



Butte-Glenn Community College District
Board of Trustees
3536 Butte Campus Drive
Oroville, CA 95965

Notice of Special Meeting
October 24, 2011
1:00 PM
District Board Room
Student and Administrative Services Building

Butte College provides quality education, services, and workforce training to students who aspire to become productive members of a diverse, sustainable, and global society. We prepare our students for life-long learning through the mastery of basic skills, the achievement of degrees and certificates, and the pursuit of career and transfer pathways.

AGENDA

Call to Order

Mr. Michael Boeger, President
Mr. William McGinnis, Vice President
Mr. Louis Cecchi, Clerk
Mr. Tom Lando
Mr. Thomas McLaughlin
Mr. Fred R. Perez
Mr. David Vodden

Pledge of Allegiance to the Flag

1. Agenda Approval

2. Public Comments

The public may make comments related to today's agenda.

3. Finance

Adoption of Resolution No. 680 - Authorizing the Issuance of Butte-Glenn Community College District 2011 General Obligation Refunding Bonds	Action	11-6716
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4. Closed Session

The Board of Trustees of the Butte-Glenn Community College District will adjourn to closed session under authority of Government Code Section 54954.5 to conduct the following business:

Pursuant to Government Code section 54957:

- a. EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

5. Adjournment

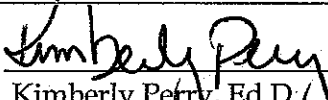
For Information concerning this Agenda, please contact:
Butte College President's Office
3536 Butte Campus Drive, Oroville, CA 95965
(530) 895-2484

Persons requiring disability accommodation, please notify this office 48 hours prior to the scheduled meeting.
Meetings are held in wheelchair accessible locations.

Any public records distributed to the Board of Trustees less than 72 hours in advance of the meeting, and relating to an open session item, are available for public inspection at the Office of the President during normal business hours.

**Butte-Glenn Community College District
Meeting of the Board of Trustees**

October 24, 2011

Subject: Adoption of Resolution No. 680 - Authorizing the Issuance of Butte-Glenn Community College District 2011 General Obligation Refunding Bonds	Item No: 11-6716 Enclosure: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Category: Finance	Action <input checked="" type="checkbox"/> Information <input type="checkbox"/> Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/>
Submitted By: Andrew Suleski Vice President	Approved By:  Kimberly Perry, Ed.D. Superintendent/President

Background

On March 5, 2002, the voters of Butte and Glenn Counties approved Measure A, the issuance and sale of general obligation bonds of the District in the aggregate principal amount not to exceed \$84.9 million. Proceeds of the bonds were used to finance the acquisition, construction, reconstruction, and modernization of certain property and District facilities.

On June 6, 2002, approximately \$30 million (Series A) of the \$84.9 million authorization was issued.

Status

The Series A bonds are structured with interest rates ranging from 4.0% - 5.50%. The District can achieve significant savings for the taxpayers by refunding most of these bonds taking advantage of the currently low short-end of the yield curve. Approximately \$23.8 million are eligible for advanced refunding. Resolution No. 680 has been prepared to require a taxpayer savings of a minimum of \$3 million.

Recommendation

It is recommended that the Board of Trustees adopt Resolution No. 680 authorizing the issuance of Butte-Glenn Community College District 2011 General Obligation Refunding Bonds, provided the requirements of the Resolution are met.

**BUTTE-GLENN COMMUNITY COLLEGE DISTRICT
Governing Board Meeting**

RESOLUTION NO. 680

**RESOLUTION AUTHORIZING THE ISSUANCE OF BUTTE-GLENN
COMMUNITY COLLEGE DISTRICT (BUTTE AND GLENN COUNTIES,
CALIFORNIA) 2011 GENERAL OBLIGATION REFUNDING BONDS**

WHEREAS, a duly called election was held in the Butte-Glenn Community College District (hereinafter referred to as the "District"), on March 5, 2002 (the "Authorization") and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by a vote of more than fifty-five percent of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$84,900,000, payable from the levy of an *ad valorem* tax against the taxable property in the District;

WHEREAS, pursuant to the Authorization, on the Board of Supervisors of Butte County, on June 6, 2002, issued on behalf of the District \$29,999,445.15 of Butte-Glenn Community College District (Butte and Glenn Counties, California) Election of 2002 General Obligation Bonds, Series A (the "Series A Bonds");

WHEREAS, pursuant to Section 53550 *et seq.* of the Government Code, the District is authorized to issue general obligation refunding bonds (the "Refunding Bonds") to refund all or a portion of the outstanding Series A Bonds (so refunded, the "Refunded Bonds");

WHEREAS, 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 whereas the indebtedness of the District, including this proposed issue of Refunding Bonds, is within all limits prescribed by law; and

WHEREAS, this Board desires to appoint professionals related to the issuance of the Refunding Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE BUTTE-GLENN COMMUNITY COLLEGE DISTRICT AS FOLLOWS:

SECTION 1. Purpose. To refund all or a portion of the outstanding principal amount of the Series A Bonds and to pay all necessary legal, financial, and contingent costs in connection therewith, the District hereby authorizes the issuance of the Refunding Bonds in one or more series, to be styled as the "Butte-Glenn Community College District (Butte and Glenn Counties, California) 2011 General Obligation Refunding Bonds," in an aggregate principal amount not to exceed \$24,000,000. Additional costs authorized to be paid from the proceeds of the Refunding Bonds are all of the authorized costs of issuance set forth in Section 53550(e) and (f) and Section 53587 of the Government Code.

(f) **“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal and Maturity Value of and interest on the Refunding Bonds.

(g) **“Bond Payment Date”** means, unless otherwise provided by the Purchase Contract, February 1 and August 1 of each year commencing on February 1, 2012 with respect to the Current Interest Bonds and, with respect to the Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

(h) **“Capital Appreciation Bonds”** means the Refunding Bonds the Accreted Interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Value for such Refunding Bonds in the Official Statement.

(i) **“Code”** means the Internal Revenue Code of 1986, as the same may be amended from time to time. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

(j) **“Current Interest Bonds”** means the Refunding Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

(k) **“Denominational Amount”** means, with respect to Capital Appreciation Bonds, the initial principal amount thereof as of the Date of Delivery.

(l) **“Depository”** means, initially, DTC, and thereafter the securities depository acting as Depository pursuant to Section 6(c) hereof.

(m) **“DTC”** means The Depository Trust Company, New York, New York, 55 Water Street, New York, New York 10041, Tel: (212) 855-1000 or Fax: (212) 855-7320, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for the Refunding Bonds.

(n) **“Escrow Agent”** means The Bank of New York Mellon Trust Company, N.A., or any other successor thereto, in its capacity as escrow agent for the Refunded Bonds.

(o) **“Escrow Agreement”** means the Escrow Agreement relating to the Refunded Bonds, by and between the District and the Escrow Agent.

(p) **“Federal Securities”** means securities as permitted, in accordance with the authorizing resolution of the District pursuant to which the Series A Bonds were issued, to be deposited with the Escrow Agent for the purpose of defeasing the Series A Bonds.

(q) **“Information Services”** means Financial Information, Inc.’s “Financial Daily Called Bond Service; Standard & Poor’s J.J. Kenny Information Services’ Called Bond Service; or Mergent Inc.’s Called Bond Department.

(r) **“Maturity Value”** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(s) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 6(c) hereof.

month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the Date of Delivery. Interest on the Current Interest Bonds shall be payable on the respective Bond Payment Dates and shall be computed on the basis of a 360-day year of twelve 30-day months.

Each Capital Appreciation Bond shall be dated, and shall accrete interest from, its date of initial issuance. Capital Appreciation Bonds will not bear interest on a current basis. The Capital Appreciation Bonds shall mature in the years set forth in the Purchase Contract or the Official Statement and shall compound interest at the Accretion Rates to their Maturity Value as shown in the Accreted Value Table attached to the Official Statement; provided, that in the event that the amount shown in such Accreted Value Table and the Accreted Value calculated by the District and approved by the Bond Insurer, if any, by application of the definition of Accreted Value set forth in Section 5 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond.

No Refunding Bond shall mature later than the final maturity date of the Refunded Bonds to be refunded from proceeds of such Refunding Bond.

(b) Redemption.

(i) Optional Redemption. The Refunding Bonds shall be subject to optional redemption prior to maturity as provided in the Purchase Contract.

(ii) Mandatory Redemption. Any Refunding Bonds issued as Term Bonds shall be subject to mandatory sinking fund redemption as provided in the Purchase Contract.

In the event that a portion of any Term Bond is optionally redeemed pursuant to Section 6(b)(i) hereof, the remaining sinking fund payments shall be reduced proportionately, in integral multiples of \$5,000, in respect to the portion of such Term Bond optionally redeemed.

(iii) Selection of Refunding Bonds for Redemption. Whenever provision is made in this Resolution for the redemption of Refunding Bonds and less than all outstanding Refunding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Refunding Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Refunding Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, the Purchase Contract may provide that, within a maturity, Bonds shall be selected for redemption on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures, provided further that, such pro-rata redemption is made in accordance with the operational arrangements of DTC then in effect.

With respect to redemption by lot, the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof, and the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof.

(iv) Notice of Redemption. When redemption is authorized or required pursuant to Section 6(b)(i) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Refunding Bonds. Such Redemption Notice shall specify: the Refunding Bonds or designated portions thereof (in the case of redemption of the Refunding Bonds in part but not in whole) which are to be redeemed; the date of

and after such redemption date, interest with respect to the Refunding Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Paying Agent for the redemption of Refunding Bonds shall be held in trust for the account of the Owners of the Refunding Bonds so to be redeemed.

All Refunding Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 6 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Refunding Bond purchased by the District shall be cancelled by the Paying Agent.

(vii) Refunding Bonds No Longer Outstanding. When any Refunding 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 Paying Agent irrevocably in trust for the payment of the redemption price of such Refunding Bonds or portions thereof, and, in the case of Current Interest Bonds, accrued interest thereon to the date fixed for redemption, all as provided in this Resolution, then such Refunding Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

(c) Book-Entry System.

(i) Election of Book-Entry System. The Refunding Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Refunding Bonds in an authorized denomination. The ownership of each such Bond shall be registered in the register of bonds ("Bond Register") maintained by the Paying Agent in the name of the Nominee, as nominee of the Depository and ownership of the Refunding Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 6(c)(i)(4).

The District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such the Refunding Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Refunding Bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to the Refunding Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in the Refunding Bonds to be prepaid in the event the District redeems the Refunding Bonds in part; (iv) or the payment by the Depository or any Participant or any other person, of any amount with respect to Accreted Value, Principal, premium, if any, or interest on the Refunding Bonds. The District and the Paying Agent may treat and consider the person in whose name each the Refunding Bond is registered in the Bond Register as the absolute Owner of such the Refunding Bond for the purpose of payment of Accreted Value or Principal of and premium and interest on and to such Refunding Bond, for the purpose of giving notices of redemption and other matters with respect to such Refunding Bond, for the purpose of registering transfers with respect to such Refunding Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Accreted Value or Principal of and premium, if any, and interest on the Refunding Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of

(1) to any successor of DTC or its Nominee, or of any substitute depository designated pursuant to Section 6(c)(i)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository, upon (a) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (b) a determination by the District that DTC (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

(3) to any person as provided below, upon (a) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (b) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(1) or (2), upon receipt of all outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Refunding Bonds then outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(3), upon receipt of all outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Refunding Bonds, 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 are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Refunding Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption of any Refunding Bonds evidencing a portion of the Maturity Value or Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Refunding Bonds indicating the date and amounts of such reduction in Maturity Value or Principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, 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 Refunding Bonds. 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 DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Refunding Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Refunding Bonds.

for the exchange or transfer. All Refunding Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Refunding Bonds surrendered upon that exchange or transfer.

Any Refunding Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Refunding Bonds that the District may have acquired in any manner whatsoever, and those Refunding Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Refunding Bonds shall be made to the District by the Paying Agent as requested by the District. The cancelled Refunding Bonds shall be retained for three years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Refunding Bonds during a period beginning with the opening of business on the 16th business day next preceding either any Bond Payment Date or any date of selection of Refunding Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Refunding Bonds which have been selected or called for redemption in whole or in part.

SECTION 9. Payment. Payment of interest on any Current Interest Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount or Maturity Value of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The Principal, and redemption price, if any, payable on the Current Interest Bonds and the Accreted Value and redemption price, if any, on the Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The interest, Accreted Value, Principal and premiums, if any, on the Refunding Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Refunding Bonds when duly presented for payment at maturity, and to cancel all Refunding Bonds upon payment thereof. The Refunding Bonds are general obligations of the District, payable without limit as to rate or amount solely from the levy of *ad valorem* property taxes upon all property subject to taxation within the District.

SECTION 10. Form of Refunding Bonds. The Refunding Bonds shall be in substantially the following form, allowing those officials executing the Refunding Bonds to make the insertions and deletions necessary to conform the Refunding Bonds to this Resolution, the Purchase Contract and the Official Statement:

[REMAINDER OF PAGE LEFT BLANK]

[The bonds of this issue comprise \$ _____ Principal amount of Current Interest Bonds, of which this bond is a part (a "Current Interest Bond"), and Capital Appreciation Bonds of which \$ _____ represents the Denominational Amount and \$ _____ represents the Maturity Value.]

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute Owner of this bond for the purpose of receiving payment of or on account of Principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 16th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 20__ are subject to redemption on or after August 1, 20__ or on any date thereafter at the option of the District as a whole or in part at a redemption price equal to the principal amount of the Current Interest Bonds called for redemption, plus interest accrued thereon to the date fixed for redemption, without premium.

The Current Interest Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption from moneys in the Debt Service Fund on August 1 of each year on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Bonds to be so redeemed and the dates therefore and the final payment date is as indicated in the following table:

Redemption Dates

Principal Amounts

TOTAL

\$

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the Principal amount of \$5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights,

IN WITNESS WHEREOF, the Butte-Gleinn Community College District, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the [Secretary/Clerk] of the Board of Trustees, all as of the date stated above.

BUTTE-GLENN COMMUNITY COLLEGE
DISTRICT

By: _____ (Facsimile Signature)
President, Board of Trustees

COUNTERSIGNED:

(Facsimile Signature)
[Secretary/Clerk], Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2011.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Paying Agent

By: _____
Authorized Officer

(Form of Capital Appreciation Bond)

REGISTERED
NO.

REGISTERED
\$

BUTTE-GLENN COMMUNITY COLLEGE DISTRICT
(BUTTE AND GLENN COUNTIES, CALIFORNIA)
2011 GENERAL OBLIGATION REFUNDING BONDS

ACCRETION RATE: MATURITY DATE: DATED AS OF: CUSIP
_____ % per annum August 1, _____, 2011 _____

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The Butte-Glenn Community College District (the "District") in Butte and Glenn Counties (the "County"), California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing on February 1, 2012, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denominational Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by The Bank of New York Mellon Trust Company, N.A., as Paying Agent. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the designated office of the Paying Agent.

This bond is one of an authorization of bonds issued by the District pursuant to California Government Code Section 53550 *et seq.* (the "Act") for the purpose of refunding certain of the District's outstanding \$29,999,445.15 Election of 2002 General Obligation Bonds, Series A; and to pay all necessary legal, financial, and contingent costs in connection therewith. The bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Trustees of the District adopted on September 14, 2011 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both Principal and interest solely from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District payable solely from *ad valorem* taxes.

[The bonds of this issue comprise \$ _____ Principal amount of Current Interest Bonds (each a "Current Interest Bond") and Capital Appreciation Bonds, of which this bond is a part, in the Denominational Amount of \$ _____ and the Maturity Value of \$ _____.]

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Paying

IN WITNESS WHEREOF, the Butte-Glenn Community College District, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the June [Secretary/Clerk] of the Board of Trustees, all as of the date stated above.

BUTTE-GLENN COMMUNITY COLLEGE DISTRICT

By: _____ (Facsimile Signature)
President, Board of Trustees

COUNTERSIGNED:

(Facsimile Signature)
[Secretary/Clerk], Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2011.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Paying Agent

By: _____
Authorized Officer

SECTION 11. Delivery of Refunding Bonds. The proper officials of the District shall cause the Refunding Bonds to be prepared and, following their sale, shall have the Refunding Bonds signed and delivered to the Underwriter upon payment of the purchase price therefor.

SECTION 12. Deposit of Proceeds of Refunding Bonds; Escrow Agreement. An amount of proceeds from the sale of the Refunding Bonds necessary to purchase Federal Securities, or to otherwise refund the Refunded Bonds, shall be transferred to the Escrow Agent for deposit in the "Butte-Glenn Community College District 2011 General Obligation Refunding Bonds Escrow Fund" (the "Escrow Fund") established under the Escrow Agreement, which amount, if uninvested shall be sufficient, or if invested shall, together with such amount of cash held uninvested therein, be sufficient to refund the Refunded Bonds, all as set forth in a certificate of an Authorized Officer. Premium or proceeds received from the sale of the Refunding Bonds desired to pay all or a portion of the costs of issuing the Refunding Bonds may be deposited in the fund of the District held by a fiscal agent selected thereby and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying costs of issuance of the Refunding Bonds.

Any accrued interest received by the District from the sale of the Refunding Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Butte-Glenn Community College District, 2011 General Obligation Refunding Bonds Debt Service Fund" (the "Debt Service Fund") for the Refunding Bonds and used only for payments of Principal of and interest on the Refunding Bonds. The Debt Service Fund shall be held by the County. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes set forth herein for which the Refunding Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of the Principal of and interest on the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

The moneys in the Debt Service Fund, to the extent necessary to pay the Principal and Maturity Value of and interest on the Refunding Bonds as the same become due and payable, shall be transferred by the Treasurer-Tax Collector of Butte County to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the Principal and Maturity Value of and interest on the Refunding Bonds. DTC will thereupon make payments of Principal and interest on the Refunding Bonds to the DTC Participants who will thereupon make payments of Principal and interest to the beneficial owners of the Refunding Bonds. Any moneys remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the general fund of the District.

Except as required below to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay Principal and interest on the Refunding Bonds when due.

SECTION 13. Rebate Fund.

(a) **General.** If necessary, there shall be created and established a special fund designated the "Butte-Glenn Community College District 2011 General Obligation Refunding Bonds Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code, as the same may be amended from time to time, and the Treasury Regulations promulgated thereunder (the "Rebate Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and Section 14 of this Resolution and by the Tax Certificate concerning certain matters pertaining to the use and investment of proceeds of

such payment (and any income attributable to the "rebate amount" determined to be due and payable) in accordance with Section 1.148-3 of the Rebate Regulations.

(e) **Rebate Payments.** Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by or on behalf of the District.

(f) **Deficiencies in the Rebate Fund.** In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(g) **Withdrawals of Excess Amount.** In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the "rebate amount" calculated in accordance with said subsection, upon written instructions from the District, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) **Record Retention.** The District shall retain records of all determinations made hereunder until three years after the retirement of the Refunding Bonds.

(i) **Survival of Defeasance.** Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Refunding Bonds.

SECTION 14. Security for the Refunding Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Refunding Bonds are outstanding in an amount sufficient to pay the Principal and Maturity Value of and interest on the Refunding Bonds when due, which moneys when collected will be placed in the Debt Service Fund of the District and used for the payment of the Principal and Maturity Value of and interest on the Refunding Bonds when and as the same fall due, and for no other purpose. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* tax in accordance with this Section 14 and Section 53559 of the Act.

SECTION 15. Arbitrage Covenant. The District will restrict the use of the proceeds of the Refunding Bonds in such manner and to such extent, if any, as may be necessary, so that the Refunding Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section.

SECTION 16. Legislative Determinations. The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Refunding 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 Refunding Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Refunding Bonds. Furthermore, the Board finds and determines pursuant to Section 53552 of the Act that the prudent management of the fiscal affairs of the District requires that it issue the Refunding Bonds without submitting the question of the issuance of the Refunding Bonds to a vote of the qualified electors of the District.

For purposes of this Section, "Government Obligations" shall mean:

Direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or "prerefunded" municipal obligations rated in the highest rating category by Moody's Investors Service or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (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 United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim 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 or "Aaa" by Moody's Investors Service.

SECTION 20. Other Actions, Determinations and Approvals.

(a) Officers of the Board, District 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 Refunding 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.

(b) The Board hereby finds and determines that both the total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds will be less than the total net interest cost to maturity on the Refunded Bonds plus the principal amount of the Refunded Bonds.

(c) The Board anticipates that the Refunded Bonds will be redeemed on or about August 1, 2012, which is the first optional redemption date of such Refunded Bonds following the issuance of the Refunding Bonds.

(d) The Board hereby appoints The Bank of New York Mellon Trust Company, N.A. Escrow Agent for the Refunding Bonds and approves the preparation of the Escrow Agreement. The Authorized Officers, each alone, are hereby authorized to execute the Escrow Agreement with such changes as they shall approve, such approval to be conclusively evidenced by either individual's execution and delivery thereof.

(e) The Board hereby appoints RBC Capital Markets, LLC as the Underwriter and Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel and Disclosure Counsel with respect to the issuance of the Refunding Bonds.

(f) The provisions of this Resolution as they relate to the terms of the Refunding Bonds may be amended by the Purchase Contract; if the Purchase Contract so provides, the Refunding Bonds may be issued as crossover refunding bonds pursuant to Section 53558(b) of the Government Code.

SECTION 21. Resolution to Treasurer-Tax Collector. The Clerk of this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer-Tax Collector of Butte County immediately following its adoption.

SECRETARY'S CERTIFICATE

I, Kimberly Perry, Secretary to the Board of Trustees of the Butte-Glenn Community College District, hereby certify 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 October 24, 2011, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

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.

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: October 24, 2011

Secretary