

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

107



FROM: Treasurer-Tax Collector

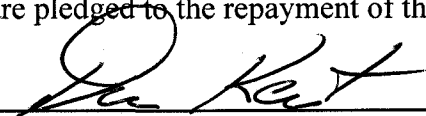
SUBMITTAL DATE:
June 5, 2009

SUBJECT: Resolution No. 2009-202 Val Verde Unified School District Fiscal Year 2009-2010 Tax and Revenue Anticipation Notes (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2009-202 providing for issuance and sale of Tax and Revenue Anticipation Notes for the Val Verde Unified School District (the "District") in a principal amount not to exceed \$25,000,000.

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

Resolution No. 2009-202 authorizes the issuance of Val Verde Unified School District Tax and Revenue Anticipation Notes in a principal amount not to exceed \$25,000,000. The District has pledged certain of its unrestricted revenues to be received during fiscal year 2009-2010 for the repayment of the Notes. When issued, the notes will represent a general obligation of the District. The Notes will not constitute an obligation of the County. No funds of the County are pledged to the repayment of the Notes.


Don Kent, Treasurer-Tax Collector

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

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

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature BY: 
Christopher M. Hans

FORM APPROVED COUNTY COUNSEL
BY: 
DALE A. GARDNER
DATE: 6/03/09
Departmental Concurrence

Policy

Consent

Dept't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: District: Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.52

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RESOLUTION NO. 2009-202

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

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

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

WHEREAS, the Riverside County (the "County") Superintendent of Schools has jurisdiction over the Val Verde Unified School District (the "District"), and this Board of Supervisors of the County (the "County Board") has received a resolution of the Board of Education of the District (the "District Board"), being the governing board of the District, dated June 9, 2009, entitled "RESOLUTION OF THE BOARD OF EDUCATION OF THE VAL VERDE UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF 2009-10 TAX AND REVENUE ANTICIPATION NOTES FOR SAID DISTRICT AND REQUESTING THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY TO ISSUE SAID NOTES" (the "District Resolution") which District Resolution requests the borrowing of not exceeding Twenty-Five Million Dollars (\$25,000,000) at an interest rate not to exceed the maximum rate allowed by

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 6/9/09
DALE A. GARDNER DATE

1 law, through the issuance by the County Board of 2009-10 Tax and Revenue Anticipation Notes
2 (the "Notes") in the name of the District; and

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4 **WHEREAS**, such Notes are payable on such date that is not later than thirteen months
5 after the date of issue, and such Notes shall be payable only from the District's revenue received
6 or accrued during the fiscal year 2009-10 in which issued; and

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

12
13 **WHEREAS**, the Notes shall be a general obligation of the District, and to the extent not
14 paid from the taxes, income, revenue, cash receipts and other moneys of the District pledged for
15 the payment thereof shall be paid with interest thereon from any other moneys of the District
16 lawfully available therefor, as required by Section 53857 of the Act, and shall not in any way be
17 payable from County moneys; and

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

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23 **WHEREAS**, the County Board has no independent knowledge of but accepts the
24 determination by the District that said \$25,000,000 maximum principal amount of Notes to be
25 issued by the County Board in fiscal year 2009-10, when added to the interest payable thereon,
26 does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes,
27 income, revenue (including but not limited to revenue from state and federal governments), cash
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1 receipts and other moneys of the District which will be available for the payment of the Notes and
2 interest thereon, as required by Section 53858 of the Act; and

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

10 **NOW, THEREFORE**, the Board of Supervisors of Riverside County hereby resolves as
11 follows:

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13 Section 1. Authorization of Issuance of Notes: Terms Thereof; Paying Agent. The
14 County Board hereby authorizes the issuance, in the name of the District, of an amount not to
15 exceed \$25,000,000 principal amount of Notes under Sections 53850 *et seq.* of the Act,
16 designated "Val Verde Unified School District, Riverside County, State of California, 2009-10
17 Tax and Revenue Anticipation Notes" (the "Notes"); to be numbered from 1 consecutively
18 upward in order of issuance; to be in the denominations of \$5,000, or integral multiples thereof;
19 to be dated the date of delivery thereof; to mature (without option of prior redemption) either
20 within 364 days from said date of delivery, or if such date is not a day on which banks in New
21 York or California are open for business, on the last day such banks are open for business prior to
22 such date, or some later date as set forth in the official statement pertaining to the Notes (the
23 "Official Statement"), but in no event later than thirteen months after the date of issuance, (on a
24 30-day month/360-day year basis); and unless otherwise provided for in the Note, to bear interest,
25 payable on or before the twelve month anniversary following the date of issuance and/or at
26 maturity and computed on a 30-day month/360-day year basis, at the rate or rates determined at
27 the time of sale thereof, but not in excess of the maximum rate allowed by law per annum. Both
28 the principal of and interest on the Notes shall be payable, only upon surrender thereof, in lawful

1 money of the United States of America at the office of the Treasurer-Tax Collector of Riverside
2 County (the "Treasurer-Tax Collector"), which is hereby designated to be the paying agent for the
3 Notes (in such capacity, the "Paying Agent"). The Treasurer-Tax Collector is authorized to
4 contract with any third party to perform the services of Paying Agent hereunder. This Board
5 hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they
6 shall become due and payable.

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

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

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

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

11 Section 4. Use of Depository.

12 (1) The Notes shall be initially registered as provided in Section 2 hereof.
13 Registered ownership of the Notes, or any portion thereof, may not thereafter be transferred
14 except:

15 (i) To any successor of Cede & Co., as nominee of The Depository
16 Trust Company, or its nominee, or to any substitute depository designated pursuant to clause (ii)
17 of this Section 4 (a "substitute depository"); provided, that any successor of Cede & Co., as
18 nominee of The Depository Trust Company or a substitute depository, shall be qualified under
19 any applicable laws to provide the services proposed to be provided by it;

20 (ii) To any substitute depository not objected to by the Paying Agent,
21 upon (1) the resignation of The Depository Trust Company or its successor (or any substitute
22 depository or its successor) from its functions as depository, or (2) a determination by the
23 Treasurer-Tax Collector to substitute another depository for The Depository Trust Company (or
24 its successor) because The Depository Trust Company or its successor (or any substitute
25 depository or its successor) is no longer able to carry out its functions as depository; provided,
26 that any such substitute depository shall be qualified under any applicable laws to provide the
27 services proposed to be provided by it; or

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1 (iii) To any person as provided below, upon (1) the resignation of The
2 Depository Trust Company or its successor (or substitute depository or its successor) from its
3 functions as depository, or (2) a determination by the County to remove The Depository Trust
4 Company or its successor (or any substitute depository or its successor) from its functions as
5 depository.

6 (2) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection
7 (1) of this Section 4, upon receipt of the outstanding Notes by the Paying Agent, together with a
8 request of the District to the Paying Agent, a new note shall be executed and delivered in the
9 aggregate principal amount of the Notes registered in the name of such successor or such
10 substitute depository, or their nominees, as the case may be, all as specified in such request of the
11 District. In the case of any transfer pursuant to clause (iii) of subsection (1) of this Section 4,
12 upon receipt of the outstanding Notes by the Paying Agent together with a request of the District
13 to the Paying Agent, new Notes shall be executed and delivered in such denominations numbered
14 in the manner determined by the Paying Agent and registered in the names of such persons as are
15 requested in such a request of the District; provided, the Paying Agent shall not be required to
16 deliver such new Notes within a period less than sixty (60) days from the date of receipt of such a
17 request of the District. Thereafter, Notes shall be transferred pursuant to Section 3 hereof.

18 (3) The Paying Agent shall be entitled to treat the person in whose name any
19 Note is registered as the owner thereof for all purposes of this resolution and any applicable laws,
20 notwithstanding any notice to the contrary received by the Paying Agent or the District; and the
21 Paying Agent shall have no responsibility for transmitting payments to, communication with,
22 notifying, or otherwise dealing with any beneficial owners of the Notes and neither the District
23 nor the Paying Agent will have any responsibility or obligations, legal or otherwise, to the
24 beneficial owners or to any other party, including The Depository Trust Company or its successor
25 (or substitute depository or its successor), except for the Owner of any Notes.

26 (4) So long as the outstanding Notes are registered in the name of Cede & Co.
27 or its registered assigns, the Paying Agent shall cooperate with Cede & Co., as sole registered
28 Owner, or its registered assigns in effecting payment of the principal of and interest on the Notes

1 by arranging for payment in such manner that funds for such payments are properly identified and
2 are made immediately available on the date they are due.

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

5 Section 6. Payment of Notes.

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

19 (B) Pledged Revenues. Unless otherwise provided for in the Note, as security
20 for the payment of the principal of and interest on the Notes, as provided in the District
21 Resolution, the District has pledged unrestricted revenues received in fiscal year 2009-10 in such
22 amounts and in such months as determined upon pricing of the Notes as shall be sufficient to pay
23 principal of and interest on the Notes through maturity (such pledged amounts being hereinafter
24 called the "Pledged Revenues"). The term "unrestricted revenues" shall mean taxes, income,
25 revenue, cash receipts, and other money of the District as provided in Section 53856 of the Act,
26 which are intended as receipts for the General Fund of the District and which are generally
27 available for the payment of current expenses and other obligations of the District.

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1 The principal of the Notes and the interest thereon shall be a first lien and charge against
2 and shall be payable from the first moneys received by the District from such Pledged Revenues
3 as provided by law.

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5 In the event that there are insufficient unrestricted revenues received by the District to
6 permit the deposit into the Repayment Fund of the full amount of Pledged Revenues to be
7 deposited from unrestricted revenues in any month, then the amount of such deficiency shall be
8 satisfied and made up from any other moneys of the District lawfully available for the repayment
9 of the Notes and the interest thereon.

10 (C) Deposit of Pledged Revenues. The Pledged Revenues shall be held (in
11 accordance with the District Resolution) in a special fund designated as the "Val Verde Unified
12 School District, Riverside County, State of California, 2009-10 Tax and Revenue Anticipation
13 Notes Repayment Fund" (herein called the "Repayment Fund") and applied as directed in this
14 Resolution. Any moneys accounted for in the Repayment Fund shall be for the benefit of the
15 holders of the Notes, and until the Notes and all interest thereon are paid or until provision has
16 been made for the payment of the Notes at maturity with interest to maturity, the moneys
17 accounted for in the Repayment Fund shall be applied only for the purposes for which the
18 Repayment Fund is created.

19 (D) Disbursement and Investment of Moneys in Repayment Fund. From the
20 date this Resolution takes effect, all Pledged Revenues shall, when received, be deposited in the
21 Repayment Fund. After such date as the amount of Pledged Revenues deposited for in the
22 Repayment Fund shall be sufficient to pay in full the principal of and interest on the Notes, when
23 due, any moneys in excess of such amount remaining in or accruing to the Repayment Fund shall
24 be transferred to the General Fund of the District upon the request of the District. On the maturity
25 date of the Notes, the moneys in the Repayment Fund shall be used, to the extent necessary, to
26 pay the principal of and interest on the Notes.

27 Moneys in the Repayment Fund shall be invested in accordance with the provisions of the
28 District Resolution. To the extent that moneys invested or held by the County are subject to

1 arbitrage rebate, neither the County nor any officer or employee of the County shall assume
2 hereunder or under the provisions of any rebate certificate any duty or obligation to make the
3 actual calculations of arbitrage rebate liability of the District, or to pay any such rebate or any
4 penalties in regard thereto if the District miscalculates or fails to pay or cause such rebate or such
5 penalties to be paid.

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

13 Section 8. Approval of Contract of Purchase. The Notes shall be sold by negotiated sale.
14 The form of Contract of Purchase for the Notes, substantially in the form presented to this
15 meeting and on file with the Clerk of the County is hereby approved. The Treasurer-Tax
16 Collector or the Treasurer-Tax Collector's designee is hereby authorized to execute and deliver
17 the Contract of Purchase on behalf of the County, and the Treasurer-Tax Collector is hereby
18 authorized and requested to acknowledge such Contract of Purchase, if necessary, such approval
19 to be conclusively evidenced by his or her execution and delivery thereof. The Treasurer-Tax
20 Collector or the Treasurer-Tax Collector's designee, working in conjunction with the
21 Superintendent or the Assistant Superintendent, Business Services or an authorized deputy
22 thereof, is hereby further authorized to determine the maximum principal amount of Notes to be
23 specified in the Contract of Purchase, up to \$25,000,000 and to enter into and execute the
24 Contract of Purchase with the Underwriters named therein (the "Underwriters") upon the terms
25 and conditions set forth in the District Resolution and this Resolution.

26 Section 9. Delivery of Notes. The proper officers of the County Board are hereby
27 authorized and directed to deliver the Notes to the Underwriters. All actions heretofore taken by
28 the officers and agents of the County with respect to the sale and issuance of the Notes are hereby

1 approved, confirmed and ratified, and the officers of the County are hereby authorized and
2 directed, for and in the name and on behalf of the County, to do any and all things and take any
3 and all actions and execute and deliver any and all certificates, agreements and other documents
4 which they, or any of them, may deem necessary or advisable in order to consummate the lawful
5 issuance and delivery of the Notes in accordance with this Resolution and resolutions heretofore
6 adopted by the County and District Boards.

7 Section 10. Further Actions Authorized. It is hereby covenanted that the County, and its
8 appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take
9 any additional proceedings necessary to be taken by them, for the levy, collection and
10 enforcement of the secured property taxes pledged under the District Resolution in accordance
11 with the law and for carrying out the provisions of the District Resolution and of this Resolution.

12 Section 11. Investment of Note Proceeds. Notwithstanding anything to the contrary
13 contained herein, the proceeds of the Notes shall be pledged to the payment of the Notes in the
14 event and to the extent sufficient Pledged Revenues of the District and other legally available
15 revenues are not deposited into the Repayment Fund. In addition to investments in the Treasurer-
16 Tax Collector's Investment Pool, pursuant to Section 53601(1) of the Government Code of the
17 State of California, the following are hereby designated as additional authorized investments for
18 the proceeds of the Notes and the Repayment Fund: (i) a guaranteed investment contract with a
19 financial institution or insurance company which has or its guarantor has at the date of execution
20 thereof one or more outstanding issues of unsecured, uninsured and unguaranteed debt obligations
21 or a claims paying ability rated not lower than the second highest rating category (without regard
22 to subcategories) by Standard & Poor's Ratings Services and Moody's Investors Service (in
23 which case, the Superintendent or the Assistant Superintendent, Business Services of the District
24 shall execute a certificate of indemnity holding the Treasurer-Tax Collector and the County, its
25 officers, employees and servants harmless and indemnifying them from any costs, liabilities,
26 claims or damages, including but not limited to attorneys' fees, caused by or arising from the
27 investment of the funds in such an instrument, or, alternatively, a written agreement to pay for
28 any costs, liabilities, claims or damages, including but not limited to attorneys' fees, to the

1 Treasurer-Tax Collector, the County, its officers, employees and servants, caused by or arising
2 from the investment of the funds in such an instrument); or (ii) the Local Agency Investment
3 Fund (LAIF) administered by the State of California. Note proceeds shall be invested as directed
4 by the District.

5 Section 12. Limited Liability of County. Notwithstanding anything to the contrary
6 contained herein, in the Notes or in any other document mentioned herein or used in connection
7 herewith, the County, its Board, officers, employees and agents shall have no responsibility with
8 respect to the Preliminary Official Statement or the Official Statement, or any of the information
9 contained therein, or by reason thereof. Furthermore, the County, its Board, officers, employees
10 and agents hereby disclaim any responsibility under Rule 15c2-12 of the Securities and Exchange
11 Commission (the "Rule") with respect to the Notes because the County is not an "Obligated
12 Person" pursuant to the Rule.

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

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The foregoing resolution was, on the ___ day of _____, 2008, adopted by the Board of Supervisors of the County of Riverside and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

KECIA HARPER-IHEM,
Clerk of the Board of Supervisors
of the County of Riverside

By: _____
Deputy

**EXHIBIT A
FORM OF NOTE**

REGISTERED

REGISTERED

No. 1

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VAL VERDE UNIFIED SCHOOL DISTRICT
RIVERSIDE COUNTY
STATE OF CALIFORNIA
2009-10 TAX AND REVENUE ANTICIPATION NOTE

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

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

It is hereby certified, recited and declared that this Note is one of an authorized issue of Notes in the aggregate principal amount of _____ Dollars (\$ _____) all of like date, tenor and effect, made, executed and given pursuant to and by authority of a resolution of the Board of Supervisors of Riverside County duly passed and adopted on _____, 2009 and a Resolution of the Board of Education of the District duly passed and adopted on May __, 2009 under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5, California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

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

This Note is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the office of the Paying Agent but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations and for the same aggregate principal amount will be issued to the transferees in exchange herefor.

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

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

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

RIVERSIDE COUNTY

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

By: [Manual Signature]
Treasurer-Tax Collector

(SEAL)

Countersigned

By: [Signature]
Clerk of the Board of Supervisors

ASSIGNMENT

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

Dated: _____

Signature Guaranteed by:

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

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