

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

038



FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
May 29, 2009

SUBJECT: Resolution No. 2009-194 - Corona-Norco Unified School District Fiscal Year 2009-2010 Tax and Revenue Anticipation Notes (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2009-194 providing for issuance and sale of Tax and Revenue Anticipation Notes for the Corona-Norco Unified School District (the "District") in a principal amount not to exceed \$50,000,000.

BACKGROUND: Government Code Section 53853 provides that a school district's tax and revenue anticipation notes are to be issued by the Board of Supervisors of Riverside County when the Riverside County Superintendent of Schools has jurisdiction over that district. The Riverside County Superintendent of Schools has jurisdiction over the District, therefore the District has requested, by resolution, that the Board of Supervisors issue Corona-Norco Unified School District Tax and Revenue Anticipation Notes on behalf of the District. The District requests the issuance of the Notes to fund its short-term operating cash requirements during the 2009-2010 fiscal year.

Resolution No. 2009-194 authorizes the issuance of Corona-Norco Unified School District Tax and Revenue Anticipation Notes in a principal amount not to exceed \$50,000,000. The District has pledged certain of its unrestricted revenues to be received during fiscal year 2009-2010 for the repayment of the Notes.

When issued, the notes will represent a general obligation of the District. The Notes will not constitute an obligation of the County. No funds of the County are pledged to the repayment of the Notes.

Don Kent

Don Kent, Treasurer-Tax Collector

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE**
BY: *Christopher M. Hans*

County Executive Office Signature Christopher M. Hans

- Policy
- Policy
- Consent
- Consent
- Dept't Recomm.:
- Per Exec. Ofc.:

FORM APPROVED COUNTY COUNSEL
BY: *Dale A. Gardner*
DATE: 5/29/09
DALE A. GARDNER

Departmental Concurrence

Prev. Agn. Ref.: _____ District: _____ Agenda Number: **3.59**

RESOLUTION NO. 2009-194

RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY PROVIDING FOR THE ISSUANCE OF CORONA-NORCO UNIFIED SCHOOL DISTRICT, RIVERSIDE COUNTY, STATE OF CALIFORNIA, 2009-10 TAX AND REVENUE ANTICIPATION NOTES

FORM APPROVED COUNTY COUNSEL
BY *[Signature]* 5/26/09
DALE A. GARDNER DATE

1 BOARD OF SUPERVISORS,
2 RIVERSIDE COUNTY, STATE OF CALIFORNIA

3 RESOLUTION NO. 2009-194

4 RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE
5 COUNTY PROVIDING FOR THE ISSUANCE OF CORONA-NORCO
6 UNIFIED SCHOOL DISTRICT, RIVERSIDE COUNTY, STATE OF
7 CALIFORNIA, 2009-10 TAX AND REVENUE ANTICIPATION NOTES

8 WHEREAS, pursuant to Section 53850 *et seq.* of the Government Code of the State
9 of California (the "Act") contained in Article 7.6 thereof, entitled "Temporary Borrowing"
10 that provides for temporary borrowing by certain local agencies, on or after the first day of
11 any fiscal year (being July 1), a school district may borrow money by issuing notes for any
12 purpose for which the school district is authorized to expend moneys, including but not
13 limited to current expenses, capital expenditures, and the discharge of any obligation or
14 indebtedness of the school district; and

15 WHEREAS, Section 53853 of the Act provides that such notes must be issued in the
16 name of the school district by the board of supervisors of a county, the county superintendent
17 of which has jurisdiction over the school district, as soon as possible following the receipt of
18 a resolution of the governing board of the school district requesting the borrowing; and

19 WHEREAS, the County Superintendent of Riverside County (the "County") has
20 jurisdiction over the Corona-Norco Unified School District (the "District"), and this Board of
21 Supervisors of the County (the "County Board") has received a resolution of the Board of
22 Education of the District (the "District Board"), being the governing board of the District,
23 dated June 2, 2009, entitled "RESOLUTION OF THE BOARD OF EDUCATION OF THE
24 CORONA-NORCO UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF
25 2009-10 TAX AND REVENUE ANTICIPATION NOTES FOR THE DISTRICT AND
26 REQUESTING THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY TO ISSUE
27 THE NOTES" (the "District Resolution") which District Resolution requests the borrowing
28 of not exceeding Fifty Million Dollars (\$50,000,000) at an interest rate not to exceed the
maximum rate allowed by law, through the issuance by the County Board of 2009-10 Tax
and Revenue Anticipation Notes (the "Notes") in the name of the District; and

WHEREAS, such Notes are payable on a date that is not later than thirteen months
after the date of issue, and such Notes shall be payable only from the District's revenue
received or accrued during the fiscal year in which issued; and

WHEREAS, pursuant to Section 53856 of the Act, the District may pledge any taxes,
income, revenue, cash receipts or other moneys deposited in inactive or term deposits (but
excepting certain moneys encumbered for a special purpose); and the District Resolution
specifies that certain unrestricted revenues that will be received by the District for the
General Fund of the District during or allocable to fiscal year 2009-10 are pledged for the
payment of the Notes; and

WHEREAS, the Notes shall be a general obligation of the District, and to the extent
not paid from the taxes, income, revenue, cash receipts and other moneys of the District

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 5/28/09 DATE

1 pledged for the payment thereof shall be paid with interest thereon from any other moneys of
2 the District lawfully available therefor, as required by Section 53857 of the Act, and shall not
3 in any way be payable from County moneys; and

4 WHEREAS, the Notes shall be in denominations of \$5,000 or integral multiples
5 thereof, as permitted by Section 53854 of the Act; shall be issued on a date to be designated,
6 as permitted by Section 53853 of the Act; and shall be in the form and executed in the
7 manner prescribed in the District Resolution and herein, as required by Section 53853 of the
8 Act; and

9 WHEREAS, the County Board has no independent knowledge of but accepts the
10 determination by the District that said \$50,000,000 maximum principal amount of Notes to
11 be issued by the County Board in fiscal year 2009-10, when added to the interest payable
12 thereon, does not exceed eighty-five percent (85%) of the estimated amount of the
13 uncollected taxes, income, revenue (including but not limited to revenue from state and
14 federal governments), cash receipts and other moneys of the District which will be available
15 for the payment of the Notes and interest thereon, as required by Section 53858 of the Act;
16 and

17 WHEREAS, the District has determined that the Notes will not be outstanding after a
18 period ending thirteen months after the date on which such Notes are issued and will not be
19 issued in an amount greater than the maximum anticipated cumulative cash flow deficit to be
20 financed by the anticipated tax or other revenue sources for the period for which such taxes
21 or other revenues are anticipated and during which such Notes are outstanding, all as
22 provided in Section 1.103-14(c) of the Income Tax Regulations of the United States
23 Treasury;

24 NOW, THEREFORE, the Board of Supervisors of Riverside County hereby resolves
25 as follows:

26 Section 1. Authorization of Issuance of Notes: Terms Thereof; Paying Agent.
27 The County Board hereby authorizes the issuance, in the name of the District, of an amount
28 not to exceed \$50,000,000 principal amount of Notes under Sections 53850 et seq. of the Act,
designated "Corona-Norco Unified School District, Riverside County, State of California,
2009-10 Tax and Revenue Anticipation Notes" (the "Notes"); to be numbered from 1
consecutively upward in order of issuance; to be in the denominations of \$5,000, or integral
multiples thereof; to be dated the date of delivery thereof; to mature (without option of prior
redemption) on the date set forth in the official statement pertaining to the Notes (the
"Official Statement"), but in no event later than thirteen months after the date of issuance, or
if such date is not a day on which banks in New York or California are open for business, on
the last day such banks are open for business prior to such date, or some later date as set forth
in the official statement pertaining to the Notes (the "Official Statement"), but in no event
later than thirteen months after the date of issuance, (on a 30-day month/360-day year basis),
as described in the Official Statement; and unless otherwise provided for in the Notes or in
the Official Statement, to bear interest, payable on or before the twelve month anniversary
following the date of issuance and at maturity and computed on a 30-day month/360-day year
basis at the rate or rates determined at the time of sale thereof, but not in excess of six percent
(6%) per annum. Both the principal of and interest on the Notes shall be payable, only upon
surrender thereof, in lawful money of the United States of America at the office of the

1 Treasurer-Tax Collector of Riverside County, which is hereby designated to be the paying
2 agent for the Notes (in such capacity, the "Paying Agent"). No interest shall be payable on
3 any Note for any period after maturity during which the registered owner thereof fails to
4 properly present such Note for payment. The Treasurer-Tax Collector of Riverside County is
5 authorized to contract with any third party to perform the services of Paying Agent
6 hereunder. This Board hereby approves the payment of the reasonable fees and expenses of
7 the Paying Agent as they shall become due and payable.

8 Section 2. Form of Notes. The Notes shall be issued in registered form, without
9 coupons, and shall be substantially in the form and substance set forth in Exhibit A attached
10 hereto and by reference incorporated herein, the blanks in said form to be filled in with
11 appropriate words and figures. The Notes shall be initially registered in the name of "Cede &
12 Co." as nominee of The Depository Trust Company, and shall be evidenced by one note in
13 the full principal amount of the Notes. The Depository Trust Company, New York, New
14 York is hereby appointed depository for the Notes (the "Depository"). Registered ownership
15 may not thereafter be transferred except as set forth in Section 4 hereof. There shall be
16 simultaneously delivered with each Note, the legal opinion of Stradling Yocca Carlson &
17 Rauth, a Professional Corporation respecting the validity of said Notes.

18 Section 3. Transfer and Exchange of Notes. In the event the Notes are no longer
19 registered in the name of "Cede & Co.", the registration of any Note may, in accordance with
20 its terms, be transferred, upon the registration books kept by the Paying Agent for such
21 purpose, by the person in whose name it is registered, in person or by his or her duly
22 authorized attorney, upon surrender of such Note for cancellation, accompanied by delivery
23 of a written instrument of transfer, duly executed in a form approved by the Paying Agent.

24 Whenever any Note shall be surrendered for registration or transfer, the Paying Agent
25 shall execute and deliver a new Note, for a like aggregate principal amount. The Paying
26 Agent shall require the Note owner requesting such registration of transfer to pay any tax or
27 other governmental charge required to be paid with respect to such transfer. The Paying
28 Agent may require the owner requesting such registration of transfer to pay such additional
reasonable charge as may be necessary to cover customary expenses incurred and fees
charged by the Paying Agent with respect to such registration of transfer. The Paying Agent
may treat the registered owner of any Note as the absolute owner thereof for all purposes
whatsoever in accordance with this resolution, and the Paying Agent shall not be affected by
any notice to the contrary.

Subject to the provisions of Section 4 hereof, Notes may be exchanged at the office of
the Paying Agent for a like aggregate principal amount of Notes in other authorized
denominations. The Paying Agent shall require the payment by the Note owner requesting
such exchange of any tax or other governmental charge required to be paid with respect to
such exchange. The District may require the owner requesting such exchange to pay such
additional reasonable charge as may be necessary to cover customary expenses incurred and
fees charged by the Paying Agent with respect to such exchange.

1 Company or its successor (or substitute depository or its successor), except for the Owner of
2 any Notes.

3 (D) So long as the outstanding Notes are registered in the name of Cede &
4 Co. or its registered assigns, the Paying Agent shall cooperate with Cede & Co., as sole
5 registered Owner, or its registered assigns in effecting payment of the principal of and
interest on the Notes by arranging for payment in such manner that funds for such payments
are properly identified and are made immediately available on the date they are due.

6 Section 5. Deposit of Note Proceeds. The moneys so borrowed shall be
7 deposited in the General Fund of the District.

8 Section 6. Payment of Notes.

9 (a) Source of Payment. The principal amount of the Notes, together with
10 the interest thereon, shall be payable from taxes, income, revenue, cash receipts, and other
11 money of the District as provided in Section 53856 of the Act, which are received or accrued
12 during fiscal year 2009-10 for the General Fund of the District and which are lawfully
13 available for the payment of current expenses and other obligations of the District (the
14 "Unrestricted Revenues"), and are not payable from moneys of the County. The Notes shall
15 be a general obligation of the District, and to the extent the Notes and the interest thereon are
16 not paid from the Unrestricted Revenues transferred to the Repayment Fund, defined below,
17 the Notes shall be paid with interest thereon from any other moneys of the District lawfully
18 available therefor, as provided in the District Resolution and by law. Notwithstanding
19 anything to the contrary contained herein or in any document mentioned herein or related to
20 the Notes, the County shall not have any monetary liability hereunder or by reason hereof or
21 in connection with the transactions contemplated hereby and the Notes shall be payable
22 solely from the moneys of the District available therefor as set forth in this Section and in
23 Section 4 of the District Resolution. Further, the County shall have no responsibility for or
24 liability as a result of the use of the proceeds of the sale of the Notes.

25 (b) Pledged Revenues and Other Moneys. Unless otherwise provided for
26 in the Notes or in the Official Statement, as security for the payment of the principal of and
27 interest on the Notes, as provided in the District Resolution, the District has pledged to
28 transfer to the Repayment Fund an amount equal to fifty percent (50%) of the principal
amount of the Notes from the Unrestricted Revenues received by the District in the month
ending January 31, 2010; and an amount equal to fifty percent (50%) of the principal amount
of the Notes from the Unrestricted Revenues received by the District in the month ending
April 30, 2010; plus an amount sufficient to pay interest on the Notes and any deficiency in
the amount required to be deposited during any prior month, from Unrestricted Revenues
received by the District in the month ending May 31, 2010 (such pledged amounts being
hereinafter called the "Pledged Revenues").

The principal of the Notes and the interest thereon shall be a first lien and
charge against and shall be payable from the first moneys received by the District from such
Pledged Revenues as provided in Section 53856 of the Act and upon amounts in the
Repayment Fund.

In the event that there are insufficient Unrestricted Revenues received by the

1 District to permit the deposit of the full amount of Pledged Revenues to be deposited in the
2 Repayment Fund, as hereinafter defined, from Unrestricted Revenues in any month, then the
3 amount of such deficiency shall be satisfied and made up from any other moneys of the
4 District lawfully available for the repayment of the Notes and the interest thereon, all as
5 provided in Sections 53856 and 53857 of the Act (the "Other Moneys"). Such Other Moneys
and any Unrestricted Revenues shall be transferred to the Repayment Fund on a daily basis,
as such amounts are received by the District, until the required deposits to the Repayment
Fund for such month and any prior month have been made.

6 (c) Deposit of Pledged Revenues and Other Moneys in Repayment Fund.

7 The Pledged Revenues and any Other Moneys transferred in accordance with Section 4(b)
8 above shall be held (in accordance with the District Resolution) in a special fund designated
9 as the "Corona-Norco Unified School District, Riverside County, State of California, 2009-
10 10 Tax and Revenue Anticipation Notes Repayment Fund" (herein called the "Repayment
11 Fund") and applied as directed in this resolution. Any moneys accounted for in the
Repayment Fund shall be for the benefit of the holders of the Notes, and until the Notes and
all interest thereon are paid or until provision has been made for the payment of the Notes at
maturity with interest to maturity, the moneys accounted for in the Repayment Fund shall be
applied only for the purposes for which the Repayment Fund is created.

12 (d) Disbursement and Investment of Moneys in Repayment Fund. From

13 the date this resolution takes effect, all Pledged Revenues and Other Moneys shall, when
14 received, be deposited in the Repayment Fund. After such date as the amount of Pledged
15 Revenues and Other Moneys deposited in the Repayment Fund shall be sufficient to pay in
16 full the principal of and interest on the Notes, when due, any moneys in excess of such
amount remaining in or accruing to the Repayment Fund shall be transferred to the General
Fund of the District upon the request of the District. On the maturity date of the Notes, the
moneys in the Repayment Fund shall be used, to the extent necessary, to pay the principal of
and interest on the Notes.

17 Moneys in the Repayment Fund shall be invested in accordance with the provisions
18 of the District Resolution. To the extent that moneys invested or held by the County are
19 subject to arbitrage rebate, neither the County nor any officer or employee of the County
20 shall assume hereunder or under the provisions of any rebate certificate any duty or
21 obligation to make the actual calculations of arbitrage rebate liability of the District, or to pay
any such rebate or any penalties in regard thereto if the District miscalculates or fails to pay
or cause such rebate or such penalties to be paid.

22 Section 7. Execution of Notes. The Treasurer-Tax Collector, or a designated
23 deputy thereof, is hereby authorized to sign the Notes manually; and the Clerk of the County
24 Board (the "Clerk") is hereby authorized to countersign the Notes manually or by facsimile
25 signature; the Clerk is hereby authorized to affix the seal of the County Board thereto by
facsimile impression thereof; and said officers are hereby authorized to cause the blank
spaces thereof to be filled in as may be appropriate.

26 Section 8. Approval of Contract of Purchase. The Notes shall be sold by
27 negotiated sale to Piper Jaffray & Co. (the "Underwriter"). The form of Contract of Purchase
28 for the Notes, substantially in the form presented to this meeting and on file with the Clerk of
the County Board is hereby approved. The Treasurer-Tax Collector or the Treasurer-Tax

1 Collector's designee are hereby authorized to execute and deliver the Contract of Purchase on
2 behalf of the County, such approval to be conclusively evidenced by his or her execution and
3 delivery thereof; provided, however, that the maximum interest rate on the Notes shall not
4 exceed six percent (6%) per annum and the underwriter's discount shall not exceed one
5 quarter of one percent (0.25%) of the par amount of the Notes. The Treasurer-Tax Collector
6 or the Treasurer-Tax Collector's designee are hereby further authorized to determine the
7 maximum principal amount of Notes to be specified in the Contract of Purchase, up to
8 \$50,000,000, and to enter into and execute the Contract of Purchase with the Underwriter, if
9 the conditions set forth in this resolution are satisfied.

6 Section 9. Authorization of Preliminary Official Statement and Official
7 Statement. The District will prepare a Preliminary Official Statement and an Official
8 Statement relating to the Notes, to be used by the Underwriter in connection with the offering
9 and sale of the Notes. The Superintendent of the District, the Assistant Superintendent,
10 Business Services or the Superintendent's designee have been authorized to execute and
11 deliver the Official Statement on behalf of the District and to deem "final" pursuant to
12 Rule 15c2-12 of the Securities Exchange Act of 1934 the preliminary Official Statement
13 prior to its distribution.

11 Section 10. Delivery of Notes. The proper officers of the County Board are
12 hereby authorized and directed to deliver the Notes to the Underwriter in accordance
13 herewith. All actions heretofore taken by the officers and agents of the County Board with
14 respect to the sale and issuance of the Notes are hereby approved, confirmed and ratified, and
15 the officers of the County Board are hereby authorized and directed, for and in the name and
16 on behalf of the County Board, to do any and all things and take any and all actions and
17 execute and deliver any and all certificates, agreements and other documents, which they, or
18 any of them, may deem necessary or advisable in order to consummate the lawful issuance
19 and delivery of the Notes in accordance with this resolution and the District Resolution.

17 Section 11. Further Actions Authorized. It is hereby covenanted that the County,
18 and its appropriate officials, have duly taken all proceedings necessary to be taken by them,
19 and will take any additional proceedings necessary to be taken by them, for the levy,
20 collection and enforcement of the taxes income, revenue, cash receipts and other moneys
21 pledged under the District Resolution in accordance with the law in order to consummate the
22 lawful issuance and delivery of the Notes in accordance with the District Resolution and to
23 manage the Note proceeds and repayment funds, including, without limitation, the execution
24 and delivery of agreements with paying agents, security depositories and investment
25 agreement providers, and for otherwise carrying out the provisions of the District Resolution
26 and of this resolution.

23 Section 12. Investment of Note Proceeds. Notwithstanding anything to the
24 contrary contained herein, the proceeds of the Notes shall be pledged to the payment of the
25 Notes in the event and to the extent sufficient Pledged Revenues of the District and Other
26 Moneys are not deposited into the Repayment Fund as required by the District Resolution. In
27 addition to investments in the Treasurer-Tax Collector's Investment Pool, pursuant to Section
28 53601(1) of the Government Code of the State of California, the following are hereby
designated as additional authorized investments for the proceeds of the Notes and the
Repayment Fund: (i) a guaranteed investment contract with a financial institution or
insurance company which has or its guarantor has at the date of execution thereof one or

1 more outstanding issues of unsecured, uninsured and unguaranteed debt obligations or a
2 claims paying ability rated not lower than the second highest rating category (without regard
3 to subcategories) by Standard & Poor's Ratings Services and Moody's Investors Service (in
4 which case, the District Board has authorized the Superintendent or the Assistant
5 Superintendent, Business Services of the District to execute a certificate of indemnity holding
6 the Treasurer-Tax Collector and the County, its officers, employees and servants harmless
7 and indemnifying them from any costs, liabilities, claims or damages, including but not
8 limited to attorneys' fees, caused by or arising from the investment of the funds in such an
9 instrument, or, alternatively, a written agreement to pay for any costs, liabilities, claims or
10 damages, including but not limited to attorneys' fees, to the Treasurer-Tax Collector, the
11 County, its officers, employees and servants, caused by or arising from the investment of the
12 funds in such an instrument); or (ii) the Local Agency Investment Fund (LAIF) administered
13 by the State of California.

14 Section 13. Recitals. All the recitals in this resolution above are true and correct
15 and this County Board so finds, determines and represents.

16 Section 14. Effective Date. This resolution shall take effect immediately upon its
17 passage.

18 The foregoing resolution was adopted by the Board of Supervisors of the County of
19 Riverside on June 9, 2009.

COUNTY OF RIVERSIDE

By: _____
Chairman

20 ATTEST:

21 _____
22 Clerk of the Board of Supervisors
23
24
25
26
27
28

EXHIBIT A
FORM OF NOTE

REGISTERED
No. 1

REGISTERED
\$

CORONA-NORCO UNIFIED SCHOOL DISTRICT
RIVERSIDE COUNTY
STATE OF CALIFORNIA

2009-10 TAX AND REVENUE ANTICIPATION NOTE

<u>Rate of Interest:</u>	<u>Note Date:</u>	<u>Maturity Date:</u>	<u>CUSIP:</u>
____%	____, 200	____, 2010	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

FOR VALUE RECEIVED, the Corona-Norco Unified School District (the "District"), Riverside County, State of California, acknowledges itself indebted to and promises to pay the Registered Owner identified above, or registered assignee, at the office of the Treasurer-Tax Collector of Riverside County (the "Paying Agent"), the Principal Amount specified above in lawful money of the United States of America, on the Maturity Date set forth above, together with interest thereon at the Rate of Interest per annum set forth above (computed on the basis of a 360-day year composed of twelve 30-day months), in like lawful money of the United States of America from the date hereof until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable only to the Registered Owner hereof upon surrender of this Note at the office of the Paying Agent as the same shall fall due; provided, however, no interest shall be payable for any period after maturity during which the Registered Owner fails to properly present this Note for payment.

It is hereby certified, recited and declared that this Note is one of an authorized issue of Notes in the aggregate principal amount of _____ Dollars (\$ _____) all of like tenor and effect, made, executed and given pursuant to and by authority of a resolution of the Board of Supervisors of Riverside County duly passed and adopted on June 9, 2009 and a Resolution of the Board of Education of the District duly passed and adopted on June 2, 2009 under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5, California Government Code (the "Resolutions"), and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been

performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys that are received by the District during fiscal year 2009-10 and to the extent provided in the Resolutions. As security for the payment of the principal of and interest on the Notes the District has pledged an amount equal to fifty percent (50%) of the principal amount of the Notes from the unrestricted revenues received by the District in the month ending January 31, 2010; and an amount equal to fifty percent (50%) of the principal amount of the Notes from the unrestricted revenues received by the District in the month ending April 30, 2010; plus an amount sufficient to pay interest on the Notes and any deficiency in the amount required to be deposited during any prior month, from the unrestricted revenues of the District to be received in the month ending May 31, 2010 (such pledged amounts being hereinafter called the "Pledged Revenues"); and the principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the District lawfully available therefor.

This Note is transferable by the Registered Owner hereof in person or by his 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 Resolutions, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations and for the same aggregate principal amount will be issued to the transferees in exchange herefor.

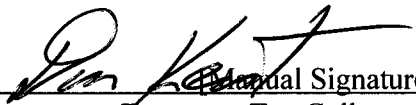
The County, the District and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

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

IN WITNESS WHEREOF, Riverside County has caused this Corona-Norco Unified School District, Riverside County, State of California, 2009-10 Tax and Revenue Anticipation Note to be executed by the Chairman of its Board of Supervisors and by the Clerk of its Board of Supervisors by facsimile signature and countersigned by the Treasurer-Tax Collector by manual signature and has caused a facsimile of its official seal to be printed hereon this ___ day of ____, 2009.

RIVERSIDE COUNTY

By: _____ [Facsimile Signature]
Chairman of the Board of Supervisors

By:  _____ [Manual Signature]
Treasurer-Tax Collector

(SEAL)

Countersigned

By: _____ [Signature]
Clerk of the Board of Supervisors

LEGAL OPINION

I HEREBY CERTIFY that the following is a true and correct copy of the legal opinion upon the Notes therein described that was provided by Stradling Yocca Carlson & Rauth, a Professional Corporation, and was dated as of the date of delivery of and payment for said Notes.

[Facsimile Signature]

Clerk of the Board of Supervisors

ASSIGNMENT

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

Dated: _____

Signature Guaranteed by:

NOTE: Signature(s) must be guaranteed by an eligible guarantor institution.

NOTE: The signature to the assignment must correspond to the name as it appears upon the face of this Note in every particular, without any alteration or change whatsoever.