DEPARTMENT: Public Works/Don Pedro WWTP

RECOMMENDED ACTION AND JUSTIFICATION:

Adopt a Resolution authorizing the issuance of improvement bonds and related actions pertaining to the Wastewater Facilities Project for Assessment District 05-1, Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1.

The attached resolution was prepared by Jones Hall, bond counsel for the Don Pedro Wastewater Facilities Project. Authorization of the issuance of bonds is the next step in the process of completing the project. We are currently working with the USDA to ensure we meet all the requirements of their Letter of Conditions in order to finalize the financing of the new wastewater treatment plant. The USDA will be the purchaser of the bonds, and debt service on the bonds will be covered by the assessment.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

On June 20, 2006 the Board adopted the Engineer’s Report, confirmed the assessment and ordered the work and acquisitions for the Don Pedro Wastewater Facilities Project, Res. No. 06-266.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Do not approve the requested action, which would prevent the project from moving forward.

<table>
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<tr>
<th>Financial Impact? (X) Yes ( ) No</th>
<th>Current FY Cost:</th>
<th>Annual Recurring Cost: $</th>
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<td>Budgeted In Current FY? (X) Yes ( ) No ( ) Partially Funded</td>
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<td>Additional Funding Needed: $</td>
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<td>( ] General ( ) Other</td>
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List Attachments, number pages consecutively
1. Resolution
2. Memo

CLERK’S USE ONLY:

Res. No.: Ord. No. ______
Vote – Ayes: ______ Noes: ______
Absent: ______

Approved
( ) Minute Order Attached ( ) No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.
Date: ______
Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By: ______
Deputy

COUNTY ADMINISTRATIVE OFFICER:
Requested Action Recommended
No Opinion
Comments:

CAO: ______

Revised Dec. 2002
COUNTY of MARIPOSA
P.O. Box 784, Mariposa, CA 95338 (209) 966-3222

LEE STETSON, CHAIR
JANET BIBBY, VICE CHAIR
LYLE TURPIN
DIANNE A. FRITZ
BOB PICKARD

DISTRICT I
DISTRICT III
DISTRICT II
DISTRICT IV
DISTRICT V

MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: DANA HERTFELDER, Public Works Director
FROM: MARGIE WILLIAMS, Clerk of the Board

SUBJECT: ISSUANCE OF IMPROVEMENT BONDS – DON PEDRO WASTEWATER PROJECT

RESOLUTION No. 06-369

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on August 1, 2006

ACTION AND VOTE:

Dana Hertfelder, Public Works Director;
Adopt a Resolution Authorizing the Issuance of Improvement Bonds and Related Actions Pertaining to the Wastewater Facilities Project for Assessment District 05-1, Lake Don Pedro County Service Area I-M, Sewer Zone No. 1

BOARD ACTION: Discussion was held with Dana Hertfelder, and he clarified that the recommended action authorizes two series of bonds to be able to cover the initial cost of the purchase of the land. The next step in this process will be to close the loan with the USDA and to award the contract for construction of the project. Supervisor Pickard noted that the pages that were left out of the original package for this item have been distributed. Carl Casey, Public Works Administrator, responded to questions from the Board and provided input relative to the interest rates. Dana Hertfelder responded to a question from the Board relative to the status of the Williamson Act contract issue, and he advised that staff is working on removing the portion that will be impacted by the construction of this project from the contract. (M)Turpin, (S)Fritz, Res. 06-369 was adopted approving the recommended actions/Ayes: Unanimous. Supervisor Pickard clarified that the motion included the issuance of both bonds.

Cc: Chris Ebie, Auditor
    Marjorie Wass, Tax Collector
    Tom Guarino, County Counsel
    Mary Hodson, Administration
    File
MEMORANDUM

 VIA EMAIL

To:      Carl Casey  
         Department of Public Works  
         County of Mariposa

From:    Scott Ferguson

Date:    July 21, 2006

Re:      COUNTY OF MARIPosa   
         ASSESSMENT DISTRICT NO. 05-1   
         (Wastewater Facilities Project for   
         Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1)

Earlier today, in advance of the Board of Supervisors meeting of August 1, 2006, we sent you a form of Resolution Authorizing Issuance of Limited Obligation Improvement Bonds for this assessment district. This resolution authorizes the issuance bonds in two series that correspond to the two separate loan commitments by the USDA: the Series 2006-A Bonds, which are to be issued in calendar year 2006 in a principal amount not to exceed $4,500,000, and the Series 2007-A Bonds, which are to be issued in calendar year 2007 in a principal amount not to exceed $1,261,000.

This resolution is based on the form of bond issuance resolution used in the Yosemite West financing, except that we have combined the authorization for both series of bonds into a single resolution, rather than preparing two separate resolutions as was the case with Yosemite West (which, as I understand it, was done because of the decision to obtain the second USDA loan in that case happened after the first resolution was already adopted). Note that, because we will have two separate series of bonds with different closing dates and (presumably) interest rates, the resolution requires that the County establish a separate Improvement Fund and Reserve Fund for each series of bonds. If you or anyone at the County would find it useful, we have prepared a "redlined" version of this resolution showing all of the differences from the Yosemite West Series A resolution, which we can send to anyone who would like to review it.
The resolution also provides the various covenants to collect the assessments and pay the bond owners principal and interest on the bonds, and authorizes various Town officials to complete the bond issuance process, subject to the parameters in Article III as to amount and interest rate for each series. The final dollar amounts will be put in Exhibit A when the bonds are actually priced. The bonds will be sold to USDA in essentially the same way as the bonds for the Yosemite West district.

The adoption of this resolution does not require a public hearing and must be part of the regular, not consent, agenda because it authorizes debt.

As usual, please send me one certified copy of this resolution as soon as possible after adoption.

Very truly yours,

/s/ Scott R. Ferguson
MARIPOSA COUNTY BOARD OF SUPERVISORS RESOLUTION NO. 369

A RESOLUTION AUTHORIZING ISSUANCE OF IMPROVEMENT BONDS AND RELATED ACTIONS

COUNTY OF MARIPOSA
ASSESSMENT DISTRICT NO. 05-1
(Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1)

RESOLVED, by the Board of Supervisors (the "Board") of the County of Mariposa (the "County"), State of California, that

WHEREAS, on December 6, 2005, this Board adopted its Resolution No. 05-575, entitled "A Resolution of Intention to Make Acquisitions and Improvements" (the "Resolution of Intention") under the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California, (the "Act") to initiate proceedings under the Act in and for the County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) (the "Assessment District") for the making of certain public improvements as described in the Resolution of Intention. By the Resolution of Intention, the Board provided that improvement bonds would be issued thereunder pursuant to the provisions of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the "Bond Law") and reference to the Resolution of Intention is hereby expressly made for further particulars.

WHEREAS, notice of recordation of the assessment and the opportunity to pay all or a portion thereof was published and mailed in the manner required by law, and the time so provided for receiving payments of assessments in cash has expired and there is on file with the Treasurer of the County a list of all assessments which remain unpaid.

WHEREAS, this Board now intends to provide for the issuance of two series of improvement bonds upon the security of such unpaid assessments, the first series to be issued in calendar year 2006 and the second series to be issued in calendar year 2007, all as hereinafter provided.

NOW, THEREFORE, BE IT HEREBY ORDERED by the Board of Supervisors as follows:
ARTICLE I
DEFINITIONS; GENERAL

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in
this Section shall, for all purposes of this Resolution and of any Supplemental Resolution and of
the Bonds (as herein defined) and of any certificate, opinion, request or other document herein
mentioned, have the meanings herein specified.

“Act” means the Municipal Improvement Act of 1913, Division 12 of the Streets and
Highways Code of California.

“Agent” means Treasurer appointed under Section 2.06 hereof to perform the duties of
authentication, registration, transfer and payment of the Bonds and the Agent’s assigns or any
other agent which may at any time be substituted in its place.

“Assessment” or “Assessments” means the unpaid amounts of the special
assessments levied against all benefited real property within the boundaries of the Assessment
District pursuant to the Act and the proceeding of the Board under the Resolution of Intention,
for the purpose of paying Debt Service on the Bonds under the Bond Law.

“Assessment District” means that portion of the County designated “County of
Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro
County Service Area 1-M, Sewer Zone No. 1),” as established in proceedings under the Act and
the Resolution of Intention.

“Authorized Investments” means any of the following:

(i) securities (other than those identified in paragraphs (a) and (d) of Section
53601 of the Government Code of the State) in which the County may legally invest
funds subject to its control, pursuant to Article 1, commencing with Section 53600, of
Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code of the State, as now
or hereafter amended,

(ii) shares in a California common law trust established pursuant to Title 1,
Division 7, Chapter 5 of the California Government Code which invests exclusively in
investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the California
Government Code, as it may be amended, including but not limited to the California
Arbitrage Management Program (CAMP);

(iii) the Local Agency Investment Fund of the State of California (LAIF), created
pursuant to Section 16429.1 of the California Government Code, to the extent the
Treasurer is authorized to register such investment in the County’s name.

“Authorized Officer” means the Chairman or Vice Chairman of the Board, the Clerk of
the Board, the Treasurer, the Auditor and the County Counsel, and any other official of the
County authorized to carry out the terms of this Resolution.

“Auditor” means the Auditor/Controller of the County or other official of the County
responsible for preparing property tax bills.
"Available Surplus Funds" means any surplus moneys held by the County at the end of each Fiscal Year in excess of the amounts required to pay lawful municipal obligations incurred in that Fiscal Year.

"Board" means the duly-elected Board of Supervisors as the legislative body of the County.

"Bond" or "Bonds" means two series of bonds authorized to be issued under this Resolution and the Bond Law, and at any time Outstanding, whether issued as a two single bonds or otherwise, captioned as follows:

"Limited Obligation Improvement Bonds, County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1), Series 2006-A," and

"Limited Obligation Improvement Bonds, County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1), Series 2007-A."

"Bond Date" means the dated date of each series of the Bonds, which is the Closing Date for each series of the Bonds.

"Bond Denomination" means the amount specified in Exhibit A or any integral multiple thereof, which is the minimum amount in which the Bonds may be issued, except that one Bond of each series may contain any odd amount.

"Bond Law" means the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California.

"Bond Purchase Agreement" means the agreement or contract whereby the County agrees to sell and the Original Purchaser agrees to buy all or a designated portion of the Bonds, and includes the accepted Offer of the Government to purchase the Bonds.

"Bond Register" means the books maintained by the Agent pursuant to Section 2.12 for the registration and transfer of ownership of the Bonds.

"Bond Year" means the twelve-month period beginning on September 2 in each year and ending on September 1 in the following year except that (i) the first Bond Year shall begin on the Closing Date and end on the next September 1, and (ii) the last Bond Year may end on a prior redemption date.

"Certificate of the County" means a written certificate, statement, request, order or requisition signed by an Officer of the County duly authorized by the Board for that purpose.

"Clerk" means the Clerk of the Board or any deputy or assistant Clerk of the Board or any other official of the County performing the functions of Clerk.

"Closing Date" means, for each series of Bonds, the date upon which there is an exchange of any of the Bonds for the proceeds representing the purchase price, or a portion thereof, of that series of Bonds, by the Original Purchaser, as set forth on Exhibit A.
"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds, including but not limited to compensation, fees and expenses of the County and the Authorized Officers, assessment engineering expenses and fees, bond counsel legal fees and expenses, filing and recording costs, costs of preparation and reproduction of documents, and costs of printing, mailing and publication of notices with respect to the proceedings and the Project.

"County" means the County of Mariposa, a county and political subdivision of the State, organized and existing under the constitution and laws of the State, and any successor thereto.

"County Administrator" means the chief administrative officer of the County or the deputy or designee thereof.

"County Counsel" means the County Counsel of the County or attorney or firm of attorneys generally representing the County in legal matters.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on each series of the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Engineer's Report" means the engineer's report prepared by Wilson & Associates under the Act and approved by the Board in its proceedings for the Assessment District, together with any changes and modifications to such report.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a 10% beneficial interest if the return paid by such fund is without regard to the source of the investment.

"Federal Securities" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America); and

(b) obligations of any department, agency or instrumentality of the United States of America the timely payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America.
"Fiscal Year" means the period commencing on July 1 of each year and terminating on the next succeeding June 30.

"Government" means the United States of America, acting through the United States Department of Agriculture, Rural Utilities Service, or any successor agency thereto.

"Interest Payment Date" means each date upon which interest on each series of the Bonds is payable, beginning March 2, 2007, and semiannually on each September 2 and March 2 thereafter until maturity.

"Offer" means the written offer of the Government to purchase the Bonds.

"Original Purchaser" means the first purchaser of the Bonds from the County, which may include the Government.

"Outstanding," when used as of any particular time with reference to a series of Bonds, means all Bonds of that series theretofore executed, issued and delivered by the County and authenticated by the Agent under this Resolution except:

(a) Bonds theretofore canceled by the Agent or surrendered to the Agent for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 2.14; and

(c) Bonds in lieu of or in substitution for which other Bonds are executed, issued and delivered by the County pursuant to this Resolution or any Supplemental Resolution.

"Owner" or "Registered Owner," when used with respect to any Outstanding Bond, means the person or entity in whose name the ownership of such Bond is registered on the Bond Register.

"Prepayment Account" means the account of that name established in the Redemption Fund.

"Principal Amount" means the aggregate principal amount of each series of the Bonds, which is set forth in Exhibit A hereof.

"Principal Office" means the office of the Agent in Mariposa, California, or such other office as shall be designated by the County.

"Project" means the sewer system improvement project referenced in proceedings for the Assessment District, including all acquisitions and improvements and costs incidental thereto described in the Resolution of Intention and any changes and modification thereto approved by the Board.

"Record Date" means, with respect to each series of the Bonds, the 15th day of the calendar month immediately preceding an Interest Payment Date.
“Redemption Fund” means the County of Mariposa, Assessment District No. 01-1 (Yosemite West Wastewater Facilities Project) Improvement Bonds, Redemption Fund established under Section 4.03 hereof.

“Redemption Price” means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to the Resolution.

“Redemption Premium” means, unless waived, 3% of the principal amount of the Bonds being redeemed, payable upon redemption.

“Reserve Requirement” means, for each series of the Bonds, the least of: (a) 10% of the principal amount of that series of the Bonds, or (b) 125% of average annual Debt Service on that series of the Bonds, or (c) maximum annual Debt Service on that series of the Bonds.

“Resolution” or “Resolution of Issuance” means this Resolution, as originally adopted or as it may from time to time be supplemented, modified or amended by any Supplemental Resolution pursuant to the provisions hereof.

“Resolution of Intention” means Resolution No. 05-575, entitled “A Resolution of Intention to Make Acquisitions and Improvements,” adopted by the Board on December 6, 2005, as modified or amended and in effect on the Closing Date.

“Series 2006 Bonds” means the Bonds captioned “Limited Obligation Improvement Bonds, County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1), Series 2006-A.”

“Series 2007 Bonds” means the Bonds captioned “Limited Obligation Improvement Bonds, County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1), Series 2007-A.”

“Series 2006 Improvement Fund” means the County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) Improvement Bonds Series 2006-A Improvement Fund established under Section 4.02 hereof.

“Series 2007 Improvement Fund” means the County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) Improvement Bonds Series 2007-A Improvement Fund established under Section 4.02 hereof.

“Series 2006 Reserve Fund” means the County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) Improvement Bonds, Series 2006-A Reserve Fund established under Section 4.04 hereof.

“Series 2007 Reserve Fund” means the County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) Improvement Bonds, Series 2007-A Reserve Fund established under Section 4.04 hereof.

“State” means the State of California.
"Supplemental Resolution" means any resolution, agreement, resolution or other instrument hereafter duly adopted or executed by the County in accordance with the provisions of this Resolution.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

"Treasurer" means the Treasurer/Tax Collector of the County or designee thereof.

Section 1.02. Rules Of Construction. All references in this Resolution to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

Section 1.03. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Resolution shall be deemed to be and shall constitute a contract between the County and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the County shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 1.04. Engineer’s Report. The Engineer’s Report in the form on file with the Clerk as of the date of this Resolution, including any changes and modifications to the assessments therein made since the approval of such Engineer’s Report on June 20, 2006, is hereby approved as filed and shall stand as the Engineer’s Report for future proceedings of this Board for the Assessment District.
ARTICLE II
ISSUANCE OF BONDS

Section 2.01. Bonds Authorized; Form of Bonds. (a) All acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law, and the Board is now authorized pursuant to each and every requirement of law to issue the Bonds in the manner and form as in this Resolution provided.

(b) Each series of the Bonds will be issued as serial bonds or a single bond as set forth in the Bond Purchase Agreement and Exhibit A hereto.

Each series of the Bonds shall be numbered or otherwise identified as determined by the Agent.

Section 2.02. Unpaid Assessments. The Assessments now remaining unpaid are as shown on the list of unpaid assessments on file with the Treasurer as of the Closing Date, which is hereby approved and incorporated herein by this reference and made a part hereof.

For a particular description of the lots or parcels of land bearing the respective assessment numbers set forth in the list of unpaid assessments, reference is hereby made to the assessment and to the diagram, and any amendments thereto, recorded in the office of the Officer of the County who is the County Surveyor after confirmation thereof by the Board. Jurisdiction is hereby reserved to issue bonds to represent all or a portion of the Assessments for which bonds are not being issued under this Resolution.

Section 2.03. Issuance Of Bonds.

(a) The Series 2006 Bonds, in the aggregate Principal Amount for the Series 2006 Bonds set forth on Exhibit A, shall be issued as hereinafter provided, and shall be secured by the moneys in the Redemption Fund, the Series 2006 Reserve Fund and by the Assessments (or portion thereof), on equal parity with the Series 2007 Bonds, in accordance with, under and pursuant to the provisions of the Resolution of Intention and the proceedings thereunder duly had and taken.

(b) The Series 2007 Bonds, in the aggregate Principal Amount for the Series 2007 Bonds set forth on Exhibit A, shall be issued as hereinafter provided, and shall be secured by the moneys in the Redemption Fund, the Series 2007 Reserve Fund and by the Assessments (or portion thereof), on equal parity with the Series 2006 Bonds, in accordance with, under and pursuant to the provisions of the Resolution of Intention and the proceedings thereunder duly had and taken.

(c) If the Government is the Original Purchaser of the Bonds, a single, fully-registered Bond for each series may be issued to the Government, at its option, in lieu of serial, registered Bonds. If so issued, the single Bond for each series shall mature in installments of the same principal amounts and on the same dates as the registered Bonds it represents. The aggregate principal amount of the single Bond shall not in such case exceed the aggregate payments by the Government therefor, as those payments are and the dates thereof are endorsed thereon, and a principal amount of the Bonds of the longest maturities equivalent, in appropriate multiples, to the difference between such aggregate principal amount and such aggregate payments shall be deemed to be unissued. Interest on the single Bond shall be determined on the Government's aggregate payments for the single Bond from the respective dates thereof, as
those payments and dates thereof are endorsed on the single Bond, and shall be computed on the basis of a 365-day year. No provision is made for either series of the Bonds to be issued and delivered in blocks or phases as the Government regulations for single delivery have been satisfactorily met.

Section 2.04. Maturities Of Bonds and Dated Date. Subject to the provisions of Section 2.03 for Bonds purchased by the Government, the Bonds shall be issued in only fully registered form, without coupons, in the Bond Denomination or any integral multiple thereof, so long as no Bond has more than one maturity date.

The Series 2006 Bonds shall be dated with the Bond Date for the Series 2006 Bonds and mature on September 2 in each of the years and in the amounts set forth in the Exhibit A hereto.

The Series 2007 Bonds shall be dated with the Bond Date for the Series 2007 Bonds and mature on September 2 in each of the years and in the amounts set forth in the Exhibit A hereto.

Section 2.05. Interest On Bonds. Each series of the Bonds shall bear interest at the respective rate or rates set forth in the Exhibit A hereto. Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Bond Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check or wire transfer on or before each Interest Payment Date to the Owner, at the address of such Owner as it appears on the Bond Register. Principal of and premium (if any) on any Bond shall be paid upon presentation and surrender thereof at the Principal Office of the Agent. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Except as provided in Section 2.03 for Bonds purchased by the Government, interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months. Also, except as provided in Section 2.03, the Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication of the Bonds, except for any Bond which is authenticated on an Interest Payment Date, in which event such Bond shall bear interest from such date of authentication, and except for any Bond which is authenticated prior to the first Interest Payment Date, in which event such Bond shall bear interest from the Bond Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the date to which interest has previously been paid or made available for payment in full. The Bonds will continue to bear interest after maturity at their interest rates, provided that Bonds of a series are presented at maturity and payment thereof is refused upon the sole ground that there are not sufficient moneys in the Redemption Fund. If not presented at maturity, interest will run on the Bonds until maturity.

Section 2.06. Designation of Agent. The Treasurer at the Principal Office is hereby designated as the Agent to perform the actions and duties required under this Resolution for the authentication, transfer, registration, and payment of the Bonds.

Section 2.07. Form of Bonds.

(a) The Series 2006 Bonds, the form of Agent’s certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective form set forth in Exhibit B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution. “CUSIP”
identification numbers shall be imprinted on the Series 2006 Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series 2006 Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of or pay for the Series 2006 Bonds. In addition, failure on the part of the County or the Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the County's contract with such Owners and shall not impair the effectiveness of any such notice.

The form of the single bond for the Series 2006 Bonds shall be substantially as set forth in Exhibit C hereto. Any single bond purchased by the Government shall not require CUSIP identification, unless otherwise requested by the Government.

(b) The Series 2007 Bonds, the form of Agent's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective form set forth in Exhibit D attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution. "CUSIP" identification numbers shall be imprinted on the Series 2007 Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series 2007 Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of or pay for the Series 2007 Bonds. In addition, failure on the part of the County or the Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the County's contract with such Owners and shall not impair the effectiveness of any such notice.

The form of the single bond for the Series 2007 Bonds shall be substantially as set forth in Exhibit E hereto. Any single bond purchased by the Government shall not require CUSIP identification, unless otherwise requested by the Government.

Section 2.08. Preparation And Delivery Of Bonds. Upon execution of the Bond Purchase Agreement on behalf of the County, the Treasurer is hereby directed to cause the Bonds to be prepared in accordance with this Resolution and the Bond Purchase Agreement and to cause their delivery upon their completion and execution to the Agent, who shall authenticate and deliver the Bonds to the Original Purchaser, upon receipt of the purchase price therefor, and upon receipt of the request of the County.

Section 2.09. Execution Of Bonds. The Bonds shall be signed in the name and on behalf of the County with the manual or facsimile signatures of the Treasurer and attested by the manual or facsimile signature of the Clerk. The Bonds shall then be delivered to the Agent for authentication.

If any officer who has signed any of the Bonds ceases to be such officer before the Bonds so signed are authenticated or delivered by the Agent or issued by the County, those Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the County as though the individual who signed the same had continued to be such officer of the County. Also, any Bond may be signed on behalf of the County by any individual who on the actual date of the execution of such Bond is the proper officer, even if on the nominal date of such Bond that individual was not such officer.

Only those Bonds that bear a certificate of authentication in substantially the form set forth in Exhibits B or C (with respect to the Series 2006 Bonds) or in Exhibits D or E (with respect to the Series 2007 Bonds), manually executed by the Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Agent
shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and
delivered hereunder and are entitled to the benefits of this Resolution.

The Agent's certificate of authentication on any Bonds shall be deemed to be executed
by it if signed by the Agent or by an authorized officer or signatory of the Agent, but it shall not
be necessary that the same officer or signatory sign the certificate of authentication on all of the
Bonds issued hereunder.

Section 2.10. Temporary Bonds. The Bonds may be issued initially in temporary form
exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be
printed, lithographed or typewritten, shall be of such denominations as may be determined by
the Board and may contain such reference to any of the provisions of this Resolution as may be
appropriate. Every temporary Bond shall be executed by the officers designated and in the
manner provided in Section 2.09 hereof and be registered and authenticated by the Agent upon
the same conditions and in substantially the same manner as the definitive Bonds.

If the County issues temporary Bonds, it will execute and furnish definitive Bonds without
delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange
thereof at the office of the Agent, and the Agent shall authenticate and deliver in exchange for
such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized
denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits
under this Resolution as definitive Bonds authenticated and delivered hereunder.

Section 2.11. Transfer And Exchange Of Bonds.

(a) Any Bond may, in accordance with its terms, be transferred upon the Bond Register
by the person in whose name it is registered, in person or by his duly authorized attorney, upon
surrender of such Bond for cancellation, accompanied by delivery of a written instrument of
transfer in a form approved by the Agent, duly executed. Whenever any Bond is surrendered for
transfer, the Agent shall thereupon authenticate and deliver to the transferee a new Bond or
Bonds of like tenor, maturity and aggregate principal amount.

(b) Bonds may be exchanged at the Principal Office of the Agent, for Bonds of the same
tenor and maturity and of other authorized denominations. No Bonds the notice of redemption of
which has been given pursuant to Section 2.14 shall be subject to transfer or exchange pursuant
to this Section.

(c) Neither the County nor the Agent shall be required to make such exchange or
registration or transfer of Bonds on or after the Record Date. For any transfer or exchange under
this Section, the County and the Agent may require the payment of a reasonable fee to cover
the costs and expenses of the County and the Agent.

Section 2.12. Bond Register. The Agent will keep or cause to be kept at the Principal
Office a sufficient Bond Register for the registration and transfer of the Bonds, which shall at all
times during regular business hours be open to inspection by the County; and, upon
presentation for such purpose, the Agent shall, under such reasonable regulations as it may
prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as
hereinbefore provided.

Section 2.13. Bonds Mutilated, Lost, Destroyed Or Stolen. If any Bond becomes
mutilated, the Agent shall thereupon authenticate and deliver, a new Bond of like maturity and
principal amount in exchange and substitution for the Bond so mutilated, but only upon
surrender to the Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the
Agent shall be canceled by it and delivered to, or upon the order of, the County.

If any Bond issued hereunder is lost, destroyed or stolen, evidence of such loss,
destruction or theft may be submitted to the County and the Agent and, if such evidence be
satisfactory to them and indemnity satisfactory to them shall be given, the Agent shall thereupon
authenticate and deliver, a new Bond of like maturity and principal amount in lieu of and in
substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has
been called for redemption, instead of issuing a substitute Bond the Agent may pay the same
without surrender thereof upon receipt of indemnity satisfactory to the Agent).

The County and the Agent may require payment of a reasonable fee for each new Bond
issued under this Section and of the expenses which may be incurred by the County and the
Agent. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be
lost, destroyed or stolen shall constitute an original contractual obligation on the part of the
County whether or not the Bond alleged to be lost, destroyed or stolen be at any time
enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this
Resolution with all other Bonds secured by this Resolution and any Supplemental Resolution.

Section 2.14. Redemption Prior To Maturity.

(A) General. Each Bond of either series, or any portion thereof in the amount of the
Bond Denomination or any integral multiple thereof, outstanding may be redeemed and paid in
advance of maturity upon any Interest Payment Date in any year by giving 30-day's notice by
registered or certified mail or personal service to the Registered Owner as required by
applicable provisions of the Bond Law, and by paying the principal amount thereof together with
the Redemption Premium plus interest to the date of advanced maturity, unless sooner
surrendered, in which event interest will be paid to the date of payment, all in the manner and as
provided in the Bond Law.

Neither the failure of any Registered Owner to receive redemption notice or any defect in
such notice shall affect the sufficiency of the proceedings for redemption of Bonds called for
redemption.

(B) Procedure. The Treasurer shall cause to be called for redemption and retire
Bonds of both series, on a pro-rata basis, (i) upon prepayment of Assessments in amounts
sufficient therefor, or (ii) whenever sufficient surplus funds are available therefor in the
Redemption Fund.

The Treasurer shall select bonds for retirement in such a way that the ratio of
Outstanding Bonds to issued Bonds shall be approximately the same in each series and in each
annual maturity of each series. Within each annual maturity of each series, Bonds shall be
selected for retirement by lot. The provisions of Part 11.1 of the Bond Law are applicable to the
advance payment of assessments and to the calling of the Bonds.

(C) Government as Owner. If outstanding Bonds are owned by the Government, the
Bonds are subject to call and redemption at any time at the principal amount thereof and
accrued interest to the date of redemption, and notice of advanced maturity need not be
published nor the Redemption Premium be paid with respect to any such Bonds being called if
expressly waived by the Government.
If the Government is the Registered Owner of a fully-registered bond redeemed in part only, the Treasurer shall, upon surrender of the Bond, endorse thereon and in the record of the Bond a notation of such partial redemption and return the Bond to the Government. In lieu of surrendering such Bond redeemed in part only, the Government may, with the consent of the Treasurer, endorse thereon a notation of such partial redemption in the form provided on such single fully registered Bond.

Section 2.15. Refunding Of Bonds. The Bonds may be refunded by the County pursuant to the procedures of Divisions 11 or 11.5 of the California Streets and Highways Code upon the conditions as set forth in appropriate proceedings therefor, all as determined by the Board.
ARTICLE III
SALE AND DELIVERY OF BONDS

Section 3.01. Sale Of Bonds. The form of Offer for the purchase of the Bonds between the County and the Government as the Original Purchaser is hereby approved. The Authorized Officer is hereby authorized and directed to execute the Offer for the County, subject to the provisions of Section 3.02 hereof. In connection with the Offer, the Authorized Officer is hereby authorized and directed to complete and execute for the County and as required by the Government, RUS Bulletin 1780-25 “Loan Resolution (Public Bodies)”, the terms of which are hereby incorporated herein by reference.

Section 3.02. Authorities.

(a) The Authorized Officers are hereby separately authorized and directed to execute and deliver the documents and instruments herein specified, with such additions thereto or changes therein as are approved by the Authorized Officer, including such additions or changes as are necessary or advisable to permit the timely issuance, sale and delivery of each series of the Bonds. The Clerk is authorized to complete and to approve changes in any provisions of this Resolution and all of the Exhibits hereto in order to accomplish the delivery of any of each series of the Bonds on schedule, and such changes may be accomplished by attachment of a certificate, executed by the Clerk, to this Resolution on file in the office of the Clerk. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of the documents and instruments herein specified by the Authorized Officer.

(b) The authorities contained in this Section 3.02 and Section 3.03 are subject to the conditions that any additions or changes shall not:

(i) authorize an aggregate principal amount of Series 2006 Bonds in excess of $4,500,000;

(ii) authorize an aggregate principal amount of Series 2007 Bonds in excess of $1,261,000;

(iii) result in an annual interest rate on the Series 2006 Bonds in excess of 4.5%;

(iv) result in an annual interest rate on the Series 2007 Bonds in excess of 4.5%; or

(v) result in a maturity of either series of the Bonds in excess of the 39 years from the September 2 next succeeding 12 months from the Bond Date for that series of the Bonds.

Section 3.03. Actions Approved. All actions taken by the Authorized Officers, employees and agents of the County in the establishment of the Assessment District and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the Authorized Officers of the County are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by a specified Authorized Officer may be taken by the Authorized Officer or any designee, with the same force and effect as if taken by such Authorized Officer.
ARTICLE IV
FUNDS AND ACCOUNTS

Section 4.01. Application Of Proceeds Of Sale Of Bonds. Upon receipt of the proceeds of sale of each series of the Bonds on the Closing Date, the proceeds thereof (including any cash payments heretofore received) shall be forthwith set aside, paid over and deposited by the Agent, as set forth in the Bond Purchase Agreement, a Certificate of the County, this Article IV and Exhibit A hereto.

Section 4.02. Improvement Funds.

(a) Series 2006 Improvement Fund.

(i) Establishment. The Series 2006 Improvement Fund is hereby established as a separate fund to be held by the Treasurer to the credit of which deposits shall be made from the proceeds of the Series 2006 Bonds as required by Section 4.01.

(ii) Disbursements. The Treasurer shall disburse moneys in the Series 2006 Improvement Fund for the purposes of paying or reimbursing the Costs of Issuance for the Series 2006 Bonds and the costs of acquiring and constructing the Project, including but not limited to all costs incidental to or connected with such acquisition and construction. Disbursements from the Series 2006 Improvement Fund shall be subject to the provisions of Section 5.07 hereof. Any surplus remaining after payment of all such costs and expenses shall be used as set forth in the proceedings pursuant to the Resolution of Intention and applicable provisions of the Act and the Series 2006 Improvement Fund shall be closed.

(b) Series 2007 Improvement Fund.

(i) Establishment. The Series 2007 Improvement Fund is hereby established as a separate fund to be held by the Treasurer to the credit of which deposits shall be made from the proceeds of the Series 2007 Bonds as required by Section 4.01.

(ii) Disbursements. The Treasurer shall disburse moneys in the Series 2007 Improvement Fund for the purposes of paying or reimbursing the Costs of Issuance for the Series 2007 Bonds and the costs of acquiring and constructing the Project, including but not limited to all costs incidental to or connected with such acquisition and construction. Disbursements from the Series 2007 Improvement Fund shall be subject to the provisions of Section 5.07 hereof. Any surplus remaining after payment of all such costs and expenses shall be used as set forth in the proceedings pursuant to the Resolution of Intention and applicable provisions of the Act and the Series 2007 Improvement Fund shall be closed.

Section 4.03. Redemption Fund.

(a) Establishment. The Redemption Fund is hereby established as a separate fund to be held by the Treasurer to the credit of which deposits shall be made as required by Sections 4.01, 5.01 and, if applicable, Section 4.04 and any other amounts required to be deposited therein by this Resolution or the Bond Law. Moneys in the Redemption Fund shall be held by the Treasurer for the benefit of the County and the Owners of each series of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, each series of the Bonds as provided below.
Within the Redemption Fund, the Agent shall establish and maintain the Prepayment Account, into which shall be placed any amounts representing the prepayment of Assessments after the issuance of the Bonds. The Prepayment Account shall be administered by the Treasurer in accordance with the applicable provisions of the Bond Law.

(b) Disbursements.

(i) On or before each Interest Payment Date, the Agent shall withdraw from the Redemption Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds. Five (5) Business Days prior to each Interest Payment Date, the Agent shall determine if the amounts then on deposit in the Redemption Fund are sufficient to pay the Debt Service due on the Bonds on such Interest Payment date.

(ii) If the amounts on deposit in the Redemption Fund are insufficient for these purposes, the Treasurer shall withdraw from the Series 2006 Reserve Fund and the Series 2007 Reserve Fund, on a pro rata basis (based on the original principal amount of each series of the Bonds), to the extent of the amounts on deposit in those funds, the amount of such insufficiency, and shall transfer any amounts to the Redemption Fund. Amounts so withdrawn and deposited in the Redemption Fund shall be applied to the payment of the Bonds.

(iii) If there are insufficient funds in either the Series 2006 Reserve Fund or the Series 2007 Reserve Fund, the Treasurer shall cause to be transferred to the Redemption Fund, from Available Surplus Funds, to the extent of such funds, an amount necessary to meet such insufficiency.

(iv) If, after the foregoing transfers, there are insufficient funds in the Redemption Fund to make the payments provided for in the first sentence of this Section 4.03(b), the Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds, and then to payment of principal due on the Bonds by reason of Bonds called for redemption pursuant to Section 2.14 hereof.

Section 4.04. Reserve Funds.

(a) Series 2006 Reserve Fund

(i) Establishment and Funding. The Series 2006 Reserve Fund shall be established and held by the Treasurer as a separate fund of the County for the benefit of the County and the Owners of the Series 2006 Bonds.

On each Interest Payment Date, and for the term of the Bonds, the Treasurer shall cause to be placed in the Series 2006 Reserve Fund an amount equal to 1/20th of the average annual Debt Service on the Series 2006 Bonds, and such amounts as are required to replenish the Series 2006 Reserve Fund in the event of a draw therefrom or if the Treasurer determines that a deficiency exists therein; provided, however, that if the amount on deposit in the Series 2006 Reserve Fund reaches the Reserve Requirement for the Series 2006 Bonds, the County shall discontinue these payments to the Series 2006 Reserve Fund (except to the extent necessary to replenish the Series 2006 Reserve Fund) and direct the application of such payments to the payment of operation and maintenance expenses of the Project (for deposit in a "Renewal and Replacement Fund") and any further interest earnings on the Series 2006 Reserve Fund shall be similarly applied.
The proceeds from redemption or sale of properties with respect to which payment of delinquent Assessments and interest thereon was made from the Series 2006 Reserve Fund shall be credited to the Series 2006 Reserve Fund.

(ii) Use of Fund. Except as otherwise provided in this Section 4.04(a), all amounts deposited in the Series 2006 Reserve Fund shall be used and withdrawn by the Treasurer solely for the purposes of:

(A) making transfers to the Redemption Fund in the event of any deficiency at any time in the Redemption Fund of the amount then required for payment of the principal of, and interest and any premium on, the Bonds under and to the extent set forth in Section 4.03, or

(B) for the purpose of redeeming Bonds from the Redemption Fund in accordance with Section 4.04(c).

(b) Series 2007 Reserve Fund

(i) Establishment and Funding. The Series 2007 Reserve Fund shall be established and held by the Treasurer as a separate fund of the County for the benefit of the County and the Owners of the Series 2007 Bonds.

On each Interest Payment Date, and for the term of the Bonds, the Treasurer shall cause to be placed in the Series 2007 Reserve Fund an amount equal to 1/20th of the average annual Debt Service on the Series 2007 Bonds, and such amounts as are required to replenish the Series 2007 Reserve Fund in the event of a draw therefrom or if the Treasurer determines that a deficiency exists therein; provided, however, that if the amount on deposit in the Series 2007 Reserve Fund reaches the Reserve Requirement for the Series 2007 Bonds, the County shall discontinue these payments to the Series 2007 Reserve Fund (except to the extent necessary to replenish the Series 2007 Reserve Fund) and direct the application of such payments to the payment of operation and maintenance expenses of the Project (for deposit in a "Renewal and Replacement Fund") and any further interest earnings on the Series 2007 Reserve Fund shall be similarly applied.

The proceeds from redemption or sale of properties with respect to which payment of delinquent Assessments and interest thereon was made from the Series 2007 Reserve Fund shall be credited to the Series 2007 Reserve Fund.

(ii) Use of Fund. Except as otherwise provided in this Section 4.04(b), all amounts deposited in the Series 2007 Reserve Fund shall be used and withdrawn by the Treasurer solely for the purposes of:

(A) making transfers to the Redemption Fund in the event of any deficiency at any time in the Redemption Fund of the amount then required for payment of the principal of, and interest and any premium on, the Bonds under and to the extent set forth in Section 4.03, or

(B) for the purpose of redeeming Bonds from the Redemption Fund in accordance with Section 4.04(c).

(c) Transfers When Balances Exceed Outstanding Bonds; Closing of Funds. Whenever the combined balance in the Series 2006 Reserve Fund and the Series 2007
Reserve Fund is sufficient to retire all the Outstanding Bonds, whether by advance retirement or otherwise, collection of the principal and interest on the Assessments shall be discontinued and the Treasurer shall liquidate the Series 2006 Reserve Fund and the Series 2007 Reserve Fund in retirement of the Outstanding Bonds, and the Series 2006 Reserve Fund and the Series 2007 Reserve Fund shall be closed.

If the balance in either the Series 2006 Reserve Fund or the Series 2007 Reserve Fund at the time of liquidation exceeds the amount required to retire all of the Outstanding Bonds, the excess shall be used in accordance with the Act and the Bond Law.

Section 4.05. Investment Of Funds. Moneys in the Series 2006 Improvement Fund, the Series 2007 Improvement Fund, the Redemption Fund (and the account therein), the Series 2006 Reserve Fund and the Series 2007 Reserve Fund shall be invested in Authorized Investments, maturing on a date prior to which such moneys are expected to be required. Any income therefrom or interest thereon shall accrue to and be deposited in the fund from which such moneys were invested.
ARTICLE V
COVENANTS OF THE COUNTY

Section 5.01. Collection of Unpaid Assessments. The County shall comply with all requirements of the Act, the Bond Law and this Resolution to assure the timely collection of the Assessments, including, without limitation, the enforcement of delinquent assessments. To that end, the following shall apply:

(A) Collections. The Assessments as set forth on the list thereof on file with the Treasurer, together with the interest thereto, shall be payable in annual series corresponding in number and proportionate amount to the number of installments and principal amounts of the Bonds maturing or becoming subject to mandatory prior redemption under Section 2.14 hereof. An annual proportion of each Assessment shall be payable in each Fiscal Year preceding the date of maturity or mandatory prior redemption date of each of the Bonds issued sufficient to pay the Bonds when due and such proportion of each Assessment coming due in any year, together with the annual interest thereon, shall be payable in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interests after delinquency as do the general taxes on real property; provided, however, that the County may collect by direct billing or other means when tax roll collection procedures are not available for any particular property subject to an Assessment. All sums received from the collection of the Assessments and of the interest and penalties thereon shall be placed in the Redemption Fund.

(B) Auditor Record. The Treasurer shall, before the final date on which the Auditor will accept the transmission of the Assessments for the parcels within the Assessment District for inclusion on the next tax roll, prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the installments of the Assessments on the next secured tax roll. The Treasurer is hereby authorized to employ consultants to assist in computing the installments of the Assessments hereunder and in reconciling Assessments billed to amounts received as provided in the subsection (C) of this Section 5.01.

(C) Additional Costs. In addition to any amounts authorized pursuant to section 8682 of the Bond Law to be included with the annual amounts of installments as aforesaid, the County, pursuant to section 8682.1 of the Bond Law, may cause to be entered on the assessment roll on which taxes will next become due, opposite each lot or parcel of land within the Assessment District in the manner set forth in such section 8682, each lot's pro rata share of the estimated annual expenses of the County in connection with the administrative duties thereof for the Bonds, including, but not limited to, the costs of registration, authentication, transfer and compliance with the provisions of Article V hereof and the establishment of each Reserve Fund under Section 4.04 hereof.

Section 5.02. Foreclosure. The County hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced within 60 days after the Treasurer determines that the total amount of delinquency for the prior Fiscal Year was 5% or more of total of Assessments due and payable in such Fiscal Year, which determination shall take place not later than October 10 of the current Fiscal Year, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any assessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in sections 8830 and 8835, inclusive, of the Bond Law. The Treasurer shall notify the County Counsel of any such delinquency of which the Treasurer is aware, and the County Counsel shall commence, or cause to be commenced, such foreclosure proceedings. The County Counsel is
hereby authorized to employ counsel to conduct any such foreclosure proceedings without further action of the Board.

Section 5.03. Limited Obligation Bonds. All obligations of the County under this Resolution and the Bonds are not general obligations of the County, but are "Limited Obligation Improvement Bonds" under section 8769 of the Bond Law and are payable solely from and secured solely by the Assessments and the amounts in the Redemption Fund and each Reserve Fund. Neither the faith nor credit of the County, nor of any of its officers, nor the County, nor of the State of California or any political subdivision thereof, is pledged to the payment of the Bonds. Notwithstanding any other provision of this Resolution, the County is not obligated to advance any of its surplus funds to cure any deficiency in the Redemption Fund; provided, however, the County is not prevented, in its sole discretion, from so advancing funds for this purpose.

Section 5.04. Punctual Payment. Compliance With Documents. The County shall punctually pay or cause to be paid the interest and principal to become due with respect to all of the Bonds in strict conformity with the terms of the Bonds and of this Resolution, and will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and all Supplemental Resolutions.

Section 5.05. No Priority For Additional Obligations. The County covenants that no additional bonds or other obligations shall be issued or incurred having any priority over the Bonds in payment of principal or interest out of the Assessments.

Section 5.06. Further Assurances. The County will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Resolution.

Section 5.07. Private Activity Bond Limitation. The County shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Tax Code or the private loan financing test of section 141(c) of the Tax Code.

Section 5.08. Federal Guarantee Prohibition. The County shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Tax Code.

Section 5.09. Rebate Requirement. The County shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

Section 5.10. No Arbitrage. The County shall not take, or permit or suffer to be taken by the Agent or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Tax Code.

Section 5.11. Yield Of The Bonds. In determining the yield of the Bonds to comply with Section 5.09 and 5.10 hereof, the County will take into account redemption (including premium,
if any) in advance of maturity based on the reasonable expectations of the County, as of the Closing Date, regarding prepayments of Assessments and use of prepayments for redemption of the Bonds, without regard to whether or not prepayments are received or Bonds redeemed.

Section 5.12. Maintenance Of Tax-Exemption. The County shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the date of issuance of the Bonds.

Section 5.13. Amendment. Without the consent of the Owners of the Bonds, the County hereafter may amend this Resolution to add, modify or delete provisions if the same is necessary or desirable to assure compliance with Section 148(f) of the Tax Code relating to rebate of excess investment earnings or as otherwise required, to assure the exemption from federal income taxation of interest on the Bonds.

Section 5.14 Small Issuer Exemptions.

(a) The County hereby designates the Series 2006 Bonds for purposes of paragraph (3) of section 265(b) of the Tax Code and represents that the Series 2006 Bonds do not constitute private activity bonds as defined in section 141 of the Tax Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Tax Code) from gross income for federal income taxes (other than private activity bonds, as defined in section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in section 145 of the Tax Code), including the Series 2006 Bonds, has been or shall be issued by the County, including all subordinate entities of the County, during the calendar year 2006.

(b) The County hereby designates the Series 2007 Bonds for purposes of paragraph (3) of section 265(b) of the Tax Code and represents that the Series 2007 Bonds do not constitute private activity bonds as defined in section 141 of the Tax Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Tax Code) from gross income for federal income taxes (other than private activity bonds, as defined in section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in section 145 of the Tax Code), including the Series 2007 Bonds, has been or shall be issued by the County, including all subordinate entities of the County, during the calendar year 2007.

(c) The County hereby represents that not more than $5,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Tax Code) from gross income for federal income taxes (other than private activity bonds, as defined in section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in section 145 of the Tax Code), including the Series 2006 Bonds, has been or shall be issued by the County, including all subordinate entities of the County, during the calendar year 2006.

(d) The County hereby represents that not more than $5,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Tax Code) from gross income for federal income taxes (other than private activity bonds, as defined in section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in section 145 of the Tax Code), including the Series 2007 Bonds, has been or shall be issued by the County, including all subordinate entities of the County, during the calendar year 2007.
ARTICLE VI
MISCELLANEOUS

Section 6.01. Deposit And Investment Of Moneys In Funds. Subject in all respects to the provisions of Section 6.02, moneys in any fund or account created or established by this Resolution and held by the Treasurer shall be invested by the Treasurer in Authorized Investments. Any fund or account required by this Resolution to be established by the Treasurer and held and maintained by the Treasurer may be established and maintained in the accounting records of the Treasurer either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practices and with due regard for the protection of the security of the Bonds and the rights of every Owner thereof. The following shall apply to such investments:

(A) Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Resolution for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts;

(B) The Treasurer may act as principal or agent in the acquisition or disposition of any investment. The Treasurer shall incur no liability for losses arising from any investments made pursuant to this Section;

(C) Investments in any and all funds and accounts may at the discretion of the Treasurer be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Treasurer hereunder, provided that the Treasurer shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Resolution; and

(D) The Treasurer shall sell at the highest price reasonably obtainable, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and the Treasurer shall not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

(E) The Treasurer shall keep records or accounts of all expenditures or disbursements therefrom which records shall be available for inspection during business hours on any Business Day upon prior written request.

Section 6.02. Acquisition, Disposition And Valuation Of Investments.

(A) Except as otherwise provided in subsection (B) of this Section, the County covenants that all investments of amounts deposited in any fund or account under this Resolution, or otherwise containing gross proceeds of the Bonds (under section 148 of the Tax Code) shall be acquired, disposed of and valued (as of the date that valuation is required by this Resolution or the Tax Code) at Fair Market Value.
(B) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code and (unless valued at least annually) investments in each Reserve Fund shall be valued at their present value (under section 148 of the Tax Code).

Section 6.03. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Resolution to be performed on the part of the County, the Board or the Agent should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Resolution or of the Bonds; but the Owner shall retain all the rights and benefits accorded to them under applicable provisions of law. The Board hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof, and would have authorized the issuance of the Bonds pursuant hereto, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof, to any person or circumstances may be held to be unconstitutional, unenforceable or invalid.

Section 6.04. Defeasance. Subject to the provisions of Section 2.15 hereof, if the County shall pay and discharge the entire indebtedness on all Bonds Outstanding in any one or more of the following ways:

(A) by paying or causing to be paid the principal of and interest and any premium on, all Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the Redemption Fund provided for is fully sufficient to pay all Bonds Outstanding, including all principal, interest and any applicable redemption premiums, or;

(C) by irrevocably depositing with the Agent, in trust, cash and Federal Securities in such amount as the County shall determine, as confirmed by an independent certified public accountant, which will, together with the interest to accrue thereon and moneys then on deposit in the Redemption Fund be fully sufficient to pay and discharge the indebtedness on all Bonds, including all principal, interest and any applicable redemption premiums, at or before their respective maturity dates; and

(D) if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Treasurer shall have been made for the giving of such notice, then, at the election of the County, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Assessments and other funds provided for in this Agreement and all other obligations of the County under this Agreement with respect to all Bonds Outstanding shall cease and terminate, except only the obligation of the County to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, the obligation of the County to assure that no action is taken or failed to be taken if such action or failure adversely affects the exclusion of interest on the Bonds from gross income for federal income tax purposes, and all amounts owing to the Treasurer; and thereafter Assessments shall not be payable to the Treasurer. Notice of such election shall be filed with the Treasurer. Any funds thereafter held by the Treasurer upon payments of all fees and expenses of the Treasurer, which are not required for said purpose, shall be paid over to the County to be used by the County as provided in the Act and the Bond Law.

-23-
Section 6.05. Validity Of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the acquisition of the Project or upon the performance by any person or such person's obligation with respect to the Project.

Section 6.06. Pledge. Each series of the Bonds shall be secured by a first pledge (which pledge shall be effected in the manner and to the extent herein provided) of all of the Assessments and all moneys deposited in the Redemption Fund and the account therein, on a parity basis, and in the Reserve Fund established for each series of the Bonds. The Assessments and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided herein and in the Bond Law until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 6.03.

Section 6.07. Repeal Of Inconsistent Resolutions. Any resolution of the Board, and any part of such resolution, inconsistent with this Resolution, is hereby repealed to the extent of such inconsistency.

Section 6.08. Authority Of Treasurer. All actions mandated by this Resolution to be performed by the Treasurer may be performed by the designee thereof or such other official of the County or independent contractor, consultant or trustee or the Treasurer duly authorized by the County to perform such action or actions in furtherance of all or a specific portion of the requirements hereof.

Section 6.09. Certified Copies. The Clerk shall furnish a certified copy of this resolution to the Treasurer, to the Agent, and to the Auditor.

Section 6.10. Effective Date Of The Resolution. This Resolution shall become effective upon the date of its adoption.
PASSED AND ADOPTED this 1st day of August, 2006 by the following vote:

AYES: STETSON, TURPIN, BIBBY, FRITZ, PICKARD

NOES: NONE

ABSENT: NONE

ABSTAINED: NONE

COUNTY OF MARIPOSA

LEE STETSON, Chairman

ATTEST:

MARGIE WILLIAMS, Clerk of the Board

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

THOMAS P. GUARINO, County Counsel
EXHIBIT A

LIMITED OBLIGATION IMPROVEMENT BONDS

COUNTY OF MARIPosa
ASSESSMENT DISTRICT NO. 05-1
(Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1)

Series 2006-A Bonds

Bond Denomination. Under Section 1.01, the Bond Denomination is $1,000.

Closing Date. Under Section 1.01, the Closing Date of the Series 2006 Bonds is ___________ 2006.

Principal Amount. Under Sections 1.01 and 2.03, the Principal Amount of the Series 2006 Bonds is $___________.

Interest Rate. Under Section 2.05, the Series 2006 Bonds shall bear interest at the rate of _____% per annum

Application of Bonds Proceeds. Under Section 4.01, on the Closing Date, there shall be deposited as follows:

$__________ to the Series 2006 Improvement Fund

Series 2006-A Bonds
Schedule of Maturities

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Bond Numbers</th>
<th>Total Principal</th>
</tr>
</thead>
</table>

EXHIBIT A
-1-
<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Bond Numbers</th>
<th>Total Principal</th>
</tr>
</thead>
</table>

**Total:** $
Series 2007-A Bonds

Bond Denomination. Under Section 1.01, the Bond Denomination is $1,000.

Closing Date. Under Section 1.01, the Closing Date of the Series 2007 Bonds is _______, 2007.

Principal Amount. Under Sections 1.01 and 2.03, the Principal Amount of the Series 2007 Bonds is $__________.

Interest Rate. Under Section 2.05, the Series 2007 Bonds shall bear interest at the rate of _____% per annum.

Application of Bonds Proceeds. Under Section 4.01, on the Closing Date, there shall be deposited as follows:

$__________ to the Series 2007 Improvement Fund

Series 2007-A Bonds
Schedule of Maturities

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Bond Numbers</th>
<th>Total Principal</th>
</tr>
</thead>
</table>

EXHIBIT A
-3-
<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Bond Numbers</th>
<th>Total Principal</th>
</tr>
</thead>
</table>

Total: $
EXHIBIT B

[FORM OF SERIAL BOND]

United States of America
State of California
County of Mariposa
Registered
Number A -
Limited Obligation Improvement Bond
COUNTY OF MARIPOSA
ASSESSMENT DISTRICT NO. 05-1
(WASTEWATER FACILITIES PROJECT FOR
LAKE DON PEDRO COUNTY SERVICE AREA 1-M, SEWER ZONE NO. 1)
SERIES 2006-A

INTEREST RATE  MATURITY DATE  DATED DATE  CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT: **FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS**
($4,500,000)

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the Streets and Highways Code (the "Act"), the County of Mariposa (the "County"), State of California, will, out of the redemption fund for the payment of the bonds issued upon the unpaid portion of assessments made for the acquisition, work and improvements more fully described in proceedings taken pursuant to Resolution of Intention No. 05-575 adopted by the Board of Supervisors of the County on December 6, 2005, pay to the registered owner named above or registered assigns, on the maturity date stated above, the principal amount stated above, in lawful money of the United States of America and in like manner will pay interest from the Interest Payment Date (as defined below) next preceding the date on which this bond is authenticated, unless this bond is authenticated and registered as of an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated and registered prior to March 2, 2007, in which event it shall bear interest from the dated date above until payment of the principal amount shall have been discharged, at the rate per annum stated above, payable semiannually on March 2 and September 2 (each an "Interest Payment Date") in each year commencing on March 2, 2007. Both the principal hereof and redemption premium hereon are payable upon surrender at the principal office of the Treasurer/Tax Collector of the County as Authentication Agent, Registrar and Paying Agent (the "Agent"), in Mariposa, California, and the interest hereon is payable by check or draft mailed by first class mail to the registered owner hereof at the owner's address as it appears on the records of the Agent or at an address that has been filed with the Agent for that purpose as of the 15th day of the calendar month immediately preceding each Interest Payment Date (or by wire transfer made on such Interest Payment Date upon the written instructions of any registered owner of $1,000,000 or more in aggregate principal amount of Bonds delivered to the Agent prior to the fifteenth day of the calendar month immediately preceding such Interest Payment Date).

This bond will continue to bear interest after maturity at the rate above stated; provided it is presented at maturity and payment thereof is refused upon the sole ground that there are not
sufficient moneys in said redemption fund with which to pay same. If it is not presented at maturity, interest thereon will run until maturity.

This bond shall not be entitled to any benefit under the Act and the Resolution Authorizing Issuance of Bonds (the "Resolution of Issuance") or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Agent.

THE BONDS ARE QUALIFIED TAX-EXEMPT OBLIGATIONS DESIGNATED BY THE COUNTY FOR THE PURPOSE OF SECTION 265(b) of the INTERNAL REVENUE CODE OF 1986.

This bond is a Limited Obligation Improvement Bond because, under the Resolution of Issuance, the County is not obligated to advance funds from the County treasury to cover any deficiency which may occur in the redemption fund; however, the County is not prevented, in its sole discretion, from so advancing funds.

IN WITNESS WHEREOF, the County of Mariposa has caused this bond to be executed by its Treasurer/Tax Collector and by the Clerk of its Board of Supervisors, all as of the ______ day of _______, 2006.

__________________________  ____________________________
Clerk, Board of Supervisors  Treasurer/Tax Collector
CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the bonds described in the within mentioned Resolution of Issuance.

Dated: _____, 2006

Treasurer/Tax Collector,
County of Mariposa, as Agent

By: ____________________________
ADDITIONAL PROVISIONS OF THE BOND

This bond is one of several annual series of bonds of like date, tenor, and effect, but differing in amounts, maturities and interest rates, issued by the County under the Act and the Resolution of Issuance for the purpose of providing means for paying for the improvements described in the proceedings, and is secured by the moneys in the redemption fund and by the unpaid portion of assessments made for the payment of those improvements, and, including principal and interest, is payable exclusively out of the redemption fund.

This bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at the office of the Agent, subject to the terms and conditions provided in the Resolution of Issuance, including the payment of certain charges, if any, upon surrender and cancellation of this bond. Upon transfer, a new registered bond or bonds, of any authorized denomination or denominations, of the same maturity, and for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

Bonds shall be registered only in the name of an individual (including joint owners), a corporation, a partnership, or a trust.

Neither the County nor the Agent shall be required to exchange or to register the transfer of bonds during the 15 days immediately preceding any Interest Payment Date.

The County and the Agent may treat the registered owner hereof as the absolute owner for all purposes, and the County and the Agent shall not be affected by any notice to the contrary.

This Bond or any portion of it in the amount of $5,000, or any integral multiple thereof, may be redeemed and paid in advance of maturity upon the second day of March or September in any year by giving at least 30 days' notice by registered or certified mail or personal service to the registered owner hereof at the registered owner's address as it appears on the registration books of the Agent and by paying principal and accrued interest together with a premium equal to 3% of the principal amount being redeemed.
ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - Custodian
(Cust) (Minor)

under Uniform Gifts to Minors Act
(State)

Additional abbreviations may also be used though not in the above list

(FORM OF ASSIGNMENT)

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within mentioned Bond and hereby irrevocably constitute(s) and appoint(s) ___________, attorney, to transfer the same on the registration books of the Agent, with full power of substitution in the premises.

Dated: __________________________

Signature Guaranteed:

NOTICE: The signature(s) on this assignment must correspond with the name(s) as written on the face of the registered Bond in every particular without alteration or enlargement or any change whatsoever.
EXHIBIT C

[FORM OF SINGLE BOND]

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF MARIPOSA

Bond No. R-1

LIMITED OBLIGATION IMPROVEMENT BOND
COUNTY OF MARIPOSA
ASSESSMENT DISTRICT NO. 05-1
(WASTEWATER FACILITIES PROJECT FOR
LAKE DON PEDRO COUNTY SERVICE AREA 1-M, SEWER ZONE NO. 1)
SERIES 2006-A

Under and by virtue of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of the State of California (the "Act") County of Mariposa (the "County"), State of California, for its Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) (the "Assessment District"), will, out of the redemption fund for the payment of the bonds issued upon the unpaid portion of the assessments made for the acquisition, work and improvements more fully described in the proceedings taken pursuant to Resolution of Intention No. 05-575 adopted by the Board of Supervisors of the County on December 6, 2005, pay to the UNITED STATES OF AMERICA, acting through Rural Utilities Service, USDA, or registered assigns, the sum of not to exceed:

**FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS**
($4,500,000)

being the aggregate of the principal amount of the bonds herein specified, in installments of the principal amounts in the years as follows:

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<tr>
<th>Maturity Date</th>
<th>Bond Numbers</th>
<th>Total Principal</th>
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<td>9/2/20</td>
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<td>9/2/20</td>
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</table>
with interest thereon from the date hereof at the rate of _____) per annum, all as is hereinafter specified, and at the office of Treasurer/Tax Collector of the County (the "Treasurer").

This bond is issued in lieu of and represents the bonds above mentioned, all of like, date, tenor and effect, but differing in amounts and maturities, and is issued by the County under said law for the purpose of providing means for paying for the acquisition, work and improvements described in said proceedings, and is secured by the moneys in said redemption fund and by the unpaid portion of the assessments made for the payment of said acquisition, work and improvements, and, including principal and interest, is payable exclusively out of said fund.

The interest is payable commencing on the 2nd day of March 2007, and semiannually thereafter on the second days of September and March. The bonds represented by this bond will continue to bear interest after their respective maturity dates at the rate above stated, provided there is not sufficient money in said redemption fund to pay same on their due dates, subject to the terms of the resolution providing for the issuance hereof.

Both principal and interest shall be paid to the registered owner hereof by check or wire transfer sent to the address entered in the registration book maintained by the Treasurer for the
registration and transfer of this bond, except that the final installment due thereon will be paid only upon the surrender of this bond to the Treasurer.

The principal of the bonds represented by this bond may be redeemed and paid in advance of maturity by paying the principal amount thereof and accrued interest, as provided in the resolution providing for the issuance hereof.

This bond shall not become valid or obligatory for any purpose under the Act or the Resolution Authorizing Issuance of Improvement Bonds and Related Actions adopted by the Board of Supervisors of the County on _____________, 2006 and any supplements or amendments thereto (the "Resolution of Issuance") heretofore adopted by the Board of Supervisors of the County until authenticated and registered as to principal and interest in said registry book and in the space provided on this bond. This bond may be transferred by the registered owner, in person or by duly authorized attorney in writing, upon surrender of this bond for registration of such transfer, together with a duly executed written instrument of transfer in form approved by the Treasurer. No transfer shall be valid until entered in said book and endorsed upon the back of this bond.

Any owner of this bond subsequent to its original owner is hereby placed on notice of all payments of both principal of and interest on this bond prior to its transfer to such owner, and all subsequent owners hereof hereby acknowledge that they have ascertained the actual unpaid principal amount of this bond as of the date of transfer to them and hereby release the County from all obligation as to all principal and interest paid by the County prior to such date.

This bond may be exchanged for fully registered bonds, of denominations, and in the manner set forth in the Resolution of Issuance.

This bond is given as evidence of a loan made to the County by the United States of America pursuant to the Consolidated Farm and Rural Development Act, and shall be subject to the present regulations of the Rural Utilities Service, or any successor agency thereto, and to its future regulations not inconsistent with the express provisions hereof.

This bond is a Limited Obligation Improvement Bond because, under the Resolution of Issuance, the County is not obligated to advance funds from the County treasury to cover any deficiency which may occur in the redemption fund; however, the County is not prevented, in its sole discretion, from so advancing funds.

This bond is a qualified tax exempt obligation, designated by the County for purposes of Section 265 (B) of the Internal Revenue Code of 1986, as amended.
IN WITNESS WHEREOF, the County has caused this bond to be signed by its Treasurer/Tax Collector and by the Clerk of its Board of Supervisors, all on ____________, 2006.

__________________________________  _________________________________________
Clerk, Board of Supervisors              Treasurer/Tax Collector
Certificate of Authentication

This is the bond described in the Resolution of Issuance, which has been authenticated on ____________, 2006.

Treasurer/Tax Collector, County of Mariposa
As Authentication Agent

By: ________________________________

EXHIBIT C
-5-
Legal Opinion

I hereby certify that the following is a correct copy of the signed legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, addressed to the County of Mariposa and on file in my office, dated the date of delivery of and payment for the Bonds therein described.

Clerk, Board of Supervisors
County of Mariposa

[INSERT LEGAL OPINION HERE]

NOTE: NO WRITING BELOW EXCEPT BY THE AGENT

Registration

This bond is registered in the name of the registered owner last entered below and both the principal of and interest on this bond are payable only to such Owner.

<table>
<thead>
<tr>
<th>Registry Date</th>
<th>Name and Address of Registered Owner</th>
<th>Signature of the Treasurer/Tax Collector</th>
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</tbody>
</table>

United States of America
Certificate of Advances of Payment from
United States of America, Rural Utilities Service
United States Department of Agriculture

The following advances have been paid to and received by the County of Mariposa in the amounts and on the date(s) set forth below, as evidenced by the Treasurer/Tax Collector's signature set forth below, opposite "Date of Advance" and "Amount of Advance."

<table>
<thead>
<tr>
<th>Date of Advance</th>
<th>Amount of Advance</th>
<th>Signature of the Treasurer/Tax Collector</th>
</tr>
</thead>
<tbody>
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</table>

Total principal sum of the within Bond as advanced as of _________________, 200_, is $______________.

Record of Redemption in Advance of Maturity of Bonds Represented by this Bond

The record of redemption in advance of maturity on the single bond is as follows:

<table>
<thead>
<tr>
<th>Bond Numbers (Inclusive)</th>
<th>Denomination</th>
<th>Principal Amount</th>
<th>Maturity Date (Sept.2)</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

EXHIBIT C
-7-
EXHIBIT D

[FORM OF SERIAL BOND]

United States of America
State of California
County of Mariposa
Registered
Number A-
Limited Obligation Improvement Bond
COUNTY OF MARIPOSA
ASSESSMENT DISTRICT NO. 05-1
(WASTEWATER FACILITIES PROJECT FOR
LAKE DON PEDRO COUNTY SERVICE AREA 1-M, SEWER ZONE NO. 1)
SERIES 2007-A

INTEREST RATE MATURITY DATE DATED DATE CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT: *** MILLION _____ HUNDRED THOUSAND DOLLARS***
($____________)

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the Streets and Highways Code (the “Act”), the County of Mariposa (the “County”), State of California, will, out of the redemption fund for the payment of the bonds issued upon the unpaid portion of assessments made for the acquisition, work and improvements more fully described in proceedings taken pursuant to Resolution of Intention No. 05-575 adopted by the Board of Supervisors of the County on December 6, 2005, pay to the registered owner named above or registered assigns, on the maturity date stated above, the principal amount stated above, in lawful money of the United States of America and in like manner will pay interest from the Interest Payment Date (as defined below) next preceding the date on which this bond is authenticated, unless this bond is authenticated and registered as of an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated and registered prior to March 2, 2007, in which event it shall bear interest from the dated date above until payment of the principal amount shall have been discharged, at the rate per annum stated above, payable semiannually on March 2 and September 2 (each an “Interest Payment Date) in each year commencing on March 2, 2007. Both the principal hereof and redemption premium hereon are payable upon surrender at the principal office of the Treasurer/Tax Collector of the County as Authentication Agent, Registrar and Paying Agent (the “Agent”), in Mariposa, California, and the interest hereon is payable by check or draft mailed by first class mail to the registered owner hereof at the owner’s address as it appears on the records of the Agent or at an address that has been filed with the Agent for that purpose as of the 15th day of the calendar month immediately preceding each Interest Payment Date (or by wire transfer made on such Interest Payment Date upon the written instructions of any registered owner of $1,000,000 or more in aggregate principal amount of Bonds delivered to the Agent prior to the fifteenth day of the calendar month immediately preceding such Interest Payment Date).

This bond will continue to bear interest after maturity at the rate above stated; provided it is presented at maturity and payment thereof is refused upon the sole ground that there are not
sufficient moneys in said redemption fund with which to pay same. If it is not presented at maturity, interest thereon will run until maturity.

This bond shall not be entitled to any benefit under the Act and the Resolution Authorizing Issuance of Bonds (the "Resolution of Issuance") or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Agent.

THE BONDS ARE QUALIFIED TAX-EXEMPT OBLIGATIONS DESIGNATED BY THE COUNTY FOR THE PURPOSE OF SECTION 265(b) of the INTERNAL REVENUE CODE OF 1986.

This bond is a Limited Obligation Improvement Bond because, under the Resolution of Issuance, the County is not obligated to advance funds from the County treasury to cover any deficiency which may occur in the redemption fund; however, the County is not prevented, in its sole discretion, from so advancing funds.

IN WITNESS WHEREOF, the County of Mariposa has caused this bond to be executed by its Treasurer/Tax Collector and by the Clerk of its Board of Supervisors, all as of the ______ day of ______, 2006.

______________________________  ______________________________
Clerk, Board of Supervisors      Treasurer/Tax Collector
CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the bonds described in the within mentioned Resolution of Issuance.

Dated: _____, 2006

Treasurer/Tax Collector,
County of Mariposa, as Agent

By: ____________________________

EXHIBIT D -3-
ADDITIONAL PROVISIONS OF THE BOND

This bond is one of several annual series of bonds of like date, tenor, and effect, but differing in amounts, maturities and interest rates, issued by the County under the Act and the Resolution of Issuance for the purpose of providing means for paying for the improvements described in the proceedings, and is secured by the moneys in the redemption fund and by the unpaid portion of assessments made for the payment of those improvements, and, including principal and interest, is payable exclusively out of the redemption fund.

This bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at the office of the Agent, subject to the terms and conditions provided in the Resolution of Issuance, including the payment of certain charges, if any, upon surrender and cancellation of this bond. Upon transfer, a new registered bond or bonds, of any authorized denomination or denominations, of the same maturity, and for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

Bonds shall be registered only in the name of an individual (including joint owners), a corporation, a partnership, or a trust.

Neither the County nor the Agent shall be required to exchange or to register the transfer of bonds during the 15 days immediately preceding any Interest Payment Date.

The County and the Agent may treat the registered owner hereof as the absolute owner for all purposes, and the County and the Agent shall not be affected by any notice to the contrary.

This Bond or any portion of it in the amount of $5,000, or any integral multiple thereof, may be redeemed and paid in advance of maturity upon the second day of March or September in any year by giving at least 30 days' notice by registered or certified mail or personal service to the registered owner hereof at the registered owner's address as it appears on the registration books of the Agent and by paying principal and accrued interest together with a premium equal to 3% of the principal amount being redeemed.
ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - Custodian
(Cust) (Minor)

under Uniform Gifts to Minors Act
(State)

Additional abbreviations may also be used though not in the above list

(FORM OF ASSIGNMENT)

For value received, the undersigned do(es) hereby sell, assign and transfer unto

________________________________________

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within mentioned Bond and hereby irrevocably constitute(s) and appoint(s) ________________________________, attorney, to transfer the same on the registration books of the Agent, with full power of substitution in the premises.

Dated: ______________________________

Signature Guaranteed:

________________________________________

NOTICE: The signature(s) on this assignment must correspond with the name(s) as written on the face of the registered Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT D
-5-
EXHIBIT E

[FORM OF SINGLE BOND]

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF MARIPOSA

Bond No. R-1 Series 2007-A

LIMITED OBLIGATION IMPROVEMENT BOND
COUNTY OF MARIPOSA
ASSESSMENT DISTRICT NO. 05-1
(WASTEWATER FACILITIES PROJECT FOR
LAKE DON PEDRO COUNTY SERVICE AREA 1-M, SEWER ZONE NO. 1)
SERIES 2007-A

Under and by virtue of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of the State of California (the “Act”) County of Mariposa (the “County”), State of California, for its Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) (the “Assessment District”), will, out of the redemption fund for the payment of the bonds issued upon the unpaid portion of the assessments made for the acquisition, work and improvements more fully described in the proceedings taken pursuant to Resolution of Intention No. 05-575 adopted by the Board of Supervisors of the County on December 6, 2005, pay to the UNITED STATES OF AMERICA, acting through Rural Utilities Service, USDA, or registered assigns, the sum of not to exceed:

** ______ MILLION ______ HUNDRED THOUSAND DOLLARS**

($_______)

being the aggregate of the principal amount of the bonds herein specified, in installments of the principal amounts in the years as follows:

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Bond Numbers</th>
<th>Total Principal</th>
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EXHIBIT E -1-

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<th>Maturity Date</th>
<th>Bond Numbers</th>
<th>Total Principal</th>
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with interest thereon from the date hereof at the rate of ____ per annum, all as is hereinafter specified, and at the office of Treasurer/Tax Collector of the County (the "Treasurer").

This bond is issued in lieu of and represents the bonds above mentioned, all of like, date, tenor and effect, but differing in amounts and maturities, and is issued by the County under said law for the purpose of providing means for paying for the acquisition, work and improvements described in said proceedings, and is secured by the moneys in said redemption fund and by the unpaid portion of the assessments made for the payment of said acquisition, work and improvements, and, including principal and interest, is payable exclusively out of said fund.

The interest is payable commencing on the 2nd day of March 2007, and semiannually thereafter on the second days of September and March. The bonds represented by this bond will continue to bear interest after their respective maturity dates at the rate above stated, provided there is not sufficient money in said redemption fund to pay same on their due dates, subject to the terms of the resolution providing for the issuance hereof.

Both principal and interest shall be paid to the registered owner hereof by check or wire transfer sent to the address entered in the registration book maintained by the Treasurer for the
registration and transfer of this bond, except that the final installment due thereon will be paid only upon the surrender of this bond to the Treasurer.

The principal of the bonds represented by this bond may be redeemed and paid in advance of maturity by paying the principal amount thereof and accrued interest, as provided in the resolution providing for the issue of the bond hereof.

This bond shall not become valid or obligatory for any purpose under the Act or the Resolution Authorizing Issuance of Improvement Bonds and Related Actions adopted by the Board of Supervisors of the County on ______________, 2006 and any supplements or amendments hereto (the "Resolution of Issuance") heretofore adopted by the Board of Supervisors of the County until authenticated and registered as to principal and interest in said registry book and in the space provided on this bond. This bond may be transferred by the registered owner, in person or by duly authorized attorney in writing, upon surrender of this bond for registration of such transfer, together with a duly executed written instrument of transfer in form approved by the Treasurer. No transfer shall be valid until entered in said book and endorsed upon the back of this bond.

Any owner of this bond subsequent to its original owner is hereby placed on notice of all payments of both principal and interest on this bond prior to its transfer to such owner, and all subsequent owners hereof hereby acknowledge that they have ascertained the actual unpaid principal amount of this bond as of the date of transfer to them and hereby release the County from all obligation as to all principal and interest paid by the County prior to such date.

This bond may be exchanged for fully registered bonds, of denominations, and in the manner set forth in the Resolution of Issuance.

This bond is given as evidence of a loan made to the County by the United States of America pursuant to the Consolidated Farm and Rural Development Act, and shall be subject to the present regulations of the Rural Utilities Service, or any successor agency thereto, and to its future regulations not inconsistent with the express provisions hereof.

This bond is a Limited Obligation Improvement Bond because, under the Resolution of Issuance, the County is not obligated to advance funds from the County treasury to cover any deficiency which may occur in the redemption fund; however, the County is not prevented, in its sole discretion, from so advancing funds.

This bond is a qualified tax exempt obligation, designated by the County for purposes of Section 265 (B) of the Internal Revenue Code of 1986, as amended.
IN WITNESS WHEREOF, the County has caused this bond to be signed by its Treasurer/Tax Collector and by the Clerk of its Board of Supervisors, all on ____________, 2007.

______________________________
Clerk, Board of Supervisors

______________________________
Treasurer/Tax Collector
Certificate of Authentication

This is the bond described in the Resolution of Issuance, which has been authenticated on ____________, 2007.

Treasurer/Tax Collector, County of Mariposa
As Authentication Agent

By: ________________________________
Legal Opinion

I hereby certify that the following is a correct copy of the signed legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, addressed to the County of Mariposa and on file in my office, dated the date of delivery of and payment for the Bonds therein described.

Clerk, Board of Supervisors
County of Mariposa

[INSERT LEGAL OPINION HERE]

NOTE: NO WRITING BELOW EXCEPT BY THE AGENT

Registration

This bond is registered in the name of the registered owner last entered below and both the principal of and interest on this bond are payable only to such Owner.

<table>
<thead>
<tr>
<th>Registry Date</th>
<th>Name and Address of Registered Owner</th>
<th>Signature of the Treasurer/Tax Collector</th>
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United States of America

EXHIBIT E
-6-
Certificate of Advances of Payment from  
United States of America, Rural Utilities Service  
United States Department of Agriculture  

The following advances have been paid to and received by the County of Mariposa in the amounts and on the date(s) set forth below, as evidenced by the Treasurer/Tax Collector’s signature set forth below, opposite “Date of Advance” and “Amount of Advance.”

<table>
<thead>
<tr>
<th>Date of Advance</th>
<th>Amount of Advance</th>
<th>Signature of the Treasurer/Tax Collector</th>
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Total principal sum of the within Bond as advanced as of _________________, 200_, is $___________________.

Record of Redemption in Advance of Maturity  
of Bonds Represented by this Bond  

The record of redemption in advance of maturity on the single bond is as follows:

<table>
<thead>
<tr>
<th>Bond Numbers (Inclusive)</th>
<th>Denomination</th>
<th>Principal Amount</th>
<th>Maturity Date (Sept.2)</th>
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EXHIBIT E  
-7-