

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

758A



FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
July 19, 2007

SUBJECT: Resolution No. 2007-382 - San Jacinto Unified School District General Obligation Bonds, Election of 2006, Series 2007 (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2007-382, Authorizing the Issuance and Sale of General Obligation Bonds of San Jacinto Unified School District not to Exceed the Maximum Aggregate Principal Amount of \$45,000,000.

BACKGROUND: Education Code Section 15140 requires that General Obligation Bonds of a school district be offered for sale by the Riverside County Board of Supervisors, when the Riverside County Superintendent of Schools has jurisdiction over that district, and when the district wishes to offer its bonds via a negotiated sale. Although California law permits a board of supervisors to opt out of that requirement, this Board has not adopted the necessary enabling resolution. At the same time the County Treasurer has taken the position that school districts should not be negotiating the sale of bonds without his participation.

(Continued on page 2)

FORM APPROVED
COUNTY COUNSEL

JUL 18 2007

Departmental Counsel

BY: Dale A. Gardner

Paul McDonnell

Paul McDonnell, Treasurer - Tax Collector

FINANCIAL DATA

Current F.Y. Total Cost: \$
Current F.Y. Net County Cost: \$
Annual Net County Cost: \$

In Current Year Budget:
Budget Adjustment:
For Fiscal Year:

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30
Requires 4/5 Vote

C.E.O. RECOMMENDATION:

APPROVE

BY: *Christopher M. Hans*

County Executive Office Signature

Christopher M. Hans

Dep't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.:

District:

Agenda Number:

3.143

Date: July 19, 2007
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The Riverside County Superintendent of Schools has jurisdiction over the San Jacinto Unified School District (the "District") which is planning to issue and sell bonds via a negotiated sale. Therefore the Education Code provides that the Riverside County Board of Supervisors is responsible for issuing and selling these District bonds, via a negotiated sale, on behalf of the District. To that end, on June 19, 2007, the District's Board of Trustees adopted Resolution No. 06-07-62 requesting this Board to sell the District's general obligation bonds in an aggregate principal amount not to exceed \$45,000,000.

An election was held on November 7, 2006, pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution and Section 15266 of the Education Code which codifies, in part, Proposition 39. During that election, a measure authorizing the District to incur general obligation bonded indebtedness in an aggregate principal amount not to exceed \$100,000,000 was approved by more than 55% of the qualified voters voting on the measure.

Resolution No. 2007-382 authorizes the issuance and sale of San Jacinto Unified School District, General Obligation Bonds, Election of 2006, Series 2007 in an aggregate principal amount not to exceed \$45,000,000. The bond proceeds are to be expended only for identified school facilities and improvements. All expenditures are subject to the review of a citizen's oversight committee appointed by the District's Board of Trustees.

These bonds represent general obligations of the District; these bonds do not constitute a debt or obligation of the County. No part of any fund of the County is pledged or obligated to the payment of these Bonds.

The Office of County Counsel has reviewed Resolution No. 2007-382 and has approved it as to form.

RESOLUTION NO. 2007-382

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF BONDS ON BEHALF OF THE SAN JACINTO UNIFIED SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000 BY A NEGOTIATED SALE PURSUANT TO A CONTRACT OF PURCHASE, PRESCRIBING THE TERMS OF SALE OF THE BONDS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE CONTRACT OF PURCHASE, AND AUTHORIZING THE EXECUTION OF NECESSARY CERTIFICATES RELATING TO THE BONDS.

WHEREAS, an election was duly called and held in the San Jacinto Unified School District, County of Riverside, California (the "District"), on November 7, 2006, at which the following proposition (as abbreviated pursuant to Section 13247 of the California Elections Code) was submitted to the electors of the District:

"To improve San Jacinto Unified schools by adding classrooms and school facilities to relieve overcrowding, making health and safety repairs to classrooms/restrooms, removing hazardous materials like asbestos, repairing leaking roofs and plumbing, upgrading electrical systems, computers, educational technology and school libraries, improving disabled access, qualifying for State funds and making other school improvements, shall San Jacinto Unified School District issue \$150,000,000 in bonds, at legal interest rates, with independent citizens' oversight and no funds going to administrative salaries?"

WHEREAS, at least fifty-five percent (55%) of the votes cast on the proposition were in favor of issuing the bonds;

WHEREAS, pursuant to California Education Code Section 15140 *et seq.*, the Board of Trustees (the "Board of Trustees") of the District has requested the Board of Supervisors (the "Board of Supervisors") of the County of Riverside (the "County") to issue a portion of the bonds in a single series designated the "San Jacinto Unified School District General Obligation Bonds, Election of 2006, Series 2007" (the "Series 2007 Bonds") in an aggregate principal amount not exceeding \$45,000,000, and to authorize the sale of the bonds by a negotiated sale to UBS

1 Securities LLC (the "Underwriter") pursuant to a Contract of Purchase (the "Contract of
2 Purchase"), a form of which has been submitted to and is on file with the Clerk to this Board of
3 Supervisors, all according to the terms and in the manner set forth in a resolution (the "District
4 Resolution") duly adopted by the Board of Trustees of the District on June 19, 2007, a certified
5 copy of which has been filed with the Clerk to this Board of Supervisors;

6 **WHEREAS**, this Board of Supervisors accepts the representations of the Board of
7 Trustees in the District Resolution that it is desirable for the Board of Supervisors to issue the
8 Series 2007 Bonds on behalf of the District and to sell the Series 2007 Bonds by a negotiated sale
9 for the purposes for which the Series 2007 Bonds have been authorized on the terms and
10 conditions set forth in the District Resolution and the Contract of Purchase; and

11 **WHEREAS**, the Series 2007 Bonds will be issued by this Board of Supervisors on behalf
12 of the District, payable from *ad valorem* taxes to be levied on all taxable property in the District,
13 as herein provided;

14 **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS**
15 **OF THE COUNTY OF RIVERSIDE, AS FOLLOWS:**

16 **Section 1. Recitals.** All of the above recitals are true and correct.

17 **Section 2. Definitions.** Unless the context clearly otherwise requires, the terms
18 defined in this Section shall, for all purposes of this Resolution, have the meanings specified
19 herein, to be equally applicable to both the singular and plural forms of any of the terms herein
20 defined.

21 **"Board of Trustees"** means the Board of Trustees of the District.

22 **"Board of Supervisors"** means the Board of Supervisors of the County.

23 **"Capital Appreciation Bonds"** means those Series 2007 Bonds accreting interest
24 semiannually to the maturity date thereof payable in accordance with Section 6(e) hereof.

25 **"Cede & Co."** means Cede & Co., the nominee of DTC, and any successor nominee of
26 DTC with respect to the Series 2007 Bonds.

27 **"Code"** means the Internal Revenue Code of 1986.

28 **"Continuing Disclosure Certificate"** means the Continuing Disclosure Certificate

1 executed and delivered by the District relating to the Series 2007 Bonds.

2 **“Contract of Purchase”** means the Contract of Purchase relating to the sale of the Series
3 2007 Bonds by and among the County, the District and the Underwriter.

4 **“County”** means the County of Riverside.

5 **“County Resolution”** means this Resolution of the Board of Supervisors.

6 **“Current Interest Bonds”** means those Series 2007 Bonds bearing interest payable
7 semiannually on a current basis in accordance with Section 6(d) hereof.

8 **“District”** means the San Jacinto Unified School District.

9 **“District Resolution”** means the Resolution of the District adopted on June 19, 2007.

10 **“DTC”** means The Depository Trust Company, a limited-purpose trust company
11 organized under the laws of the State of New York, and its successors as securities depository for
12 the Series 2007 Bonds, including any such successor thereto appointed pursuant to Section 10
13 hereof.

14 **“Interest Date”** means (unless otherwise specified in the Contract of Purchase) February
15 1 and August 1 of each year, commencing on February 1, 2008 with respect to the Current
16 Interest Bonds and, for purposes of compounding interest on the Capital Appreciation Bonds,
17 commencing on February 1, 2008, or such other dates as may be set forth in the Contract of
18 Purchase.

19 **“Official Statement”** means the Official Statement of the District relating to the Series
20 2007 Bonds.

21 **“Owner”** means, with respect to any Series 2007 Bond, the person whose name appears
22 on the Registration Books as the registered Owner thereof.

23 **“Paying Agent”** means U.S. Bank National Association or any successor bank, trust
24 company, national banking association or other financial institution appointed as Paying Agent to
25 act as authenticating agent, bond registrar, transfer agent and paying agent for the Series 2007
26 Bonds in accordance with Section 9 hereof.

27 **“Record Date”** means, with respect to any Interest Date for the Series 2007 Bonds, the
28 15th day of the calendar month immediately preceding such Interest Date, whether or not such

1 day is a business day.

2 “**Registration Books**” means the books for the registration and transfer of the Series 2007
3 Bonds maintained by the Paying Agent in accordance with Section 9(d) hereof.

4 “**Series 2007 Bonds**” means the “San Jacinto Unified School District General Obligation
5 Bonds, Election of 2006, Series 2007” issued pursuant hereto.

6 “**State**” means the State of California.

7 “**Tax Certificate**” means the Tax Certificate, executed by the District, dated the date of
8 issuance of the Series 2007 Bonds.

9 “**Treasurer**” means the Treasurer-Tax Collector of the County or any authorized deputy
10 thereof.

11 “**Underwriter**” means UBS Securities LLC.

12 **Section 3. District Resolution Received.** This Board of Supervisors hereby
13 acknowledges receipt of the District Resolution.

14 **Section 4. Authorization and Designation of Bonds.** This Board of Supervisors
15 hereby authorizes, on behalf of the District, the issuance and sale of not to exceed \$45,000,000
16 aggregate principal amount of Series 2007 Bonds. The Series 2007 Bonds shall be designated
17 “San Jacinto Unified School District General Obligation Bonds, Election of 2006, Series 2007.”
18 The Series 2007 Bonds shall be issued as Current Interest Bonds and Capital Appreciation Bonds,
19 as provided in Section 6 hereof.

20 **Section 5. Form of Bonds; Execution.** (a) *Form of Series 2007 Bonds.* The Series
21 2007 Bonds shall be issued in fully registered form without coupons. The Current Interest Bonds,
22 the Capital Appreciation Bonds, and the certificate of authentication and registration and the form
23 of assignment to appear on each of them, shall be in substantially the form attached hereto as
24 Exhibit A and Exhibit B, respectively, with necessary or appropriate variations, omissions and
25 insertions as permitted or required by this County Resolution.

26 (b) *Execution of Bonds.* The Series 2007 Bonds shall be signed by the manual or
27 facsimile signatures of the Chairperson of the Board of Supervisors and of the Treasurer or the
28 Treasurer’s designee, and countersigned by the manual or facsimile signature of the Clerk to the

1 Board of Supervisors. The Series 2007 Bonds shall be authenticated by a manual signature of a
2 duly authorized signatory of the Paying Agent.

3 (c) *Valid Authentication.* Only such of the Series 2007 Bonds as shall bear thereon a
4 certificate of authentication and registration as described in subsection (a), executed by the
5 Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this
6 County Resolution, and such certificate of authentication and registration shall be conclusive
7 evidence that the Series 2007 Bonds so authenticated have been duly authenticated and delivered
8 hereunder and are entitled to the benefits of this County Resolution.

9 (d) *Identifying Number.* The Paying Agent shall assign each Series 2007 Bond
10 authenticated and registered by it a distinctive letter, or number, or letter and number, and shall
11 maintain a record thereof at its principal office, which record shall be available to the District and
12 the County for inspection.

13 **Section 6. Terms of Bonds.** (a) *Date of Series 2007 Bonds.* The Current Interest
14 Bonds shall be dated the date of their delivery, or such other date as shall be set forth in the
15 Contract of Purchase. The Capital Appreciation Bonds shall be dated the date of their delivery, or
16 such other date as shall be set forth in the Contract of Purchase.

17 (b) *Denominations.* The Current Interest Bonds shall be issued in denominations of
18 \$5,000 principal amount or any integral multiple thereof. The Capital Appreciation Bonds shall
19 be issued in denominations of \$5,000 accreted value at maturity ("maturity value") or any integral
20 multiple thereof, except that the first numbered Capital Appreciation Bond may be issued in a
21 denomination such that the maturity value of such Capital Appreciation Bond shall not be an
22 integral multiple of \$5,000.

23 (c) *Maturity.* The Current Interest Bonds shall mature on the date or dates, in each of
24 the years, in the principal amounts and in the aggregate principal amount as shall be set forth in
25 the Contract of Purchase. No Current Interest Bond shall mature later than the date which is 25
26 years from the date of the Current Interest Bonds. No Current Interest Bond shall have principal
27 maturing on more than one principal maturity date. The Contract of Purchase may provide that
28 no Current Interest Bonds shall be issued.

1 The Capital Appreciation Bonds shall mature on the date or dates, in each of the years,
2 and in such maturity values as shall be set forth in the Contract of Purchase. No Capital
3 Appreciation Bond shall mature later than the date which is 25 years from the date of the Capital
4 Appreciation Bonds, to be determined as provided in subsection (a) of this Section. No Capital
5 Appreciation Bond shall have principal maturing on more than one principal maturity date. The
6 Contract of Purchase may provide that no Capital Appreciation Bonds shall be issued.

7 (d) *Interest; Current Interest Bonds.* The Current Interest Bonds shall bear interest at
8 an interest rate not to exceed 6.00% per annum, payable on the Interest Dates in each year
9 computed on the basis of a 360-day year of 12 30-day months. Each Current Interest Bond shall
10 bear interest from the Interest Date next preceding the date of authentication thereof, unless it is
11 authenticated after the close of business on a Record Date and on or prior to the succeeding
12 Interest Date, in which event it shall bear interest from such Interest Date, or unless it is
13 authenticated on or before the Record Date preceding the first Interest Date, in which event it
14 shall bear interest from its dated date; provided, however, that if, at the time of authentication of
15 any Current Interest Bond, interest is in default on any outstanding Current Interest Bonds, such
16 Current Interest Bond shall bear interest from the Interest Date to which interest has previously
17 been paid or made available for payment on the outstanding Current Interest Bonds.

18 (e) *Interest; Capital Appreciation Bonds.* The Capital Appreciation Bonds shall not
19 bear current interest; each Capital Appreciation Bond shall accrete in value daily over the term to
20 its maturity (on the basis of a 360-day year consisting of 12 30-day months), from its initial
21 principal (denominational) amount on the date of issuance thereof to its stated maturity value at
22 maturity thereof, on the basis of a constant interest rate (which shall not exceed 12.00% per
23 annum) compounded semiannually on each Interest Date (with straight-line interpolations
24 between Interest Dates). The accreted value per \$5,000 maturity value of the Capital
25 Appreciation Bonds on each Interest Date shall be given for reference in a table of accreted
26 values to appear in the Capital Appreciation Bonds; provided, however, that the accreted value
27 determined in accordance with this Section shall prevail over any different accreted value given
28

1 in such table. Interest on the Capital Appreciation Bonds shall be payable only upon maturity or
2 prior redemption thereof.

3 **Section 7. Payment of Bonds.** (a) *Sources of Payment for the Bonds.* The money for
4 the payment of principal, redemption premium, if any, and interest with respect to the Series 2007
5 Bonds shall be raised by taxation upon all taxable property in the District and provision shall be
6 made for the levy and collection of such taxes in the manner provided by law and for such
7 payment out of the interest and sinking fund of the District, and the Board of Supervisors hereby
8 covenants to annually levy *ad valorem* taxes for the payment of the Series 2007 Bonds on all
9 property in the District subject to taxation by the District without limitation as to rate or amount
10 (except certain personal property which is taxable at limited rates).

11 (b) *Principal.* The principal of the Current Interest Bonds and the accreted value of the
12 Capital Appreciation Bonds shall be payable in lawful money of the United States of America to
13 the Owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying
14 Agent.

15 (c) *Interest; Record Date.* The interest on the Current Interest Bonds shall be payable
16 on each Interest Date in lawful money of the United States of America to the Owner thereof as of
17 the Record Date preceding such Interest Date, such interest to be paid by check or draft mailed on
18 such Interest Date (if a business day, or on the next business day if the Interest Date does not fall
19 on a business day) to such Owner at such Owner's address as it appears on the Registration Books
20 or at such address as the Owner may have filed with the Paying Agent for that purpose except that
21 the payment shall be made in immediately available funds to any Owner of at least \$1,000,000 of
22 outstanding Current Interest Bonds who shall have requested in writing such method of payment
23 of interest prior to the close of business on the Record Date immediately preceding any Interest
24 Date.

25 (d) *Interest and Sinking Fund.* Principal and interest due on the Series 2007 Bonds
26 shall be paid from the interest and sinking fund of the District as provided in Section 15146 of the
27 Education Code.

1 (e) *Obligation of the District.* The Series 2007 Bonds are obligations of the District
2 payable from amounts on deposit in the interest and sinking fund of the District as provided in
3 Section 15146 of the Education Code. The Series 2007 Bonds do not constitute a debt, liability or
4 obligation of the County and no part of any fund or account of the County is pledged or obligated
5 to the payment of the Series 2007 Bonds.

6 (f) *Insurance.* The payment of principal and interest on the Series 2007 Bonds may
7 be secured by an insurance policy as shall be described in the Contract of Purchase. The Contract
8 of Purchase may provide that no insurance policy shall be obtained.

9 **Section 8. Redemption Provisions.** (a) *Optional Redemption.* The Series 2007
10 Bonds may be subject to redemption, at the option of the District, on the dates and terms as shall
11 be designated in the Contract of Purchase. The Contract of Purchase may provide that the Series
12 2007 Bonds shall not be subject to optional redemption, and may provide separate and distinct
13 redemption provisions for the Current Interest Bonds and the Capital Appreciation Bonds. If less
14 than all of the Series 2007 Bonds (Current Interest Bonds or the Capital Appreciation Bonds, as
15 applicable), if any, are subject to such redemption and are called for redemption, such Series 2007
16 Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District,
17 and if less than all of the Series 2007 Bonds of any given maturity are called for redemption, the
18 portions of such bonds of a given maturity to be redeemed shall be determined by lot.

19 (b) *Mandatory Sinking Fund Redemption.* The Current Interest Bonds, if any, which
20 are designated in the Contract of Purchase as Current Interest Series 2007 Term Bonds shall also
21 be subject to redemption prior to their stated maturity dates, without a redemption premium, in
22 part by lot, from mandatory sinking fund payments in the amounts and in accordance with the
23 terms to be specified in the Contract of Purchase. The principal amount of each mandatory
24 sinking fund payment of any maturity shall be reduced proportionately by the amount of any
25 Current Interest Bonds of that maturity optionally redeemed in accordance with the provisions
26 hereof prior to the mandatory sinking fund payment date. The Contract of Purchase may provide
27 that the Current Interest Bonds shall not be subject to mandatory sinking fund redemption.

28 The Capital Appreciation Bonds, if any, which are designated in the Contract of Purchase

1 as Capital Appreciation Series 2007 Term Bonds shall also be subject to redemption prior to their
2 stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund
3 payments in the amounts and in accordance with the terms to be specified in the Contract of
4 Purchase. The amount of each mandatory sinking fund payment of any maturity shall be reduced
5 proportionately by the amount of any Capital Appreciation Bonds of that maturity optionally
6 redeemed in accordance with the provisions hereof prior to the mandatory sinking fund payment
7 date. The Contract of Purchase may provide that the Capital Appreciation Bonds shall not be
8 subject to mandatory sinking fund redemption.

9 (c) *Notice of Redemption.* Notice of any redemption of the Series 2007 Bonds shall be
10 mailed by the Paying Agent, postage prepaid, not less than 30 nor more than 60 days prior to the
11 redemption date (i) by first class mail to the County and the respective Owners thereof at the
12 addresses appearing on the Registration Books, (ii) by certified, registered or overnight mail at
13 least one business day before the mailing of notices to the Owners, to all organizations registered
14 with the Securities and Exchange Commission as securities depositories, (iii) by certified,
15 registered or overnight mail at the time of the mailing to the Owners, to at least two information
16 services of national recognition which disseminate redemption information with respect to
17 municipal securities, and (iv) as may be further required in accordance with the Continuing
18 Disclosure Certificate.

19 Each notice of redemption shall contain all of the following information:

- 20 (i) the date of such notice;
- 21 (ii) the name of the Series 2007 Bonds and the date of issue of the Series 2007
22 Bonds;
- 23 (iii) the redemption date;
- 24 (iv) the redemption price;
- 25 (v) the dates of maturity of the Series 2007 Bonds to be redeemed;
- 26 (vi) if less than all of the Series 2007 Bonds of any maturity are to be
27 redeemed, the distinctive numbers of the Series 2007 Bonds of each maturity to be
28 redeemed;

1 (vii) in the case of Series 2007 Bonds redeemed in part only, the respective
2 portions of the principal amount of the Series 2007 Bonds of each maturity to be
3 redeemed;

4 (viii) the CUSIP number, if any, of each maturity of Series 2007 Bonds to be
5 redeemed;

6 (ix) a statement that such Series 2007 Bonds must be surrendered by the
7 Owners at the principal corporate trust office of the Paying Agent, or at such other place
8 or places designated by the Paying Agent; and

9 (x) notice that further interest on such Series 2007 Bonds will not accrue after
10 the designated redemption date.

11 (d) *Effect of Notice.* A certificate of the Paying Agent that notice of redemption has
12 been given to Owners and to the appropriate securities depositories and information services as
13 herein provided shall be conclusive as against all parties. Neither the failure to receive the notice
14 of redemption as provided in this Section, nor any defect in such notice shall affect the
15 sufficiency of the proceedings for the redemption of the Series 2007 Bonds or the cessation of
16 interest on the date fixed for redemption.

17 When notice of redemption has been given substantially as provided for herein, and when
18 the redemption price of the Series 2007 Bonds called for redemption is set aside for the purpose
19 as described in subsection (e) of this Section, the Series 2007 Bonds designated for redemption
20 shall become due and payable on the specified redemption date and interest shall cease to accrue
21 thereon as of the redemption date, and upon presentation and surrender of such Series 2007
22 Bonds at the place specified in the notice of redemption, such Series 2007 Bonds shall be
23 redeemed and paid at the redemption price thereof out of the money provided therefor. The
24 Owners of such Series 2007 Bonds so called for redemption after such redemption date shall be
25 entitled to payment thereof only from the interest and sinking fund or the trust fund established
26 for such purpose. All Series 2007 Bonds redeemed shall be cancelled forthwith by the Paying
27 Agent and shall not be reissued.

1 (e) *Right to Rescind Notice.* The District may rescind any optional redemption and
2 notice thereof for any reason on any date prior to the date fixed for redemption by causing written
3 notice of the rescission to be given to the owners of the Series 2007 Bonds so called for
4 redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on
5 the date fixed for redemption moneys are not available in the interest and sinking fund or
6 otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the
7 principal of, interest, and any premium due on the Series 2007 Bonds called for redemption.
8 Notice of rescission of redemption shall be given in the same manner in which notice of
9 redemption was originally given. The actual receipt by the owner of any Series 2007 Bond of
10 notice of such rescission shall not be a condition precedent to rescission, and failure to receive
11 such notice or any defect in such notice shall not affect the validity of the rescission.

12 (f) *Funds for Redemption.* Prior to or on the redemption date of any Series 2007
13 Bonds there shall be available in the interest and sinking fund of the District, or held in trust for
14 such purpose as provided by law, monies for the purpose and sufficient to redeem, at the
15 redemption prices as in this County Resolution provided, the Series 2007 Bonds designated in the
16 notice of redemption. Such monies shall be applied on or after the redemption date solely for
17 payment of principal of, interest and premium, if any, on the Series 2007 Bonds to be redeemed
18 upon presentation and surrender of such Series 2007 Bonds, provided that all monies in the
19 interest and sinking fund of the District shall be used for the purposes established and permitted
20 by law. Any interest due on or prior to the redemption date shall be paid from the interest and
21 sinking fund of the District, unless otherwise provided to be paid from such monies held in trust.
22 If, after all of the Series 2007 Bonds have been redeemed and cancelled or paid and cancelled,
23 there are monies remaining in the interest and sinking fund of the District or otherwise held in
24 trust for the payment of redemption price of the Series 2007 Bonds, the monies shall be held in or
25 returned or transferred to the interest and sinking fund of the District for payment of any
26 outstanding bonds of the District payable from such fund; provided, however, that if the monies
27 are part of the proceeds of bonds of the District, the monies shall be transferred to the fund
28 created for the payment of principal of and interest on such bonds. If no such bonds of the

1 District are at such time outstanding, the monies shall be transferred to the general fund of the
2 District as provided and permitted by law.

3 (g) *Defeasance of Bonds.* If at any time the District shall pay or cause to be paid or
4 there shall otherwise be paid the principal, interest and premium, if any, on the Series 2007 Bonds
5 at the times and in the manner provided herein and in the Series 2007 Bonds, or as provided in the
6 following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall
7 cease to be entitled to the obligation of the District as provided in Section 7 hereof, and such
8 obligation and all agreements and covenants of the District and of the County to such Owners
9 hereunder and under the Series 2007 Bonds shall thereupon be satisfied and discharged and shall
10 terminate, except only that the District shall remain liable for payment of all principal, interest
11 and premium, if any, represented by the Series 2007 Bonds, but only out of monies on deposit in
12 the interest and sinking fund or otherwise held in trust for such payment; and provided further,
13 however, that the provisions of subsection (g) hereof shall apply in all events.

14 For purposes of this section, the District may pay and discharge any or all of the Series
15 2007 Bonds by depositing in trust with the Paying Agent or an escrow agent, selected by the
16 District with the approval of the County, at or before maturity, money or non-callable direct
17 obligations of the United States of America (including zero interest bearing State and Local
18 Government Series) or other non-callable obligations the payment of the principal of and interest
19 on which is guaranteed by a pledge of the full faith and credit of the United States of America, in
20 an amount which will, together with the interest to accrue thereon and available monies then on
21 deposit in the interest and sinking fund of the District, be fully sufficient to pay and discharge the
22 indebtedness on such Series 2007 Bonds (including all principal, interest and redemption
23 premiums) at or before their respective maturity dates.

24 (h) *Unclaimed Monies.* Any money held in any fund created pursuant to this County
25 Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal
26 of, redemption premium, if any, or interest on the Series 2007 Bonds and remaining unclaimed
27 for one year after the principal of all of the Series 2007 Bonds has become due and payable
28 (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking

1 fund of the District for payment of any outstanding bonds of the District payable from the fund;
2 or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to
3 the general fund of the District as provided and permitted by law.

4 **Section 9. Paying Agent.** (a) *Appointment; Payment of Fees and Expenses.* This
5 Board of Supervisors does hereby consent to and confirms the appointment of the U.S. Bank
6 National Association to act as the initial Paying Agent for the Series 2007 Bonds. All fees and
7 expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not
8 paid from the proceeds of sale of the Bonds, or from the interest and sinking fund of the District,
9 insofar as permitted by law, including specifically by Section 15232 of the California Education
10 Code, such fees and expenses shall be paid by the District.

11 (b) *Resignation, Removal and Replacement of Paying Agent.* The Paying Agent
12 initially appointed or any successor Paying Agent may resign from service as Paying Agent and
13 may be removed at any time by the District as provided in the Paying Agent's service agreement.
14 If at any time the Paying Agent shall resign or be removed, the District shall appoint a successor
15 Paying Agent, which shall be any bank, trust company, national banking association or other
16 financial institution doing business in and having a corporate trust office in Los Angeles or San
17 Francisco, California, with at least \$100,000,000 in net assets.

18 (c) *Principal Corporate Trust Office.* Unless otherwise specifically noted, any
19 reference herein to the "principal corporate trust office" of the Paying Agent shall mean the
20 corporate trust office of U.S. Bank National Association, in Los Angeles, California; provided,
21 however, that in any case "Paying Agent" shall refer to any successor paying agent/registrar,
22 authenticating agent and transfer agent for the Series 2007 Bonds, and "principal corporate trust
23 office" shall include the principal corporate trust office or other office of such successor Paying
24 Agent designated thereby for a particular purpose.

25 (d) *Registration Books.* The Paying Agent will keep or cause to be kept at its
26 principal corporate trust office sufficient books for the registration and transfer of the Series 2007
27 Bonds, which shall at all times be open to inspection by the District and the County, and, upon
28 presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it

1 may prescribe, register or transfer or cause to be registered or transferred on the Registration
2 Books, Series 2007 Bonds as provided in Section 10 and 11 hereof. The Paying Agent shall keep
3 accurate records of all funds administered by it and of all Series 2007 Bonds paid and discharged
4 by it. Such records shall be provided, upon reasonable request, to the County in a format
5 mutually agreeable to the Paying Agent and the County.

6 **Section 10. Transfer Under Book-Entry System; Discontinuation of Book-Entry**

7 **System.** (a) DTC is hereby appointed depository for the Series 2007 Bonds. The Series 2007
8 Bonds shall be issued in book-entry form only, and shall be initially registered in the name of
9 "Cede & Co.," as nominee of DTC. One bond certificate shall be issued for each maturity of the
10 Current Interest Bonds, and one bond certificate shall be issued for each maturity of the Capital
11 Appreciation Bonds. Registered ownership of such Series 2007 Bonds, or any portion thereof,
12 may not thereafter be transferred except as provided in this Section or Section 11 hereof:

13 (i) To any successor of DTC, or its nominee, or to any substitute depository
14 designated pursuant to clause (ii) of this section (a "substitute depository"); provided,
15 however that any successor of DTC, as nominee of DTC or substitute depository, shall be
16 qualified under any applicable laws to provide the services proposed to be provided by it;

17 (ii) To any substitute depository not objected to by the District or the County,
18 upon (1) the resignation of DTC or its successor (or any substitute depository or its
19 successor) from its functions as depository, or (2) a determination by the County (upon
20 consultation with the District) to substitute another depository for DTC (or its successor)
21 because DTC or its successor (or any substitute depository or its successor) is no longer
22 able to carry out its functions as depository; provided, that any such substitute depository
23 shall be qualified under any applicable laws to provide the services proposed to be
24 provided by it; or

25 (iii) To any person as provided below, upon (1) the resignation of DTC or its
26 successor (or substitute depository or its successor) from its functions as depository;
27 provided that no substitute depository which is not objected to by the County can be
28 obtained, or (2) a determination by the County (upon consultation with the District) that it

1 is in the best interests of the County to remove DTC or its successor (or any substitute
2 depository or its successor) from its functions as depository.

3 (b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of
4 this Section, upon receipt of the outstanding Series 2007 Bonds by the Paying Agent, together
5 with a written request of the District or County to the Paying Agent, a new Series 2007 Bond for
6 each maturity shall be executed and delivered (in the case of Current Interest Bonds, in the
7 aggregate principal amount of the Current Interest Bonds then outstanding, and in the case of
8 Capital Appreciation Bonds, in the aggregate maturity value of the Capital Appreciation Bonds
9 then outstanding), registered in the name of such successor or such substitute depository, or their
10 nominees, as the case may be, all as specified in such written request of the District or County. In
11 the case of any transfer pursuant to clause (iii) of subsection (a) of this section, upon receipt of the
12 outstanding Series 2007 Bonds by the Paying Agent together with a written request of the District
13 or County to the Paying Agent, new Series 2007 Bonds shall be executed and delivered in such
14 denominations, numbered in the manner determined by the Paying Agent, and registered in the
15 names of such persons, as are requested in such written request of the District or County, subject
16 to the limitations of Section 6 and the receipt of such a written request of the District or County,
17 and thereafter, the Series 2007 Bonds shall be transferred pursuant to the provisions set forth in
18 Section 11 of this County Resolution; provided, however, that the Paying Agent shall not be
19 required to deliver such new Series 2007 Bonds within a period of less than 60 days after the
20 receipt of any such written request of the District or County.

21 (c) In the case of partial redemption or an advance refunding of the Series 2007 Bonds
22 evidencing all or a portion of the principal amount then outstanding, DTC shall make an
23 appropriate notation on the Series 2007 Bonds indicating the date and amounts of such reduction
24 in principal.

25 (d) The County, the District and the Paying Agent shall be entitled to treat the person
26 in whose name any Series 2007 Bond is registered as the owner thereof, notwithstanding any
27 notice to the contrary received by the County, the District or the Paying Agent; and the County,
28 the District and the Paying Agent shall have no responsibility for transmitting payments to,

1 communicating with, notifying, or otherwise dealing with any beneficial owners of the Series
2 2007 Bonds, and neither the County, the District nor the Paying Agent shall have any
3 responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party,
4 including DTC or its successor (or substitute depository or its successor), except for the Owner of
5 any Series 2007 Bonds.

6 (e) So long as the outstanding Series 2007 Bonds are registered in the name of Cede &
7 Co. or its registered assigns, the District, the County and the Paying Agent shall cooperate with
8 Cede & Co., as sole registered Owner, or its registered assigns in effecting payment of the
9 principal of and interest on the Series 2007 Bonds by arranging for payment in such manner that
10 funds for such payments are properly identified and are made immediately available on the date
11 they are due.

12 **Section 11. Transfer and Exchange.** (a) *Transfer.* Following the termination or
13 removal of DTC or successor depository pursuant to Section 10 hereof, any Series 2007 Bond
14 may, in accordance with its terms, be transferred, upon the Registration Books, by the Owner
15 thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such
16 Series 2007 Bond to the Paying Agent for cancellation, accompanied by delivery of a duly
17 executed written instrument of transfer in a form approved by the Paying Agent.

18 Whenever any Series 2007 Bond or Series 2007 Bonds shall be surrendered for transfer,
19 the designated County officials shall execute and the Paying Agent shall authenticate and deliver,
20 as provided in Section 5, a new Series 2007 Bond or Series 2007 Bonds, of the same maturity,
21 Interest Date and interest rate (in the case of Current Interest Bonds, for a like aggregate principal
22 amount, and in the case of Capital Appreciation Bonds, for a like aggregate maturity value). The
23 Paying Agent may require the payment by any Owner of Series 2007 Bonds requesting any such
24 transfer of any tax or other governmental charge required to be paid with respect to such transfer.

25 No transfer of any Series 2007 Bond shall be required to be made by the Paying Agent (1)
26 during the period established by the Paying Agent for selection of the Series 2007 Bonds for
27 redemption, and (2) after any Series 2007 Bond has been selected for redemption.

1 (b) *Exchange.* The Series 2007 Bonds may be exchanged for Series 2007 Bonds of
2 other authorized denominations of the same maturity and Interest Date, by the Owner thereof, in
3 person or by the duly authorized attorney of such Owner, upon surrender of such Series 2007
4 Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request
5 for exchange in a form approved by the Paying Agent.

6 Whenever any Series 2007 Bond or Series 2007 Bonds shall be surrendered for exchange,
7 the designated County officials shall execute and the Paying Agent shall authenticate and deliver,
8 as provided in Section 5, a new Series 2007 Bond or Series 2007 Bonds of the same maturity and
9 interest payment mode and interest rate (in the case of Current Interest Bonds, for a like aggregate
10 principal amount, and in the case of Capital Appreciation Bonds, for a like aggregate maturity
11 value). The Paying Agent may require the payment by the Owner requesting such exchange of
12 any tax or other governmental charge required to be paid with respect to such exchange.

13 No exchange of any Series 2007 Bonds shall be required to be made by the Paying Agent
14 (1) during the period established by the Paying Agent for selection of the Series 2007 Bonds for
15 redemption, and (2) after any Series 2007 Bond has been selected for redemption.

16 **Section 12. Sale of Bonds; Contract of Purchase.** The Contract of Purchase
17 submitted to and on file with the Clerk to this Board of Supervisors providing for the sale by this
18 Board of Supervisors and the purchase by the Underwriter of the Series 2007 Bonds at a purchase
19 price to be set forth therein (which purchase price shall be approved by the Treasurer, this Board
20 of Supervisors hereby expressly delegating to such officer the authority to execute the Contract of
21 Purchase on its behalf), is hereby approved; provided, however, that (a) true interest cost for the
22 Series 2007 Bonds shall not be in excess of 6.00%, (b) the interest rate on the Current Interest
23 Bonds shall not exceed 6.00% per annum, (c) the Capital Appreciation Bonds shall accrete in
24 value to their maturity values at a compounded interest rate not to exceed 12.00% per annum, (d)
25 the minimum price for the Series 2007 Bonds shall be not less than the aggregate principal
26 amount thereof, (e) the Underwriter's discount for the sale of the Series 2007 Bonds shall not
27 exceed 1.00% of the principal amount of the Series 2007 Bonds exclusive of any costs of issuance
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1 the Underwriter contracts to pay, and (f) the Series 2007 Bonds shall otherwise conform to the
2 limitations specified herein.

3 The Contract of Purchase shall recite the aggregate principal amount of the Series 2007
4 Bonds, and with respect to the Current Interest Bonds, shall recite the date thereof, the maturity
5 dates, principal amounts and annual rates of interest of each maturity thereof, the initial and
6 semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund
7 redemption thereof, if any; and with respect to the Capital Appreciation Bonds, shall recite the
8 date thereof, the initial principal amounts, maturity dates, and maturity values of each maturity
9 thereof, the initial and semiannual Interest Dates thereof, and the terms of optional and mandatory
10 sinking fund redemption thereof, if any.

11 The Treasurer (or an authorized deputy or delegate of the Treasurer) is hereby authorized
12 and directed to accept the offer of the Underwriter when the offer is satisfactory to the Treasurer,
13 and to execute and deliver the Contract of Purchase on behalf of the County in substantially the
14 form now on file with this Board of Supervisors, with such changes therein as shall be approved
15 by the authorized officer of the County executing the same, and such execution shall constitute
16 conclusive evidence of the Treasurer's approval and the Board of Supervisors' approval of any
17 change therein from the form of such Contract of Purchase.

18 **Section 13. Deposit and Investment of Proceeds.** (a) The proceeds from the sale of
19 the Series 2007 Bonds, exclusive of any premium and accrued interest received, shall be
20 deposited in the County treasury and credited to the building fund of the District. Any premium
21 (net of any discount) and accrued interest received shall be deposited upon receipt in the interest
22 and sinking fund of the District within the County treasury maintained by the County Auditor-
23 Controller. The County makes no assurances regarding the use of the Series 2007 Bond proceeds.

24 (b) All funds held by the Treasurer hereunder shall be invested by the Treasurer
25 pursuant to State law and the investment policy of the County.

26 (i) At the written request of the District, all or any portion of the building fund
27 of the District may be invested in the Local Agency Investment Fund in the treasury of the
28 State of California.

1 (ii) At the written request of the District, all or any portion of the building fund
2 of the District may be invested on behalf of the District in investment agreements,
3 including guaranteed investment contracts, which comply with the requirements of each
4 rating agency then rating the Series 2007 Bonds necessary in order to maintain the then-
5 current rating on the Series 2007 Bonds.

6 **Section 14. Tax Covenant.** The County acknowledges and relies upon the fact that the
7 District has represented and covenanted that it shall not take any action, or fail to take any action,
8 if such action or failure to take such action would adversely affect the exclusion from gross
9 income of the interest payable on the Series 2007 Bonds under Section 103 of the Code, and that
10 the County will comply with written instructions of the District which are necessary for the
11 District to meet the requirements of the Tax Certificate of the District with respect to the Series
12 2007 Bonds, to be entered into by the District as of the date of issuance of the Series 2007 Bonds,
13 and further that such representation and covenant shall survive payment in full or defeasance of
14 the Series 2007 Bonds

15 **Section 15. Continuing Disclosure Certificate.** The County acknowledges and relies
16 upon the fact that the District has represented that it shall execute a Continuing Disclosure
17 Certificate containing such covenants of the District as shall be necessary to comply with the
18 requirements of Securities and Exchange Commission Rule 15c2-12. The County acknowledges
19 and relies upon the fact that the District has covenanted that it will comply with and carry out all
20 of the provisions of such Continuing Disclosure Certificate. The District shall function as or
21 cause the appointment of a dissemination agent, who shall perform all duties and obligations of
22 the Dissemination Agent as set forth in the Continuing Disclosure Certificate, and the County
23 shall have no responsibilities either for compliance with the Continuing Disclosure Certificate or
24 for the duties of the Dissemination Agent.

25 **Section 16. Limited Responsibility for Official Statement.** Neither the Board of
26 Supervisors nor any officer of the County has prepared or reviewed the Official Statement of the
27 District describing the Series 2007 Bonds, and the Board of Supervisors and the various officers
28 of the County take no responsibility for the contents or distribution thereof; provided, however,

1 that solely with respect to a section contained or to be contained therein describing the County's
2 investment policy, current portfolio holdings, and valuation procedures, as they may relate to
3 funds of the District, the Treasurer is hereby authorized and directed to prepare and review such
4 information for inclusion in the District's Official Statement and in a preliminary Official
5 Statement, and to certify to the District prior to or upon the issuance of the Series 2007 Bonds that
6 the information contained in such section does not contain any untrue statement of a material fact
7 or omit to state any material fact necessary in order to make the statements made therein, in the
8 light of the circumstances under which they are made, not misleading.

9 **Section 17. Approval of Actions.** The Chairperson of the Board of Supervisors, the
10 Clerk to the Board of Supervisors, the County Auditor-Controller, the County Counsel, and the
11 Treasurer and the deputies and designees of any of them, are hereby authorized and directed to
12 execute and deliver any and all certificates and representations, as may be acceptable to County
13 Counsel, including signature certificates, no-litigation certificates, and other certificates proposed
14 to be distributed in connection with the sale of the Series 2007 Bonds, necessary and desirable to
15 accomplish the transactions authorized herein.

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EXHIBIT A
[Form of Current Interest Bond]

Number _____ UNITED STATES OF AMERICA Amount \$ _____
R- _____
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

SAN JACINTO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2007

CURRENT INTEREST BOND

Maturity Date _____ Interest Rate _____ Dated as of _____ CUSIP NO. _____
_____ 1, 20__ % _____, 2007 _____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

The San Jacinto Unified School District, County of Riverside, State of California (herein called the "District"), is obligated and promises to pay, but only from taxes collected by the County of Riverside (the "County") for such purposes pursuant to Section 15250 of the California Education Code, to the registered owner identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the principal sum specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before _____ 15, 200_, in which event it shall bear interest from the date hereof) at the interest rate per annum stated above, payable commencing on _____ 1, 200_, and thereafter on February 1 and August 1 in each year, until payment of the principal sum.

The principal hereof is payable to the registered owner hereof upon the surrender hereof at the principal corporate trust office (as defined in the County Resolution) of U.S. Bank National Association, Los Angeles, California (herein called the "Paying Agent"), the paying agent/registrant and transfer agent of the District. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the registered owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of current interest Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid in immediately available funds (e.g., by wire transfer) to an account maintained in the United States as specified by the owner in such request. So long as Cede & Co. or its registered assigns shall be the registered owner of this bond, payment shall

be made in immediately available funds as provided in the County Resolution hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$_____, and designated as "San Jacinto Unified School District General Obligation Bonds, Election of 2006, Series 2007" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 7, 2006. The Bonds are issued and sold by the Board of Supervisors of the County pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and of a resolution (herein called the "County Resolution") adopted by the Board of Supervisors of the County on _____, 2007, and subject to the more particular terms specified in the Purchase Contract, dated as of _____, 2007, by and among the District, the County and UBS Securities LLC.

The current interest Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no current interest Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the County Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same series, interest payment mode, and maturity of other authorized denominations.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the County Resolution, and upon surrender and cancellation of this bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations of the same series, interest payment mode, and same aggregate principal amount will be issued to the transferee in exchange herefor.

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

The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the County Resolution, and as shown in the attached Redemption Schedule. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

In reliance upon the representations, certifications and declarations of the District, the Board of Supervisors of the County hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this bond, is within the limit provided by law; that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond; and that this bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. The Bonds are obligations of the District payable out of the interest and sinking fund of the District, and the money for the payment of principal of, premium, if any, and interest the Bonds shall be raised by taxation upon the taxable property of the District. The Bonds do not constitute a debt, liability or

obligation of the County and no part of any fund or account of the County is pledged or obligated to the payment of the Bonds.

This bond shall not be entitled to any benefit under the County Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the County of Riverside has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chairperson of the Board of Supervisors of the County and the Treasurer-Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

Chairperson of the Board of
Supervisors of the County of Riverside

[SEAL]

Treasurer-Tax Collector of
the County of Riverside

Countersigned:

Clerk to the Board of Supervisors of
the County of Riverside

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This is one of the current interest Bonds described in the within-mentioned County Resolution and authenticated and registered on _____.

U.S. Bank National Association, Los Angeles,
California, as Paying Agent/Registrar and Transfer
Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

[STATEMENT OF INSURANCE]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number _____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____

Notice: Signature must be guaranteed by an eligible guarantor institution.

REDEMPTION SCHEDULE

SAN JACINTO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2006, SERIES 2007

EXHIBIT B
[Form of Capital Appreciation Bond]

Number CAB-__	UNITED STATES OF AMERICA STATE OF CALIFORNIA COUNTY OF RIVERSIDE	Maturity Value \$ _____
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SAN JACINTO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2007
CAPITAL APPRECIATION BOND

Maturity Date _____ 1, 20__	Dated as of _____, 2007	CUSIP NO. _____
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Registered Owner: CEDE & CO.

Initial Principal Amount: _____ DOLLARS

Accreted Value at Maturity: _____ DOLLARS

The San Jacinto Unified School District of the County of Riverside, State of California (herein called the "District"), is obligated and promises to pay, but only from taxes collected by the County of Riverside (the "County") for such purposes pursuant to Section 15250 of the California Education Code, on the maturity date specified above or upon prior redemption hereof, in lawful money of the United States of America, to the registered owner identified above or registered assigns, the accreted value hereof on such date, consisting of the initial principal amount hereof plus interest accreted thereon to such date (in accordance with the County Resolution hereinafter defined and as reflected in the Table of Accreted Values hereinafter set forth; provided, that any accreted value determined in accordance with the County Resolution shall prevail over any accreted values given in the Table of Accreted Values), commencing on the date hereof, compounded on February 1 and August 1 of each year commencing on _____ 1, 200_, assuming in any such semiannual period that such interest accretes in equal daily amounts on the basis of a 360-day year of twelve 30-day months, until the obligation represented hereby shall have been discharged, as provided in the County Resolution hereinafter defined, upon the surrender hereof at the principal corporate trust office (as defined in the County Resolution) of U.S. Bank National Association, Los Angeles, California (herein called the "Paying Agent"), the paying agent/registrars and transfer agent of the District.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates or yields, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$ _____ principal amount, and designated as "San Jacinto Unified School District General Obligation Bonds, Election of 2006, Series 2007" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 7, 2006. The Bonds are issued and sold by the Board of Supervisors of the County pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and of a resolution (herein called the

"County Resolution") adopted by the Board of Supervisors of the County on _____, 2007, and subject to the more particular terms specified in the Purchase Contract, dated as of _____, 2007, by and among the District, the County and UBS Securities LLC.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 accreted value at maturity (the "maturity value") or any integral multiple thereof, except that the first numbered Bond may be issued in a denomination such that the maturity value of such Bond shall not be in an integral multiple of \$5,000, and provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the County Resolution, Bonds may be exchanged for a like aggregate maturity value of Bonds of the same series, interest payment mode, and maturity of other authorized denominations.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the County Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations for the same Series 2007 Bond interest payment mode and same aggregate maturity value will be issued to the transferee in exchange herefor.

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

The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the County Resolution, and as shown in the attached Redemption Schedule. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

In reliance upon the representations, certifications and declarations of the District, the Board of Supervisors of the County hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this bond, is within the limit provided by law, that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond, and that this bond is in substantially the form prescribed by order of this Board duly made and entered on its minutes. The Bonds are obligations of the District payable out of the interest and sinking fund of the District, and the money for the payment of the maturity value of this bond (or redemption price hereof upon redemption prior to maturity) shall be raised by taxation upon the taxable property of the District. The Bonds do not constitute a debt, liability or obligation of the County and no part of any fund or account of the County is pledged or obligated to the payment of the Bonds.

This bond shall not be entitled to any benefit under the County Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the County of Riverside has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chairperson of the Board of Supervisors of the County and the Treasurer-Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

Chairperson of the Board of
Supervisors of the County of Riverside

[SEAL]

Treasurer-Tax Collector of
the County of Riverside

Countersigned:

Clerk to the Board of Supervisors of the
County of Riverside

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on _____.

U.S. Bank National Association, Los Angeles,
California, as Paying Agent/Registrar and Transfer
Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

[STATEMENT OF INSURANCE]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number _____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____
Notice: Signature must be guaranteed by an eligible guarantor institution.

REDEMPTION SCHEDULE

**SAN JACINTO UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2006, SERIES 2007**

[TABLE OF ACCRETED VALUES]