

**RESOLUTION NO. 05/06-08**

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE  
PERALTA COMMUNITY COLLEGE DISTRICT AUTHORIZING  
ISSUANCE OF BONDS IN THE AGGREGATE PRINCIPAL  
AMOUNT OF NOT TO EXCEED \$250,000,000 TO REFINANCE  
EMPLOYEE HEALTH BENEFIT OBLIGATIONS OF THE  
DISTRICT**

**WHEREAS**, the Peralta Community College District (the "District") is obligated to pay health care benefits for certain current District employees and retired District employees (the "Health Benefit Obligations"); and

**WHEREAS**, the annual obligation of the District to pay the Health Benefit Obligations is subject to fluctuation from year to year in future year due to the differentiation in benefits between certain groups of employees and other factors; and

**WHEREAS**, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), to issue its bonds for the purpose of refunding outstanding obligations of the District such as the Health Benefit Obligations; and

**WHEREAS**, in order to refund the Health Benefit Obligations and thereby provide a more orderly and constant level of payments in respect of the Health Benefit Obligations, the District has determined that it is in the best financial interests of the District to issue bonds of the District under the Bond Law, the proceeds of which will be applied to pay the Health Benefit Obligations as they come due and payable; and

**WHEREAS**, the Board of Trustees wishes at this time to authorize the issuance of such bonds and the institution of judicial proceedings to determine the validity thereof;

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

**Section 1. Authorization of Bonds.** The Board of Trustees hereby authorizes the issuance of bonds of the District under the Bond Law in the aggregate principal amount of not to exceed \$250,000,000 (the "Bonds") for the purpose of refunding the Health Benefit Obligations. The Bonds may be issued in one or more series from time to time by the District, as determined by the Board of Trustees.

**Section 2. Material Terms of the Bonds.** The Bonds shall be issued under an Indenture of Trust between the District and U.S. Bank National Association, as trustee, the form of which is subject to final approval by resolution of the Board of Trustees to be adopted following the successful conclusion of the proceedings authorized under Section 3. The Indenture of Trust shall provide the following material terms and conditions applicable to the Bonds:

- (a) the term of the Bonds shall not exceed 45 years;



- (b) interest on the Bonds shall be computed at either a fixed or adjustable rate of interest;
- (c) interest on the Bonds shall be included in gross income of the owners thereof for federal income tax purposes;
- (d) principal of and interest on the Bonds shall be payable from any source of legally available funds of the District, including but not limited to amounts held in the General Fund of the District; and
- (e) proceeds of the Bonds shall be held and invested by the District, and such proceeds and the earnings on the investment thereof shall be applied to pay the Health Benefit Obligations of the District as they become due and payable.

**Section 3. Institution of Judicial Validation Proceedings.** In order to determine the validity of the Bonds which are hereby authorized to be issued under the provisions of Section 1, the Board of Trustees hereby authorizes the law firm of Jones Hall, A Professional Law Corporation, in concert with general counsel to the District, to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the bonds in the Superior Court of Alameda County, under and under the provisions of Sections 860 et seq. of the Code of Civil Procedure of the State of California.

**Section 4. Sale of the Bonds.** The Bonds shall be sold to an underwriting firm to be selected by the District in accordance with a resolution of the Board of Trustees adopted following the successful conclusion of the proceedings authorized under Section 3.

**Section 5. Engagement of Professional Services.** In connection with the issuance and sale of the Bonds, the District hereby appoints the firms of Dale Scott & Company and Mark Harris of the Pineapple Group to act as financial advisors to the District, the firm of Jones Hall, A Professional Law Corporation, to act as bond counsel to the District, and U.S. Bank National Association to act as trustee for the Bonds. The Vice Chancellor of Financial Services is authorized and directed to execute an agreement with each of such firms, in the respective forms on file with the Clerk of the Board. As provided in each such agreement, compensation payable to each firm is entirely contingent upon the successful issuance and sale of the Bonds.

**Section 6. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

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The following information is provided for your information only. It is not intended to be used as a substitute for professional advice. The information is based on the best available information at the time of preparation. It is subject to change without notice. The information is not intended to be used as a substitute for professional advice. The information is based on the best available information at the time of preparation. It is subject to change without notice.

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- (c) interest on the Bonds shall be included in gross income of the owners thereof for federal income tax purposes;
- (d) principal of and interest on the Bonds shall be payable from any source of legally available funds of the District, including but not limited to amounts held in the General Fund of the District; and
- (e) proceeds of the Bonds shall be held and invested by the District, and such proceeds and the earnings on the investment thereof shall be applied to pay the Health Benefit Obligations of the District as they become due and payable.

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I hereby certify that the foregoing Resolution was passed and adopted by the Board of Trustees of the Peralta Community College District at a regular meeting thereof duly held on June 28, 2005, by a majority vote of all of its members.

Adopted by the following votes:

AYES:

NOES:

ABSENT:

**BOARD OF TRUSTEES OF THE  
PERALTA COMMUNITY COLLEGE  
DISTRICT**

By \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Clerk of the Board