

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

939



FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
May 29, 2009

SUBJECT: Resolution No. 2009-195 - Coachella Valley Unified School District, 2005 Election, Series C General Obligation Bonds (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2009-195, Authorizing the Issuance and Sale of General Obligation Bonds of Coachella Valley Unified School District not to Exceed the Maximum Aggregate Principal Amount of \$35,000,000.

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)

Departmental Concurrence



Don Kent, Treasurer - Tax Collector

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

SOURCE OF FUNDS:	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

Prev. Agn. Ref.: _____ **District:** _____ **Agenda Number:** **3.60**

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER 5/28/09 DATE

Dep't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Date: May 29, 2009
From: Treasurer-Tax Collector
Subject: Resolution No. 2009-195
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The Riverside County Superintendent of Schools has jurisdiction over the Coachella Valley Unified School District even though the district serves portions of Imperial County as well as portions of Riverside County. Therefore the Education Code requires that the Riverside County Board of Supervisors authorize the issuance and sale of these bonds, which are to be offered via a negotiated sale.

The bonds are being issued pursuant to the laws of the State of California, including Section 1 of Article XIII A of the State Constitution and Section 15100 *et seq.* of the Education Code. The Coachella Valley Unified School District (the "School District") received approval from at least two-thirds of the voters, within the boundaries of the School District, who voted at an election duly held on June 7, 2005. The voter-approved measure authorized the incurrence of general obligation bonded indebtedness in an aggregate principal amount not to exceed \$250,000,000.

On August 9, 2005, your Honorable Board adopted Resolution No. 2005-365 authorizing the issuance of the first series of general obligation bonds on behalf of the School District in an aggregate principal amount not to exceed \$50,000,000. Based on that authorization, "Coachella Valley Unified School District General Obligation Bonds, Election 2005, Series A" were issued in the initial par amount of \$49,998,180.

On January 23, 2007, your Honorable Board adopted Resolution No. 2007-037 authorizing the issuance of the second series of general obligation bonds in an aggregate principal amount not to exceed \$30,000,000. Based on that authorization "Coachella Valley Unified School District General Obligation Bonds, Election 2005, Series B" were issued in the initial par amount of \$30,000,000.

This resolution, 2009-195, authorizes and provides for the issuance of "Coachella Valley Unified School District General Obligation Bonds, 2005 Election, Series C" in an aggregate principal amount not to exceed \$35,000,000. The bond proceeds are to be expended only for identified school facilities and improvements and are subject to review of an oversight committee appointed by the School District's Board.

The bonds represent a general obligation of the School District and do not constitute a debt, liability, or obligation of Riverside County.

County Counsel has reviewed Resolution No. 2009-195 and has approved it as to form.

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RESOLUTION NO. 2009-195

RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY PROVIDING FOR THE ISSUANCE AND SALE OF COACHELLA VALLEY UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2005 ELECTION, SERIES C, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED THIRTY-FIVE MILLION DOLLARS (\$35,000,000) PRESCRIBING THE TERMS OF THE BONDS AND THEIR SALE; APPROVING FORM AND AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT; AND AUTHORIZING EXECUTION OF NECESSARY DOCUMENTS AND TAKING RELATED ACTIONS

FORM APPROVED COUNTY COUNSEL
BY: *DALE A. GARDNER* 5/27/09
DATE

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EXHIBITS:

EXHIBIT "A"	FORM OF BOND PURCHASE CONTACT	A 1
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2
3 **RESOLUTION NO. 2009-195**

4 **RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE**
5 **COUNTY PROVIDING FOR THE ISSUANCE AND SALE OF**
6 **COACHELLA VALLEY UNIFIED SCHOOL DISTRICT GENERAL**
7 **OBLIGATION BONDS, 2005 ELECTION, SERIES C, IN THE**
8 **PRINCIPAL AMOUNT OF NOT TO EXCEED THIRTY-FIVE MILLION**
9 **DOLLARS (\$35,000,000) PRESCRIBING THE TERMS OF THE BONDS**
10 **AND THEIR SALE; APPROVING FORM AND AUTHORIZING**
11 **EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT;**
12 **AND AUTHORIZING EXECUTION OF NECESSARY DOCUMENTS**
13 **AND TAKING RELATED ACTIONS**

14 **WHEREAS**, the Coachella Valley Unified School District (“District”) is a public unified
15 school district duly organized and operating pursuant to the Constitution and the laws of the
16 State of California; and

17
18 **WHEREAS**, an election was duly called and regularly held in the District, County of
19 Riverside (“County”) and the County of Imperial (“Imperial County”), State of California
20 (“State”), on June 7, 2005 (“Election”), and thereafter canvassed pursuant to law; and

21
22 **WHEREAS**, at such Election there was submitted to, and approved by the requisite two-
23 thirds (2/3) favorable vote of the qualified electors of the District, as certified by the Riverside
24 County Register of Voters and Imperial County Registrar of Voters in the official canvassing of
25 the voters, a question as to the issuance and sale of general obligation bonds of the District for
26 various purposes set forth in the ballot measure submitted to the voters, in the maximum
27 principal amount of \$250,000,000, payable from the levy of an ad valorem tax against the
28 taxable property in the District (“Authorization”); and

1 **WHEREAS**, pursuant to District Resolution No. 2006-4 adopted on July 14, 2005, and a
2 Resolution (County Resolution No. 2005-365) of the Riverside County Board of Supervisors
3 (“County Board”) adopted on August 9, 2005, the Coachella Valley Unified School District
4 General Obligation Bonds, 2005 Election, Series A (“Series A Bonds”), in the initial par amount
5 of \$49,998,180 were issued dated September 7, 2005, leaving \$200,001,820 of bonds of the
6 Authorization authorized and unissued; and
7

8 **WHEREAS**, pursuant to District Resolution No. 2007-69 adopted on January 11, 2007,
9 and a Resolution (County Resolution No. 2007-037) of the Riverside County Board of
10 Supervisors (“County Board”) adopted on January 23, 2007, the Coachella Valley Unified
11 School District General Obligation Bonds, 2005 Election, Series B (“Series B Bonds,” and
12 collectively with the Series A Bonds, the “Prior Bonds”), in the initial par amount of
13 \$30,000,000 were issued dated February 22, 2007, leaving \$170,001,820 of bonds of the
14 Authorization authorized and unissued; and
15

16 **WHEREAS**, pursuant to the California Constitution, the Authorization, the Educaiton
17 Code and the California Government Code (“Government Code”), the Board of Trustee of the
18 District (“District Board”) has adopted its Resolution No. 2009-154 on May 28, 2009 (“District
19 Resolution”), a certified copy of which has been filed with this County Board requesting the
20 County Board to issue, in the name of and on behalf of the District, a series of such authorized
21 bonds to be designated “Coachella Valley Unified School District General Obligation Bonds,
22 2005 Election, Series C” in an aggregate principal amount not to exceed \$35,000,000 (“Bonds”
23 or “Series C Bonds”); and
24

25 **WHEREAS**, the Series C Bonds are hereby authorized to be issued by the County, on
26 behalf of the School District, pursuant to the California Constitution, the Authorization and
27 Sections 15100 et seq. and 15140 et seq. of the Education Code of the State of California; and
28

1 **WHEREAS**, all or a portion of the Series C Bonds may be issued as “Build America
2 Bonds” pursuant to the provisions and limitations of the American Recovery and Reinvestment
3 Act of 2009 (“ARRA”) which was signed into law on February 17, 2009, and the applicable
4 requirements of the Code (as defined herein) and the Board desires to provide certain
5 determinations, and provide certain directions, in connections therewith; and
6

7 **WHEREAS**, in the District Resolution, the District found and informed this Board of
8 Supervisors that all acts and conditions necessary to be performed by the District or to have been
9 met precedent to and in the issuing and sale of the Series C Bonds in order to make them legal,
10 valid and binding general obligations of the District have been performed and have been met, or
11 will at the time of delivery of the Series C Bonds have been performed and met, in regular and
12 due form as required by law; and
13

14 **WHEREAS**, the School Board has further requested this County Board to sell the Series
15 C Bonds to George K. Baum & Co. (“Underwriter”), pursuant to the terms of the proposed form
16 of Bond Purchase Contract (“Purchase Contract”) among the County, the District, and the
17 Underwriter, subject to the limitations set forth in the District Resolution; and
18

19 **WHEREAS**, this County Board desires to make certain determinations and to authorize
20 the issuance of the Series C Bonds.
21

22 **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF**
23 **THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS FOLLOWS:**
24

25 **SECTION 1. Recitals; Incorporation of District Resolution.** The foregoing recitals
26 are true and correct and are incorporated herein by this reference. The District Resolution
27 adopted on May 28, 2009, together with the exhibits thereto, and findings and determinations
28 contained therein, is incorporated herein by reference and all of the provisions thereof are made a

1 part hereof and shall be applicable to the Series C Bonds, except as otherwise specified herein.
2

3 **SECTION 2. Purpose of the Series C Bonds.** Bonds of the District shall be issued in
4 the name and on behalf of the District in the aggregate principal or issue amount of not to exceed
5 \$35,000,000 for the purposes of: (a) raising money for acquiring and constructing the projects set
6 forth in the bond measure submitted to, and approved by, the voters at the Election, as further
7 described above; (b) funding interest on the Series C Bonds for a specified period of time as
8 authorized by California law; and (c) to pay all necessary legal, financial, printing, insurance
9 and other contingent costs in connection with the issuance and delivery of the Series C Bonds, as
10 further set forth herein and subject to the applicable provisions of the California Constitution and
11 California law including, but not limited to, the Education Code.
12

13 **SECTION 3. Statutory Authorization.** The Series C Bonds are authorized to be
14 issued and sold by the County in the name of the District pursuant to the Election, the
15 Authorization, the District Resolution, the California Constitution, this Resolution, Government
16 Code Section 53506 *et seq.*, and, to the extent applicable, Education Code Sections 15266, 15100
17 *et seq.* and 15140 *et seq.*
18

19 **SECTION 4. Negotiated Sale.** The Treasurer (as defined in Section 6 below) is hereby
20 authorized to negotiate the sale of the Series C Bonds, in consultation with the District, to the
21 Underwriter. The Series C Bonds shall be sold pursuant to the applicable provisions of the
22 Education Code, this Resolution and the terms and conditions set forth in the Purchase Contract,
23 as described and defined herein.
24

25 The Series C Bonds may be issued in one or more sub-series as shall be determined by
26 the Treasurer as set out in the Purchase contract (as defined and described herein). Each sub-
27 series of the Series C bonds shall be issued as either Tax-Exempt Series C Bonds or Taxable
28 Series C Bonds as shall be determined by the Treasurer in the Purchase Contract.

1
2 **SECTION 5. Approval of Purchase Contract.** The Series C Bonds will be sold at
3 negotiated sale by the Treasurer pursuant to the terms and conditions set forth in the Bond
4 Purchase Contract (“Purchase Contract”), substantially in the form appended hereto as Exhibit
5 “A” and incorporated by reference herein. The form of the Purchase Contract is hereby
6 approved and the Treasurer, or any designated deputy thereof, is hereby authorized to execute
7 and deliver the Purchase Contract and the Superintendent, or other Designated Officer (as
8 defined herein) of the District, is hereby requested to execute the Purchase Contract, with such
9 changes therein, deletions therefrom and modifications thereto as the Treasurer, or designated
10 deputy thereof, and the District may approve, such approval to be conclusively evidenced by the
11 execution and delivery thereof; provided, however, that the term of the Series C Bonds shall not
12 exceed 40 years, the maximum average annual interest rate on the Series C Bonds shall not
13 exceed nine percent (9.00%) per annum and the Underwriter's discount, not including any
14 original issue premium or discount, if any, shall not exceed three and one-half percent (3.50%)
15 (based on average annual interest rates and exclusive of any subsidy and other amounts received
16 by the District from the United States Treasury in connection with any Taxable Series C Bonds
17 which are issued as “Build America Bonds” for purposes of the Recovery Act as provided in
18 Section 4 hereof), of the aggregate Principal or issue amount of Series C Bonds sold thereunder.
19 The Treasurer, or designated deputy thereof, is further authorized to determine the principal or
20 issue amount of the Series C Bonds of each maturity (including any Capital Appreciation Bonds)
21 to be specified in the Purchase Contract for sale by the County, up to an aggregate principal or
22 issue amount of \$35,000,000, to determine, upon consultation with the District, whether to
23 purchase bond insurance, to modify redemption terms for the Series C Bonds and to enter into
24 and execute the Purchase Contract, if the conditions set forth in this Resolution are met.

25
26 If, upon consultation with the Designated Officer (as defined herein) of the District, it
27 appears in the best interests of the District to acquire municipal bond insurance to secure the
28 Series C Bonds, the Treasurer may so provide in the Purchase Contract.

1
2 **SECTION 6. Certain Definitions.** Unless otherwise set forth herein, as used in this
3 Resolution, the terms and phrases set forth below shall have the following meanings ascribed to
4 them:

5
6 (a) **“Accreted Interest”** means, with respect to the Capital Appreciation Bonds, the
7 Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

8
9 (b) **“Accreted Value”** means, with respect to the Capital Appreciation Bonds, as of
10 the date of calculation, the Denominational Amount thereof, plus interest accreted thereon to
11 such date of calculation, compounded semiannually on each February 1 and August 1
12 (commencing on the date stated in the Purchase Contract, unless otherwise specified in the
13 Purchase Contract, as executed and delivered), with respect to the Capital Appreciation Bonds
14 maturing on those dates specified in the Purchase Contract, and at the stated yield to maturity
15 thereof, assuming in any such semiannual period that such Accreted Value increases in equal
16 daily amounts on the basis of a 360-day year of twelve 30-day months.

17
18 (c) **“ARRA”** or **“Recovery Act”** shall mean the American Recovery and
19 Reinvestment Act of 2009 adopted by the Congress of the United States and signed into law on
20 February 17, 2009, as amended and supplemented.

21
22 (d) **“Authorized Investments”** means the Riverside County Investment Pool (or
23 other investment pools of the County into which the District may lawfully invest its funds), the
24 Local Agency Investment Fund, any investment authorized pursuant to Sections 16429.1 and
25 53601 of the Government Code, or in shares in a California common law trust established
26 pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in
27 investments permitted by Section 53635 of the Government Code, or in guaranteed investment
28 contracts in direct general obligations of the United States of America (including State and Local

1 Government Securities) (provided that such contracts comply with the requirements of Section
2 148 of the Code, and with the requirements of the Bond Insurer, if any, and as shall be
3 applicable).

4
5 (e) **“Authorized Newspaper”** means a newspaper selected by the District which is
6 customarily published at least once a day for at least five days (other than legal holidays) in each
7 calendar week, published in the English language, of general circulation in the County of
8 Riverside and which has been adjudicated or designated as a “newspaper of general circulation”
9 pursuant to California law.

10
11 (f) **“Bond Counsel”** means a firm of nationally recognized bond counsel, initially
12 Bowie, Arneson, Wiles & Giannone.

13
14 (g) **“Bond Insurer”** means any insurance company which issues a municipal bond
15 insurance policy insuring of the payment of Principal and Maturity Value of, and interest on, all
16 or a portion of the Series C Bonds.

17
18 (h) **“Bond Payment Date”** or **“Interest Payment Date”** means, unless otherwise
19 provided in the Purchase Contract as executed and delivered, with respect to the interest on the
20 Current Interest Bonds, February 1 and August 1, and commencing on the date specified in the
21 Purchase Contract with respect to the Principal payments and interest payments on the Current
22 Interest Bonds. With respect to the Capital Appreciation Bonds, “Bond Payment Date” means
23 the stated maturity dates thereof, as applicable; as stated in the Purchase Contract as executed
24 and delivered.

25
26 (i) **“Bond Register”** or **“Registration Books”** means the listing of names and
27 addresses of the current registered owners of the Series C Bonds, as maintained by the Paying
28 Agent in accordance with Section 12 hereof.

1
2 (j) **“Bonds”** or **“Series C Bonds”** means the Coachella Valley Unified School
3 District General Obligation Bonds, 2005 Election, Series C.
4

5 (k) **“Building Fund”** shall have the meaning set forth in Section 19 hereof.
6

7 (l) **“Business Day”** means a day which is not a Saturday or Sunday or a day on
8 which banking institution are authorized or required by law or executive order to be closed in
9 California and New York for commercial banking purposes and on which the Federal Reserve
10 system is not closed.
11

12 (m) **“Capital Appreciation Bonds”** means those Series C Bonds the interest
13 component of which is compounded semiannually on each Bond Payment Date to maturity as
14 shown in the table of Accreted Values for such Series C Bonds set forth in the Purchase
15 Contract.
16

17 (n) **“Capital Appreciation Term Bonds”** means those Capital Appreciation Bonds
18 for which mandatory sinking fund redemption dates have been established in the Purchase
19 Contract.
20

21 (o) **“Code”** means the Internal Revenue Code of 1986, as amended, and any
22 successor provisions thereto, and applicable regulations of the Department of Treasury
23 thereunder, and any successor provisions thereto.
24

25 (p) **“County”** means the County of Riverside, a political subdivision of the State of
26 California organized and existing under the Constitution and laws of the State of California.
27

28 (q) **“Current Interest Bonds”** means the Series C Bond the interest on which is

1 payable on each Bond Payment Date specified for each such Series C Bond as designated and
2 maturing in the years and in the amounts set forth in the Purchase Contract.

3
4 (r) **“Current Interest Term Bonds”** means those Current Interest Bonds for which
5 mandatory sinking fund redemption dates have been established in the Purchase Contract.

6
7 (s) **“Date of Issuance”** means the delivery date with respect to the Current Interest
8 Bonds and the Capital Appreciation Bonds, or such other date(s) for the Series C Bonds as shall
9 be designated by the Purchase Contract.

10
11 (t) **“Debt Service Fund”** shall have the meaning set forth in Section 19 hereof.

12
13 (u) **“Denominational Amount”** means, with respect to the Capital Appreciation
14 Bonds, the initial offering price thereof, which represents the principal amount thereof (exclusive
15 of any initial premium thereon), and, with respect to the Current Interest Bonds, the Principal
16 Amount thereof.

17
18 (v) **“Designated Officer(s)”** means the District's Superintendent, Assistant
19 Superintendent of Business Services, or other persons designated in writing by the District's
20 Superintendent as a Designated Officer of the District.

21
22 (w) **“District”** or **“School District”** means the Coachella Valley Unified School
23 District, a public school district organized and operating under the Constitution and the laws of
24 the State of California, and any lawful successor thereto.

25
26 (x) **“District Board”** means the Board of Education of the District.

27
28 (y) **“DTC”** or **“Depository”** means The Depository Trust Company, New York, New

1 York, a limited purpose trust company organized under the laws of the State of New York in its
2 capacity as securities depository for the Bonds.

3
4 (z) **“Imperial County”** means the County of Imperial, a political subdivision of the
5 State of California organized and existing under the Constitution and laws of the State of
6 California.

7
8 (aa) **“Informational Services”** means Financial Information, Inc.'s "Daily Called
9 Bond Service," 1 Cragwood Road, 2nd Floor, Jersey City, New Jersey 07080, Attention: Editor;
10 Kenny Information Services "Called Bond Service," 65 Broadway, 16th Floor, New York, New
11 York 10006; Standard & Poor's Ratings Group "Called Bond Record," 55 Water Street, New
12 York, New York, 10041; FIS/Mergent, 5250 77 Center Drive, Suite 150, Charlotte, North
13 Carolina, 28217, Attention: Called Bond Department, and, in accordance with then current
14 guidelines of the Securities and Exchange Commission, such other addresses and/or such other
15 services providing information with respect to called bonds as the District may designate in a
16 written request of the District delivered to the Paying Agent.

17
18 (bb) **“Letter of Representations”** or **“Representation Letter”** shall have the
19 meaning set forth in Section 13_ hereof.

20
21 (cc) **“Maturity Value”** means the Accreted Value of any Capital Appreciation Bond
22 on its maturity date.

23
24 (dd) **“Moody’s”** means Moody’s Investors Service, Inc., a corporation duly organized
25 and existing under the laws of the State of Delaware, and its successors and assigns, except that
26 if such entity shall be dissolved or liquidated or shall no longer perform the functions of a
27 securities rating agency, then the term “Moody’s” shall be deemed to refer to any other
28 nationally recognized securities rating agency selected by the District.

1
2 (ee) **“Office of the Paying Agent”** means the principal corporate trust office of the
3 Paying Agent in Los Angeles, California, or such other office as may be specified to the District
4 by the Paying Agent in writing.

5
6 (ff) **“Nominee”** means the nominee of the Depository, which may be the Depository,
7 as determined from time to time pursuant to Section 13 hereof.

8
9 (gg) **“Official Statement”** shall have the meaning set forth in Section 22 hereof.

10
11 (hh) **“Outstanding”** means all Series C Bonds theretofore issued by the District,
12 except:

13 (1) Series C Bonds theretofore canceled by the District or surrendered to the
14 District for cancellation;

15
16 (2) Series C Bonds for the transfer or exchange of or in lieu of or in
17 substitution for which other Series C Bonds shall have been authenticated
18 and delivered pursuant to the terms hereof; and

19
20 (3) Series C Bonds paid and discharged pursuant to Section 16 or 17 hereof.

21
22 (ii) **“Owner”** or **“Bond Owner”** means the current registered holder of a Series C
23 Bond or Series C Bonds to whom payments of Principal and interest are made.

24
25 (jj) **“Participants”** means those broker-dealers, banks and other financial institutions
26 from time to time for which DTC holds book-entry certificates as securities depository.

27
28 (kk) **“Paying Agent”** means U.S. Bank National Association, or such other party as

1 selected by the Designated Officer of the District, or any successor thereto, acting as the
2 authenticating agent, bond registrar, transfer agent and paying agent.

3
4 (ll) **“Principal”** or **“Principal Amount”** means, with respect to any Current Interest
5 Bond, the Principal amount thereof, and, with respect to any Capital Appreciation Bond, the
6 Denominational Amount.

7
8 (mm) **“Purchase Contract”** or **“Bond Purchase Contract”** shall have the meaning set
9 forth in Section 5 hereof.

10
11 (nn) **“Rebate Fund”** shall have the meaning set forth in Section 19 hereof.

12
13 (oo) **“Record Date”** means the close of business on the fifteenth day of the month
14 preceding each Bond Payment Date.

15
16 (pp) **“Redemption Notice”** shall have the meaning set forth in Section 8 hereof.

17
18 (qq) **“Resolution”** or **“Bond Resolution”** means this Resolution, including the
19 Exhibits hereto, as adopted by the County Board of Supervisors and as such may be amended
20 pursuant to Section 30.

21
22 (rr) **“Securities Depositories”** means the following: The Depository Trust Company,
23 with Cede & Co. as its nominee, 55 Water Street, 25th Floor, New York, New York, 10041-
24 0099, Attn: Call Notification Department, Fax (212) 855-5004, and in accordance with then
25 current guidelines of the Securities and Exchange Commission, such other addresses and/or such
26 other securities depositories as the District may designate in a Written Request of the District
27 delivered to the Paying Agent.

1 (ss) **“S&P”** means Standard & Poor’s Ratings Services, a division of The McGraw-
2 Hill Companies, Inc., a corporation duly organized and existing under the law of the State of
3 New York, and its successors and assigns, except that if such entity shall be dissolved or
4 liquidated or shall no longer perform the functions of a securities rating agency, then the term
5 “S&P” shall be deemed to refer to any other nationally recognized securities rating agency
6 selected by the School District.

7
8 (tt) **“State”** means the State of California.

9
10 (uu) **“Tax Certificate”** means the Tax Certificate executed by the School District at
11 the time of issuance of the Series C Bonds relating to the requirements of Section 148 of the
12 Code, as originally executed and as it may be amended from time to time.

13
14 (vv) **“Taxable Series C Bonds”** shall mean any Series C Bonds the interest on which
15 is includable in gross income for Federal income tax purposes pursuant to the Internal Revenue
16 Code of 1986, as amended.

17
18 (ww) **“Tax-Exempt Series C Bonds”** shall mean any Series C bonds the interest on
19 which is not includable in gross income for Federal income tax purposes pursuant to Section 103
20 of the Internal Revenue Code of 1986, as amended.

21
22 (xx) **“Term Bonds”** means, if issued, collectively, the Current Interest Term Bonds
23 and the Capital Appreciation Term Bonds.

24
25 (yy) **“Transfer Amount”** means, with respect to any Outstanding Current Interest
26 Bond, the aggregate principal amount thereof and, with respect to any Capital Appreciation
27 Bond, the Maturity Value thereof.

1 (zz) "Treasurer" means the Treasurer-Tax Collector of the County of Riverside,
2 California, or any authorized deputy thereof.

3
4 (aaa) "Underwriter" or "Purchaser" means the initial purchaser of the Series C
5 Bonds as identified in the Purchase Contract.

6
7 (bbb) "Written Request" means a written request or directive of the District provided
8 by a Designated Officer.

9
10 Unless the context otherwise indicates, words expressed in the singular shall include the
11 plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience
12 only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.
13 Headings of sections herein and the table of contents hereof are solely for convenience of
14 reference, do not constitute a part hereof and shall not affect the meaning, construction or effect
15 hereof.

16
17 All references herein to "Sections" and other subdivisions are to the corresponding
18 Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby", "hereunder"
19 and other words of similar import refer to this Resolution as a whole and not to any particular
20 Section or subdivision hereof.

21
22 **SECTION 7. Terms of Bonds.** The Series C Bonds shall be issued in one series
23 designated "Coachella Valley Unified School District General Obligation Bonds, 2005
24 Election, Series C." The Series C Bonds shall consist of Current Interest Bonds, and/or, if
25 issued pursuant to the terms of the Purchase Agreement (as executed and delivered), Capital
26 Appreciation Bonds.

27
28 The Series C Bonds shall be issued as fully registered bonds, without coupons, in the

1 denominations of, with respect to the Current Interest Bonds, Five Thousand Dollar (\$5,000)
2 Principal Amount, or any integral multiple thereof, and, with respect to the Capital Appreciation
3 Bonds, Five Thousand Dollar (\$5,000) Maturity Value, or any integral multiple thereof; provided
4 that one Capital Appreciation Bond may be issued in an odd Maturity Value.

5
6 The Current Interest Bonds shall be dated the Date of Issuance, and shall bear interest at
7 the rate or rates not to exceed the maximum interest rate specified in Section 5 hereof, payable
8 on each Bond Payment Date of each year commencing on the date specified in the Purchase
9 Agreement, the actual interest rate or rates and the actual maturity schedule to be fixed at the
10 time of sale and set forth in the Purchase Agreement as executed and delivered. Each Current
11 Interest Bond shall bear interest from the Interest Payment Date next preceding the date of
12 authentication thereof unless it is authenticated as of a day during the period from the 16th day of
13 the month next preceding any Interest Payment Date to the Interest Payment Date, inclusive, in
14 which event it shall bear interest from such Interest Payment Date, or unless it is authenticated
15 on or before the first Record Date in which event it shall bear interest from the Date of Issuance,
16 computed using a year of 360 days, comprised of twelve 30-day months; provided, however, that
17 if at the time of authentication of any Current Interest Bond, interest is then in default on
18 outstanding Current Interest Bonds, such Current Interest Bond shall bear interest from the
19 Interest Payment Date to which interest has previously been paid or made available for payment
20 thereon. The foregoing terms shall be subject to the terms of the Purchase Agreement as
21 executed and delivered.

22
23 The Capital Appreciation Bonds, if issued, shall be dated as of their delivery date and
24 shall accrete interest from the Date of Issuance of the Capital Appreciation Bonds to their
25 maturity at a rate or rates such that the interest rate(s) on the Series C Bonds shall not exceed the
26 maximum interest rate specified in Section 5 hereof. Capital Appreciation Bonds will not bear
27 interest on a current basis. The Capital Appreciation Bonds shall be issued in any denominations
28 of their Principal Amounts but shall reflect denominations of \$5,000 Maturity Value or any

1 integral multiple thereof; provided that one Capital Appreciation Bond may be issued in an odd
2 Maturity Value. The Capital Appreciation Bonds shall mature on the Bond Payment Date(s) of
3 the years designated in the Purchase Agreement, or as may otherwise be specified in the
4 Purchase Agreement provided, that in the event that the amount shown in such Accreted Value
5 Table and the Accreted Value calculated by the School District and approved by the Bond
6 Insurer, if any, by application of the definition of Accreted Value set forth in Section 6 differ, the
7 latter amount shall be the Accreted Value of such Capital Appreciation Bond. Interest on each
8 Capital Appreciation Bond shall be compounded semiannually on each Bond Payment Date, or
9 as may be provided for in the Purchase Agreement, of each year until maturity, commencing on
10 the date of issuance thereof, computed using a year of 360 days, comprised of twelve 30-day
11 months, and shall be payable only at maturity at their Maturity Value or on their redemption date
12 if redeemed prior to their respective stated maturity date(s).

13
14 The Series C Bonds will be sold as provided in Sections 4 and 5 hereof. Notwithstanding
15 anything herein to the contrary, the terms of the Series C Bonds, as set forth in this Resolution,
16 may be modified prior to delivery in accordance with the provisions of the Purchase Agreement,
17 as finally approved and executed. The Series C Bond maturities may be adjusted by the
18 Designated Officer(s), in consultation with the Underwriter and Bond Counsel, as appropriate to
19 provide funds to finance school facilities as set forth in the Authorization and pay for the costs of
20 issuance of the Series C Bonds, provided that the total par amount of the Series C Bonds shall
21 not exceed \$35,000,000. In the event of a conflict or inconsistency between this Resolution and
22 the Purchase Agreement relating to the terms of the Series C Bonds, the provisions of the
23 Purchase Agreement shall be controlling.

24
25 **SECTION 8. Redemption Provisions.**

26
27 (a) Optional Redemption. The Series C Bonds shall be subject to optional
28 redemption prior to maturity upon the terms and conditions set forth in the Purchase Contract as

1 executed and delivered.

2
3 (b) Mandatory Sinking Fund Redemption of Current Interest Term Bonds. The
4 Current Interest Term Bonds, if any, are subject to mandatory sinking fund redemption prior to
5 their maturity, by lot, without premium, on each August 1, in the years and in the amounts as set
6 forth in the Purchase Contract and in the Official Statement. In the event that there are no
7 Current Interest Term Bonds specified in the Purchase Contract, this subsection shall not apply.

8
9 (c) Mandatory Sinking Fund Redemption of Capital Appreciation Term Bonds. The
10 Capital Appreciation Term Bonds are subject to mandatory sinking fund redemption prior to
11 their maturity date from monies in the Debt Service Fund established in Section 19 hereof, by
12 lot, without premium, on each August 1 (or other date specified in the Purchase Contract), in the
13 years and in the amounts as set forth in the Purchase Contract and in the Official Statement
14 described below. In the event that there are no Capital Appreciation Term Bonds specified in the
15 Purchase Contract, this subsection shall not apply.

16
17 (d) Selection of Bonds for Redemption. Whenever less than all of the outstanding
18 Bonds are to be redeemed, the Paying Agent, upon written direction from the District shall select
19 the Bonds to be redeemed as so directed by the District, and if not so directed in inverse order of
20 maturity, and within a maturity, the Paying Agent shall select Bonds for redemption by lot.
21 Redemption by lot shall be in such manner as the Paying Agent shall determine; provided,
22 however, that the portion of any Current Interest Bond to be redeemed in part shall be in the
23 Principal Amount of \$5,000 or any integral multiple thereof, and the portion of any Capital
24 Appreciation Bonds to be redeemed in part shall be in integral multiples of the Accreted Value
25 per \$5,000 Maturity Value of such Capital Appreciation Bond. The Paying Agent shall promptly
26 notify the District of the Bonds so selected for redemption on such date.

27
28 (e) Form of Notice of Redemption. The Paying Agent shall give notice of each

1 designated redemption ("Redemption Notice") of the Series C Bonds at the expense of the
2 School District. Such Redemption Notice shall specify: (a) that the Series C Bonds or a
3 designated portion thereof are to be redeemed; (b) if less than all of the then outstanding Bonds
4 are to be called for redemption, shall designate the numbers (or state that all Series C Bonds
5 between two stated numbers both inclusive have been called for redemption) and CUSIP®
6 numbers, if any, of the Series C Bonds to be redeemed; (c) the date of notice and the date of
7 redemption; (d) the place or places where the redemption will be made; and (e) descriptive
8 information regarding the Series C Bonds and the specific Series C Bonds to be redeemed,
9 including the dated date, interest rate and stated maturity date of each. Such Redemption Notice
10 shall further state that on the specified date there shall become due and payable upon each Series
11 C Bond to be redeemed, the portion of the principal amount of such Series C Bond to be
12 redeemed, together with interest accrued or accreted, as applicable, to the date of redemption,
13 and redemption premium, if any, and that from and after such date interest with respect thereto
14 shall cease to accrue or accrete, as applicable.

15
16 (f) Provision of Notice of Redemption. Any Redemption Notice shall be mailed, first
17 class postage, to the registered owners of the Series C Bonds, to a Securities Depository and to a
18 national Information Service, and by first class mail, postage prepaid, to the School District and
19 County and the respective Owners of any registered Series C Bonds designated for redemption at
20 their addresses appearing on the Bond registration books, in every case at least thirty (30) days,
21 but not more than sixty (60) days, prior to the designated redemption date; provided that neither
22 failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of
23 the proceedings for the redemption of such Series C Bonds nor entitle the Owner thereof to
24 interest beyond the date given for redemption. A certificate provided by the Paying Agent that
25 notice of such redemption has been given as herein provided shall be conclusive as against all
26 parties, and it shall not be open to a Bond Owner to show that he or she failed to receive notice
27 of such redemption. In case of the redemption as permitted herein of all the Outstanding Bonds
28 of any one maturity, notice of redemption shall be given by mailing as herein provided, except

1 that the notice of redemption need not specify the serial numbers of the Series C Bonds of such
2 maturity.

3
4 Neither failure to receive or failure to send, to the Securities Depositories or
5 Informational Services, any Redemption Notice nor any defect in any such Redemption Notice
6 so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.
7 Neither the failure to receive such notice nor any defect in any notice so mailed shall affect the
8 sufficiency of the proceedings for the redemption of such Series C Bonds or the cessation of
9 accrual or accretion of interest, as applicable, represented thereby from and after the redemption
10 date.

11
12 (g) Contingent Redemption; Rescission of Redemption. Any Redemption Notice
13 may specify that redemption of the Series C Bonds designated for redemption on the specified
14 date will be subject to the receipt by the District of monies sufficient to cause such redemption
15 (and will specify the proposed source of such monies), and neither the District or the County will
16 have any liability to the Owners of any Series C Bonds, or any other party, as a result of the
17 District's failure to redeem the Series C Bonds designated for redemption as a result of
18 insufficient monies therefor.

19
20 Additionally, the District may rescind any optional redemption of the Series C Bonds,
21 and notice thereof, for any reason on any date prior to the date fixed for such redemption by
22 causing written notice of the rescission to be given to the Owners of the Series C Bonds so called
23 for redemption. Notice of rescission of redemption shall be given in the same manner in which
24 notice of redemption was originally given. The actual receipt by the Owner of any Series C
25 Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to
26 receive such notice or any defect in such notice shall not affect the validity of the rescission.
27 Neither the District nor the County will have any liability to the Owners of any Series C Bonds,
28 or any other party, as a result of the District's decision to rescind a redemption of any Series C

1 Bonds pursuant to the provisions of this subsection.
2

3 (h) Payment of Redeemed Series C Bonds. When a Redemption Notice has been
4 given substantially as provided for herein, and, when the amount necessary for the redemption of
5 the Series C Bonds called for redemption (Principal and premium, if any) is set aside for that
6 purpose in the Debt Service Fund, as provided herein, the Series C Bonds designated for
7 redemption shall become due and payable on the date fixed for redemption thereof and upon
8 presentation and surrender of said Series C Bonds at the place specified in the Redemption
9 Notice, said Series C Bonds shall be redeemed and paid at the redemption price out of the Debt
10 Service Fund.
11

12 Each check issued or other transfer of funds made by the Paying Agent for the purpose of
13 redeeming Series C Bonds shall bear or include the CUSIP® number identifying, by issue and
14 maturity, the Series C Bonds being redeemed with the proceeds of such check or other transfer.
15

16 If on such redemption date, money for the redemption of all the Series C Bonds to be
17 redeemed as provided in this Section, together with interest to such redemption date, shall be
18 available therefor, and if notice of redemption thereof shall have been given as aforesaid, then
19 from and after such redemption date, interest with respect to the Series C Bonds to be redeemed
20 shall cease to accrue. All money held for the redemption of Series C Bonds shall be held in trust
21 for the account of the registered Owners of the Series C Bonds so to be redeemed. All unpaid
22 interest payable at or prior to the designated redemption date shall continue to be payable to the
23 respective Owners, but without interest thereon.
24

25 (i) Partial Redemption of Series C Bonds. Upon the surrender of any Series C Bond
26 redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new
27 Series C Bond or Series C Bonds of like tenor and maturity and of authorized denominations
28 equal in Transfer Amounts to the unredeemed portion of the Series C Bond surrendered. Such

1 partial redemption shall be valid upon payment of the amount required to be paid to such Owner,
2 and the District shall be released and discharged thereupon from all liability to the extent of such
3 payment.

4
5 (j) Effect of Notice of Redemption. Notice having been given as aforesaid, and the
6 moneys for the redemption (including the interest to the applicable date of redemption) having
7 been set aside in the District's Debt Service Fund, the Series C Bonds to be redeemed shall
8 become due and payable on such date of redemption.

9
10 If on such redemption date, money for the redemption of all the Series C Bonds to be
11 redeemed as provided in this Section 7, together with interest to such redemption date, shall be
12 held by the Paying Agent so as to be available therefor on such redemption date, and if notice of
13 redemption thereof shall have been given as aforesaid, then from and after such redemption date,
14 interest with respect to the Series C Bonds to be redeemed shall cease to accrue and become
15 payable. All money held by or on behalf of the Paying Agent for the redemption of Series C
16 Bonds shall be held in trust for the account of the Owners of the Series C Bonds so to be
17 redeemed.

18
19 All Series C Bonds paid at maturity or redeemed prior to maturity pursuant to the
20 provisions of this Section 7 shall be canceled upon surrender thereof. All or any portion of a
21 Series C Bond purchased by the County or the District shall be canceled and destroyed by the
22 Paying Agent and the Paying Agent shall provide a written certification of such cancellation and
23 destruction to the District.

24
25 (k) Purchase in lieu of Redemption. In lieu of, or partially in lieu of, any mandatory
26 sinking fund redemption of Series C Bonds pursuant to the terms hereof, monies in the Debt
27 Service Fund may be used to purchase the Outstanding Series C Bonds that were to be redeemed
28 with such funds in the manner hereinafter provided. Purchases of Outstanding Series C Bonds

1 may be made by the District or the Treasurer through the Paying Agent prior to the selection of
2 Series C Bonds for redemption at public or private sale as and when and at such prices as the
3 District may in its discretion determine but only at prices (including brokerage or other expenses)
4 not more than par plus accrued interest. Any accrued interest payable upon the purchase of
5 Series C Bonds may be paid from the Debt Service Fund for payment of interest on the next
6 following Interest Payment Date. Any Series C Bond purchased in lieu of redemption shall be
7 transmitted to the Paying Agent and shall be canceled by the Paying Agent upon surrender
8 thereof, as provided for in Section 7(l) below and shall not be re-issued or resold.

9
10 (l) Cancellation of Redeemed Bonds. All Series C Bonds paid at maturity or
11 redeemed prior to maturity pursuant to the provisions of this Section and Section 18 shall be
12 canceled upon surrender thereof and be delivered to or upon the order of the County and the
13 District. All or any portion of a Series C Bond purchased by the Treasurer or the District
14 pursuant to subsection (i) above shall be canceled by the Paying Agent and the Paying Agent
15 shall provide a written certification of such cancellation and destruction to the District.

16
17 (m) Bonds No Longer Outstanding. When any Series C Bonds (or portions thereof),
18 which have been duly called for redemption prior to maturity under the provisions of this
19 Resolution, or with respect to which irrevocable instructions to call for redemption prior to
20 maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory
21 to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the
22 payment of the redemption price of such Series C Bonds or portions thereof, and, in the case of
23 Series C Bonds, accrued interest with respect thereto to the date fixed for redemption, all as
24 provided in this Resolution, then such Series C Bonds shall no longer be deemed outstanding and
25 shall be surrendered to the Paying Agent for cancellation.

26
27 **SECTION 9. Form of Bonds; Temporary Bonds; CUSIP® Numbers.** The Series C
28 Bonds shall be substantially in conformity with the standard form of registered school district

1 bonds, copies of which are attached hereto as Exhibits "B" (as to the Current Interest Bonds) and
2 "C" (as to the Capital Appreciation Bonds) and incorporated herein by this reference as if set
3 forth in full, with necessary or appropriate variations, omissions and insertions as may be
4 permitted or required by this Resolution and to conform with the requirements of the Purchase
5 Contract.

6
7 The Series C Bonds may be initially issued in temporary form exchangeable for
8 definitive Series C Bonds when ready for delivery. The temporary Series C Bonds may be
9 printed, lithographed or typewritten, shall be of such denominations as may be determined by the
10 Treasurer and the District, and may contain such reference to any of the provisions of this
11 Resolution as may be appropriate. Every temporary Series C Bond shall be executed by the
12 County upon the same conditions and in substantially the same manner as the definitive Series C
13 Bonds. If the County issues temporary Series C Bonds it will execute and furnish definitive
14 Series C Bonds without delay, and thereupon the temporary Series C Bonds may be surrendered,
15 for cancellation, in exchange therefor at the principal office of the Paying Agent and the Paying
16 Agent shall deliver in exchange for such temporary Series C Bonds an equal aggregate Principal
17 amount of definitive Series C Bonds of authorized denominations. Until so exchanged, the
18 temporary Series C Bonds shall be entitled to the same benefits pursuant to this Resolution as
19 definitive Series C Bonds executed and delivered hereunder.

20
21 "CUSIP®" identification numbers shall be imprinted on the Series C Bonds, but such
22 numbers shall not constitute a part of the contract evidenced by the Series C Bonds and any error
23 or omission with respect thereto shall not constitute cause for refusal of the Purchaser to accept
24 delivery of and pay for the Series C Bonds. In addition, failure on the part of the District to use
25 such CUSIP® numbers in any notice to Owners of the Series C Bonds shall not constitute an
26 event of default or any violation of the District's contract with such Owners and shall not impair
27 the effectiveness of any such notice.

1 **SECTION 10. Execution of Bonds.** The Series C Bonds shall be executed by the
2 manual or facsimile signature of the Chairperson of the Board of Supervisors, attested by the
3 manual or facsimile signature of the Treasurer, and countersigned by the manual or facsimile
4 signature of the Clerk of the Board of Supervisors or any designated deputy. The facsimile
5 signatures of the Chairperson, the Treasurer and the Clerk of the Board of Supervisors may be
6 printed, lithographed, engraved, or otherwise mechanically reproduced. The provisions of
7 Education Code Sections 15181 and 15182 shall apply to such execution of the Series C Bonds.
8

9 No Series C Bond shall be valid or obligatory for any purpose or shall be entitled to any
10 security or benefit under this Resolution unless and until the certificate of authentication printed
11 on the Series C Bond is signed by the Paying Agent as authenticating agent for the Series C
12 Bonds. Authentication by the Paying Agent shall be conclusive evidence that the Series C Bond
13 so authenticated has been duly issued, signed and delivered under this Resolution and is entitled
14 to the security and benefit of this Resolution.
15

16 **SECTION 11. Delivery of Bonds.** The proper officials of the County shall cause the
17 proper officials of the District to cause the Series C Bonds to be prepared and, following their
18 sale, shall have the Series C Bonds executed and delivered to the original purchaser upon
19 payment of the purchase price in immediately available funds.
20

21 **SECTION 12. Bond Registration; Transfers.** As hereinafter provided, the Series C
22 Bonds shall be delivered in a form and with such terms as will permit them to be in book-entry
23 only form, deposited with DTC. If the book-entry only system is no longer in effect, the District
24 will cause the Paying Agent to maintain and keep at its principal corporate trust office all books
25 and records necessary for the registration, exchange and transfer of certificated Series C Bonds
26 as provided in this Section ("Bond Register"). While the book-entry only system is in effect,
27 such books need not be kept, as the Series C Bonds will be represented by one Series C Bond for
28 each maturity registered in the name of Cede & Co., as nominee for DTC.

1
2 The person in whose name a Series C Bond is registered on the Bond Register shall be
3 regarded as the absolute Owner of that Series C Bond for all purposes of this Resolution.
4 Payment of or on account of the principal of and interest on any Series C Bond shall be made
5 only to or upon the order of the Owner thereof; neither the District, the County nor the Paying
6 Agent shall be affected by any notice to the contrary, but the registration may be changed as
7 provided in this Section. All such payments shall be valid and effectual to satisfy and discharge
8 the District's liability upon the Series C Bonds, including interest, to the extent of the amount or
9 amounts so paid.
10

11 Any Series C Bond may be exchanged for Series C Bonds of the same series of any other
12 authorized denomination upon presentation and surrender at the principal corporate trust office
13 of the Paying Agent, together with a request for exchange signed by the Owner or by a person
14 legally empowered to do so in a form satisfactory to the Bond Registrar. Any Series C Bond
15 may, in accordance with its terms (but only if the District determines no longer to maintain the
16 book-entry only status of the Series C Bonds, DTC determines to discontinue providing such
17 services and no successor securities depository is named or DTC requests the District to deliver
18 certificated securities to particular DTC Participants) be transferred, upon the books required to
19 be kept pursuant to the provisions of this Section, by the Owner, in person or by his duly
20 authorized attorney, upon surrender of such Series C Bond for cancellation at the office of the
21 Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by
22 the Paying Agent, duly executed.
23

24 If manual signatures on behalf of the County are required in connection with an exchange
25 or transfer, the Paying Agent shall undertake the exchange or transfer of Series C Bonds only
26 after the new Series C Bonds are signed by the authorized officers of the County. In all cases of
27 exchanged or transferred Series C Bonds, the County shall sign and the Paying Agent shall
28 authenticate and deliver Series C Bonds in accordance with the provisions of this Resolution.

1 All fees and costs of transfer shall be paid by the requesting party. Those charges may be
2 required to be paid before the procedure is begun for the exchange or transfer. All Series C
3 Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing
4 the same debt, and entitled to the same security and benefit under this Resolution as the Series C
5 Bonds surrendered upon that exchange or transfer.

6
7 Any Series C Bond surrendered to the Paying Agent for payment, retirement, exchange,
8 replacement or transfer shall be canceled by the Paying Agent. The District and the County may
9 at any time deliver to the Paying Agent for cancellation any previously authenticated and
10 delivered Series C Bonds that the District and the County may have acquired in any manner
11 whatsoever, and those Series C Bonds shall be promptly canceled by the Paying Agent. Written
12 reports of the surrender and cancellation of Series C Bonds shall be made to the District and the
13 County by the Paying Agent and updated annually. The canceled Series C Bonds shall be
14 destroyed by the Paying Agent in accordance with its procedures as confirmed in writing to the
15 District.

16
17 Neither the District, the County nor the Paying Agent will be required to: (a) issue or
18 transfer any Series C Bonds during a period beginning with the opening of business on the 15th
19 business day next preceding either any Interest Payment Date or any date of selection of Series C
20 Bonds to be redeemed and ending with the close of business on the Interest Payment Date or day
21 on which the applicable notice of redemption is given, or (b) transfer any Series C Bonds which
22 have been selected or called for redemption in whole or in part.

23
24 **SECTION 13. Book-Entry System.** Except as provided below, the owner of all of the
25 Bonds shall be The Depository Trust Company, New York, New York (“DTC” or “Depository”),
26 and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Bonds
27 shall be initially executed and delivered in the form of a single, fully registered Bond for each
28 maturity (which may be typewritten). Upon initial execution and delivery, as provided for

1 herein, the ownership of such Bond shall be registered in the Bond Register in the name of the
2 Nominee identified below as nominee of The Depository Trust Company, New York, New York,
3 and its successors and assigns. Except as hereinafter provided, all of the Outstanding Bonds
4 shall be registered in the Bond Register in the name of the nominee of the Depository, which
5 may be the Depository, as determined from time to time pursuant to this Section ("Nominee").
6 With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither
7 the District nor the Paying Agent shall have any responsibility or obligation to any broker-
8 dealers, banks and other financial institutions from time to time for which the Depository holds
9 Bonds as securities depository ("Participant") or to any person on behalf of which such a
10 Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence,
11 neither the District nor the Paying Agent shall have any responsibility or obligation (unless the
12 District is at such time the Depository) with respect to (i) the accuracy of the records of the
13 Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds,
14 (ii) the delivery to any Participant or any other person, other than an Owner of a Bond as shown
15 in the Bond Register, of any notice with respect to the Bonds, including any notice of
16 redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in
17 the Bonds to be redeemed in the event the District redeems the Bonds in part, or (iv) the payment
18 to any Participant or any other person, other than an Owner of a Bond as shown in the Bond
19 Register, of any amount with respect to principal of or interest on the Bonds. The District and
20 the Paying Agent may treat and consider the person in whose name each Bond is registered in
21 the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of
22 principal and interest with respect to such Bond, for the purpose of giving notices of redemption,
23 if applicable, and other matters with respect to such Bond, for the purpose of registering transfers
24 with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay
25 all principal of and interest on the Bonds only to or upon the order of the respective Owner of the
26 Bond, as shown in the Bond Register, or his respective attorney duly authorized in writing, and
27 all such payments shall be valid and effective to fully satisfy and discharge the District's
28 obligations with respect to payment of principal of and interest on the Bonds to the extent of the

1 sum or sums so paid. No person other than an Owner of a Bond, as shown in the Bond Register,
2 shall receive a Bond evidencing the obligation of the District to make payments of principal and
3 interest. Upon delivery by the Depository to the Owners of the Bonds and the District of written
4 notice to the effect that the Depository has determined to substitute a new nominee in place of
5 the Nominee, and subject to the provisions herein with respect to Record Dates, the word
6 Nominee in this Resolution shall refer to such nominee of the Depository.

7
8 In order to qualify the Bonds for the Depository's book-entry system, the District is
9 executing and delivering to the Depository a Representation Letter. The execution and delivery
10 of the Representation Letter shall not in any other way limit the provisions of this Section or in
11 any other way impose upon the District any obligation whatsoever with respect to persons having
12 interests in the Bonds other than the owners of the Bonds, as shown on the Bond Register. In
13 addition to the execution and delivery of the Representation Letter, the District shall take such
14 other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the
15 Bonds for the Depository's book-entry program.

16
17 In the event: (i) the Depository determines not to continue to act as securities depository
18 for the Bonds; or (ii) the Depository shall no longer so act and gives notice to the District of such
19 determination, then the District will discontinue the book-entry system with the Depository. If
20 the District determines to replace the Depository with another qualified securities depository, the
21 District shall prepare or direct the preparation of a new single, separate, fully registered Bond,
22 per maturity, registered in the name of such successor or substitute qualified securities depository
23 or its nominee. If the District fails to identify another qualified securities depository to replace
24 the Depository, then the Bonds shall no longer be restricted to being registered in the Bond
25 Register in the name of the Nominee, but shall be registered in whatever name or names owners
26 of the Bonds transferring or exchanging Bonds shall designate, in accordance with provisions of
27 this Resolution, and the District shall prepare and deliver Bonds to the owners thereof for such
28 purpose.

1
2 In the event of a reduction in aggregate principal amount of Bonds Outstanding or an
3 advance refunding of part of the Bonds Outstanding, DTC in its discretion, (a) may request the
4 District to prepare and issue a new Bond or (b) may make an appropriate notation on the Bond
5 indicating the date and amounts of such reduction in principal, but in such event the District
6 records maintained by the Paying Agent shall be conclusive as to what amounts are Outstanding
7 on the Bond, except in the case of final maturity in which case the Bond must be presented to the
8 Paying Agent prior to payment.

9
10 Notwithstanding any other provisions of this Resolution to the contrary, so long as any
11 Bond is registered in the name of the Nominee, all payments with respect to Principal of, and
12 interest on such Bond and all notices with respect to such Bond shall be made and given,
13 respectively, as provided in the Representation Letter or as otherwise instructed by the
14 Depository and acceptable to the District. The initial Depository under this Section shall be
15 DTC. The initial Nominee shall be Cede & Co., as Nominee of DTC.

16
17 **SECTION 14. Paying Agent.**

18
19 (a) At the request and direction of the District, U.S. Bank National Association is
20 hereby confirmed as the initial authenticating agent, bond registrar, transfer agent and paying
21 agent (collectively, "Paying Agent") for the Series C Bonds. All fees and expenses incurred for
22 services of the Paying Agent shall be the sole responsibility of the District, subject to the terms
23 hereof. The Paying Agent may also function as the dissemination agent and if so acting, shall
24 perform all duties and obligations as set forth in the Continuing Disclosure Certificate, as
25 described in Section 22 hereof.

26
27 (b) The Paying Agent may at any time resign and be discharged of the duties and
28 obligations created by this Resolution by giving at least 60 days' written notice to the District.

1 The Paying Agent may be removed at any time by an instrument filed with such Paying Agent
2 and signed by the District. A successor Paying Agent shall be appointed by the District and shall
3 be a bank or trust company organized under the laws of the state of California, of any state or the
4 United States, a national banking association or any other financial institution, having capital
5 stock and surplus aggregating to at least \$50,000,000, and willing and able to accept the office
6 on reasonable and customary terms and authorized by law to perform all the duties imposed upon
7 it by this Resolution. Such Paying Agent shall signify the acceptance of its duties and
8 obligations hereunder by executing and delivering to the District and the County a written
9 acceptance thereof. Resignation or removal of the Paying Agent shall be effective only upon
10 appointment and acceptance of a successor Paying Agent.

11
12 (c) In the event of the resignation or removal of the Paying Agent, such Paying Agent
13 shall pay over, assign and deliver any monies held by it as Paying Agent to its successor, or, if
14 there is no successor, to the Treasurer. In the event that for any reason there shall be a vacancy
15 in the office of the Paying Agent, the Treasurer shall act as such Paying Agent. The District
16 shall promptly cause to be mailed, at its expense, the name and principal corporate trust office
17 address of the Paying Agent appointed to replace any resigned or removed Paying Agent to the
18 Informational Services and to DTC.

19
20 (d) Any company or association into which the Paying Agent may be merged or
21 converted or with which it may be consolidated or any company resulting from any merger,
22 conversion or consolidation to which it shall be a party or any company or association to which
23 the Paying Agent may sell or transfer all or substantially all of its corporate trust business,
24 provided that such company or association shall be eligible under Section 13(b), shall be the
25 successor to the Paying Agent and vested with all of the title to the trust estate and all of the
26 trust, powers, discretions, immunities, privileges and all other matters as was its predecessor,
27 without the execution or filing of any paper or further act, anything herein to the contrary
28 notwithstanding. All costs associated with the Paying Agent's merger or consolidation with

1 another bank or trust company shall be paid by the successor Paying Agent. No expense
2 resulting from such merger or consolidation shall be billed to the District or the County.

3
4 (e) To the extent permitted by law, the Paying Agent may become the Owner of any
5 of the Series C Bonds.

6
7 (f) The District shall be responsible to pay all fees, costs and expenses of the Paying
8 Agent, subject to the provisions of Section 15 hereof.

9
10 (g) All documents received by the Paying Agent under the provisions of the
11 Resolution shall be retained in its possession at the Office of the Paying Agent and shall be
12 subject during business hours and upon reasonable notice to the inspection of the County, the
13 District or the Owners and their agents and representatives duly authorized in writing.

14
15 **SECTION 15. Security for the Series C Bonds.** Pursuant to the California
16 Constitution, the Authorization and California law, there shall be levied by the County, pursuant
17 to Education Code Sections 15260 et seq., on all the taxable property in the District located
18 within the County (as allocated among the County and Imperial County pursuant to State law), in
19 addition to all other taxes, a continuing direct ad valorem tax annually during the period the
20 Series C Bonds are Outstanding, commencing in Fiscal Year 2009-2010, in an amount sufficient
21 to pay the Principal and Accreted Value of, and interest on, the Series C Bonds when due, which
22 monies when collected will be placed in the Debt Service Fund. Pursuant to the California
23 Constitution, the Authorization and California law, there shall be levied by Imperial County,
24 pursuant to Education Code Sections 15260 et seq., on all the taxable property in the District
25 located within Imperial County (as allocated among the County and Imperial County pursuant to
26 State law), in addition to all other taxes, a continuing direct ad valorem tax annually during the
27 period the Series C Bonds are Outstanding, commencing in Fiscal Year 2009-2010, in an amount
28 sufficient to pay the Principal and Accreted Value of, and interest on, the Series C Bonds when

1 due, which monies when collected will be placed in the Debt Service Fund. The Debt Service
2 Fund is irrevocably pledged for the payment of the Principal and Accreted Value of, and interest
3 on, the Series C Bonds when and as the same fall due along with administrative costs and
4 expenses for the Series C Bonds including fees and expenses of the Paying Agent.

5
6 The monies in the Debt Service Fund, to the extent necessary to pay the Principal and
7 Accreted Value of, and interest on, the Series C Bonds as the same become due and payable,
8 shall be transferred by the Treasurer, or his or her designee or deputy, to the Paying Agent who
9 in turn, shall pay such monies to DTC to pay the Principal and Accreted Value of, and interest
10 on, the Series C Bonds when due. DTC will thereupon make payments of Principal and Accreted
11 Value of, and interest on, the Series C Bonds to the DTC Participants who will thereupon make
12 payments of principal and Accreted Value and interest to the beneficial owners of the Series C
13 Bonds. Any monies remaining in the Debt Service Fund after the Series C Bonds and the interest
14 thereon have been paid, or provision for such payment has been made, shall be transferred to the
15 General Fund of the District pursuant to the Education Code Section 15235 or any successor
16 section thereto.

17
18 **SECTION 16. Payment of Principal and Interest.** The Principal and Accreted Value
19 of and interest on the Series C Bonds shall be payable in lawful money of the United States of
20 America without deduction for the services of the Paying Agent. Interest on Current Interest
21 Bonds shall be paid on each Bond Payment Date by check mailed by first class mail to the
22 person in whose name the Series C Bond is registered, and to that person's address appearing on
23 the Bond Register (as described in Section 11 above) on the Record Date. The Owner of an
24 aggregate Principal Amount of Current Interest Bonds of \$1,000,000 or more may request, in
25 writing, prior to the close of business on the fifteenth (15th) day of the month preceding each
26 Interest Payment Date, to the Paying Agent that such Owner be paid interest by wire transfer to
27 the bank and account number on file with the Paying Agent as of the Record Date.

1 Payments of principal and redemption premiums, if any, with respect to the Current
2 Interest Bonds, and the payments of Maturity Value and redemption premiums, if any, with
3 respect to Capital Appreciation Bonds, shall be payable at maturity or redemption upon surrender
4 at the office of the Paying Agent in Los Angeles, California, or such other location as the Paying
5 Agent shall designate to the County and the District in writing. In the event the Paying Agent
6 shall provide written notice of a change in the location for payment of Principal, redemption
7 premiums and Maturity Value on the Series C Bonds, the Paying Agent shall thereafter provide
8 notice of such change to the Informational Services and Securities Depositories of such change.
9 The Paying Agent is hereby authorized to pay the Series C Bonds when duly presented for
10 payment at maturity, and to cancel all Series C Bonds upon payment thereof.
11

12 In the event any payment is required to be made hereunder on a day which is not a
13 Business Day, such payment shall be made on the next succeeding Business Day with the same
14 effect as if made on such non-Business Day.
15

16 The Series C Bonds are the general obligations of the District secured by ad valorem
17 taxes levied and collected pursuant to the Authorization, the California Constitution and State
18 law and do not constitute an obligation of the County except to provide for the levy and
19 collection of the ad valorem taxes and payment of funds to the Paying Agent as set forth in
20 Section 18 hereof. No part of any fund of the County is pledged or obligated to the payment of
21 the Series C Bonds. The Series C Bonds do not constitute an obligation of Imperial County
22 except to provide for the levy and collection of the ad valorem taxes as set forth in Section 14
23 hereof.
24

25 **SECTION 17. Defeasance.** The Series C Bonds may be defeased prior to maturity in
26 the following ways:
27

28 (a) Cash: By irrevocably depositing with a bank or trust company, in escrow, an

1 amount of cash which, together with amounts then on deposit in the Debt Service
2 Fund, is sufficient to pay all Series C Bonds Outstanding, including all principal
3 and interest and premium, if any; or
4

5 (b) United States Obligations: By irrevocably depositing with a bank or trust
6 company, in escrow, noncallable United States Obligations, permitted under
7 Section 149(d) of the Code thereto together with cash, if required, in such amount
8 as will, in the opinion of an independent certified public accountant, together with
9 interest to accrue thereon and monies then on deposit in the Debt Service Fund,
10 together with the interest to accrue thereon, be fully sufficient to pay and
11 discharge all Series C Bonds (including all principal and interest represented
12 thereby and redemption premiums, if any) at or before their maturity date;
13

14 *then*, notwithstanding that any Series C Bonds shall not have been surrendered for payments, all
15 obligations of the District and the County with respect to all Outstanding Series C Bonds shall
16 cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid
17 from funds deposited pursuant to paragraphs (a) or (b) of this Section 17, to the Owners of the
18 Series C Bonds not so surrendered and paid all sums due with respect thereto.
19

20 For purposes of this Section 17, "United States Obligations" shall mean:

21
22 Direct and general obligations of the United States of America, or obligations that are
23 unconditionally guaranteed as to principal and interest by the United States of America,
24 including (in the case of direct and general obligations of the United States of America) evidence
25 of direct ownership or proportionate interests in future interest or principal payments of such
26 obligations. Investments in such proportionate interests must be limited to circumstances
27 wherein (a) a bank or trust company acts as custodian and holds the underlying United States
28 Obligations; (b) the owner of the investment is the real party in interest and has the right to

1 proceed directly and individually against the obligor of the underlying United States Obligations;
2 and (c) the underlying United States Obligations are held in a special account, segregated from
3 the custodian's general assets, and are not available to satisfy any claims of the custodian, any
4 person claiming through the custodian, or any person to whom the custodian may be obligated;
5 provided that such obligations are rated or assessed "AAA" by Standard & Poor's Ratings'
6 Services and "Aaa" by Moody's Investors Service.

7
8 For purposes of this Section 17, and Section 18, the escrow agent bank or trust company
9 and verification agent shall be selected by the District. Any such escrow bank or trust company
10 shall conform to the successor paying agent requirements of Section 14 hereof. All costs for
11 defeasance of the Series C Bonds shall be paid by the District.

12
13 **SECTION 18. Partial Defeasance.** A portion of the then-Outstanding maturities of the
14 Series C Bonds may be defeased prior to maturity in the following ways:

- 15
16 (a) Cash: by irrevocably depositing with a bank or trust company, in escrow, an
17 amount of cash which, together with amounts then on deposit in the Debt Service
18 Fund, is sufficient to pay the designated Outstanding maturities of Series C Bonds,
19 including all principal and interest and premium, if any; or
20
21 (b) United States Obligations: by irrevocably depositing with a bank or trust
22 company, in escrow, noncallable United States Obligations, permitted under
23 Section 149(d) of the Code together with cash, if required, in such an amount as
24 will, in the opinion of an independent certified public accountant, together with
25 interest to accrue thereon, be fully sufficient to pay and discharge the designated
26 maturities of Series C Bonds (including all principal and interest represented
27 thereby and redemption premiums, if any,) at or before their maturity date;
28

1 *then*, notwithstanding that any of such designated maturities of Series C Bonds shall not have
2 been surrendered for payment, all obligations of the District and the County with respect to such
3 Outstanding maturities of Series C Bonds shall cease and terminate, except only the obligation of
4 the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or
5 (b) of this Section 18, to the Owners of the Series C Bonds of such maturities designated for
6 redemption not so surrendered and paid all sums due with respect thereto.

7
8 For purposes of this Section 18, United States Obligations shall have the same meaning
9 as set forth in Section 17 hereof.

10
11 **SECTION 19. Establishment of Funds; Disposition of Proceeds; Investment.**

12 (a) The proceeds from the sale of the Series C Bonds, to the extent of the Principal
13 Amount thereof, shall be paid and credited to the fund established and held by the Treasurer and
14 designated as the "Coachella Valley Unified School District General Obligation Bonds, 2005
15 Election, Series C Building Fund" ("Building Fund") of the District, and shall be kept separate
16 and distinct from all other District and County funds, and those proceeds shall be used solely for
17 the purpose for which the Series C Bonds are being issued and for payment of permissible costs
18 of issuance and provided further that such proceeds shall be applied solely to authorized
19 purposes for which the Series C Bonds were authorized as directed in writing by the District.
20 The County shall have no obligation to ensure that the proceeds are applied in accordance with
21 the preceding sentence. The interest earned on the monies deposited to the Building Fund shall
22 be deposited to said Fund and such monies shall be used for any lawful purpose of the District at
23 the direction of the District.

24
25 (b) The accrued interest, if any, and any premium received from the sale of the Series
26 C Bonds (if any after all or a portion of the Underwriter's discount or costs of issuance are paid),
27 as well as tax revenues collected by the County and Imperial County pursuant to Section 14
28 hereof and Sections 15260 *et seq.* of the Education Code, shall be deposited and kept separate

1 and apart in the fund established and held by the Treasurer and designated as the "Coachella
2 Valley Unified School District General Obligation Bonds, 2005 Election, Series C Bond Debt
3 Service Fund" ("Debt Service Fund") for the Bonds and used only for payments of Principal and
4 interest on the Bonds when due. *Ad valorem* taxes collected by the County pursuant to State law
5 and Section 15 hereof shall be deposited by the County and Imperial County into the Debt
6 Service Fund and applied, pursuant to the provisions of State law and this Resolution, only for
7 payments of Principal and Accreted Value of, interest on and redemption premium, if any, on the
8 Series C Bonds when due. Funds held in the Debt Service Fund are irrevocably pledged to the
9 payment of Principal and Accreted Value of, interest on and redemption premium, if any, on the
10 Series C Bonds when due. Except as required below to satisfy the requirements of Section
11 148(f) of the Code, as may be applicable, interest earned on investments of monies held in the
12 Debt Service Fund shall be retained in the Debt Service Fund and used to pay Principal and
13 Accreted Value of, interest on, and redemption premium, if any, on the Series C Bonds when and
14 as such become due. The monies in the Debt Service Fund, to the extent necessary to pay the
15 Principal of, interest on and Accreted Value on the Series C Bonds, as the same becomes due and
16 payable, shall be transferred by the Treasurer to the Paying Agent for subsequent disbursement
17 to the beneficial Owners of the Series C Bonds. The Debt Service Fund shall be administered by
18 the Treasurer, and shall be kept separate and distinct from all other District and County funds.

19
20 (c) The District shall, at such time as shall be necessary, establish and create the
21 "Coachella Valley Unified School District General Obligation Bonds, Series C, Rebate Fund"
22 ("Rebate Fund"), which fund shall be kept separate and distinct from all other District funds, and
23 into which the District shall deposit, or direct deposit of, funds used to satisfy any requirement to
24 make rebate payments to the United States pursuant to Section 148 of the Internal Revenue Code
25 of 1986, as amended and the Treasury Regulations promulgated thereunder ("Code") as shall be
26 applicable to the Series C Bonds. The principal requirements for rebate payments applicable to
27 the Series C Bonds shall be as set forth in the Tax Certificate as executed and delivered by the
28 District. The Rebate Fund (if and when established pursuant to the requirements of the Tax

1 Certificate) may, at the discretion of the District, be held by the Paying Agent or the County.
2 Responsibility for determining and calculating rebate payments, if any, due with regard to the
3 Series C Bonds are the responsibility of the District as further set forth in Section 23. Monies in
4 the Rebate Fund shall be invested in compliance with the limitations of the Code.

5
6 (d) Any proceeds of the Bonds not needed for the authorized purposes set forth herein
7 for which Bonds are being issued, and not needed for rebate purposes, shall, at the direction of
8 the District, be transferred to the Debt Service Fund and applied to the payment of Principal of,
9 interest on and Accreted Value on the Series C Bonds. If, after payment in full of the Series C
10 Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the
11 General Fund of the District, as provided for herein, to be applied in accordance with applicable
12 law.

13
14 (e) All proceeds of the Bonds and interest earning thereon shall be invested by the
15 County, on behalf of, and pursuant to the written direction(s) of, the District, in Authorized
16 Investments. Absent other written investment directions provided to the County from the
17 District, the Treasurer shall invest monies in the Building Fund and the Debt Service Fund
18 pursuant to the State law and the investment policy of the County.

19
20 **SECTION 20. County Books and Accounts.** The Treasurer, the County and the
21 Paying Agent will keep, or cause to be kept, proper books or record and accounts to record (i) the
22 amount of taxes collected pursuant to Section 14 hereof, (ii) all deposits, expenditure and
23 investment earnings on the Debt Service Fund and the Building Fund and any and all accounts or
24 subaccounts thereof, and (iii) all transfers of funds for the payment of Principal, or Maturity
25 Value of, or interest or redemption premiums on, the Series C Bonds. Such books of record and
26 accounts shall, upon two days prior notice, at all times during business hours be subject to the
27 inspection of the District, the Paying Agent (if other than the Treasurer) and the Owners of not
28 less than ten percent (10%) of the Principal amount of the Series C Bonds then Outstanding, or

1 their representatives authorized in writing.
2

3 **SECTION 21. Bond Insurance.** In the event the District purchases bond insurance for
4 the Series C Bonds, and to the extent that the Bond Insurer makes payment of the Principal of,
5 Maturity Value or interest on the Series C Bonds, as applicable, it shall become subrogated to the
6 rights of such Owner(s) of such Series C Bonds with the right to payment of Principal of,
7 Maturity Value or interest on the Series C Bonds, and the rights of the Owners shall be fully
8 subrogated to all of the Bond Insurer's rights, including the Owners' rights to payment thereof.
9 To evidence such subrogation (i) in the case of subrogation as to claims that were past due
10 interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the
11 Bond Register upon receipt of a copy of the canceled check issued by the Bond Insurer for the
12 payment of such interest to the Owners of the Series C Bonds, and (ii) in the case of subrogation
13 as to claims for past due principal, the Paying Agent shall note the Bond Insurer as subrogee on
14 the Bond Register upon surrender of the Series C Bonds by the Owners thereof to the Bond
15 Insurer or the insurance trustee for the Bond Insurer. In the event that the Bond Insurer requires
16 additional agreements, covenants or conditions to the issuance of the bond insurance policy, the
17 Designated Officer may deliver or agree to such; provided, however, that applicable law(s) shall
18 be complied with and any such agreement, covenants or conditions shall be consistent with the
19 provisions of the Resolution and shall be satisfactory to the Designated Officer.
20

21 **SECTION 22. Preliminary Official Statement; Official Statement.** The School
22 District has authorized, and shall be responsible for, preparing a preliminary and final Official
23 Statement for the Series C Bonds meeting the requirements of Securities and Exchange
24 Commission ("SEC") Rule 15c2-12. Such Preliminary Official Statement and final Official
25 Statement are collectively referred to herein as the "Official Statement." Neither the Board of
26 Supervisors nor any officer of the County has prepared or reviewed the Official Statement, and
27 this Board of Supervisors and the various officers of the County take no responsibility for the
28 contents or distribution thereof; provided, however, that solely with respect to one or more

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

10
11 **SECTION 23. Continuing Disclosure.** The District has covenanted and agreed that it
12 will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as
13 defined below), which shall be executed by District and delivered at the time of delivery of the
14 Series C Bonds. Notwithstanding any other provisions of this Resolution, failure of the District
15 to comply with the Continuing Disclosure Certificate shall not be considered a default by the
16 District hereunder or under the Series C Bonds; however, any underwriter or any holder or
17 beneficial Owner of the Series C Bonds may take such actions as may be necessary and
18 appropriate to compel performance, including seeking mandate or specific performance by court
19 order.

20
21 "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure
22 Certificate executed and delivered by the District and dated the date of issuance and delivery of
23 the Series C Bonds, as originally executed and as it may be amended from time to time in
24 accordance with the terms thereof.

25
26 **SECTION 24. Tax and Arbitrage Matters.**

27
28 (a) The District has represented that it shall not take any action, or fail to take any

1 action if such action or failure to take such action would adversely affect the exclusion from
2 gross income of the interest payable on the Series C Bonds under Section 103 of the Code.

3
4 (b) The District has covenanted to restrict the use of the proceeds of the Series C
5 Bonds in such manner and to such extent, if any, as may be necessary, so that the Series C Bonds
6 will not constitute "arbitrage bonds" under Section 148 of the Code and the applicable
7 regulations prescribed under that section or any successor section. Calculations for determining
8 arbitrage requirements are the sole responsibility of the District.

9
10 (c) The District, in order to maintain the exclusion from gross income for federal
11 income tax purposes of the interest on the Series C Bonds, has covenanted to comply with each
12 applicable requirement of Section 103 and Sections 141 through 150 of the Code, as set forth in
13 the Tax Certificate to be provided by the District on the date of initial delivery of the Series C
14 Bonds and incorporated herein by this reference as a source of guidance for compliance with
15 such provisions.

16
17 (d) The District has covenanted that it shall at all times do and perform all other acts
18 and things necessary or desirable and within its powers to assure, for the purposes of California
19 personal and federal income taxation, that the tax-exempt status of the interest paid on the Series
20 C Bonds to the recipients thereof will be preserved.

21
22 (e) Notwithstanding any other provision of this Resolution to the contrary, upon the
23 District's failure to observe, or refusal to comply with, the above covenant, no person other than
24 the owners of the Series C Bonds shall be entitled to exercise any right or remedy provided to
25 such owners under this Resolution on the basis of the District's failure to observe, or refusal to
26 comply with, the above covenant.

27
28 (f) The District has covenanted that it shall not use or permit the use of any proceeds

1 of the Series C Bonds, directly or indirectly, to acquire any securities or obligation, and shall not
2 use or permit the use of any amounts received by the District with respect to the Series C Bonds
3 in any manner, and shall not take or permit to be taken any other action or actions, which would
4 cause any Series C Bond to be an "arbitrage bond" within the meaning of Section 148 of the
5 Code or to impair its status as a "Build America Bond" under Section 1531 of the Recovery Act.

6
7 (g) The District has covenanted that it shall at all times do and perform all acts and
8 things permitted by law and this Resolution which are necessary or desirable in order to maintain
9 the status of the Series C Bonds as "Build America Bonds" under Section 1531 of the Recovery
10 Act and shall take no action that would result in impairing such status for federal income tax
11 purposes.

12
13 **SECTION 25. Execution of Documents by Bond Owners.** Any request, consent or
14 other instrument required by this Resolution to be signed and executed by Bond Owners may be
15 in any number of concurrent writings of substantially similar tenor and may be signed or
16 executed by such Bond Owners in person or by their agent or agents duly appointed in writing.
17 Proof of the execution of any such request consent or other instrument or of a writing appointing
18 any such agent shall be sufficient for any purpose of this Resolution and shall be conclusive in
19 favor of the County, and the School District, if made in the manner provided in this Section 26.

20
21 The fact and date of the execution by any person of any such request consent or other
22 Instrument or writing may be proved by the affidavit of a witness of such execution or by the
23 certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof
24 to take acknowledgements of deeds, certifying that the person signing such request consent or
25 other Instrument or writing acknowledged to him the execution thereof.

26
27 The ownership of the Series C Bonds shall be proved by the Bond Register. Any request,
28 consent or vote of the Owner of any Series C Bond shall bind every future Owner of the same

1 Series C Bond and the Owner of any Series C Bond issued in exchange therefor or in lieu
2 thereof, in respect of anything done or suffered to be done by the County or the School District,
3 in pursuance of such request, consent or vote.
4

5 **SECTION 26. Unclaimed Monies.** Notwithstanding any of the foregoing provisions of
6 this Resolution and subject to State law, any monies held by the Paying Agent for the payment of
7 the Principal of, redemption premium, if any, or interest on the Series C Bonds remaining
8 unclaimed for one year after the corresponding maturity or redemption date for such Series C
9 Bonds shall be returned by the Paying Agent to the Treasurer, with any and all interest accrued
10 thereon, for deposit into the Debt Service Fund. Notwithstanding any other provisions of this
11 Resolution, any monies held in any fund created pursuant to this Resolution, or by the Paying
12 Agent in trust, for the payment of the Principal of, redemption premium, if any, or interest on
13 Series C Bonds and remaining unclaimed for one year after the Principal of all of the Series C
14 Bonds have become due and payable (whether by maturity or upon prior redemption) shall be,
15 after payment in full of the Series C Bonds, transferred to the General Fund of the District to be
16 applied in accordance with law; provided, however, that the Paying Agent, or Treasurer, as may
17 be the case, before making such payment, shall cause notice to be mailed to the Owners of all
18 Series C Bonds that have not been paid, by first-class mail at the addresses on the Bond Register,
19 postage prepaid, not less than 90 days prior to the date of such payment.
20

21 **SECTION 27. Compliance With Law.** All acts, conditions and things required by law
22 to be done and performed in strict conformity with the laws authorizing the issuance of general
23 obligation bonds of the District, and the indebtedness of the District, including this proposed
24 issue of the Series C Bonds, is within all limits prescribed by law.
25

26 **SECTION 28. Conditions Precedent.** This County Board determines that all acts and
27 conditions necessary to be performed by the Board or to have been met precedent to and in the
28 issuing of the Series C Bonds, in order to make them legal, valid and binding general obligations

1 of the District have been performed and have been met, or will at the time of delivery of the
2 Series C Bonds have been performed and have been met, in regular and due form as required by
3 law; and that no statutory or Constitutional limitation of indebtedness or taxation will have been
4 exceeded in the issuance of the Series C Bonds.

5
6 **SECTION 29. Amendments.** The County may from time to time (which may be at the
7 request of the School District, made in writing to the County), and at any time, without notice to
8 or consent of any of the Owners, by action of the County Board, amend the provisions of this
9 Resolution for any of the following reasons:

10
11 (a) to cure any ambiguity, to correct or supplement any provision herein which may
12 be inconsistent with any other provision herein or therein, or to make any other provision with
13 respect to matters or questions arising under this Resolution, provided that such action shall not
14 adversely affect the interests of the Owners;

15
16 (b) to add to the covenants and agreements of, and the limitations and the restrictions,
17 contained in this Resolution which are not contrary to or inconsistent with this Resolution as
18 theretofore in effect; and/or

19
20 (c) to modify, alter, amend or supplement this Resolution in any other respect which
21 is not materially adverse to the Owners.

22
23 In the event of any such amendment, the County shall promptly provide the School
24 District and the Paying Agent with copies of such amendment and the action of the County
25 Board approving such amendment. Notice of any such amendment shall also be provided to the
26 Owners by the School District in the next occurring Annual Report provided by the School
27 District under the terms of the Continuing Disclosure Agreement.
28

1 No such amendment shall: (i) extend the fixed maturity of any Series C Bond, reduce the
2 amount of Principal or Accreted Value thereof or the rate of interest thereon or extend the time
3 of payment thereof, without the consent of the Owner of each Series C Bond so affected, or (ii)
4 modify or amend this Section without the consent of the Owners of all the Series C Bonds then
5 outstanding.

6
7 Upon the adoption of any amendment pursuant to this Section, this Resolution shall be
8 deemed to be modified and amended in accordance therewith, and the respective rights, duties
9 and obligations under this Resolution of the County, the School District, the Paying Agent and
10 all Owners shall thereafter be determined, exercised and enforced hereunder subject in all
11 respects to such modification and amendment, and all the terms and conditions of any such
12 amendment shall be deemed to be part of the terms and conditions of this Resolution for any and
13 all purposes.

14
15 The provisions of this Section shall not prevent any Owner from accepting any
16 modification or amendment as to the particular Series C Bonds held by such Owner.

17
18 **SECTION 30. Benefits Limited to Parties.** Nothing in this Resolution, express or
19 implied, is intended to give to any person other than the County, the School District, the Paying
20 Agent and the Owners of the Series C Bonds, any right, remedy or claim under or by reason of
21 this Resolution. Any covenants, stipulations, promises or agreements in this Resolution
22 contained by and on behalf of the School District or the County, are for the sole and exclusive
23 benefit of the County, the School District, the Paying Agent and the Owners.

24
25 **SECTION 31. Approval of Actions.** Officers of the Board and County officials and
26 staff, including the Treasurer or the Treasurer's designee, are hereby authorized and directed,
27 jointly and severally, to do any and all things and to execute and deliver any and all documents
28 which they may deem necessary or advisable in order to proceed with the issuance, sale and

1 delivery of the Series C Bonds and otherwise carry out, give effect to and comply with the terms
2 and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff
3 are hereby ratified, confirmed and approved.
4

5 **SECTION 32. Partial Invalidity; Severability.** If any one or more of the covenants or
6 agreements, or portions thereof, provided in this Resolution to be performed should be contrary
7 to law, then such covenant or covenants, such agreement or agreements, or such portions thereof,
8 shall be null and void and shall in no way affect the validity of this Resolution or of the Series C
9 Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under any
10 applicable provisions of law. The County Board hereby declares that it would have adopted
11 Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase
12 hereof and would have authorized the issuance of the Series C Bonds pursuant hereto
13 irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences,
14 clauses or phrases of this Resolution or the application thereof to any person or circumstance
15 may be held to be unconstitutional, unenforceable or invalid.
16

17 **SECTION 33. Effective Date.** This Resolution shall take effect immediately upon its
18 passage.
19

20 **SECTION 34. Furnishing of Clerk Certifications.** The Clerk of the Board is hereby
21 authorized to furnish up to 10 certified copies of this Resolution to Bowie, Arneson, Wiles &
22 Giannone, District Bond Counsel, at or prior to closing.
23

24 [Remainder of this page is blank]
25
26
27
28

