ASSIGNMENT AGREEMENT

by and between the

IMPERIAL IRRIGATION DISTRICT
FINANCING CORPORATION

and

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

RELATING TO THE
IMPERIAL IRRIGATION DISTRICT
2010 SUBORDINATE REVENUE CERTIFICATES OF PARTICIPATION
(2010 WATER SYSTEM PROJECT)

Executed and Entered Into as of _________ 1, 2010
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ASSIGNMENT AGREEMENT

This Assignment Agreement (the “Assignment Agreement”), executed and entered into as of __________ 1, 2010, by and between the Imperial Irrigation District Financing Corporation, a nonprofit public benefit corporation duly organized and existing pursuant to the laws of the State of California (the “Corporation”), and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing pursuant to the laws of the United States of America, as Trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the Imperial Irrigation District, an irrigation district duly organized and existing pursuant to the laws of the State of California (the “District”), and the Corporation have executed and entered into a 2010 Installment Purchase Contract (the “2010 Installment Purchase Contract”) as of __________ 1, 2010, whereby the Corporation has agreed to assist the District by acquiring those certain improvements for the water system of the District as provided therein (the “2010 Water System Project”) and by selling the 2010 Water System Project to the District as provided therein; and

WHEREAS, pursuant to the 2010 Installment Purchase Contract, the District has agreed to make scheduled installment payments (the “2010 Installment Payments”) to the Corporation for the purchase of the 2010 Water System Project from the Corporation as provided therein; and

WHEREAS, the Corporation desires to assign to the Trustee without recourse all its rights to receive the 2010 Installment Payments and certain other rights; and

WHEREAS, in consideration of such assignment and the execution and entering into of a Trust Agreement (the “Trust Agreement”) as of __________ 1, 2010, by and among the Trustee, the Corporation and the District, the Trustee had agreed to execute and deliver subordinate revenue certificates of participation (the “Certificates”) in an aggregate principal amount equal to the aggregate principal installments of the 2010 Installment Payments, each evidencing and representing a proportionate, undivided interest in the 2010 Installment Payments; and

WHEREAS, the Corporation hereby certifies that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of the Assignment Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into the Assignment Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. Assignment. The Corporation, for one dollar ($1.00) and for other good and valuable consideration in hand received, the receipt of which is hereby acknowledged, does hereby sell, assign and transfer without recourse to the Trustee for the benefit of the registered owners of the Certificates each and all of its rights under the 2010 Installment Purchase Contract (except the right to receive payment of its fees, expenses and reimbursements) and each and all of its rights under the Trust Agreement, including the right to receive the 2010 Installment Payments from the District under the 2010 Installment Purchase Contract and the right to exercise the rights and remedies conferred on the Corporation under the 2010 Installment Purchase Contract as may be necessary to enforce payment of the
2010 Installment Payments when due or otherwise to protect its interests in the event of a default by the District thereunder. This assignment is absolute and is presently effective, and all 2010 Installment Payments shall be applied and the rights so assigned shall be exercised by the Trustee as provided in the Trust Agreement.

SECTION 2. Acceptance. The Trustee hereby accepts the foregoing assignment for the benefit of the registered owners of the Certificates, subject to the conditions and terms of the Trust Agreement, and all 2010 Installment Payments received by the Trustee shall be applied and all such rights so assigned shall be exercised by the Trustee as provided in the Trust Agreement.

SECTION 3. Conditions. The Assignment Agreement shall confer no rights and shall impose no obligations upon the Trustee beyond those expressly provided in the Trust Agreement, and the assignment to the Trustee hereunder is to the Trustee solely in its capacity as Trustee under the Trust Agreement, and the Trustee does not warrant the accuracy of the recitals of fact contained herein.

SECTION 4. California Law. The Assignment Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California.

SECTION 5. Severability. If any agreement, condition, covenant or term hereof or any application hereof shall be held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, all agreements, conditions, covenants and terms hereof and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SECTION 6. Execution in Counterparts. The Assignment Agreement may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.
IN WITNESS WHEREOF, the parties hereto have executed and entered into the Assignment Agreement by their officers thereunto duly authorized as of the day and year first above written.

IMPERIAL IRRIGATION DISTRICT FINANCING CORPORATION

By_______________________________________
President
(SEAL)

ATTEST:

______________________________
Secretary

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

By______________________________________
Authorized Officer