by any notice to the contrary. The County, the Paying Agent and the District shall not have any responsibility or obligation to any participant of DTC (a “Participant”), any person claiming a beneficial ownership interest in the Series B Bonds under or through DTC or a Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Participant or the payment by DTC or any Participant by DTC or any Participant of any amount in respect of the principal or interest with respect to the Series B Bonds. The County and the District shall cause to be paid all principal and interest with respect to the Series B Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Series B Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Series B Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term “Cede & Co.” in this resolution shall refer to such new nominee of DTC.

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

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

Section 11. Establishment of Funds and Accounts; Delivery of Series B Bonds; Disposition of Proceeds of the Series B Bonds.

(a) *Establishment of Funds and Accounts.*

(i) **Building Fund.** A fund, to be known as the “Pittsburg Unified School District, General Obligation Bonds, Election of 2006, Series B (2009), Building Fund” (the “Building Fund”), is hereby created and established within the County Treasury, which fund shall be accounted for separate and distinct from all other District and County funds. Moneys deposited therein shall be used solely for the purpose for which the Series B Bonds are being issued and shall be applied solely to authorized purposes which relate to the acquisition or improvement of real property. The interest earned on the moneys deposited to the Building Fund shall be retained in the Building Fund and used for the purposes thereof. Moneys held in the Building Fund shall be invested by the County in any one or more investments generally permitted to school districts under the laws of the State of California, consistent

with the investment policy of the County and this resolution (the "Building Fund Permitted Investments"). The Building Fund Permitted Investments shall specifically include: (A) the County Pooled Investment Fund and (B) at the request of the District, (1) the Local Agency Investment Fund maintained by the Treasurer of the State of California; (2) other investments permitted under section 53601 of the California Government Code; and (3) investment agreements with financial institutions with senior unsecured credit ratings in one of the two highest rating categories (without regard to any refinement or gradation of such rating category by a plus or minus or a numeral) from one or more nationally recognized statistical rating organization then rating the Bonds. In regard to any investments requested by the District specified in clauses (B)(1), (B)(2) or (B)(3) above, the County may decline the request of the District upon any reasonable basis, including, specifically, any concerns of the County regarding the legality, structure or appropriateness of the investment vehicle generally or the process proposed for the bidding or the execution of the investment. Consent by the County to a request by the District to use any investments requested by the District specified in clauses (B)(1), (B)(2) or (B)(3) above shall in no way imply any endorsement by the County of such investment and the County assumes no liability for the results of such investment or of the provider thereof.

(ii) **Interest and Sinking Fund.** A fund, to be known as the "Pittsburg Unified School District, General Obligation Bonds, Election of 2006, Interest and Sinking Fund" (the "Interest and Sinking Fund"), is hereby created and established within the County Treasury, which fund shall be accounted for separate and distinct from all other District and County funds. Moneys deposited therein shall be used only for payment of principal and interest on the Bonds. Any excess proceeds of the Series B Bonds not needed for the authorized purposes set forth herein for which the Series B Bonds are being issued shall be transferred to the Interest and Sinking Fund and applied to the payment of principal and interest on the Series B Bonds at the direction of the District. If, after payment in full of the Series B Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Notwithstanding the foregoing provisions of this Section 11, any excess proceeds of the Series B Bonds not needed for the authorized purposes set forth herein for which the Series B Bonds are being issued shall be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law, including but not limited to the requirements of federal tax law (if any) relating to the yield at which such proceeds are permitted to be invested. Moneys held in the Interest and Sinking Fund shall be invested by the County in the County Pooled Investment Fund.

(b) *Delivery of Series B Bonds.* The proper officials of the District shall cause the Series B Bonds to be prepared and, following their sale, shall have the Series B Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Series B Bonds, to the original purchaser upon payment of the purchase price in funds which are immediately available to the Paying Agent.

(c) *Disposition of Proceeds of the Series B Bonds.* On the date of delivery of the Series B Bonds (the "Closing Date"), the proceeds of sale of the Series B Bonds shall be paid by the original purchaser to the Treasurer-Tax Collector of the County. The Treasurer-Tax Collector of the County shall deposit such amounts as follows:

- (i) An amount equal to the premium, if any, paid by the original purchaser shall be deposited in the Interest and Sinking Fund; and
- (ii) The remaining amounts shall be deposited in the Building Fund.

The Underwriter has agreed to pay costs of issuance in an amount up to \$130,000. To the extent that costs of issuance result in an amount less than \$130,000 but the Underwriter nonetheless elects to pay to the District the difference between \$130,000 and the actual amount of costs of issuance, such excess amount shall constitute premium received from the Underwriter and shall be paid to the Treasurer-Tax Collector of the County for deposit in the Interest and Sinking Fund.

(d) *Unclaimed Moneys.* Any money held in any fund or account created pursuant to this resolution, or by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Series B Bonds remaining unclaimed for two years after the principal of all of the Series B Bonds has become due and payable (whether by maturity or upon prior redemption), shall be transferred to the Interest and Sinking Fund for the payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

Section 12. Source of Payment. There shall be levied by the County on all the taxable property in the District, in addition to all other taxes, a continuing direct and ad valorem tax annually during the period the Series B Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series B Bonds when due, which moneys when collected will be placed in the Interest and Sinking Fund of the District, which fund is irrevocably pledged for the payment of the principal of and interest on the Series B Bonds when and as the same fall due. The moneys in the Interest and Sinking Fund, to the extent necessary to pay the principal of and interest on the Series B Bonds as the same become due and payable, shall be transferred by the County to the Paying Agent, as paying agent for the Series B Bonds, as necessary to pay the principal of and interest on the Series B Bonds.

Section 13. Defeasance. The Series B Bonds may be defeased prior to maturity in the following ways:

(a) *Cash:* By irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay all Series B Bonds Outstanding, including all Principal and interest and premium, if any; or

(b) *Defeasance Securities:* By irrevocably depositing with a bank or trust company, in escrow, noncallable Defeasance Securities,

permitted under section 149(d) of the Code thereto together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Debt Service Fund, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Series B Bonds (including all Principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

*then*, notwithstanding that any Series B Bonds shall not have been surrendered for payments, all obligations of the District and the County with respect to all Outstanding Series B Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 13, to the Owners of the Series B Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section 13 and Section 14, "Defeasance Securities" shall mean: Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidence of direct ownership or proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Defeasance Securities; and (c) the underlying Defeasance Securities are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claims of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's if the Bonds are then rated by Standard & Poor's, and "Aaa" by Moody's Investors Service if the Bonds are then rated by Moody's Investors Service.

For purposes of this Section 13 and Section 14, the escrow agent bank and verification agent shall be selected by the District. Any such escrow bank or trust company shall conform to the successor paying agent requirements hereof. All costs for defeasance of the Series B Bonds shall be paid by the District.

Section 14. Partial Defeasance. A portion of the then-Outstanding maturities of the Series B Bonds may be defeased prior to maturity in the following ways:

(a) *Cash*: by irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay the designated Outstanding maturities of Series B Bonds, including all Principal and interest and premium, if any; or

(b) *Defeasance Securities*: By irrevocably depositing with a bank or trust company, in escrow, noncallable Defeasance Securities, permitted under section 149(d) of the Code thereto together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, be fully sufficient to pay and discharge all Series B Bonds (including all Principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

*then*, notwithstanding that any of such designated maturities of Series B Bonds shall not have been surrendered for payment, all obligations of the District and the County with respect to such Outstanding maturities of Series B Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 14, to the Owners of the Series B Bonds of such maturities designated for redemption not so surrendered and paid all sums due with respect thereto.

Section 15. Necessary Acts and Conditions. This Board determines that all acts and conditions necessary to be performed by the Board precedent to and in the issuing of the Series B Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series B Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit of the District are pledged for the timely payment of the principal of and interest on the Series B Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series B Bonds.

Section 16. Approval of Actions. Officers of the Board and County officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Series B Bonds and otherwise carry out, give effect to and comply with the terms and intent of this resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

Section 17. Limited Liability. Notwithstanding anything to the contrary contained herein, in the Series B Bonds or in any other document mentioned herein, neither the County nor the Board shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby and the Series B Bonds shall be payable solely from the moneys of the District available therefor as set forth in Section 12 hereof.

Section 18. Indemnification of County. The County acknowledges and relies upon the fact that the District has represented that it shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become

subject because of action or inaction related to the adoption of this resolution, or related to the proceedings for sale, award, issuance and delivery of the Series B Bonds in accordance herewith and with the District's resolution and that the District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

Section 19. Limited Responsibility for Official Statement. Neither the Board nor any officer of the County has prepared or reviewed the official statement of the District describing the Series B Bonds (the "Official Statement"), and the Board and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District held by the County Treasurer, the County Treasurer is hereby authorized and directed to prepare and review such information for inclusion in the Official Statement and in a preliminary Official Statement, and to certify in writing prior to or upon the issuance of the Series B Bonds that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

Section 20. Certified Copy to Auditor-Controller. The Clerk of the Board is hereby directed to provide a certified copy of this resolution to the Auditor-Controller of Contra Costa County.

Section 21. Effective Date. This resolution shall take effect immediately upon its passage.

\* \* \* \* \*

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Supervisors of Contra Costa County held on the 24th day of February, 2009, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chair, Board of Supervisors

ATTEST:

By \_\_\_\_\_ Clerk, Board of Supervisors