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

331 A

FROM: Don Kent, Treasurer/Tax Collector

SUBMITTAL DATE: September 23, 2010

SUBJECT: Resolution No. 2010-290 – Riverside Community College District, Election of 2004, General Obligation Bonds Series 2010D (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2010-290 authorizing the issuance and sale of general obligation bonds on behalf of Riverside Community College District (the "District") in a principal amount not to exceed $110,000,000.

BACKGROUND: California law requires that the general obligation bonds of a community college district be offered for sale by the Board of Supervisors of Riverside County when the Riverside County Superintendent of Schools has jurisdiction over the district and when the district wishes to offer its bonds via a negotiated sale. Although a board of supervisors is authorized to opt out of that requirement, your Honorable 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 two)

Don Kent, Treasurer-Tax Collector

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER 9/23/10 DATE

Departmental Concurrence

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 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY: Christopher M. Hans

County Executive Office Signature

Dept't Recomm.: ☐ Consent ☐ Policy

Per Exec. Ofc.: ☐ Consent ☑ Policy

Prev. Agn. Ref.: | **District:** 1,2 | **Agenda Number:** 3.37

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

The District, under the jurisdiction of the Riverside County Superintendent of Schools, wishes to issue and sale bonds via a negotiated sale. On September 21, 2010, the District's Board of Trustees adopted a resolution requesting your Honorable Board to issue and sale bonds on behalf of the District.

The issuance of the bonds has been approved by the voters of the District. An election was held on March 2, 2004 pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution and Section 15266 of the Education Code which codifies, in part, Proposition 39. During that election, a measure authorizing the District to incur general obligation bonded indebtedness in an aggregate principal amount not to exceed $350,000,000 was approved by more than 55% of the voters of the District voting in the election.

On August 3, 2004 the first two series of bonds pursuant to the election were issued: (i) the District's General Obligation Bonds, Election of 2004, Series 2004A in the aggregate principal amount of $55,205,000 and (ii) the District's General Obligation Bonds, Election of 2004, Series 2004B in the aggregate principal amount of $9,795,000. On June 5, 2007, the third series of bonds pursuant to the election was issued: the District's General Obligation Bonds, Election of 2004, Series 2007C in the aggregate principal amount of $90,000,000.

The bonds to be issued and sold in accordance with Resolution No. 2010-290 will represent the fourth series of bonds to be issued and sold pursuant to the election. Resolution No. 2010-290 authorizes the issuance and sale of Riverside Community College District, Riverside County, California, Election of 2004 General Obligation Bonds, Series 2010D in an aggregate principal amount not to exceed $110,000,000.

The bond proceeds are to be expended only for identified facilities and improvements. All expenditures are subject to the review of a citizen's oversight committee appointed by the District's Board of Trustees.

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

The Office of County Counsel has reviewed Resolution No. 2010-290 and has approved it as to form.

RESOLUTION NO. 2010-290

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, AUTHORIZING THE SALE AND ISSUANCE OF RIVERSIDE COMMUNITY COLLEGE DISTRICT, RIVERSIDE COUNTY, CALIFORNIA, ELECTION OF 2004 GENERAL OBLIGATION BONDS, SERIES 2010D IN THE PRINCIPAL AMOUNT NOT TO EXCEED $110,000,000

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RESOLUTION NO. 2010-290

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, AUTHORIZING THE SALE AND ISSUANCE OF RIVERSIDE COMMUNITY COLLEGE DISTRICT, RIVERSIDE COUNTY, CALIFORNIA, ELECTION OF 2004 GENERAL OBLIGATION BONDS, SERIES 2010D IN THE PRINCIPAL AMOUNT NOT TO EXCEED $110,000,000

WHEREAS, a duly called election was held in the Riverside Community College District (the "District"), County of Riverside (the "County"), State of California, on March 2, 2004 (the "Election"), at which the following proposition (the "Measure C") was submitted to the qualified electors of the District:

> "To improve local student access to job training and four-year college preparation classes, improve campus safety, add and upgrade science, health, technology academic classrooms/laboratories; expand public safety, police, firefighting, paramedics and healthcare training facilities; repair, acquire, construct, equip buildings, sites, classrooms; shall Riverside Community College District issue $350,000,000 in bonds, at legal rates, with no proceeds going to the State, all funds remaining locally, independent citizen oversight, guaranteed annual audits, and no money for administrators' salaries?"

WHEREAS, at such election, Measure C received the affirmative vote of the requisite fifty-five percent or more of the voters of the District voting on the proposition, as certified by the Registrar of Voters of Riverside County in the official canvassing of votes (the "Authorization"); and

WHEREAS, this Board of Supervisors of Riverside County (the "Board") has previously issued on behalf of the District the following series of bonds pursuant to the Authorization (i) an aggregate principal amount of $55,205,000 of Riverside Community College District (Riverside County, California) Election of 2004, General Obligation Bonds, Series 2004A, and (ii) an aggregate principal amount of $9,795,000 of Riverside Community College District (Riverside County, California) Election of 2004, General Obligation Bonds, Series 2004B; and

WHEREAS, the District has previously issued under the Authorization an aggregate principal amount of $90,000,000 of Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2007C; and

WHEREAS, at this time this Board has received a signed and certified original copy of the resolution of the Board of Trustees of the District (the "District Board"), unanimously approved thereby and adopted on September 21, 2010, requesting the issuance of a fourth

FORM APPROVED COUNTY COUNSEL
BY [signature] 7/22/10
DALE A. GARDNER DATE

series of bonds under the Authorization in an aggregate principal amount not to exceed $110,000,000 and styled as "Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2010D (the "Bonds"), which resolution is attached hereto as Exhibit A; and

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53560 et seq.) (the "Act"), the Bonds are authorized to be issued by the District for the purposes set forth in the ballot submitted to voters at the Election; and

WHEREAS, the District Board has authorized the issuance of the Bonds in one or more series of taxable or tax-exempt bonds, and further as any combination of Current Interest Bonds, Capital Appreciation Bonds, or Convertible Capital Appreciation Bonds, all as further defined herein; and

WHEREAS, the District Board has further authorized the issuance of all or a portion of the Bonds as taxable "Build America Bonds" pursuant to the American Reinvestment and Recovery Act of 2009 (the "Recovery Act"); and

WHEREAS, the District Board has authorized the sale of the Bonds at a negotiated sale, which the District Board has determined will provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriter (defined herein) to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds.

WHEREAS, the District Board has estimated that the costs associated with the issuance of the Bonds, including and any such costs which the Underwriter agrees to pay pursuant to the Purchase Contract (defined herein), will equal approximately 2.0% of the aggregate principal amount of the Bonds; and

WHEREAS, the District Board has appointed Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California as Bond Counsel; and

WHEREAS, the District Board has appointed Best Best & Krieger as Disclosure Counsel in connection with the issuance of the Bonds; and

WHEREAS, the District Board has appointed Piper Jaffray & Co., El Segundo, California, and such other co-managers as may be appointed in the Purchase Contract, as Underwriter in connection with the issuance of the Bonds; and

WHEREAS, the District Board has appointed Keygent LLC, El Segundo, California as Financial Advisor in connection with the issuance of the Bonds; and

WHEREAS, in its resolution, the District found and informed this Board that all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

NOW, THEREFORE, IT IS FOUND, DETERMINED, ORDERED AND RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, AS FOLLOWS:

Section 1. **Purpose of the Bonds**. The Bonds of the District shall be issued in the name and on behalf of the District in an aggregate Principal Amount not to exceed $110,000,000 to raise money for the purposes authorized by voters of the District at the Election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith.

Section 2. **Terms and Conditions of Sale**. The Bonds shall be sold at a negotiated sale pursuant to the Authorizing Law in accordance with the terms of this Resolution. The Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described in Section 3 below.

Section 3. **Approval of Purchase Contract**. The form of Contract of Purchase (the "Purchase Contract"), by and among the County, the District and Piper Jaffray & Co. and such other co-managers as may be appointed therein (collectively, the "Underwriter"), for the purchase and sale of the Bonds, is hereby approved substantially in the form attached hereto as Exhibit B. The Treasurer-Tax Collector of the County (the "Treasurer"), or designated deputy thereof, is hereby authorized to execute and deliver the Purchase Contract, and the Authorized Representatives of the District, each alone, are hereby authorized and requested to acknowledge the execution of such Purchase Contract, if necessary, but with such changes therein, deletions therefrom and modifications thereto as the Treasurer, or designated deputy thereof, may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the Bonds shall mature no later than forty (40) years from the date of issue and the Underwriter's discount, excluding original issue discount, shall not exceed 0.8% of the aggregate principal amount of Bonds issued. The Treasurer, in conjunction with an Authorized Representative of the District, shall be authorized to determine the final principal amount of the Bonds, not to exceed $110,000,000, and enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied.

Section 4. **Certain Definitions**. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them:

> **"Accreted Interest"** means, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, the Accreted Value thereof minus the Principal Amount thereof as of the date of calculation.
>
> **"Accreted Value"** means, as of the date of calculation, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds prior to the Conversion Date, the Principal Amount thereof plus Accreted Interest thereon to such date of calculation, compounded semiannually on each August 1 and February 1, commencing on February 1, 2011 (unless otherwise provided in the Purchase Contract) at the stated Accretion Rate thereof, assuming in any such semiannual

period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

"Accretion Rate" means, unless otherwise provided by the Purchase Contract, that rate which, when applied to the Principal Amount of a Capital Appreciation Bond or a Convertible Capital Appreciation Bond, and compounded semiannually on each February 1 and August 1 (commencing on February 1, 2011), produces the Maturity Value on the maturity date (with respect to Capital Appreciation Bonds) and the Conversion Value on the Conversion Date (with respect to Convertible Capital Appreciation Bonds)

"Authorizing Law" means, collectively, (i) the Act, and (ii) Article XIIIA of the California Constitution.

"Authorized Representative of the District" means each of the Chancellor of the District, the Vice Chancellor, Administration and Finance of the District, and such other officers or employees of the District as may be designated for such purpose and their designees.

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

"**Bond Insurer"** means any insurance company and any successor thereto, which issues a municipal bond insurance policy insuring the payment of Principal Amount and Accreted Interest of and interest on the Bonds.

"Bond Payment Date" means (unless otherwise provided by the Purchase Contract), with respect to interest payments on Current Interest Bonds, February 1 and August 1 of each year commencing February 1, 2011, with respect to interest payments on Convertible Capital Appreciation Bonds after the Conversion Date, February 1 and August 1 of each year commencing with the first such Bond Payment Date following the Conversion Date, and with respect to principal payments on such Bonds, August 1 of each year commencing August 1, 2012, and, with respect to the Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

"Bond Register" means the listing of names and addresses of the current registered owners of the debt, as maintained by the Paying Agent in accordance with Section 10 hereof.

"Bonds" means the Riverside Community College District Election of 2004 General Obligation Bonds, Series 2010D, issued and delivered pursuant to this Resolution.

"Build America Bonds" means those Bonds issued as "Build America Bonds" pursuant to Section 54AA of the Section 148(f) of the Code.

"Building Fund" means the Riverside Community College District, Election of 2004 General Obligation Bonds, Series 2010D Building Fund established pursuant to Section 14 of this Resolution.

"Business Day" means a day which is not a Saturday, Sunday or a day on which banking institutions in the State or the State of New York and the New York Stock Exchange are authorized or required to be closed.

"Capital Appreciation Bonds" means the Bonds the interest component of which is compounded semiannually on each February 1 to August 1 (commencing February 1, 2011, unless otherwise provided in the Purchase Contract) to maturity as shown in the table of Accreted Value for such Bonds in the Official Statement.

"Code" means the Internal Revenue Code of 1986, as the same may be amended from time to time. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the District in connection with the delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Conversion Date" means, with respect to Convertible Capital Appreciation Bonds, the date stated in the Purchase Contract as the date on which such Bonds, originally issued as Capital Appreciation Bonds, convert to Current Interest Bonds

"Conversion Value" means, with respect to Convertible Capital Appreciation Bonds, the Accreted Value as of the Conversion Date.

"Convertible Capital Appreciation Bonds" means the Bonds which are originally issued as Capital Appreciation Bonds, but which convert to Current Interest Bonds on the Conversion Date.

"County" means the County of Riverside, California.

"Current Interest Bonds" means the Bonds the interest on which is payable on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

"Date of Issuance" means the date on which the Bonds are delivered to the Underwriter thereof.

"Debt Service Fund" means the Riverside Community College District, Election of 2004 General Obligation Bonds, Series 2010D Debt Service Fund established pursuant to Section 14 of this Resolution.

"Depository" means the entity acting as security depository for the Bonds pursuant to Section 12 hereof.

"District" means the Riverside Community College District.

"DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as the Depository for the Bonds.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

"Informational Services" means Financial Information, Inc.'s Financial Daily Called Bond Service; Mergent, Inc., Called Bond Department; or Standard & Poor's J. J. Kenny Information Services Called Bond Service.

"Maturity Value" means the Accreted Value of any Capital Appreciation Bond on its maturity date.

"Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 12 hereof.

"Non-AMT Bonds" means obligations the interest on which is excludable from gross income for federal income tax purposes under Section 103(a) of the Code and not treated as an item of tax preference under Section 57(a)(5)(C) of the Code, that are legal investments pursuant to Section 53601 of the Government Code

"Official Statement" means the document by that name prepared by the District pursuant to which the Bonds are offered by the Underwriter to investors as described in Section 22 herein.

"Outstanding", when used with reference to the Bonds, means, as of any date, Bonds theretofore issued or thereupon being issued under this resolution except:

(a) Bonds canceled at or prior to such date;

(b) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 10 hereof; or

(c) Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 16 or 17 of this Resolution.

"Owner" means the registered owner of a Bond as set forth on the registration books maintained by the Paying Agent pursuant to Section 10 hereof.

"Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

"Paying Agent" means U.S. Bank National Association or any successor thereto designated in accordance with Section 8 hereof to act in such capacity.

"Permitted Investments" means (i) any lawful investments permitted by Section 16429.1 and Section 53601 of the Government Code, including Non-AMT Bonds and Qualified Non-AMT Mutual Funds, (ii) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, but without regard to any limitations in such Section concerning the percentage of moneys available for investment being invested in a particular type of security, (iii) a guaranteed investment contract with a provider rated in at least the second highest category by each rating agency then rating the Bonds, (iv) the Local Agency Investments Fund of the California State Treasurer, (v) the county investment pool maintained by the Treasurer, and (vi) State and Local Government Series Securities.

"Principal" or **"Principal Amount"** means, with respect to any Current Interest Bond, the principal or principal amount thereof and, with respect to any Capital Appreciation Bond and Convertible Capital Appreciation Bonds, the initial principal amount thereof.

"Purchase Contract" means the Contract of Purchase, by and among the County, the District and the Underwriter, relating to the Bonds.

"Qualified Non-AMT Mutual Fund" means stock in a regulated investment company to the extent that at least 95% of the income of such regulated investment company is interest that is excludable from gross income under Section 103 of the Code and not an item of tax preference under Section 57(a)(5)(C) of the Code.

"Qualified Permitted Investments" means (i) Non-AMT Bonds, (ii) Qualified Non-AMT Mutual Funds, (iii) other Permitted Investments authorized by an opinion of Bond Counsel to the effect that such investment would not adversely affect the tax-exempt status of the Bonds, and (iv) Permitted Investments of proceeds of the Bonds, and interest earned on such proceeds, held not more than thirty days pending reinvestment or Bond redemption. A guaranteed investment contract or similar investment agreement (e.g. a forward supply contract, GIC, repo, etc.) does not constitute a Qualified Permitted Investment.

"Rating Agencies" means Standard & Poor's Rating Services and Moody's Investor's Services.

"Rebate Fund" means the Riverside Community College District, Election of 2004 General Obligation Bonds, Series 2010D Rebate Fund established pursuant to Section 14 of this Resolution.

"Record Date" means, with respect to the Current Interest Bonds and Convertible Capital Appreciation Bonds after the Conversion Date, the close of business on the fifteenth day of the month preceding each Bond Payment Date.

"Redemption Date" means any date on which any Bond is subject to optional redemption or mandatory sinking fund redemption in accordance with Section 11 hereof.

"Resolution" means this Resolution adopted by the Board of Supervisors of the County on October 5, 2010.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, New York, New York 10041, Attn: Redemption Area, Facsimile transmission: (212) 855-7232, (212) 855-7233, or such other securities depositories as are designated by the District or the Paying Agent and whose business is to perform the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of the Securities Exchange Act of 1934, and who is registered as a clearing agency under Section 17A of the Act.

"Supplemental Resolution" means any resolution supplemental to or amendatory of this Resolution, adopted by the County in accordance with Section 24 hereof.

"Tax Certificate" means the certificate by that name executed by the District on the Date of Issuance of the Bonds.

"Taxable Bonds" means any Bonds not issued as Tax-Exempt Bonds.

"Tax-Exempt Bonds" means any Bonds the interest in which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Bonds.

"Term Bonds" means any of the Capital Appreciation Term Bonds or Current Interest Term Bonds.

"Transfer Amount" me ans, (i) with respect to any Outstanding Current Interest Bond, the Principal Amount, (ii) with respect to any Outstanding Capital Appreciation Bond, the Maturity Value, and (iii) with respect to any Outstanding Convertible Capital Appreciation Bonds, the Conversion Value.

"Treasurer" means the Treasurer-Tax Collector of the County and such other persons as may be designated by the Treasurer to act on his behalf.

"Underwriter" means Piper Jaffray & Co..

Section 5. Terms of the Bonds.

(a) Denomination, Interest, Dated Dates. The Bonds shall be issued as Bonds registered as to both principal and interest, in the following denominations: (i) with respect to the Current Interest Bonds, $5,000 Principal Amount or any integral multiple thereof, (ii) with respect to the Capital Appreciation Bonds, $5,000 Maturity Value, or any integral multiple thereof, and (iii) with respect to Convertible Capital Appreciation Bonds, $5,000 Conversion Value or any integral multiple thereof. The Bonds shall bear or accrete interest at a rate or rates such that the interest rate shall not exceed that permitted by law.

(b) Each Current Interest Bond shall be dated their Date of Issuance (the "Dated Date"), and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before first Record Dated, in which event it shall bear interest from its Dated Date. Interest shall be payable on the respective Bond Payment Dates and shall be calculated on the basis of a 360-day year of twelve, 30-day months.

(c) The Capital Appreciation Bonds shall mature in the years, shall be issued in aggregate Principal Amounts, shall have Accretion Rates and shall have denominational amounts per each $5,000 in Maturity Value as shown in the Accreted Value Table attached to the Official Statement. The Convertible Capital Appreciation Bonds shall mature in the years, shall be issued in the aggregate Principal Amounts, shall have Accretion Rates and shall have denominational amounts per each $5,000 in Conversion Value as shown in such Accreted Value Table; provided, that in the event that the amount shown in such Accreted Value Table and the Accreted Value caused to be calculated by the District and approved by the Bond Insurer, if any, by application of the definition of Accreted Value set forth in Section 4 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond or Convertible Capital Appreciation Bond, as applicable.

(d) The Convertible Capital Appreciation Bonds shall convert to Current Interest Bonds on the Conversion Date. During the period while the Convertible Capital Appreciation Bonds are in the form of Capital Appreciation Bonds, they will not bear interest but will accrete value through the Conversion Date. From and after the Conversion Date, the Convertible Capital Appreciation Bonds will bear interest as Current Interest Bonds, and such interest will accrue based upon the Conversion Value of such Bonds at the Conversion Date. No payment will be made to the Owners of Convertible Capital Appreciation Bonds on the Conversion Date.

(e) With respect to Bonds issued as Build America Bonds, the District expects to receive a cash subsidy payment (each, a "Subsidy Payment") from the United States Department of the Treasury equal to 35% of the interest payable on such Bonds on or about each Bond Payment Date. The District shall, prior to each Bond Payment Date, submit or cause to be submitted to the United States Treasury a subsidy reimbursement request in accordance with applicable Federal regulations.

Upon receipt of such Subsidy Payments, the District shall deposit or cause to be deposited any such Subsidy Payments into the Debt Service Fund for the Bonds. To the extent such Subsidy Payments are delayed or reduced, the County shall adjust the tax levy imposed to pay such Bonds pursuant to Section 15 hereof.

(f) To the extent that the Bonds are issued as Build America Bonds, such Bonds shall have, in addition to any applicable terms and provisions herein, such additional terms and provisions as may be set forth in the Purchase Contract.

Section 6. **Execution**. The Bonds shall be signed by the Chairman of the Board and the Treasurer, or a deputy of the Treasurer, by their manual or facsimile signatures and countersigned by the manual or facsimile signature of the Clerk of the Board, or by an authorized deputy, all in their official capacities. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been issued by the County on behalf of the District, such Bonds may, nevertheless, be issued, as herein provided, as if the persons who signed such Bonds had not ceased to hold such offices. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

Section 7. **Appointment of Paying Agent.**

(a) This Board does hereby consent to and confirm the appointment of U.S. Bank National Association to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District.

(b) Unless otherwise provided, the office of the Paying Agent designated by the Paying Agent shall be the place for the payment of Principal of, premium, if any, Accreted Value of and interest on the Bonds.

(c) The Paying Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent may consult with counsel, who may or may not be counsel to the District, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

(d) The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. In no event shall the County be required to expend its own funds hereunder.

Section 8. **Resignation or Removal of Paying Agent and Appointment of Successor.**

(a) The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the District and the County. The Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the County and signed by the District. A successor Paying Agent shall be appointed by the District with the written consent of the Treasurer, which consent shall not be unreasonably withheld, and, if such successor Paying Agent is not the Treasurer, then it shall be a bank or trust company organized under the laws of any state of the United States, a national banking association or any other financial institution, having capital stock and surplus aggregating at least $75,000,000 and doing business in the State and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Such Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the County and the District a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(b) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or, if there is no successor, to the Treasurer. In the event that for any reason there shall be a vacancy in the office of the Paying Agent, the Treasurer shall act as such Paying Agent. The County shall cause the new Paying Agent appointed to replace any resigned or removed Paying Agent to mail notice of its appointment and the address of its principal office to all registered Owners.

Section 9. **Payment of Principal and Interest.** Payment of interest on any Current Interest Bond or Convertible Capital Appreciation Bond after the Conversion Date, on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount, Conversion Value or Maturity Value of $1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption price, if any, payable on the Current Interest Bonds and the Accreted Value and redemption price, if any, on the Capital Appreciation Bonds or Convertible Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The interest, Accreted Value, Principal and premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* taxes levied on property subject to taxation by the District. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

Section 10. **Bond Registration and Transfer**. So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section.

Subject to the provisions of Section 12 below, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal or Accreted Value of and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount upon presentation and surrender at the office of the Paying Agent designated for such purpose, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent designated for such purpose, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accreting interest at the same rate and maturing on the same date. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

If manual signatures on behalf of the County are required, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the County. In all cases of exchanged or transferred Bonds, the County shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the transferor. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District and the County may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District and the County may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made by the Paying Agent to the

District and the County upon the request thereof. The cancelled Bonds shall be retained for a period of two years and then returned to the District or destroyed by the Paying Agent as directed by the District.

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

In case any Bond secured hereby shall become mutilated or destroyed, stolen or lost, the Paying Agent shall cause to be executed and authenticated a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond mutilated, destroyed, stolen or lost, upon the Owner's paying the reasonable expenses and charges in connection therewith, and, in the case of a Bond destroyed, stolen or lost, such Owner's filing with the Paying Agent and the County of evidence satisfactory to them that such Bond was destroyed, stolen or lost, and/or such Owner's ownership thereof in furnishing the Paying Agent and County with indemnity satisfactory to each of them.

Any new Bonds issued pursuant to this Section 10 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Bonds so alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Bonds.

Section 11. **<u>Redemption</u>**.

(a) <u>Optional Redemption</u>. The Bonds shall be subject to optional redemption prior to maturity as provided in the Purchase Contract.

(b) <u>Mandatory Redemption</u>. The Term Bonds, if any, shall be subject to mandatory redemption prior to maturity as provided in the Purchase Contract.

(c) <u>Selection of Bonds for Redemption</u>. Whenever provision is made in this Resolution for the redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent, in a manner determined by the District, shall select Bonds for redemption by lot; provided, however, the Purchase Contract may provide that, within a maturity, Bonds shall be selected for redemption on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures, provided further that, such redemption is made in accordance with the operational arrangements of DTC then in effect.

With respect to redemption by lot, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of $5,000 or any integral multiple thereof, the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per $5,000 Maturity Value thereof, and the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per $5,000 Conversion Value thereof

(d) Notice of Redemption. When redemption is authorized or required pursuant to Section 11 hereof, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount or Accreted Value of such Bond to be redeemed, and (g) the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(i) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(ii) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.

(iii) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Neither failure to receive or failure to publish any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(e) Payment of Redeemed Bonds. When notice of redemption has been given substantially as provided for herein, and, when the amount necessary for the redemption of the Bonds called for redemption (Principal or Accreted Value and premium, if any) is set aside for that purpose in the Debt Service Fund, as provided herein, the Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the notice of redemption with the form of assignment endorsed thereon executed in blank, said Bonds shall be redeemed and paid at the redemption price out of the Debt Service Fund.

All unpaid interest payable at or prior to the redemption date shall continue to be payable to the respective Owners, but without interest thereon.

(f) Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(g) Effect of Notice of Redemption. If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 11 hereof, together with interest accrued to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 11 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

(h) Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, in the case of Current Interest Bonds and Convertible Capital Appreciation Bonds after the Conversion Date, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

Section 12. Book-Entry System.

(a) The Bonds shall be initially executed and delivered in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial execution and delivery, as provided for herein, the ownership of such Bond shall be registered in the Bond Register in the name of the Depository or Nominee, and its successors and assigns. Except as hereinafter provided, all of the outstanding Bonds shall be registered in the Bond Register in the name of the Nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section. Each Bond certificate shall bear a legend substantially to the following effect: "UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither the District, the County nor the Paying Agent shall have any responsibility or obligation to any broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository (the "Participant") or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the District, the County nor the Paying Agent shall have any responsibility or obligation (unless the District is at such time the Depository) with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the District redeems the Bonds in part, or (iv) the payment to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any amount with respect to Principal or Accreted Value of or interest on the Bonds. The District and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of the payment of Principal or Accreted Value of and interest with respect to such Bond, for the purpose of giving notices of redemption, if applicable, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Principal or Accreted Value of and interest on the Bonds only to or upon the order of the respective Owner of the Bond, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Principal or Accreted Value of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as shown in the Bond Register, shall receive a Bond evidencing the obligation of the District to make payments of Principal or Accreted Value, and interest. Upon delivery by the Depository to the Owners of the Bonds, and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Resolution shall refer to such nominee of the Depository.

(b) In order to qualify the Bonds for the Depository's book-entry system, the District has executed and delivered to the Depository a Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section or in any other way impose upon the District any obligation whatsoever with respect to persons having interests in the Bonds other than the owners of the Bonds, as shown on the Bond Register. In addition, to the execution and delivery of the Representation Letter, the District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Bonds for the Depository's book-entry program.

(c) If at any time the Depository notifies the County and the District that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is not appointed by the Treasurer within 90 days after the County and the District receive notice or become aware of such condition, as the case may be, subsection (a) hereof shall no longer be applicable and the Treasurer shall issue bonds representing the Bonds as provided below. In addition, the County and the District may determine at any time that the Bonds shall no longer be represented by book-entry securities and that the provisions of subsection (a) hereof shall no longer apply to the Bonds. In any such event, the Treasurer shall execute and deliver certificates representing the Bonds as provided below. Bonds issued in exchange for book-entry securities pursuant to this subsection (c) shall be registered in such names and delivered in such denominations as the Depository shall instruct the County and the District. The Treasurer shall deliver such bonds representing the Bonds to the persons in whose names such Bonds are so registered.

If the County and the District determine to replace the Depository with another qualified securities depository, the County and the District shall prepare or cause to be prepared new fully-registered book-entry securities for each of the maturities of the Bonds, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the County, the District and such securities depository and not inconsistent with the terms of this Resolution.

Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to Principal or Accreted Value of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the

Representation Letter or as otherwise instructed by the Depository and acceptable to the District.

(d) The initial Depository under this Section shall be The Depository Trust Company, New York, New York ("DTC"). The initial Nominee shall be Cede &Co., as Nominee of DTC.

Section 13. **Forms of Bonds**. The Bonds shall be in substantially the forms as shown in Exhibit C hereto; provided, however, that those officials executing the Bonds are hereby authorized to make the insertions and deletions necessary to conform the Bonds to this Resolution and the Purchase Contract, and the Official Statement and to correct any defect or inconsistent provision therein or to cure any ambiguity or omission therein.

Section 14. **Deposit of Proceeds of Bonds; Creation of Funds**.

(a) The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the original purchaser upon payment of the purchase price therefor.

(b) The proceeds from the sale of the Bonds, to the extent of the Principal Amount thereof, shall be paid to the County to the Building Fund, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purposes for which the Bonds are being issued. At the discretion of the District, the Building Fund may be split into more than one fund or contain subaccounts if the Bonds are issued in more than one series. The accrued interest and any premium received by the County from the sale of the Bonds shall be kept separate and apart in the Debt Service Fund for the Bonds and used only for payment of Principal o r Accreted Value of, and interest on the Bonds. At the discretion of the District, the Debt Service Fund may be split into more than one fund or contain subaccounts if the Bonds are issued in more than one series. Interest earnings on moneys held in the Building Fund shall be retained in the Building Fund. Interest earnings on moneys held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of Principal or Accreted Value of, and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District.

(c) Moneys in the Debt Service Fund and the Building Fund shall be invested at the written direction of the District, and after consultation with the County, in Permitted Investments. If at the time of issuance the District determines to issue the Bonds as Tax-Exempt Bonds without regard to the Internal Revenue Code "temporary period" restrictions, all investment of Bond proceeds shall be subject to paragraph (i) below; and the District, in consultation with the County, may provide for an agent to assist the District in investing funds pursuant to paragraph (i) below. If the District fails to direct such agent, the agent shall invest or cause the funds in the Building Fund to be invested in Qualified Permitted Investments, subject to the provisions of paragraph (i) below, until such time as the District provides written direction to invest such funds otherwise. Neither the County nor its officers and agents, as the case may be, shall have any responsibility or obligation to determine the tax consequences of any investment, nor shall the County or its officers and agents be liable for any loss on investments. The interest earned on the moneys deposited to the Building Fund shall be applied as set forth in subparagraph (ii) below.

(i) Covenant Regarding Investment of Proceeds.

A. Permitted Investments. Beginning on the delivery date, and at all times until expenditure for authorized purposes, not less than 95% of the proceeds of the Bonds deposited in the Building Fund, including investment earnings thereon, will be invested in Qualified Permitted Investments which are rated in at least the second highest rating category by one of the two Rating Agencies. Notwithstanding the preceding provisions of this Section, for purposes of this paragraph, amounts derived from the disposition or redemption of Qualified Permitted Investments and held pending reinvestment or redemption for a period of not more than 30 days may be invested in Permitted Investments. The District hereby authorizes investments made pursuant to this Resolution with maturities exceeding five years.

B. Recordkeeping and Monitoring Relating to Building Fund. The investment of Bond proceeds pursuant to this paragraph (i) shall be subject to such recordkeeping and monitoring requirements as shall be covenanted to by the District in the Tax Certificate executed thereby in connection with such Bonds, and as shall be acceptable to the County.

(ii) Interest Earned on Permitted Investments. The interest earned on the moneys deposited in the Building Fund shall be deposited in the Building Fund and used for the purposes of that fund.

Except as required below to satisfy the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used by the County to pay the Principal or Accreted Value of and interest on the Bonds when due

(d) The Rebate Fund is hereby created and established. The County shall from time to time receive funds from the District for deposit into the Rebate Fund as required to enable the District to comply with the requirements of Section 148(f) of the Code. The District shall instruct the County, in writing, as to the method of investing and disbursing funds held in the Rebate Fund to the United States Treasury. The County agrees to comply with such instructions of the District. Any money remaining in the Rebate Fund after the payment in full of the Bonds, either at maturity or earlier redemption, and the payment to the United States Treasury of any amounts required pursuant to Section 148(f) of the Code, and any regulations thereunder, shall be transferred to the Building Fund, or if the Building Fund is not then in the existence, shall be transferred to the general fund of the District. The County shall have no liability or obligation with respect to the required deposits to or disbursements from the Rebate Fund, which shall remain the sole responsibility of the District.

(e) Interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund, interest earned on the investment of monies held in the Building Fund shall be retained in the Building Fund, and interest earned in the investments in the Rebate Fund shall be retained in the Rebate Fund.

(f) If at any time it is deemed necessary or desirable by the District, upon the written direction of the District, the County may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

Section 15. Security for the Bonds; Tax Levy. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are Outstanding in an amount sufficient, together with moneys on deposit in the Debt Service Fund available for such purpose, to pay the Principal or Accreted Value of, premium, if any, and interest on the Bonds when due. To the extent that the receipt and deposit of Subsidy Payments with respect to Bonds issued as Build America Bonds is delayed, reduced or otherwise terminated, the County shall adjust such tax levy accordingly. The taxes collected for the Bonds will be placed in the Debt Service Fund of the District, which fund is irrevocab ly pledged for the payment of the Principal of, premium, if any, Accreted Value of and interest on the Bonds when and as due. The Bonds are the general obligations of the District and do not constitute an obligation of the County except as expressly provided in this Resolution. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds or the interest thereon.

Section 16. Defeasance. The Bonds may be defeased, in whole, prior to maturity in the following ways:

(a) by irrevocably depositing with a bank or trust company in escrow an amount of cash which together with amounts then on deposit in the Debt Service Fund, is sufficient to pay all Bonds Outstanding, including all Principal, premium, if any, Accreted Value and interest; or

(b) by irrevocably depositing with a bank or trust company in escrow noncallable Government Obligations (defined below), together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all the Bonds Outstanding, including all Principal, premium, if any, Accreted Value and interest due with respect thereto at or before their maturity date or applicable redemption date;

then, notwithstanding that any Bonds shall not have been surrendered for payment, all obligations of the District, the County and the Paying Agent with respect to all Outstanding Bonds shall cease and terminate, except only the obligation of the County and the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the owners of the Bonds not so surrendered and paid all sums due with respect thereto and the obligations of the County with respect to the Rebate Fund in accordance with Section 14 hereof.

For purposes of this Section and Section 17, Government Obligations shall mean:

Direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or "prerefunded" municipal obligations rated in the highest rating category by Moody's Investors Service or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service.

Section 17. **Partial Defeasance.** A portion of the then-outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) by irrevocably depositing with the County, or a bank or trust company in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay the designated Outstanding maturities of Bonds, including all Principal, Accreted Value, interest and premium, if any; or

(b) by irrevocably depositing with the County, or a bank or trust company in escrow, noncallable Government Obligations, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, be fully sufficient to pay and discharge the designated Outstanding maturities of Bonds (including all Principal, Accreted Value, interest and premium, if any, at or before their maturity date);

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

For purposes of this Section, Government Obligations shall have the same meaning as set forth in Section 16 hereof.

Section 18. **Continuing Disclosure.** The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure

Certificate (as defined herein). Any Bond Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under the Continuing Disclosure Certificate.

Section 19. **Tax Covenants of the District.** The District has covenanted for and on behalf of the Owners that it shall not take any action, or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Code.

Section 20. **Arbitrage Covenant**. The District has covenanted for and on behalf of the Owners that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that section or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District. The County hereby covenants that it will follow such written directions as are given to it by the District to restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that section or any predecessor section.

Section 21. **Conditions Precedent**. This Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 22. **Official Statement.** The District has agreed to cause a Preliminary Official Statement and a final Official Statement meeting the requirements of Securities and Exchange Commission Rule 15c2-12 to be prepared. Such Preliminary Official Statement and Official Statement shall be referred to as the "Official Statement," and will be substantially in the form of the Preliminary Official Statement on file with the Clerk of the Board of Supervisors, together with such changes as the District deems necessary to make such Official Statement accurate as of its date.

Section 23. **Other Actions**.

(a) Officers of the Board and County officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution, including the execution of any documents required by a Bond Insurer as a precondition to obtaining bond insurance if purchased by the District. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) Notwithstanding any other provision hereof, the provisions of this Resolution as they relate to the terms of the Bonds may be amended by the Purchase Contract.

Section 24. **Supplemental Resolutions.**

(a) This Resolution, and the rights and obligations of the County, the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the County with the written consent of Owners owning at least 60% in aggregate Principal Amount of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal or Accreted Value and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

(b) This Resolution, and the rights and obligations of the County, the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the County without the written consent of the Owners;

(i) To add to the covenants and agreements of the County in this Resolution, other covenants and agreements to be observed by the County which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(ii) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the County which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(iii) To confirm as further assurance any pledge under, and the subjection to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(iv) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution; or

(v) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not adversely affect the interests of the Owners.

(c) Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the County or the District or any officer or agent of either from taking any action pursuant thereto.

Section 25. **Insurance**. In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the Principal, Accreted Value or interest on the Bonds, such Bond Insurer shall become the owner of such Bonds with the right to payment of Principal, Accreted Value or interest on the Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest, the Paying Agent shall note the Bond Insurer's rights as subrogee on the registration books for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer or other evidence satisfactory to the Paying Agent for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal, Accreted Value or interest, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer. The Paying Agent shall request payment pursuant to the terms of any bond insurance policy to the extent required to pay the Principal or Accreted Value of and interest on the Bonds when due if amounts on deposit in the Debt Service Fund are not adequate for that purpose.

Section 26. **Resolution to Constitute Contract**. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the County, the District and the Owners from time to time of the Bonds; and the pledge made in this Resolution shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

Section 27. **Notices.** All notices or communications herein required or permitted to be given to any party shall be given to each of the following parties and shall be given in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopier or by being deposited, postage prepaid, in a post office letter box, to the addresses set forth below, or to such other address as may be provided to the other parties hereinafter listed in writing from time to time, namely:

If to the County: County of Riverside
4080 Lemon Street, 4th Floor
Riverside, California 92502
Attention: Treasurer-Tax Collector

If to the Paying Agent: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Corporate Trust Department

If to the District: Riverside Community College District
4800 Magnolia Avenue
Riverside, CA 92506
Attention: Chancellor

Section 28. **Unclaimed Moneys.** Anything in this Resolution to the contrary notwithstanding, any moneys held by the Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Paying Agent after said date when such Bonds become due and payable, shall be repaid by the Paying Agent to the District, as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of such Bonds; provided, however, that before being required to make such payment to the District, the Paying Agent shall, at the expense of District, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the registration books, a notice that said moneys remain unclaimed and that, after a date in said notice, which date shall not be less than thirty (30) days after the date of mailing such notice, the balance of such moneys then unclaimed will be returned to the District.

[REMAINDER OF PAGE LEFT BLANK]

Section 29. **Effective Date**. This Resolution shall take effect immediately upon its passage.

The foregoing resolution was adopted by the Board of Supervisors of the County of Riverside on October 5, 2010.

COUNTY OF RIVERSIDE

By: ______________________________
Chairman

ATTEST:

____
Clerk of the Board of Supervisors

EXHIBIT A

[FORM OF DISTRICT RESOLUTION]

RIVERSIDE COMMUNITY COLLEGE DISTRICT
RESOLUTION NO. 5-10/11

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE RIVERSIDE COMMUNITY COLLEGE DISTRICT, RIVERSIDE COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF RIVERSIDE COMMUNITY COLLEGE DISTRICT (RIVERSIDE COUNTY, CALIFORNIA) ELECTION OF 2004 GENERAL OBLIGATION BONDS, SERIES 2010D, AND ACTIONS RELATED THERETO

WHEREAS, a duly called election was held in the Riverside Community College District (the "District"), County of Riverside (the "County"), State of California, on March 2, 2004 (the "Election"), at which the following proposition (the "Measure C") was submitted to the qualified electors of the District:

> "To improve local student access to job training and four-year college preparation classes, improve campus safety, add and upgrade science, health, technology academic classrooms/laboratories; expand public safety, police, firefighting, paramedics and healthcare training facilities; repair, acquire, construct, equip buildings, sites, classrooms; shall Riverside Community College District issue $350,000,000 in bonds, at legal rates, with no proceeds going to the State, all funds remaining locally, independent citizen oversight, guaranteed annual audits, and no money for administrators' salaries?"

WHEREAS, at such election, Measure C received the affirmative vote of the requisite fifty-five percent or more of the voters of the District voting on the proposition, as certified by the Registrar of Voters of Riverside County in the official canvassing of votes (the "Authorization"); and

WHEREAS, the Board of Supervisors of Riverside County (the "County Board") has issued on behalf of the District (i) an aggregate principal amount of $ 55,205,000 of Riverside Community College District (Riverside County, California) Election of 2004, General Obligation Bonds, Series 2004A, and (ii) an aggregate principal amount of $9,795,000 of Riverside Community College District (Riverside County, California) Election of 2004, General Obligation Bonds, Series 2004B, authorized pursuant to Measure C; and

WHEREAS, the District has caused the issuance of an aggregate principal amount of $90,000,000 of Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2007C, authorized pursuant to Measure C; and

WHEREAS, at this time the Board of Trustees of the District (the "Board") has determined that it is necessary and desirable to issue the fourth series of bonds under the Authorization in an aggregate principal amount not-to-exceed $110,000,000 and to be styled as "Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2010D" (the "Bonds"); and

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), the Bonds are authorized to be issued by the Board of

Supervisors of the County on behalf of the District for the purposes set forth in the ballot submitted to voters at the Election; and

WHEREAS, this Board desires to authorize the issuance of the Bonds in one or more series of taxable or tax-exempt bonds, and further as any combination of current interest bonds, capital appreciation bonds, or convertible capital appreciation bonds; and

WHEREAS, this Board further desires to authorize the issuance of all or a portion of the Bonds as taxable "Build America Bonds" pursuant to the American Reinvestment and Recovery Act of 2009 (the "Recovery Act"); and

WHEREAS, this Board desires to appoint certain professionals to provide services related to the issuance of the Bonds; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE RIVERSIDE COMMUNITY COLLEGE DISTRICT AS FOLLOWS:

SECTION 1. Purpose; Authorization. To raise money for the purposes authorized by voters of the District at the Election and to pay all necessary legal, financial and contingent costs in connection with the issuance of the Bonds, this Board hereby petitions the County Board to authorize the issuance of the Bonds pursuant to the Act and to order such Bonds sold at a negotiated sale such that the Bonds shall be dated as of a date to be determined by said County Board, shall bear interest at a rate not-to-exceed that authorized at the Election, shall be payable upon such terms and provisions as shall be set forth in the Bonds and shall be in an aggregate principal amount not-to-exceed $110,000,000. The Board hereby approves the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for Piper Jaffray & Co., (the "Underwriter") to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. The Board estimates that the costs associated with the issuance of the Bonds, including compensation to the Underwriter and any such costs which the Underwriter agrees to pay pursuant to the Purchase Contract, will equal approximately 2.0% of the principal amount of the Bonds.

This Board hereby authorizes the issuance of the Bonds as one or more series of taxable or tax-exempt bonds, and further any combination of current interest bonds, capital appreciation bonds, and convertible capital appreciation bonds as set forth in the fully-executed Purchase Contract (defined herein), subject to the provisions of a resolution of the County Board relating to the Bonds (the "County Resolution").

This Board hereby authorizes the issuance of all or a portion of the Bonds as Build America Bonds. With respect to Bonds issued as Build America Bonds, the District expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the Bonds on or about each semi-annual interest payment date for the Bonds. The District hereby directs the

Authorized Officers (defined herein), prior to each Bond Payment Date, to submit or cause to be submitted to the United States Department of the Treasury a subsidy reimbursement request in accordance with applicable Federal regulations. Upon receipt of such subsidy, the District shall deposit or cause to be deposited any such cash subsidy payments into the debt service fund for the Bonds maintained by the County.

SECTION 2. **Paying Agent.** This Board does hereby authorize the appointment of U.S. Bank National Association as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds. The District acknowledges that ongoing expenses and fees of the Paying Agent and all other fees and costs incurred in connection with the Bonds will be paid by the District.

SECTION 3. **Tax Covenants.**

(a) With respect to Bonds issued as tax-exempt bonds, the District hereby covenants with the holders of such Bonds that, notwithstanding any other provisions of this Resolution, it will (1) comply with all of the provisions of the County Resolution relating to the Rebate Fund (as defined therein) and perform all acts necessary to be performed by the District in connection therewith, and (2) make no use of the proceeds of the Bonds or of any other amounts, regardless of the source, or of any property or take any action, or refrain from taking any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

The District will not make any use of the proceeds of the Bonds or any other funds of the District, or take or omit to take any other action, that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code or "federally guaranteed" within the meaning of Section 149(b) of the Code. To that end, so long as any Bonds are unpaid, the District, with respect to such proceeds and such other funds, will comply with all requirements of such Sections and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Internal Revenue Code of 1986, as amended, to the extent such requirements are, at the time, applicable and in effect.

The District will not use or permit the use of its facilities or any portion thereof by any person other than a governmental unit as such term is used in Section 141 of the Code, in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of the interest paid on the Bonds. In furtherance of the foregoing tax covenants of this Section 3(a), the District covenants that it will comply with the instructions and requirements of that certain Tax Certificate to be executed and delivered by the District on the date of issuance of such tax-exempt Bonds, which is incorporated herein as if fully set forth herein. These covenants shall survive the payment in full or defeasance of the Bonds.

(b) With respect to Bonds issued as Build America Bonds, the District covenants that it will comply with the instructions and requirements of those certain Tax Certificates to be executed and delivered by the District on the date of issuance of such Build America Bonds.

SECTION 4. **Legislative Determinations.** This Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

SECTION 5. Official Statement. The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Secretary of the Board is hereby approved and the Chancellor of the District, the Vice Chancellor, Administration and Finance of the District, and such other officers or employees of the District as may be designated for such purpose (collectively, the "Authorized Officers"), each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to Underwriter to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and is directed to deliver copies of any final Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

SECTION 6. Purchase Contract. The form of a purchase contract by and among Riverside County (the "County"), the District and the Underwriter for the Bonds (the "Purchase Contract") on file with the Secretary of the Board is hereby approved. In connection with the sale of the Bonds, the Board authorizes the Authorized Officers, each alone, on behalf of the District, to execute and deliver to the Underwriter a Purchase Contract for the Bonds, with such terms and conditions as may be acceptable to such official; provided, however, that the interest rate on the Bonds shall not exceed that authorized at the Election, the underwriting discount (excluding original discount) shall not exceed 0.8% of the aggregate principal amount of the Bonds issued, and the aggregate principal amount of the Bonds shall not exceed $110,000,000.

SECTION 7. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

SECTION 8. Authorized Actions.

(a) Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

SECTION 9. Professional Services. The District hereby appoints Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California as Bond Counsel, Best Best &

Krieger LLP, Riverside, California as Disclosure Counsel, and Piper Jaffray & Co., El Segundo, California as Underwriter in connection with the issuance of the Bonds.

SECTION 10. **Recitals.** All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

SECTION 11. **Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED, ADOPTED AND APPROVED this 21st day of September, 2010, by the following vote:

AYES:	MEMBERS	4 Blumenthal/Green/Takano/Medina
NOES:	MEMBERS	0
ABSTAIN:	MEMBERS	
ABSENT:	MEMBERS	1 Figueroa

President of the Board of Trustees

ATTEST:

Secretary of the Board of Trustees

SECRETARY'S CERTIFICATE

I, Mark Takano, Secretary to the Board of Trustees of the Riverside Community College District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly and legally held at the regular meeting place thereof on September 21, 2010, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: September 21, 2010

By: Mark Takano

Secretary to the Board of Trustees

DOCSSF/78183v1/022000-0000

EXHIBIT B

FORM OF CONTRACT OF PURCHASE

PURCHASE CONTRACT

October __, 2010

County of Riverside
Board of Supervisors
4080 Lemon Street, 5th Floor
Riverside, California 92501

Vice Chancellor, Administration and Finance
Riverside Community College District
4800 Magnolia Avenue
Riverside, CA 92506

$[AMOUNT]
RIVERSIDE COMMUNITY COLLEGE DISTRICT
ELECTION OF 2004 GENERAL OBLIGATION BONDS
SERIES 2010D

Ladies and Gentlemen:

The undersigned Piper Jaffray & Co. (the "Underwriter"), acting on its own behalf and not as a fiduciary or agent for you, hereby offers to enter into this Purchase Contract (this "Purchase Contract") with the County of Riverside, California (the "County"), and the Riverside Community College District (the "District"), which, upon acceptance of this offer by the County and the District, will be binding upon the County, the District and the Underwriter. By execution of this Purchase Contract, the County, the District and the Underwriter acknowledge the terms hereof and recognize that each will be bound by certain of the provisions hereof, and to the extent binding on the County and the District, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Purchase Contract by the County and the District and delivery of such acceptance to us at or prior to 11:59 p.m., California Time, on the date hereof, and, if this Purchase Contract is not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the County and the District.

Section 1. Purchase and Sale of the Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the County, on behalf of the District, for reoffering to the public, and the County and the District hereby agree to sell to the Underwriter for such purpose, all (but not less than all) of the District's Election of 2004 General Obligation Bonds, Series 2010D (the "Bonds") in an aggregate principal amount of $[AMOUNT]. The Bonds shall be dated the date of initial execution and delivery, and shall bear interest at the rates, mature in the years and be subject to redemption as set forth in Schedule I hereto. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of the resolution adopted by the Board of Trustees of the District on [September 21], 2010 (the "District Resolution"), the resolution adopted by the Board of Supervisors of the County on [October 5], 2010 (the "County Resolution," and together with the District Resolution, the "Bond Resolutions"), this Purchase Contract and Section 15264 et seq., of the California Education Code (the "Act"). Inasmuch as this purchase and sale represents a negotiated transaction, the District understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the District, but rather is acting solely in its capacity as Underwriter for its own account. The Underwriter has been duly authorized to execute this Purchase Contract and to act hereunder.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Bond Resolutions. The Bonds shall be in definitive form, shall bear CUSIP numbers, and shall be in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). The Bonds shall be in authorized denominations of $5,000 each or integral multiples thereof.

The Underwriter shall purchase the Bonds at a price of $[_____] (consisting of the aggregate principal amount of the Bonds of $[AMOUNT], plus a net original issue premium of $[_____], less an Underwriter's discount of $[_____] and less $[_____] to be retained by the Underwriter to pay costs of issuance).

Section 2. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds at a price not to exceed the public offering price set forth herein and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering price stated on the cover of the Official Statement.

Section 3. The Official Statement.

(a) The District has previously delivered to the Underwriter the Preliminary Official Statement dated October __, 2010 (the "Preliminary Official Statement"), including the cover page and appendices thereto, of the District relating to the Bonds. The final Official Statement delivered pursuant to Section 3(c) below is hereinafter called the "Official Statement."

(b) The Preliminary Official Statement has been prepared for use by the Underwriter by Disclosure Counsel (as hereinafter defined) in connection with the public offering, sale and distribution of the Bonds. The District hereby represents and warrants that the Preliminary Official Statement was deemed final by the District as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule").

(c) The County and the District hereby authorize the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The County and the District consent to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The District shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the District's acceptance of this Purchase Contract (but, in any event, not later than within seven business days after the District's acceptance of this Purchase Contract and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

(d) If, after the date of this Purchase Contract to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule); and (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the District becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the District will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time-to-time request), and if, in the opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the District will forthwith prepare and furnish, at the District's own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement as so amended and supplemented will comply with law. If such notification shall be subsequent to the Closing (as defined herein), the District shall furnish such legal opinions, certificates, instruments, and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Underwriter hereby agrees to file the Official Statement with a nationally recognized municipal securities information repository. Unless otherwise notified in writing by the Underwriter on or prior to the date of the Closing, the District can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

Section 4. Representations, Warranties and Covenants of the District. The District hereby represents and warrants to and covenants with the Underwriter that:

(a) the District is a community college district, duly created, organized and existing under the laws of the State of California (the "State"), and has full legal right, power and authority, and at the date of the Closing will have full legal right, power and authority (i) to enter into, execute and deliver this Purchase Contract, the Undertaking (as defined in Section 8(h)(iii) hereof) and all documents required hereunder and thereunder to be executed and delivered by the District (this Purchase Contract, the District Resolution and the Undertaking are hereinafter referred to as the "District Documents"); (ii) to sell, issue and deliver the Bonds pursuant to the Act to the Underwriter as provided herein; and (iii) to carry out and complete the transactions described in the District Documents and the Official Statement, and the District has complied, and will at the Closing be in compliance in all respects, with the terms of the District Documents as they pertain to such transactions;

(b) by all necessary official action of the District prior to or concurrently with the acceptance hereof, the District has duly authorized all necessary action to be taken by it for (i) the adoption of the District Resolution and the issuance and sale of the Bonds; (ii) the approval, execution and delivery of, and the performance by the District of the obligations on its part, contained in the Bonds and the District Documents; and (iii) the completion by it of all other transactions described in the Official Statement, and the District Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the District in order to carry out, give effect to, and complete the transactions contemplated herein and in the Official Statement;

(c) the District Documents constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for, in accordance with the District Resolution and this Purchase Contract, will constitute legal, valid and binding obligations of the District entitled to the benefits of the District Resolution and enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights;

(d) the District is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the District is a party or to which the District is or any of its property or assets are otherwise subject, in any material respect, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing; and the execution and delivery of the Bonds, the District Documents and the adoption of the District Resolution and compliance with the provisions on the District's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the District is a party or to which the District is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the District Resolution;

(e) all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required to be obtained by the District for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the District of its obligations under the District Documents and the Bonds or with respect to the projects to be financed with the proceeds of the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) no legislation has been introduced, nor is there any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body pending or, to the best knowledge of the District after due inquiry, threatened against the District, affecting the existence of the District or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds pursuant to the Bond Resolutions or in any way contesting or affecting the validity or enforceability of the Bonds, the District Documents, or contesting the federal income tax or State income tax treatment of the Bonds, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or contesting the powers of the District or any authority for the issuance of the Bonds, the adoption of the Bond Resolutions or the execution and delivery of the District Documents, nor, to the best knowledge of the District, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the District Documents;

(g) as of the date thereof, the Preliminary Official Statement (excluding information relating to DTC and DTC's book-entry system) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) at the time of the District's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to Section 3(d) of this Purchase Contract) at all times subsequent thereto during the period up to and including the date of Closing, the Preliminary Official Statement (excluding information relating to DTC and DTC's book-entry system) as of its date does not and the Official Statement (excluding information relating to DTC and DTC's book-entry system) will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(i) if the Official Statement is supplemented or amended pursuant to Section 3(d) of this Purchase Contract, at the time of each supplement or amendment thereto (unless subsequently again supplemented or amended pursuant to such paragraph) the District agrees to provide the Underwriter with a certificate dated the date of any such supplement or amendment stating that the Official Statement as so supplemented or amended (excluding information relating to DTC and DTC's book-entry system) does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(j) as of the date of Closing, the District will have complied with the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the Bonds;

(k) the District will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the District will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the District of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(l) the financial statements of, and other financial information regarding the District, in the Official Statement fairly present the financial position and results of the District as of the dates and for the periods therein set forth and since such dates there has been no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the District. The District is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District;

(m) prior to the Closing, the District will not offer or issue any bonds or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by ad valorem property taxes without the prior approval of the Underwriter; and

(n) any certificate, signed by any official of the District authorized to do so in connection with the transactions contemplated by this Purchase Contract, shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein.

Section 5. Representations, Warranties and Covenants of the County. The County hereby represents and warrants to and covenants with the Underwriter that:

(a) The County is, and will be at the Closing, a duly organized, validly existing and operating political subdivision pursuant to the laws of the State, with full power and authority to issue the Bonds on behalf of the District and to observe and perform the covenants and agreements set forth in the County Resolution and this Purchase Contract;

(b) by official action of the County, prior to or concurrently with the acceptance hereof, the County (i) has adopted the County Resolution, and authorized and approved the execution and delivery of this Purchase Contract, and the performance of its obligations contained in the Bonds, the County Resolution and this Purchase Contract, and (ii) the County Resolution is in full force and effect and has not been amended or supplemented as of the date hereof, and covenants that it will advise the Underwriter promptly of any proposal to amend or supplement the County Resolution;

(c) the adoption of the County Resolution and the execution and delivery of this Purchase Contract and the Bonds, and compliance with the provision on the County's part contained therein do not and will not conflict with or constitute a breach of or default under the law, administrative regulation, judgment, decree, statute, indenture, mortgage, deed of trust, bond, note, resolution, agreement or other instrument to which the County is a party or by which the County or, to its knowledge, any of its properties are bound, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the County which materially adversely affects the security for the Bonds under the terms of any such law, administrative regulation, judgment, decree, statute, indenture, mortgage, deed of trust bond, note, resolution, agreement or other instrument, except as provided in the County Resolution;

(d) all consents, approvals and authorizations of governmental or regulatory authorities or by or on behalf of any creditors or any other third party for the valid execution and delivery of the Bonds and this Purchase Contract, and the performance of the County's obligations contained herein and therein, have been obtained and are in full force and effect;

(e) other than as set forth in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental agency, public board or body, which has been formally served on the County or, to the knowledge of the County, pending or threatened against the County seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the pledge or application of the Bonds pursuant to the County Resolution, to an extent which would have a materially adverse effect on the security for the Bonds or in any way contesting or affecting the validity of any proceedings of the County taken concerning the issuance or sale of the Bonds, the County Resolution and this Purchase Contract or any other agreement or instrument to which the County is a party or by which the County or any of its properties are bound or the federal or State tax status of the Bonds or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, as amended or supplemented, or the existence or powers of the County relating to the issuance of the Bonds, the adoption of the County Resolution or the execution and delivery of this Purchase Contract;

(f) all representations and warranties set forth in the County Resolution are true and correct on the date hereof and are made for the benefit of the Underwriter as if set forth herein;

(g) a copy of the County Resolution has been delivered to the Underwriter, and the County Resolution will not be amended or repealed without the consent of the Underwriter, which consent will not be unreasonably withheld;

(h) the terms and provisions of this Purchase Contract comply in all material respects with the requirements of the County Resolution, and on the date of Closing, the County Resolution will be in full force and effect and will not have been supplemented or amended, and this Purchase Contract constitutes, and the County Resolution, assuming due authorization, execution and delivery by the other respective parties thereto, will constitute, the valid and binding obligations of the County, enforceable in accordance with its terms, subject to bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights generally and to equitable principles when equitable remedies are sought;

(i) the County is not in violation or breach of or default under any applicable law or administrative rule or regulation of the United States or any state thereof having jurisdiction over the County or its properties, or of any department, division, agency or instrumentality of any state thereof, or any applicable court judgment or administrative decree or order, or any lease, note, resolution, indenture, contract, agreement or other instrument to which the County is a party or is otherwise (to its knowledge) subject or bound, or to which any of its property is otherwise subject, which in any way materially affects the issuance of the Bonds or the validity thereof, this Purchase Contract or the County Resolution, or materially adversely affects the ability of the County to perform any of its obligations under any thereof;

(j) any certificate signed by an authorized officer of the County and delivered to the Underwriter or shall be deemed a representation and warranty by the County in connection with this Purchase Contract to the Underwriter as to the statements made therein for the purposes for which such statements are made;

(k) the County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may request; provided, however, that the County will not be required to consent to service of process in any such jurisdiction or to qualify as a foreign corporation in any such jurisdiction;

(l) the County shall cause the Bonds, duly executed and authenticated, together with the other documents hereinafter mentioned, to be delivered to the Underwriter at 9:00 a.m., California time, on the date of Closing or at such other time or date as may be mutually agreeable to the County, the District and the Underwriter, at the San Francisco office of Stradling

Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel"), or such other place as the County, the District and the Underwriter shall mutually agree; and

(m) at the time of acceptance hereof by the County and the District, and at the date of Closing, the information in the Official Statement under the caption "COUNTY INVESTMENT POOL" and in Appendix __ thereto is and will be true, correct and complete in all material respects and does not and will not omit to state any material fact necessary to make the statements therein not misleading in any material respect.

Section 6. Representations, Warranties and Agreements of the Underwriter. The Underwriter represents to and agrees with the District and the County that, as of the date hereof and as of the date of Closing:

(a) The Underwriter is duly authorized to execute this Purchase Contract and to take any action under this Purchase Contract required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the District, and is not prohibited thereby from acting as the underwriter with respect to securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

Section 7. Closing. At 9:00 a.m., California Time, on [November 10], 2010, or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (herein, the "Closing"), the District will direct U.S. Bank National Association, Los Angeles, California in its capacity as paying agent for the Bonds (the "Paying Agent") to deliver to the Underwriter, through the facilities of DTC in New York, New York, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed, together with the other documents hereinafter mentioned. Upon fulfillment of all conditions to Closing herein, the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds (by check, wire transfer or such other manner of payment as the Underwriter and the Treasurer-Tax Collector of the County (the "Treasurer") shall reasonably agree upon) to the order of the Treasurer.

Section 8. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the District and the County contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the District and the County of their respective obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the District and the County of their respective obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the

District and the County of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) the representations and warranties of the District and the County contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) the District and the County shall have performed and complied with all agreements and conditions required by this Purchase Contract to be performed or complied with by it prior to or at the Closing;

(c) at the time of the Closing, (i) the District Documents, the County Resolution and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) all actions of the District and the County required to be taken by the District shall be performed in order for Bond Counsel, Disclosure Counsel and Underwriter's Counsel to deliver their respective opinions referred to hereafter;

(d) at or prior to the Closing, the Bond Resolutions shall have been duly adopted by the District and the County, as applicable, and the Bonds shall have been duly executed, delivered and authenticated;

(e) at the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the projects to be financed with the proceeds of the Bonds, in the condition, financial or otherwise, or in the revenues or operations of the District, from that set forth in the Official Statement that in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(f) the District has not failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(g) all steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Purchase Contract shall be reasonably satisfactory in legal form and effect to the Underwriter;

(h) at or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(i) the Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the District by its authorized representative, or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(ii) a certified copy of the District Resolution, with such supplements or amendments as may have been agreed to by the Underwriter;

(iii) a certified copy of the County Resolution, with such supplements or amendments as may have been agreed to by the Underwriter;

(iv) the Continuing Disclosure Certificate of the District (the "Undertaking") in substantially the form attached to the Official Statement which satisfies the requirements of Section (b)(5)(i) of the Rule;

(v) the final approving opinion of Bond Counsel with respect to the Bonds, in substantially the form attached to the Official Statement;

(vi) a reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described in Section 8(h)(v) above, together with a supplemental opinion, dated the date of Closing and addressed to the Underwriter, to the effect that:

(A) the District has full right and lawful authority to enter into and perform its duties under this Purchase Contract and this Purchase Contract has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other respective parties thereto, constitutes a legal, valid and binding obligation of the District, enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought;

(B) by all necessary official action of the District prior to or concurrently with the acceptance hereof, the District has duly authorized all necessary action to be taken by it for the adoption of the Bond Resolutions and the issuance and sale of the Bonds;

(C) the Bond Resolutions and all other proceedings of the District pertinent to the validity and enforceability of the Bonds have been duly and validly adopted or undertaken in compliance with all applicable procedural requirements of the District and in compliance with the Constitution and laws of the State, including the Act;

(D) the statements contained in the Official Statement in the sections entitled "THE BONDS," "SECURITY FOR THE BONDS" and "TAX MATTERS" (excluding any information relating to DTC and DTC's book-entry system) insofar as such statements purport to summarize certain provisions of the Bonds and the Bond Resolutions and the tax status of the Bonds for federal and State income tax purposes, present a fair and accurate summary of such documents, such tax status and the matters discussed therein;

(E) no authorization, approval, consent, or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the District of this Purchase Contract or the consummation by the District of the other transactions contemplated by such agreement (provided no opinion is expressed as to any action required under state securities or blue sky laws in connection with the purchase or distribution of the Bonds by the Underwriter); and

(F) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Bond Resolutions are exempt from qualification pursuant to the Trust Indenture Act as amended;

(vii) an opinion of Best, Best & Krieger LLP, in its role as disclosure counsel to the District ("Disclosure Counsel") as to the Official Statement, dated the date of Closing, and addressed to the Underwriter to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the District, the County and others, and their examination of certain documents, as a matter of fact but not opinion, nothing has come to their attention which has led them to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any financial or statistical data, assessed valuations, any forecasts, any assumptions or any expressions of opinion contained in the Official Statement, or as to any information related to DTC or CUSIP numbers therein);

(viii) an opinion, dated the date of Closing, of counsel to the County in substantially the form attached hereto as Exhibit A;

(ix) A certificate, each from the County and the District, dated the date of Closing and signed by an authorized officer of the County or the District, respectively, to the effect that, to their best knowledge, belief and information:

(A) the representations and warranties of the County or District contained in this Purchase Contract are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing;

(B) none of the proceedings or authority for the execution and delivery of the Bonds by the County or the District has been repealed modified, amended, revoked or rescinded; and

(C) no event affecting the County or the District has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect.

(x) a certificate of the District in form and substance satisfactory to Bond Counsel and counsel to the Underwriter (A) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code; and (B) certifying that to the best of the knowledge and belief of the District there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(xi) evidence satisfactory to the Underwriter that the Bonds shall have received ratings of "[___]" from Moody's Investors Service and "[___]" from Standard & Poor's, respectively, and that such ratings have not been revoked or downgraded; and

(xii) such additional legal opinions, certificates, instruments and other documents as the Underwriter or Kutak Rock LLP ("Underwriter's Counsel") may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the District's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the District on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the District.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, and only if, they are in form and substance satisfactory to the Underwriter.

If the County or the District shall be unable to satisfy the conditions to the obligation of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, or if the obligation of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter, the County nor the District shall be under further obligation hereunder, and except that the respective obligations of the County, the District and the Underwriter set forth in Section 10 hereof shall continue in full force and effect.

Section 9. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Purchase Contract and the Closing, the market price or marketability of the Bonds shall be materially adversely affected by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds or State income taxation upon interest received on obligations of the general character of the Bonds or, with respect to State taxation, of the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or state income tax consequences of any of the transactions contemplated herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Bond Resolutions are not exempt from qualification under or other requirements of the Trust Indenture Act, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange LLC, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of underwriters in general;

(f) any amendment to the federal or state constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon), or the validity or enforceability of the assessments or the levy of taxes to pay principal of and interest on the Bonds;

(g) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Purchase Contract any materially adverse change in the affairs or financial condition of the District;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the District's obligations;

(l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

Section 10. Expenses. To the extent that the transactions contemplated by this Purchase Contract are consummated, the Underwriter shall pay or cause to be paid from net original issue premium retained for such purpose as sent forth in Section 1, all costs of issuance relating to the Bonds, including but not limited to the following: (a) the fees and disbursements of Bond Counsel, Disclosure Counsel and Underwriter's Counsel; (b) the cost of the preparation, printing and delivery of the Bonds; (c) the fees, if any, for Bond ratings and all related expenses; (d) the cost of the printing and distribution of the Preliminary Official Statement and the Official

Statement; (e) Paying Agent fees through maturity of the Bonds; and (f) all other fees and expenses incident to the issuance and sale of Bonds. Following payment of the expenses set forth above, the Underwriter shall remit the remaining amount, if any, retained by it for such payment to the District and the District shall deposit such amount into the District's Debt Service Fund. If costs of issuance exceeds the amount retained by the Underwriter for the payment of such costs, the District shall be obligated to pay such excess costs. The Underwriter shall pay its own out-of-pocket expenses, other than interstate travel incurred in connection with obtaining ratings.

If this Purchase Contract shall be terminated by the Underwriter because of any failure or refusal on the part of the District to comply with the terms or to fulfill any of the conditions of this Purchase Contract, the District will reimburse the Underwriter for all out-of-pocket expenses reasonably incurred by the Underwriter in connection with this Purchase Contract or the offering contemplated hereunder.

Section 11. Notices. Any notice or other communication to be given under this Purchase Contract may be given by delivering the same in writing if to the County, to the County Treasurer, County of Riverside, 4080 Lemon Street, 4th Floor, Riverside, California 92502, if to the District at Riverside Community College District, 4800 Magnolia Avenue, Riverside, California 92506 Attention: Vice Chancellor, Administration and Finance; and if to the Underwriter at Piper Jaffray & Co., Suite 3200, 2321 Rosecrans Avenue, El Segundo, California 90245, Attention: Mark Farrell, Managing Director.

Section 12. Parties in Interest. This Purchase Contract as heretofore specified shall constitute the entire agreement between the parties hereto and is made solely for the benefit of the County, the District and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Purchase Contract may not be assigned by the District or the County. All of the District's and the County's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Underwriter; (b) delivery of and payment for the Bonds pursuant to this Purchase Contract, and (c) any termination of this Purchase Contract.

Section 13. Effectiveness. This Purchase Contract shall become effective upon the acceptance hereof by the District and the County, and shall be valid and enforceable at the time of such acceptance.

Section 14. Choice of Law. This Purchase Contract shall be governed by and construed in accordance with the law of the State of California.

Section 15. Severability. If any provision of this Purchase Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Purchase Contract invalid, inoperative or unenforceable to any extent whatever.

Section 16. Business Day. For purposes of this Purchase Contract, "business day" means any day other than (a) a Saturday or Sunday; (b) a day on which the District or the Treasurer is required by law to close; or (c) a day on which banks located in Los Angeles, California are required by law to close.

Section 17. Section Headings. Section headings have been inserted in this Purchase Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Purchase Contract and will not be used in the interpretation of any provisions of this Purchase Contract.

Section 18. Counterparts. This Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document. This Purchase Contract shall become a binding agreement between the parties hereto when the last counterpart shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

PIPER JAFFRAY & CO.

By ___________________________________

Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

RIVERSIDE COMMUNITY
COLLEGE DISTRICT

By ______________________________

Dr. Jim Buysse, Vice Chancellor, Administration and Finance

COUNTY OF RIVERSIDE

By: ______________________________

Authorized Representative

Approved as to form:
COUNTY COUNSEL

By: ______________________________

Deputy County Counsel

SCHEDULE I

MATURITY SCHEDULE

$[AMOUNT]
Riverside Community College District
Election of 2004 General Obligation Bonds
Series 2010D

Maturity (August 1)	Principal Amount	Interest Rate	Yield

TERMS OF REDEMPTION

Optional Redemption

The Bonds maturing on and after August 1, 20[__] may be redeemed before maturity, at the option of the District, from any source of available funds, on any date on or after August 1, 20[__], as a whole or in part, at a price of par together with interest accrued thereon to the date of redemption.

Mandatory Redemption

The Bonds maturing on August 1, 20[__], are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20[__], at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Bonds to be so redeemed and the dates therefor and the final principal payment date is indicated in the following table:

Redemption Date (August 1)	***Principal Amount***

Manner of Redemption

Whenever provision is made for the redemption of Bonds and less than all Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as directed by the District and if not directed, in inverse order of maturity. With respect to the Bonds, within a maturity the Paying Agent shall select bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine. The portion of any Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

EXHIBIT A

[FORM OF OPINION OF COUNTY COUNSEL]

$[AMOUNT]
RIVERSIDE COMMUNITY COLLEGE DISTRICT
ELECTION OF 2004 GENERAL OBLIGATION BONDS
SERIES 2010D

(Introduction)

1. The County is a political subdivision duly organized and validly existing under the laws of the State of California.

2. The County Resolution was duly adopted at a meeting of the governing body of the County which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption.

3. The County Resolution and the Purchase Contract have been duly adopted and executed, as applicable, and remain in effect and are valid, binding and enforceable against the County except as limited by bankruptcy, moratorium, reorganization, insolvency or other laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases.

4. To the best of our knowledge, there is no litigation against the County of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or any of the proceedings taken with respect to the issuance and sale of the Bonds, the application of moneys to the payment of the Bonds or in any manner questioning the proceedings and authority under which the Bonds were authorized or affecting the validity of the Bonds or the title of officials of the County who have acted with respect to the proceedings for the issuance and sale of the Bonds to their respective offices.

5. The issuance of the Bonds does not and will not conflict with or constitute on the part of the County a material breach of, or a default under any instrument, to which the County is subject or by which it is bound.

EXHIBIT C

FORM OF CURRENT INTEREST BOND

R-__________ $__________

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE BOND RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

RIVERSIDE COMMUNITY COLLEGE DISTRICT
RIVERSIDE COUNTY, CALIFORNIA
ELECTION OF 2004 GENERAL OBLIGATION BONDS, SERIES 2010D

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP
_____%	August 1, _____	___________1, 2010	________

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Riverside Community College District (the "District") in Riverside County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing February 1, 2011. Interest on this Bond shall be computed on the basis of a 360-day year of twelve 30-day months. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2011 in which event it shall bear interest from the date of delivery. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association. Principal is payable upon presentation and surrender of this bond at the designated office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current Interest Bonds in the aggregate principal amount of One Million Dollars ($1,000,000) or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of $_________ of bonds approved to raise money for the purposes authorized by voters of the District at the Election, defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent of the vote of the qualified electors of the District cast at a special election held on March 2, 2004 (the "Election"), upon the question of issuing bonds in the amount of $350,000,000 and resolutions of the Board of Trustees of the District adopted on September 21, 2010 and by the Board of Supervisors of the County on October 5, 2010 (collectively, the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252. The bonds of this issue are general obligation bonds of the District.

[The bonds of this issue comprise (i) $________ principal amount of Current Interest Bonds, of which this bond is a part, (ii) Capital Appreciation Bonds of which $________ represents the initial principal amount and $______ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, and of which $_________ represents the initial principal amount and $_________ represents the Conversion Value.]

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August

1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 20__, at a redemption price equal to the principle amount of the Current Interest Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

The Current Interest Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Current Interest Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

Redemption Date (August 1)	Principal Amount
Total	

(1) Final Maturity.

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of $5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Board of Supervisors has caused this Bond to be executed on behalf of the District, by the facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer-Tax Collector of the County, and to be countersigned by the facsimile signature of the Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

____

Chairman of the Board of Supervisors

COUNTERSIGNED:

____

Clerk of the Board of Supervisors

____

Treasurer-Tax Collector of the County of Riverside

(FORM OF CERTIFICATE OF AUTHENTICATION)

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on ____________, 2010.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By: ____
Authorized Representative

(FORM OF LEGAL OPINION)

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

____
Clerk of the Board of Supervisors of the County of Riverside

(FORM OF STATEMENT OF INSURANCE)

(FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto

____

____

____

(Name, Address, and Tax Identification or Social Security Number of Assignee)

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: ____________________

Signature Guaranteed:

____

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

____

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

FORM OF CAPITAL APPRECIATION BOND

R-___ $__________

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE BOND RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

RIVERSIDE COMMUNITY COLLEGE DISTRICT
RIVERSIDE COUNTY, CALIFORNIA
ELECTION OF 2004 GENERAL OBLIGATION BONDS, SERIES 2010D

ACCRETION RATE:	MATURITY DATE:	DATE OF ISSUANCE:	CUSIP
	August 1,____	___________, 2008	

REGISTERED OWNER: CEDE & CO.

INITIAL PRINCIPAL AMOUNT:

MATURITY VALUE:

The Riverside Community College District (the "District") in Riverside County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value being comprised of the Initial Principal Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing February 1, 2011 at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denomination Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the designated office of the Paying Agent.

This bond is one of an authorization of $__________ of bonds approved to raise money for the purposes authorized by voters of the District at the Election, defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent of the vote of the qualified electors of the District cast at a special election held on March 2, 2004 (the "Election"), upon the question of issuing bonds in the amount of $350,000,000 and resolutions of the Board of Trustees of the District adopted on September 21, 2010 and by the Board of Supervisors of the County on October 5, 2010 (collectively, the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252. The bonds of this issue are general obligation bonds of the District.

[The bonds of this issue comprise (i) $________ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds, of which this bond is a part, and $________ represents the initial principal amount and $______ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, and of which $_________ represents the initial principal amount and $_________ represents the Conversion Value.]

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

[The Capital Appreciation Bonds are not subject to redemption prior to their stated maturities.]

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]

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

By: ______________________________
Chairman of the Board of Supervisors

COUNTERSIGNED:

____
Clerk of the Board of Supervisors

____
Treasurer-Tax Collector of the County of Riverside

CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds described in the Bond Resolution referred to herein, which has been authenticated and registered on __________, 2010.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By: ______________________________

Its: Authorized Officer

(FORM OF LEGAL OPINION)

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

____

Clerk of the Board of Supervisors of the County of Riverside

(FORM OF STATEMENT OF INSURANCE)

(FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto

____

____

____

(Name, Address, and Tax Identification or Social Security Number of Assignee)

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) ____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: ____________________

Signature Guaranteed:

____

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

____

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

FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND

R-___ **$__________**

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE BOND RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

RIVERSIDE COMMUNITY COLLEGE DISTRICT
RIVERSIDE COUNTY, CALIFORNIA
ELECTION OF 2004 GENERAL OBLIGATION BONDS, SERIES 2010D

ACCRETION RATE TO CONVERSION DATE	CONVERSION DATE	INTEREST RATE AFTER THE CONVERSION DATE	MATURITY DATE:	DATED DATE:	CUSIP
__________	_______, 20__	_______	________, 20__	_______, 2010	

REGISTERED OWNER: CEDE & CO.

INITIAL PRINCIPAL AMOUNT:

CONVERSION VALUE :

The Riverside Community College District (the "District") in Riverside County, California (the "County") for value received, promises to pay to the Registered Owner named above, or registered assigns, the Conversion Value on the Maturity Date, each as stated above, such Conversion Value comprising the principal amount and interest accreted thereon to the Conversion Date. Prior to the Conversion Date, this bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing February 1, 2011, at the Accretion Rate specified above to the Conversion Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the principal amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. After the Conversion Date, the District promises to pay to the Registered Owner named above, interest on the Conversion Value from the Conversion Date until the Conversion Value is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing February 1, 2011. This bond will bear such interest from the Bond Payment

Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before ______ 15, 20__, in which event it will bear interest from the Conversion Date. Conversion Value and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the register maintained by the Paying Agent, initially U.S. Bank National Association. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

This bond is one of an authorization of $__________ of bonds approved to raise money for the purposes authorized by voters of the District at the Election, defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent of the vote of the qualified electors of the District cast at a special election held on March 2, 2004 (the "Election"), upon the question of issuing bonds in the amount of $350,000,000 and resolutions of the Board of Trustees of the District adopted on September 21, 2010 and by the Board of Supervisors of the County on October 5, 2010 (collectively, the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252. The bonds of this issue are general obligation bonds of the District.

[The bonds of this issue comprise (i) $________ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds of which $________ represents the initial principal amount and $______ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which this bond is a part, and of which $_________ represents the initial principal amount and $_________ represents the Conversion Value.]

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

[The Convertible Capital Appreciation Bonds are not subject to redemption prior to maturity.]

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]

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

COUNTERSIGNED:

By: ______________________________
Chairman of the Board of Supervisors

____
Clerk of the Board of Supervisors

____
Treasurer-Tax Collector of the County of Riverside

CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds described in the Bond Resolution referred to herein, which has been authenticated and registered on __________, 2010.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By: ______________________________
Its: Authorized Officer

(FORM OF LEGAL OPINION)

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

____
Clerk of the Board of Supervisors of the County of Riverside

(FORM OF STATEMENT OF INSURANCE)

EXHIBIT C

FORM OF BUILD AMERICA BOND

R-___________ $__________

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE BOND RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

RIVERSIDE COMMUNITY COLLEGE DISTRICT
RIVERSIDE COUNTY, CALIFORNIA
ELECTION OF 2004 GENERAL OBLIGATION BONDS, SERIES 2010D-__
(BUILD AMERICA BONDS – DIRECT PAYMENT TO DISTRICT)

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP
_____%	August 1, _____	____________1, 2010	________

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Riverside Community College District (the "District") in Riverside County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing February 1, 2011. Interest on this Bond shall be computed on the basis of a 360-day year of twelve 30-day months. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2011 in which event it shall bear interest from the date of delivery. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association. Principal is payable upon presentation and surrender of this bond at the designated office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current Interest Bonds in the aggregate principal amount of One Million Dollars ($1,000,000) or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of $_________ of bonds approved to raise money for the purposes authorized by voters of the District at the Election, defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent of the vote of the qualified electors of the District cast at a special election held on March 2, 2004 (the "Election"), upon the question of issuing bonds in the amount of $350,000,000 and resolutions of the Board of Trustees of the District adopted on September 21, 2010 and by the Board of Supervisors of the County on October 5, 2010 (collectively, the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252. The bonds of this issue are general obligation bonds of the District.

[The bonds of this issue comprise (i) $________ principal amount of Current Interest Bonds, of which this bond is a part, (ii) Capital Appreciation Bonds of which $________ represents the initial principal amount and $______ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, and of which $_________ represents the initial principal amount and $_________ represents the Conversion Value.]

The bonds of this issue have been designated as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009, which act was signed into law on February 17, 2009 (the "Recovery Act"). Pursuant to the Recovery Act, the District expects to receive a cash subsidy payment (each, a "Subsidy Payment") from the United States Department of the Treasury (the "Treasury") equal to 35% of the interest payable on the Bonds on or about each Bond Payment Date. The Subsidy Payments do not constitute a full faith and credit guarantee of the United States Government, but are required to be paid by the Treasury under the Recovery Act. The District is obligated to deposit any Subsidy Payments it receives into the debt service fund for the Bonds.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 20__, at a redemption price equal to the principle amount of the Current Interest Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

The Current Interest Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Current Interest Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

Redemption Date (August 1)	Principal Amount
Total	

(1) Final Maturity.

Upon the occurrence of an Extraordinary Event (as defined below) the Bonds shall be subject to extraordinary optional redemption, in whole or in part, on any date at a redemption price ("Series D-_ Extraordinary Optional Redemption Price") equal to the greater of (i) the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Bonds are to be redeemed, discounted to the date on which such Bonds are to be redeemed on a semi-annual basis, assuming 360-day year consisting of twelve 30- day months, at the Treasury Rate plus 1.00% and plus interest accrued to the redemption date. Such redemption may be made from the moneys deposited therefor in the Debt Service Fund.

"Extraordinary Event" means any event whereby Section 54AA or Section 6431 of the Internal Revenue Code of 1986, as amended (as such Sections were added by Section 1531 of the Recovery Act pertaining to "Qualified Build America Bonds") is modified, amended or interpreted in a manner pursuant to which the Subsidy Payments are reduced or eliminated.

"Treasury Rate" means, as of any redemption date of any Bonds, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) (the "Statistical Release") that has become publicly available at least two business days prior to such redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to the maturity date of such Bonds; provided, however, that if the period from such redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Selection of maturities and the amounts of the Bonds of each maturity to be redeemed shall be determined by the Paying Agent in such equitable manner as it may determine.

The County shall cause the tax levy imposed to pay the Principal or Accreted Value of and interest on the Bonds to be adjusted, as necessary, to reflect any reduction of Subsidy Payments.

[If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of Five Thousand Dollars ($5,000) or some multiple thereof.] If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the County, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured, the registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Board of Supervisors has caused this Bond to be executed on behalf of the District, by the facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer-Tax Collector of the County, and to be countersigned by the facsimile signature of the Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

Chairman of the Board of Supervisors

COUNTERSIGNED:

Clerk of the Board of Supervisors

Treasurer-Tax Collector of the County of Riverside

(FORM OF CERTIFICATE OF AUTHENTICATION)

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on ____________, 2010.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By: ____
Authorized Representative

(FORM OF LEGAL OPINION)

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

____
Clerk of the Board of Supervisors of the County of Riverside

(FORM OF STATEMENT OF INSURANCE)

PRELIMINARY OFFICIAL STATEMENT DATED ____________, 2010

NEW ISSUE—FULL BOOK-ENTRY

RATINGS: Moody's : "___"; S&P: "___"
(See "MISCELLANEOUS – Ratings" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. Bond Counsel observes that interest in the Series 2010D-1 Bonds is not excluded from gross income for federal income tax purposes. In addition, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Bond constitutes original issue discount. (See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.)

$____________*
RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside County, California)
Election of 2004 General Obligation Bonds,
Series 2010D

$____________*
RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside County, California)
Election of 2004 General Obligation Bonds,
Series 2010D-1
(Build America Bonds – Direct Payment to District)
(Federally Taxable)

Dated: Date of Delivery

Due: August 1, as shown on inside cover

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.

The Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2010D (the "Tax-Exempt Bonds") and Series 2010D-1 (Build America Bonds – Direct Payment to District) (Federally Taxable) (the "Series 2010D-1 Bonds" and referred to herein with the Tax-Exempt Bonds as the "Bonds") were authorized at an election of the registered voters of the Riverside Community College District (the "District") held on March 2, 2004, at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of $350,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued for the purposes of financing the repair, acquisition, construction, and equipping of certain district facilities, and to pay all legal, financial and contingent costs in connection with the issuance of the Bonds.

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* taxes. The Board of Supervisors of Riverside County is empowered and obligated to levy *ad valorem* taxes, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds when due.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive certificates representing their interest in the Bonds.

The Tax-Exempt Bonds will be issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"). Interest with respect to the Current Interest Bonds accrues from the date of their delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2011. The Current Interest Bonds are issuable in denominations of $5,000 or any integral multiple thereof. The Capital Appreciation Bonds are dated the date of delivery of the Bonds and accrete interest from such date, compounded semiannually on February 1, and August 1 of each year, commencing February 1, 2011. The Capital Appreciation Bonds are issuable in denominations of $5,000 maturity value or any integral multiple thereof.

Interest with respect to the Series 2010D-1 Bonds accrues from the date of their delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2011. The Series 2010D-1 Bonds are issuable in denominations of $5,000 or any integral multiple thereof.

Payments of principal and Maturity Value of an and interest on the Bonds will be made by U.S. Bank National Association, as the designated Paying Agent, Bond Registrar and Transfer Agent (the "Paying Agent"), to DTC for subsequent

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* Preliminary, subject to change.

disbursement to DTC Participants (defined herein) who will remit such payments to the beneficial owners of the Bonds. (See "APPENDIX D – BOOK-ENTRY ONLY SYSTEM.")

The District expects to designate the Series 2010D-1 Bonds as "build America bonds" for purposes of the American Recovery and Reinvestment Act of 2009 (the "Stimulus Act"), the interest on which is not excluded from gross income for federal income tax purposes but is exempt from State of California personal income taxes. The District expects to receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on such Series 2010D-1 Bonds. The District is obligated to make all payments of principal of and interest on the Series 2010D-1 Bonds from the sources described herein whether or not it receives cash subsidy payments pursuant to the Stimulus Act.

The Current Interest Bonds and the Series 2010D-1 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to their stated maturity dates as described herein. The Capital Appreciation Bonds are not subject to redemption prior to their stated maturity dates.

The Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain matters will be passed upon for the Underwriter by Kutak Rock, Denver, Colorado, and for the District by Best Best & Krieger LLP, Riverside, California. The Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about _____________, 2010.

PIPER JAFFRAY & CO.

$__________*

RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside County, California)
Election of 2004 General Obligation Bonds,
Series 2010D

MATURITY SCHEDULE

$__________ Current Interest Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†

$____________ ___% Term Bonds due August 1, ____ – Yield ____%†

$____________ Capital Appreciation Bonds

Maturity (August 1)	Denominational Amount	Yield to Maturity	Maturity Value	CUSIP†

$______________*

RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside County, California)
Election of 2004 General Obligation Bonds,
Series 2010D-1
(Build America Bonds – Direct Payment to District)
(Federally Taxable)

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†

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* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data on the cover hereof and herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. The Authority, the City, the Financial Advisor and the Underwriter are not responsible for the selection or correctness of the CUSIP numbers set forth herein.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Certain information set forth herein has been obtained from sources outside the District which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriter has provided the following sentence for inclusion in this Official Statement.

> "The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or the completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

District Administration

Dr. Gregory Gray, Chancellor
Dr. Jim Buysse, Vice Chancellor, Administration and Finance

PROFESSIONAL SERVICES

Underwriter

Piper Jaffray & Co.
El Segundo, California

Bond Counsel

Stradling Yocca Carlson & Rauth,
a Professional Corporation
San Francisco, California

Disclosure and District Counsel

Best Best & Krieger LLP
Riverside, California

Paying Agent, Registrar and Transfer Agent

U.S. Bank National Association
Los Angeles, California

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$______________*	**$______________***
RIVERSIDE COMMUNITY COLLEGE DISTRICT	**RIVERSIDE COMMUNITY COLLEGE DISTRICT**
(Riverside County, California)	**(Riverside County, California)**
Election of 2004 General Obligation Bonds,	**Election of 2004 General Obligation Bonds,**
Series 2010D	**Series 2010D-1**
	(Build America Bonds – Direct Payment to District)
	(Federally Taxable)

INTRODUCTION

This Official Statement, which includes the cover page and appendices hereto, provides information in connection with the sale of Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2010D (the "Tax-Exempt Bonds") and the Election of 2004 General Obligation Bonds, Series 2010D (Build America Bonds – Direct Payment to District) (Federally Taxable) (the "Series 2010D-1 Bonds" and referred to herein with the Tax-Exempt Bonds as the "Bonds").

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District

The Riverside Community College District, located in Riverside, California, serves western Riverside County which encompasses 440 square miles. It contains the Riverside Unified, Alvord Unified, Corona/Norco Unified, Jurupa Unified, Moreno Valley Unified and Val Verde School Districts. The District was founded in 1916.

The District provides educational services on three campuses, Riverside City, Moreno Valley and Norco. The campuses served approximately 31,566 full-time equivalent students in 2008-09, and approximately 31,696 full-time equivalent students in 2009-10. Estimated enrollment for 2010-11 is 28,596 full-time equivalent students. There are approximately 2,555 persons employed by the District. The District offers a broad-based curriculum and basic transfer programs to four-year colleges and universities in California. The District also provides specialized programs leading directly to employment and to improving the skill and knowledge of those already employed in the work force. Such efforts include the District's nursing and automotive technology programs. In addition, the District provides a variety of educational and special interest non-credit courses through its Community Education Program. For more complete information concerning the District, including certain financial information, see "RIVERSIDE COMMUNITY COLLEGE DISTRICT" herein. Excerpts from the audited financial report for the fiscal year ended June 30, 2009 are attached hereto as APPENDIX B.

The District is governed by a five-member Board of Trustees (the "Board of Trustees"), each member of which is elected to a four-year term. Elections for positions to the Board of Trustees are held every two years, alternating between two and three available positions. The management and policies of the District are administered by a Chancellor appointed by the Board of Trustees who is responsible for day to day District operations as well as the supervision of the District's other key personnel. Dr. Gregory Gray is the current Chancellor of the District.

Purpose of the Bonds

The proceeds from the sale of the Bonds will be used to finance the repair, acquisition, construction, and equipping of certain district facilities, and to pay all legal, financial and contingent costs in connection with the issuance of the Bonds. See "THE BONDS – Application and Investment of Bond Proceeds."

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* Preliminary, subject to change.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the State of California Government Code and pursuant to resolutions adopted by the Board of Trustees of the District. See "THE BONDS – Authority for Issuance."

Security and Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from proceeds of *ad valorem* taxes. The Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except upon certain personal property which is taxable at limited rates), for the payment of principal of (as defined below) of and interest on the Bonds. See "RIVERSIDE COMMUNITY COLLEGE DISTRICT" and "THE BONDS – Security and Sources of Payment."

Description of the Bonds

Current Interest and Capital Appreciation Bonds. The Tax-Exempt Bonds will be issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"). The Current Interest Bonds mature on August 1 in the years indicated on the inside cover page hereof. The Capital Appreciation Bonds are payable only at maturity and will not pay interest on a current basis. The maturity value of a Capital Appreciation Bond is equal to its accreted value upon the maturity thereof (the "Maturity Value"), being composed of its initial principal amount (the "Denominational Amount") and the interest accreting thereon between the delivery date thereof and its respective maturity date.

Series 2010D-1 Bonds. The Series 2010D-1 Bonds are being issued under the provisions of the American Recovery and Reinvestment Act of 2009 (the "Stimulus Act"), the interest on which is not excluded from gross income for federal income tax purposes but is exempt from State of California personal income taxes. The Commission expects to receive a cash subsidy from the United States Treasury ("Federal Subsidy") equal to 35% of the interest payable on the Series 2010D-1 Bonds. The Series 2010D-1 Bonds mature on August 1 in the years indicated on the inside cover page hereof.

Form, Registration and Denominations. The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See "THE BONDS – General Provisions" and "APPENDIX D – BOOK ENTRY ONLY SYSTEM." In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution (described herein). Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in denominations of $5,000 principal amount of $5,000 Maturity Value, as applicable, or any integral multiple thereof.

Payments. Interest on the Current Interest Bonds and the Series 2010D-1 Bonds accrues from their initial date of delivery, and is payable semiannually on each February 1 and August 1 (each a "Bond Payment Date"), commencing August 1, 2011. Principal on the Current Interest Bonds and Series 2010D-1 Bonds is payable on August 1 in the amounts and years as set forth on the inside cover page hereof. Each Capital Appreciation Bond accretes in value from its initial principal amount on the date of delivery to its Maturity Value on the maturity thereof at the Accretion Rate per annum set forth in APPENDIX F attached hereto, compounded semiannually on February 1 and August 1 of each year commencing August 1, 2011, and is payable only at maturity according to the amounts set forth in the accreted value tables as shown in APPENDIX F. Payments of the principal and Maturity Value of and interest on the Bonds will be made by U.S. Bank National Association, the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement through DTC Participants (defined in APPENDIX D) to the Beneficial Owners (defined in APPENDIX D) of the Bonds.

Redemption. The Current Interest Bonds maturing on or after August 1, ____ may be redeemed before maturity at the option of the District from any source of funds on August 1, ____ or any date thereafter, as a whole or in part. The Current Interest Term Bonds maturing on August 1, ____ are subject to mandatory sinking fund redemption as described herein. The Capital Appreciation Bonds are not subject to redemption prior to maturing. The Series 2010D-1 Bonds are subject to optional, mandatory sinking fund and extraordinary redemption as described herein. See "THE BONDS – Redemption."

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), based on existing statutes, regulations, rulings and judicial decisions and assuming the accuracy and truthfulness of certain representations and compliance with certain covenants and requirements described herein, interest (and original issued discount) on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. Bond Counsel observes that interest on the Series 2010D-1 Bonds is not excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest (and original issued discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS."

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York on or about November 10, 2010.

Continuing Disclosure

The District has covenanted that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate relating to disclosure of annual financial information and notices of certain events executed by the District as of the date of issuance and delivery of the Bonds, as it may be amended from time to time in accordance with the terms thereof. See "LEGAL MATTERS – Continuing Disclosure" and "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, is acting as Bond Counsel to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth is located at 44 Montgomery Street, Suite 4200, San Francisco, California 94104. U.S. Bank National Association has been appointed as Paying Agent for the Bonds. Certain matters will be passed upon for the Underwriter by Kutak Rock, Denver, Colorado and for the District by Best Best & Krieger LLP, Riverside, California. Stradling Yocca Carlson & Rauth will receive compensation from the District contingent upon the sale and delivery of the Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of documents referred to herein and information concerning the Bonds are available from Riverside Community College District, 4800 Magnolia Avenue, Riverside, California 92506, telephone: (909) 222-8800. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official

Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each such documents, statutes and constitutional provisions.

Certain information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506, as amended, Article XIIIA of the California Constitution and pursuant to resolutions adopted by the Board of Trustees of the District on May 15, 2007 (the "Resolution"). The District received authorization at an election held on March 2, 2004 by more than fifty-five percent of the votes cast by eligible voters within the District to issue $350,000,000 of general obligation bonds (the "Authorization").

On August 3, 2004 the District issued the first two series of bonds pursuant to the Authorization: (i) the District's General Obligation Bonds, Election of 2004, Series 2004A in the aggregate principal amount of $55,205,000 (the "Series 2004A Bonds") and (ii) the District's General Obligation Bonds, Election of 2004, Series 2004B in the aggregate principal amount of $9,795,000 (the "Series 2004B Bonds"). On June __, 2007, the District issued the third series of bonds pursuant to the Authorization: the District's General Obligation Bonds, Election of 2004, Series 2007C in the aggregate principal amount of $90,000,000. The Bonds represent the fourth series of bonds under the Authorization. After the issuance of the Bonds, $______________ of the Authorization will remain available.

Security and Sources of Payment

The Bonds are general obligations of the District, payable from *ad valorem* taxes. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Bonds upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates). Such taxes, when collected, will be placed by the County in the District's Election of 2004 General Obligation Bonds, Series 2010D Debt Service Fund (as defined herein), which is segregated and maintained by the County and which is irrevocably pledged for the payment of the Bonds and interest thereon when due. Although the County is obligated to levy an *ad valorem* tax for the payment of the Bonds, and the County will maintain the Debt Service Fund pledged to the repayment of the Bonds, the Bonds are not a debt of the County. See "RIVERSIDE COMMUNITY COLLEGE DISTRICT – *Ad Valorem* Property Taxation" herein for information on the District's tax base.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same becomes due and payable, shall be transferred by the County to the Paying Agent (as defined herein). The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Participants (as defined herein) for subsequent disbursement to the Beneficial Owners of the Bonds.

General Provisions

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive certificates representing their interest in the Bonds.

Interest with respect to the Current Interest Bonds and the Series 2010D-1 Bonds accrues from their date of delivery, and is payable semiannually on February 1 and August 1 of each year commencing February 1, 2011. Interest on the Current Interest Bonds and the Series 2010D-1 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Each Current Interest Bond and Build America Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2011, in which event it shall bear interest from its date of delivery. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof. The Bonds mature on August 1, in the years and amounts set forth on the inside cover page hereof.

The Capital Appreciation Bonds are payable only at maturity, and will not pay interest on a current basis. The Capital Appreciation Bonds accrete in value from the Date of Delivery at the accretion rates per annum set forth in APPENDIX F hereto, compounded semiannually on February 1 and August 1 of each year commencing February 1, 2011. The Maturity Value of a Capital Appreciation Bond is its Accreted Value at its maturity date ("Maturity Value"). Interest with respect to each Capital Appreciation Bond is represented by the amount each Capital Appreciation Bond accretes in value from its initial principal amount on the Date of Delivery (the "Denominational Amount") to the date for which Accreted Value is calculated. The Accreted Value (the "Accreted Value") of a Capital Appreciation Bond is calculated by discounting on a 30-day month, 360 day year basis its Maturity. Value on the basis of a constant interest rate (the "Accretion Rate") compounded semiannually on February 1 and August 1, of each year to the ate for which an Accreted Value is calculated, and if the date for which Accreted Value is calculated is between February 1 and August 1, by pro-rating the Accreted Values to the closest prior or subsequent February 1 and August 1. See the maturity schedule on the inside cover page hereof and "APPENDIX F – ACCRETED VALUE TABLES."

The principal of the Current Interest Bonds and the Series 2010D-1 Bonds and the Maturity Value of the Capital Appreciation Bonds shall be payable in lawful money of the United States of America to the registered owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying Agent. The interest on the Bonds shall be payable in lawful money of the United States of America to the person whose name appears on the bond registration books of the Paying Agent as the registered owner thereof as of the close of business on the 15th day of the month next preceding any Interest Payment Date (a "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed on such Interest Payment Date to such registered owner at such registered owner's address as it appears on such registration books or at such address as the registered owner may have filed with the Paying Agent for that purpose. The interest payments on the Bonds shall be made in immediately available funds (e.g., by wire transfer) to any registered owner of at least $1,000,000 of outstanding Bonds who shall have requested in writing such method of payment of interest on the Bonds prior to the close of business on the Record Date immediately preceding any Interest Payment Date.

Series 2010D-1 Bonds

The Series 2010D-1 Bonds are being issued under Section 54AA(d) of the Internal Revenue Code of 1986 (the "Code") and as "qualified build America bonds" (Direct Subsidy) under Section 54AA(g) of the Code. In connection with the issuance of the Series 2010D-1 Bonds, and as permitted by the Stimulus Act, the Commission will elect (which election is irrevocable pursuant to the provisions of the Stimulus Act) to receive directly from the United States Department of the Treasury on or about each interest payment date for the Series

2010D-1 Bonds a Federal Subsidy payment equal to 35% of the taxable interest it pays on the Series 2010D-1 Bonds to the Holders thereof. The Federal Subsidy payment does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the United States Treasury under the Stimulus Act. If the Commission fails to comply with the conditions to receiving the Federal Subsidy payments throughout the term of the Series 2010D-1 Bonds, it may no longer receive the Federal Subsidy payments and could be subject to a claim for the return of previously received Federal Subsidy payments. [The District has not undertaken or made any covenant for the benefit of the Holders of the Series 2010D-1 Bonds to comply with any conditions to receive the Federal Subsidy payments or to maintain the District's right to retain or receive future Federal Subsidy payments in respect of the Series 2010D-1 Bonds.] The District is obligated to make all payments of principal of and interest on the Series 2010D-1 Bonds from Revenues whether or not it receives Federal Subsidy payments pursuant to the Stimulus Act.

Annual Debt Service on the Bonds

The following table summarizes the debt service requirements of the District for the Bonds, assuming no optional redemptions are made:

$\$$_____________*

RIVERSIDE COMMUNITY COLLEGE DISTRICT
(Riverside County, California)
Election of 2004 General Obligation Bonds,
Series 2010D

	Current Interest Bonds		Capital Appreciation Bonds		Series 2010D-1 Bonds			
Period Ending August 1	Annual Principal Payment	Annual Interest Payment [1]	Annual Principal Payment	Annual Accreted Interest Payment [2]	Annual Principal Payment [1]	Annual Interest Payment	Less Federal Subsidy Payment [3]	Total Annual Debt Service

(1) Interest payments on the Current Interest Bonds and the Series 2010D-1 Bonds will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2011
(2) The Capital Appreciation Bonds are payable only at maturity on August 1 of the years indicated on the inside cover hereof, and interest on such Capital Appreciation Bonds is compounded semiannually on February 1 and August 1, commencing February 1, 2011.
(3) The District anticipates receiving such amounts by way of Federal Subsidy payments. If such Federal Subsidy Payments are not received, the District is required to make the entire principal and interest payment on the Series 2010D-1 Bonds.
* Preliminary, subject to change.

See "DISTRICT FINANCIAL MATTERS – District Debt Structure" for a debt service schedule of all District outstanding general obligation bond debt.

Application and Investment of Bond Proceeds

The proceeds from the sale of the Bonds will be used to finance the repair, acquisition, construction, and equipping of certain district facilities, and to pay all legal, financial and contingent costs in connection with the issuance of the Bonds.

A portion of the proceeds from the sale of the Bonds shall be paid to the County to the credit of the "Riverside Community College District Election of 2004 General Obligation Bonds, Series 2010D Building Fund" (the "Building Fund"). Any premium received by the County from the sale of the Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Riverside Community College District Election of 2004 General Obligation Bonds, Series 2010D Debt Service Fund" (the "Debt Service Fund") for the Bonds and used only for payment of principal or Maturity Value of and interest on the Bonds. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of principal or Maturity Value of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District.

Moneys in the Building Fund are expected to be invested in any one or more investments generally permitted to school districts under the laws of the State of California or as permitted by the Resolution, including guaranteed investment contracts. Moneys in the Building Fund and the Debt Service Fund are expected to be invested through the Riverside County Treasury Pool. See "RIVERSIDE COUNTY TREASURY POOL" herein.

Redemption

Optional Redemption of Current Interest Bonds. The Current Interest Bonds maturing on or before August 1, ____ are not subject to redemption prior to their fixed maturity date. The Current Interest Bonds maturing on or after August 1, ____ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of funds, on August 1, 2017 or on any date thereafter, as a whole or in part, at a redemption price equal to the principal amount of Current Interest Bonds so redeemed, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption of Current Interest Bonds. The Current Interest Bonds maturing on August 1, ____, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2028, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Current Interest Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

Current Interest Bonds Maturing August 1, 20__

Redemption Date (August 1)	Principal Amount
Total	

(1) Final Maturity

The Capital Appreciation Bonds are not subject to redemption prior to their stated maturity dates.

Optional Redemption of Series 2010D-1 Bonds. The Series 2010D-1 Bonds maturing on or before August 1, ____ are not subject to redemption prior to their fixed maturity date. The Series 2010D-1 Bonds maturing on or after August 1, ____ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of funds, on August 1, 20__ or on any date thereafter, as a whole or in part, at a redemption price equal to the principal amount of Series 2010D-1 Bonds so redeemed, together with interest accrued thereon to the date fixed for redemption, without premium.

Extraordinary Optional Redemption of Series 2010D-1 Bonds. The Series 2010D-1 Bonds are subject to extraordinary redemption prior to their respective maturities on any date on or before August 1, 2020, at the option of the District, upon the occurrence of an "Extraordinary Event" from any source of available funds, in whole or in part, by lot, at the "Extraordinary Optional Make-Whole Redemption Price." The "Extraordinary Optional Make-Whole Redemption Price" means the amount equal to the greater of the following:

(i) the issue price of the Series 2010D-1 Bonds set forth in the bond purchase agreement relating to the Series 2010D-1 Bonds (but not less than 100%) of the principal amount of the Series 2010D-1 Bonds to be redeemed; or

(ii) the sum of the present value of the remaining scheduled payments of the principal of and interest with respect to the Series 2010D-1 Bonds to be redeemed to the maturity date of such Series 2010D-1 Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010D-1 Bonds are to be redeemed, discounted to the date on which the Series 2010D-1 Bonds are to be redeemed on a semi-annual basis assuming a 360-day year containing twelve 30-day months, at the Treasury Rate, plus ___ basis points; plus, in each case, accrued interest on the Series 2010D-1 Bonds to be redeemed to the rate of redemption.

Definitions Applicable to Make-Whole Prepayment Prices. For the purpose of determining the Extraordinary Make-Whole Redemption Price, the following definitions apply:

"Treasury Rate" means, with respect to any redemption date for a particular Build America Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation-indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2010D-1 Bonds to be redeemed; provided, however that if the period from the redemption date to the maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Extraordinary Event" means an event causing the Treasury Credit expected to be received with respect to the Series 2010D-1 Bonds to be eliminated or reduced, as reasonably determined by the District, which determination shall be conclusive, as a result of:

(i) a material adverse change to Section 54AA or 6431 of the Code,

(ii) guidance published by the Internal Revenue Service or the United States Treasury with respect to such Sections, or

(iii) a determination by the Internal Revenue Service or the United States Treasury, which determination is not the result of a failure of the Authority or the District to satisfy the requirements of Section 7.06 hereof.

Mandatory Sinking Fund Redemption of Series 2010D-1 Bonds. The Series 2010D-1 Bonds maturing on August 1, ____, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Series 2010D-1 Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

Series 2010D-1 Bonds Maturing August 1, 20__

Redemption Date <u>(August 1)</u>	**<u>Principal Amount</u>**
Total	

(1) Final Maturity

Selection of Bonds for Redemption. Whenever provision is made for the redemption of Bonds and less than all Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; <u>provided, however,</u> that the portion of any Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption. Notice of any redemption of Bonds will be mailed, postage-prepaid, not less than thirty nor more than forty-five days prior to the redemption date (i) to the respective Registered Owners thereof at the addresses appearing on the bond registration books of the Bond Registrar, (ii) to the Securities Depositories described below, and (iii) to one or more of the Information Services described below. Notice of redemption to the Securities Depositories and the Information Services may be given by facsimile transmission or overnight delivery service in lieu of by mail. Each notice of redemption will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

"Information Services" means Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Moody's Municipal and Government, 5250 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Called Bond Department; and Standard and Poor's J.J. Kenny Information Services' "Called Bond Record," 55 Water Street, 45th Floor, New York, New York 10041. "Securities Depositories" shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041, Tel: (212) 855-1000 or Fax: (212) 855-7320.

The actual receipt by an Owner or by any Information Service or Securities Depository of notice of such redemption shall not be a condition precedent to redemption, and neither failure to receive such notice nor any defect in such notice shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest thereon on the date fixed for redemption.

The notice or notices required for redemption will be given by the Paying Agent or its designee. A certificate by the Paying Agent that notice of call and redemption has been given to owners of Bonds and to the appropriate Securities Depositories and Information Services shall be conclusive as against all parties, and no

Owner whose Bond is called for redemption may object thereto or object to the cessation of interest on the fixed redemption date by any claim or showing that said Bondowner failed to actually receive such notice of call and redemption.

Payment of Redeemed Bonds. When notice of redemption has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is set aside for that purpose in the Debt Service Fund, as described below, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the notice of redemption with the form of assignment endorsed thereon executed in blank, said Bonds will be redeemed and paid at the redemption price thereof out of the Debt Service Fund. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the County and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Redemption. If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest to such redemption date, is held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof will have been given substantially as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, accrued interest with respect thereto to the date fixed for redemption, then such Bonds will no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

Transfer and Exchange

Any Bonds may be exchanged for Bonds of any authorized denomination upon presentation and surrender at the office of the Paying Agent, initially located in Los Angeles, California, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to exchange or transfer any Bond during the period from the 15th day of the month preceding each Interest Payment Date to such Interest Payment Date or from the sixteenth day next preceding a date for which such Bond has been selected for redemption in whole or in part.

Defeasance

All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with the Paying Agent or with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal, Maturity Value and interest and premium, if any; or

(b) Government Obligations: by irrevocably depositing with the Paying Agent or with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, satisfactory to the County, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal, Maturity Value and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

then, notwithstanding that any Bonds shall not have been surrendered for payment, all obligations of the District and the Paying Agent with respect to all outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the owners of the Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or "prerefunded" municipal obligations rated in the highest rating category by Moody's Ratings or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Ratings.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows: Sources of Funds

Sources of Funds

Principal Amount of Bonds
Original Issue Premium
Total Sources

Uses of Funds

Building Fund
Debt Service Fund
Costs of Issuance (1)
Total Uses

(1) Costs of issuance includes Underwriter's discount, legal fees, printing and expenses, demographics and filing fees.

RIVERSIDE COUNTY POOLED INVESTMENT FUND

The following information concerning Riverside County Pooled Investment Fund has been provided by Riverside County Treasurer-Tax Collector (the "County Treasurer") and has not been confirmed or verified by the District or the Underwriter. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Further information may be obtained from the County Treasurer.

The County Treasurer maintains one Pooled Investment Fund (the "PIF") for all local jurisdictions having funds on deposit in the County Treasury. As of August 30, 2010, the portfolio assets comprising the PIF had a market value of $5,166,434,405.70.

State law requires that all operating moneys of the County, school districts, and certain special districts be held by the County Treasurer. On June 30, 2002, the Auditor-Controller performed an analysis on the County Treasury which resulted in the identification and classification of "mandatory" vs. "discretionary" depositors. Collectively, these mandatory deposits constituted approximately 86% of the funds on deposit in the County Treasury, while approximately 14% of the total funds on deposit in the County Treasury represented discretionary deposits.

While State law permits other governmental jurisdictions, with the prior consent of the Board and the County Treasurer, to participate in the County's PIF, none have been authorized entry, nor are any pending consideration. The desire of the County is to maintain a stable depositor base for those entities participating in the PIF.

All purchases of securities for the PIF are to be made in accordance with the County Treasurer's 2007 Statement of Investment Policy, which is more restrictive than the investments authorized pursuant to Sections 53601 and 53635 of the California Government Code. The Policy Statement requires that all investment transactions be governed by first giving consideration to the safety and preservation of principal and liquidity sufficient to meet daily cash flow needs prior to achieving a reasonable rate of return on the investment. Investments are not authorized in reverse-repurchase agreements except for an unanticipated and immediate cash flow need that would otherwise cause the Treasurer to sell portfolio securities prior to maturity at a principal loss.

The investments in the Pooled Investment Fund as of August 31, 2010 were as follows:

	Market Value
Federal Agency	$4,051,249,162
MMF	499,162,162
Commercial Paper	149,853,472
Negotiable CDs	---
Medium Term Notes	---
Municipal Bonds	25,111,651
Certificate of Deposit	---
Bond – U.S. Treasury	440,422,959
Local Agency Obligation	635,000
TOTAL	$5,166,434,406
Book Yield:	0.84%
Weighted Average Maturity:	1.09 years

(1) Not rated; all other investments are government securities or rated investments.

(2) Represents Local Agency Obligations issued by the Riverside District Court Financing Corporation and March Joint Powers Redevelopment Agency.

As of August 31, 2010, the market value of the PIF was ______% of book value. The Treasurer estimates that sufficient liquidity exists within the portfolio to meet daily expenditure needs without requiring any sale of securities at a principal loss prior to their maturity.

In keeping with Sections 53684 and 53844 of the California Government Code, all interest, income, gains and losses on the portfolio are distributed quarterly to participants based upon their average daily balance except for specific investments made on behalf of a particular fund. In these instances, Sections 53844 requires that the investment income be credited to the specific fund in which the investment was made.

The Board has established an "Investment Oversight Committee" in compliance with California Government Code Section 27131. Currently, the Committee is composed of the County Finance Director, the County Treasurer-Tax Collector, the County Superintendent of Schools, a school district representative and a public member at large. The purpose of the committee is to review the prudence of the County's investment policy, portfolio holdings and investment procedures, and to make any findings and recommendations known to the Board. This committee was reorganized to conform to new State requirements requiring the County to have a local oversight committee. The committee is utilized by the County to manage, audit, and safeguard public funds and to perform other internal control measures.

The County has obtained a rating on the PIF of "AAA/MR1" from Moody's Investors Service and "AAA/V1+" rating from Fitch Ratings. There is no assurance that such ratings will continue for any given period of time or that any such rating may not be lowered, suspended or withdrawn entirely by the respective rating agency if, in the judgment of such rating agency, circumstances so warrant.

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

The information in this section concerning the funding of community college districts in the State of California is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the General Fund of the District. The Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. See "THE BONDS – Security and Sources of Payment."

Major Revenues

California community college districts (other than Basic Aid Districts, as described below) receive, on average, approximately 52 percent of their funds from the State, 44 percent from local sources, and 4 percent from federal sources. State funds include general apportionment, categorical funds, capital construction, the lottery (which is less than 3 percent), and other minor sources. Local funds include property taxes, student fees, and miscellaneous sources.

Historically a community college district determined its revenue allocation using a program- based model. The model used different factors to establish support levels for five different categories at the community college district: (1) Instruction and Instructional Administration: (2) Instructional Services, (3) Student Services; (4) Operation and Maintenance of Plants, and (5) Institutional Support. Different standards were used in each category to determine funding requirements. The target allocation was obtained by calculating the exact cost of funding the specific standards in each category, on a district by district basis. The aggregate total of the financial needs of the five categories established the amount of funding a district received. State general fund moneys, local property taxes, and certain other local revenues were allocated to the community college districts based on annual State apportionments of basic and equalization aid to community college districts for general purposes computed up to a base revenue per unit of full time equivalent students ("FTES"). Such apportionments, generally speaking, amounted to the difference between a district's base revenue and its local property tax allocation and student enrollment fees. Base revenue calculations were adjusted annually in accordance with a number of factors designed primarily to provide cost of living increases and to equalize revenues among all community college districts in the State.

A bill recently passed the State's legislature ("SB 361"), and signed by the Governor on September 29, 2006, establishes a new community college funding system with immediate effect. The new system includes allocation of state general apportionment revenues to community college districts based on criteria developed by the Board of Governors of the California Community Colleges (the "Board of Governors") in accordance with prescribed statewide minimum requirements. In establishing these minimum requirements, the Board of Governors will be required to acknowledge community college districts' need to receive an annual allocation based on the number of colleges and comprehensive centers in each respective district, plus funding received based on the number of credit and noncredit FTES in each district.

SB 361 also specifies that, commencing with the 2010-11 fiscal year the minimum funding per FTES will be: (a) not less than $_____ per credit FTES (subject to cost of living adjustments funded through the budget act in subsequent fiscal years); (b) at a uniform rate of $______ per noncredit FTES (adjusted for the change in cost of living provided in the budget act in subsequent fiscal years); and (c) set at $_____ per FTES (adjusted for the change in cost of living provided in the budget act in subsequent fiscal years) for a new instructional category of "career development and college preparation." Pursuant to SB 361, the Chancellor of the California Community Colleges (the "Chancellor") will develop criteria for one-time grants for districts that would have received more funding under the prior system or a proposed rural college access grant, than under the new system and the Budget Act of 2006.

The District's base revenue per credit unit of FTES for 2007-08, 2008-09 and 2009-10 were approximately $_____, $_____ and $_____, respectively, and per non-credit unit of FTES for the same years were, excluding maintenance and operations appropriations, on average, approximately $_____, $_____ and $_____. The District expects that its base revenue per unit of FTES for 2010-11 will be approximately $____, and that its base revenue per non-credit unit of FTES will be approximately $____ before COLA is applied to the base and before enhanced non-credit funding is applied.

Local revenues are first used to satisfy District expenditures. The major local revenue source is local property taxes that are collected from within District boundaries. Student enrollment fees from the local community college district generally account for the remainder of local revenues for the District. Property taxes and student enrollment fees are applied towards fulfilling the District's financial need. Once these sources are exhausted, State funds are used. State aid is subject to the appropriation of funds in the State's annual budget. Decreases in State revenues may affect appropriations made by the legislature to the District. The sum of the property taxes, student enrollment fees, and State aid generally comprise the District's revenue limit.

"Basic Aid" community college districts are those districts whose local property tax and student enrollment fee collections exceed the revenue allocation determined by the program-based model. Basic Aid districts do not receive any funds from the State. The current law in California allows these districts to keep the excess funds without penalty. The implication for Basic Aid Districts is that the legislatively determined annual cost of living adjustment and other politically determined factors are less significant in determining such districts' primary funding sources. Rather, property tax growth and the local economy become the determinant factors. The District is not a Basic Aid District.

A small part of a community college district's budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations and sales of property. Every community college district receives the same amount of lottery funds per pupil from the State, however, these are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery does require the funds to be used for instructional purposes, and prohibits their use for capital purposes.

Tax Shifts and Triple Flip

Assembly Bill No. 1755 ("AB 1755"), introduced March 10, 2003 and substantially amended June 23, 2003, requires the shifting of property taxes between redevelopment agencies and schools, including community college districts. On July 29, 2003, the Assembly amended Senate Bill No. 1045 to incorporate all of the provisions of AB 1755, except that the Assembly reduced the amount of the required Education Revenue Augmentation Fund ("ERAF") shift to $135 million. Legislation commonly referred to as the "Triple Flip" was approved by the voters on March 2, 2004, as part of a bond initiative formally known as the "California Economic Recovery Act." This act authorized the issuance of $15 *billion* in bonds to finance the 2002-03 and 2003-04 State budget deficits, which are payable from a fund established by the redirection of tax revenues through the "Triple Flip." Under the "Triple Flip," one- quarter of local governments' one percent share of the sales tax imposed on taxable transactions within their jurisdiction is redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation redirects property taxes in the ERAF to local government. Because the ERAF monies were previously earmarked for schools, the legislation provides for schools to receive other state general fund revenues. It is expected that the swap of sales taxes for property taxes would terminate once the deficit financing bonds are repaid, which is currently expected to occur in approximately 6 to 10 years.

Budget Procedures

On or before September 15, the Board of Trustees of the District is required under Section 58305 of the California Code of Regulations, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor's Office of the California Community Colleges, submits to the Department of Finance ("DOF") proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals ("BCPs"), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the DOF makes recommendations to the governor, and by June 10 a proposed State budget is presented by the governor to the legislature. The Governor's Budget is then analyzed and discussed in committees and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the governor issues a revised budget with changes he or she can support. The law requires the legislature to submit its approved budget by June 15, and by June 30 the governor should announce his or her line item reductions and sign the State budget. In response to growing concern for accountability and with enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), the statewide governing board of the California community colleges (the "Board of Governors") and the Chancellor's Office have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of California's community college districts. In accordance with statutory and regulatory provisions, the Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the Chancellor will pay special attention to each district's general fund balance, spending pattern, and full-time equivalent student patterns. Those districts with greater financial difficulty will receive follow-up visits from the Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the California Education Code, is to be followed by all California community college districts. The Governmental Accounting Standards Board ("GASB") has released Statement No. 35, which makes changes in the annual financial statements for, among other entities, school districts and community college districts, all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted. These requirements became effective on June 15, 2002 for the District, as well as for any other community college district with annual revenues of between $10 million and $100 million. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

The following table shows the District's general fund budgets for fiscal years 2006-07 through 2009-10, the District's audited actuals for fiscal years 2006-07 and 2008-09 and projected totals for fiscal year 2009-10. For further information, see also "APPENDIX B – EXCERPTS FROM THE DISTRICT'S 2008- 09 AUDITED FINANCIAL STATEMENTS."

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Comparison of Adopted General Fund Budgets and Actual Results
for Fiscal Years 2006-07, 2007-08 and 2009-10

:	Adopted Budget 2006-07	Audited 2006-07	Adopted Budget 2007-08	Audited 2007-08	Adopted Budget 2008-09	Audited 2008-09	Adopted Budget 2009-10	Unaudited Totals 2009-10
REVENUES:								
Revenue limit sources	$ 80,673,790	$ 88,570,788	$ 86,992,915	$ 89,708,647	$ 96,236,269	$ 92,202,709	$ 89,974,154	$ 93,586,200
Federal revenues	9,938,459	7,689,575	10,574,534	8,185,548	11,067,128	9,463,459	17,519,186	13,180,491
Other state revenues	18,626,105	14,517,905	17,648,542	14,129,194	25,117,849	21,362,113	15,772,343	12,366,273
Other local revenues	51,821,441	48,765,352	51,476,331	52,047,914	52,275,055	52,962,748	50,729,691	48,989,724
TOTAL REVENUES	**$161,059,795**	**$159,543,620**	**$166,692,322**	**$164,071,303**	**$184,696,301**	**$175,991,029**	**$173,995,374**	**$168,122,688**
EXPENDITURES:								
Academic salaries	$ 66,366,869	$ 66,040,348	$ 72,366,452	$ 69,449,942	$ 75,012,515	$ 73,669,433	$ 70,792,226	$ 70,050,847
Classified salaries	37,558,038	34,076,663	39,881,802	37,580,340	41,737,170	40,218,258	43,843,825	41,705,917
Employee benefits	26,253,655	25,264,647	28,760,108	27,232,022	31,589,861	29,843,925	31,833,319	30,747,552
Books and supplies	5,175,362	3,909,654	4,814,932	3,977,553	4,968,061	4,375,418	4,495,782	3,667,176
Services and operating expenditures	19,748,866	17,242,049	22,969,103	17,542,802	30,190,075	24,947,101	22,680,499	17,753,535
Capital Outlay	5,320,448	5,370,011	4,394,722	4,236,134	4,520,734	4,285,417	4,211,816	3,268,276
TOTAL EXPENDITURES	**$160,423,238**	**$151,903,372**	**$173,187,119**	**$160,018,793**	**$188,018,416**	**$177,339,552**	**$177,857,467**	**$167,193,303**
Excess (Deficiency) of revenues over (under) Expenditures	**$636,557**	**$7,640,248**	**($6,494,797)**	**$4,052,510**	**($3,322,115)**	**($1,348,523)**	**($3,862,093)**	**$929,385**
OTHER FINANCING SOURCES (USES)								
Operating transfers in	$ 1,423,325	$ 1,380,996	$ 1,295,010	$ 1,133,065	$ 1,340,636	$ 1,210,241	$ 3,204,056	$ 2,916,110
Operating transfers out	(2,384,270)	(2,531,251)	(2,700,940)	(2,562,173)	(3,321,599)	(3,021,556)	(4,863,293)	(4,545,614)
Other sources	269,479	192,831	245,600	271,925	695,633	525,605	512,667	479,453
Other uses	(448,252)	(344,159)	(215,837)	(350,790)	(452,016)	(364,986)	(469,772)	(334,995)
TOTAL OTHER FINANCING SOURCES (USES)	**($1,139,718)**	**($1,301,583)**	**($1,376,167)**	**($1,507,973)**	**($1,737,346)**	**($1,650,696)**	**($1,616,342)**	**($1,485,046)**
Excess of revenues and other financing sources over (under) expenditures and other uses	($503,161)	$6,338,665	($7,870,964)	$2,544,537	($5,059,461)	($2,999,219)	($5,478,435)	($555,661)
Beginning Fund balance, July 1	16,913,697	16,913,697	23,252,362	23,252,362	25,796,899	25,796,899	22,797,680	22,797,680
Ending Fund Balance, June 30	**$16,410,536**	**$23,252,362**	**$15,381,398**	**$25,796,899**	**$20,737,438**	**$22,797,680**	**$17,319,245**	**$22,242,019**

Source: The District.

Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111.

General In 1988, California voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding "test" to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual cost of living adjustment (COLA) for the minimum guarantee for annual K-14 funding would be the change in California's per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIII B).

Calculating Minimum Funding Guarantee. There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K- 12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is 1989-90. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount Proposition 98 guarantee (K-14 aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40 percent. Because of the major shifts of property tax from local government to community colleges and K- 12 which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth (ADA) and per-capita personal income COLA.

A third formula, established pursuant to Proposition 111 as "Test 3," provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one- half of one percent of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per- pupil total spending.

State Assistance

California community college districts' principal funding formulas and revenue sources are derived from the budget of the State of California. The following information concerning the State of California's budgets has been obtained from publicly available information which the District believes to be reliable; however, either the District nor the Underwriter takes any responsibility as to the accuracy or completeness thereof and has not independently verified such information.

Recent State Budgets. Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated in this Official Statement by reference.

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading "Bond Information," posts various State of California Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State.

- The California State Treasurer's Office Internet home page at www.treasurer.ca.gov, under the heading "Financial Information," posts the State's audited financial statements. In addition, the Financial Information section includes the State's Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation from the State's most current Official Statement, which discusses the State budget and its impact on school districts.

- The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget," includes the text of proposed and adopted State Budgets.

- The State Legislative Analyst's Office (the "LAO") prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)."

2009-10 Adopted State Budget. On January 9, 2009, the Governor submitted his proposed 2009-10 Budget (the "2009-10 Proposed Budget") to the State Legislature. The 2009-10 Proposed Budget proposed $41.7 billion in budgetary solutions to close a $39.6 billion gap and establish a $2.2 billion reserve. Subsequently, on February 19, 2009, the California Legislature approved a budget package (the "Budget Package"), which included revisions to the then -current 2008-09 Budget and adoption of the 2009-10 Budget, thus covering a 17-month period ending July 1, 2010. The Governor signed the Budget Package, using his veto power to achieve additional savings, including replacing general fund appropriations for higher education with federal funds. On February 13, 2009, the U.S. Congress had approved the American Recovery and Reinvestment Act, committing a total of $787 billion nationwide, including an estimated $31 billion in aid to the State and billions more nationwide in competitive grants, about $8 billion of which would be available in 2008-09 and 2009-10.

On July 1, 2009, the Governor declared a fiscal emergency and ordered a special session of the Legislature to solve the State's deficit, ordered State employees. implemented State furlough days and proposed further cuts school spending. On July 2, 2009, the State began issuing registered warrants, or IOU's, to several classes of creditors, including certain local governments.

On July 24, 2009, the California Legislature approved amendments to the 2009-10 Budget and the Governor signed the 2009-10 Budget on July 28, 2009, which included reductions in spending ($84 billion, down from nearly $91.7 billion in 2008-09 and nearly $103 billion in 2007-08) through reductions in K-14 education and Cal State University and UC systems spending, implementation of State furlough days, and cuts in health and human services, including Medicaid. The approved amendments included borrowing from local governments (to be repaid with interest under Proposition 1A) and various accounting shifts to generate additional revenues in the 2009-10. The Governor made nearly $500 million in additional cuts to social services, state prisons and higher education, and providing for a general fund reserve of $500 million.

Under the amended 2009-10 Budget, total Proposition 98 funding was reduced by $2.1 billion in 2008-09 and $4.5 billion in 2009-10. However, Proposition 98 general fund savings were $5.3 billion in 2009-10 because of a property tax shift of $850 million from redevelopment agencies to schools.

With respect to K-1 4 education, prior categorical cuts would be restored in 2009-1 0 but an equal amount of approximately $250 per ADA would be reduced from revenue limits statewide. In addition, general purpose spending for local educational agencies would be cut, resulting in cuts of approximately $390 per ADA for K-14 Districts. In addition, $1.7 billion in 2009-10 payments would be deferred from April and May into August of fiscal year 2010-11. Additional changes include provisions to permit school districts to reduce the number of school days by five days to 175 days through 2012-13 and lowering the reserve requirement for economic uncertainty to one-third of the usual requirement.

With respect to redevelopment agencies, the 2009-10 Budget included taking $2.05 billion in redevelopment funds ($1.7 billion in 2009-10 and $350 million in 2010 -11), to be deposited in county "Supplemental" Educational Revenue Augmentation Funds ("SERAF") in order to meet the State's Proposition 98 obligations to schools. The structure for taking redevelopment revenue is similar to the 2008 -09 trailer bill, AB 1389, which attempted to take $350 million. The Department of Finance will determine each agency's SERAF payment by November 15 of each year, calculated based on half of each agency's net tax increment (net of pass-throughs) and half on gross tax income. Payments are due by May 10 of the applicable year and agencies that do not make their payment by this date must increase their housing set aside to 25% for the remainder of the redevelopment project area's life. The increased housing set-aside lasts until the required payments have been made and means that an agency could not adopt a new redevelopment plan, amend an existing plan to add territory, issue bonds, further encumber funds or expend any moneys derived from any source except to pay pre-existing indebtedness, contractual obligations and 75% of the amount expended on agency administration for the preceding fiscal year.

The California Redevelopment Association ("CRA") filed a lawsuit to challenge the State's taking redevelopment funds approved in the budget amendments. The CRA was successful in overturning the ERAF shift authorized by AB 1389 in 2008-09. On May 4, 2010, the Superior Court ruled that the 2009 SERAF Legislation is constitutional. However, the CRA has announced that it will appeal the judgment of the Superior Court and that it will seek a temporary stay of the judgment from the California Court of Appeal pending the appeal.

2010-11 Proposed State Budget. Set forth below is a summary of information available with respect to the 2010-11 State Budget.

<u>January 8, 2010 – 2010-11 Proposed Budget Submitted by Governor to Legislature</u>. The Governor submitted his 2010-11 Budget (the "2010-11 Proposed Budget") to the State Legislature. The 2010-11 Proposed Budget assumed that, without corrective action, the State would face a deficit of $19.9 billion at the end of 2010-11. The 2010-11 Proposed Budget cuts health programs ($2.9 billion); includes extensive cuts to welfare programs; corrections cuts of ($1.2 billion); assumes $6.9 billion increase in federal aid; extends temporary tax increases adopted as part of 2009 -10 State Budget; and delays implementation of tax breaks adopted as part of 2009-10 State Budget.

<u>January 12, 2010 – LAO Report: Overview of the Governor's Budget</u>. On January 12, 2010, the LAO commented on the 2010 -11 Proposed Budget, stating that the Governor's estimate of a $18.9 billion budget problem is reasonable but is $3.1 billion smaller shortfall than the LAO estimates and may be exacerbated by various lawsuits. The LAO also noted that the Governor's plan relies heavily on federal relief, which the state is unlikely to receive in the amounts requested. The Legislature needs to assume that the federal relief will total billions less than the Governor budgets for and will need to make difficult decisions regarding both revenues

and spending and needs to make many key decisions by the end of March in order to implement them for the next fiscal year.

February 25, 2010 – LAO Report. The LAO released a report commenting on the 2010- 11 Proposed Budget's Proposition 98 and K-1 2 Education proposals. The LAO report states that the Governor's Proposed Budget would result in reductions in Proposition 98 funding levels from what is currently required by approximately $2.2 billion in 2009-10 and approximately $3.2 billion in 2010-11. K-12 revenue limit funding would be cut by $1.5 billion and virtually all education mandates would be suspended in 2010-11. These reductions are based in part on his interpretation of "minimum guarantee" as described under "Proposition 98 Funding" above. According to the LAO report, the 2010-11 Proposed Budget takes steps in the right direction by reducing costs, providing flexibility and seeking federal funding, but it also misses opportunities for meaningful reform and is based on several assumptions that, if they do not come to pass, would render the plan unworkable.

March 1, 2010. The Governor signed AB X85 which implemented funding deferrals for numerous state and local agencies, including the community colleges. For the community colleges, the bill requires that $131 million of the scheduled March 2010 payment (including both general apportionments and categorical funds) be deferred until as late as May 1, 2010. However, better than projected cash receipts resulted in this deferral not being implemented for the community colleges.

May 12, 2010 – Governor Submits May Revise to 2010-11 Budget. The Governor submitted a revised 2010-11 Budget which calls for $12.4 billion in spending cuts to help bridge a $20 billion deficit over the next fiscal year. The Governor's May 2010 Budget Revision estimates a general fund budget gap of $19.1 billion, $7.7 billion for the 2009-10 fiscal year, $10.2 billion for the 2010-11 fiscal year, and a modest reserve of $1.2 billion. The May Revision proposes $12.4 billion in spending reductions and alternative funding solutions, representing two-thirds of the solutions, borrowing and fund shifts totaling approximately 10% of the solutions and approximately 5% of the package relies on new revenues. Major spending reduction proposals include reductions of $4.3 billion of Proposition 98 spending, including the elimination of need-based, subsidized childcare, reductions of $2.1 billion by reducing state employees pay and staffing and shifting pension costs to employees, and the elimination of the CalWORKs program, which provides cash grants and welfare -to-work services, representing $1.2 billion in savings.

For the California Community Colleges, the May Revision remained virtually unchanged from the Governor's Budget released in January with 2.2 percent enrollment growth ($126 million) and - 0.38% COLA (-$22.9 million). While the economic factors used to calculate the COLA have changes slightly since January, the Administration chose not to update this figure. The revision also included a downward revision of $6 million in 2010 -11 local property tax revenues. The Governor proposes an augmentation of $6 million in state funding to offset this reduction and a reduction of approximately $6 million in federal TANF funds as a result of his proposed elimination of the CalWORKs program. In addition, the Governor proposed that the $26.7 million in state funding previously provided for CCC Cal WORKs be redirected to support any categorical expenditure through the Categorical Flexibility provision.

The May Revision noted that the state continues to face an extremely tight cash position. While no new proposals are made to address these challenges, the Governor does indicate that the Department of Finance, State Controller, and State Treasurer will continue to monitor the situation and present additional solutions as needed. This indicates a risk of additional funding deferrals being enacted.

May 18, 2010 - LAO Report. On May 18, 2010, the LAO published its comments on the May Revision stating that the Governor's estimate of the budget shortfall is reasonable. However, the LAO Report advises the Legislature to reject the Governor's most drastic spending cuts, particularly the elimination of CalWORKs and child care funding, instituting instead the LAO's alternative spending reduction proposals, and adopting selective revenue increases from fee increases and other non-tax revenues and targeted tax increases. Additionally, the LAO Report urges the Legislature to suspend Proposition 98 if the minimum guarantee is above the level that the state can afford. The LAO predicts that even if the Legislature approves all of the painful cuts and realizes the savings assumed by the Governor's May Revision, a multibillion-dollar operating deficit between $4 billion and $7 billion is likely to persist in future years.

July 1, 2010: 2010-11 Fiscal Year Begins. The June 15, 2010 deadline for the State legislature to pass the State Budget bill has passed and the 2010-11 Budget Act, which must be approved by a two-thirds majority vote of each House of the Legislature, has not yet been approved. The District cannot predict when the 2010 -11 State Budget will be approved or what impact it might have on the District's finances.

August 4, 2010: The Conference Committee adopted the 2010-11 Education Budget. Following the issuance of the May Revision, each house of the California legislature reviews the Governor's proposal and issues their own budget proposals. Those two proposals are then sent to a conference committee consisting of representatives from the Assembly and the Senate, with the resulting proposal being named the Conference Committee Proposal.

The Conference Committee proposal for Community Colleges includes the Governor's proposed $126 million for enrollment growth funding (2.21 percent) but rejects negative COLA ($23 million). In addition, the proposal has funding of $35 million to backfill the 2009-10 one - time federal ARRA funding directed to categorical programs and a $25 million augmentation for the Economic and Workforce Development program to support workforce training enrollments.

Information about State budgets is regularly available at various State-maintained websites. See: www.dof.ca.gov, under the heading "California Budget". Additionally, an impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District takes no responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated in this Official Statement by these references.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State Legislature and the Governor to address the State's current or future budget deficits. Future State budgets will be affected by national and state economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its budgets.

The State has not entered into any contractual commitment with the District, the County, or the Owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the State sources of information listed above are reliable, the District does not assume any responsibility for the accuracy of the State Budget information set forth or referred to in this Official Statement or incorporated herein.

2010 Legal Challenge to State Funding of Education

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see "DISTRICT FINANCIAL INFORMATION - State Funding of Education and Recent State Budgets."

On May 20, 2010, a plaintiff class of numerous current California public school students and the Alameda Unified, Alpine Union, Del Norte County Unified, Folsom Cordova Unified, Hemet Unified, Porterville Unified, Riverside Unified, San Francisco Unified, and Santa Ana Unified School Districts, together with the California Congress of Parents, Teachers & Students, the Association of California School Administrators and the California School Boards Association filed suit in Alameda County Superior Court challenging the system of financing for public schools in California as unconstitutional. In *Maya Robles -Wong, et al. v. State of California*, plaintiffs seek declaratory and injunctive relief, including a permanent injunction compelling the State to abandon the existing system of public school finance. The District cannot predict the outcome of the *Robles-Wong* litigation, however, if successful, the lawsuit could result in a change in how school finance is implemented in the State of California.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. (See "THE BONDS – Security and Sources of Payment") Articles XIIIA, XIIIB, XIIIC and XIIID of the Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA, Article XIIIC, and all applicable laws.

Article XIIIA of the California Constitution

Article XIIIA of the State Constitution ("Article XIIIA") limits the amount of *ad valorem* taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. The "full cash value" is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA requires a vote of two-thirds of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (i) on any indebtedness approved by the voters prior to July 1, 1978, or (ii) as the result of an amendment approved by State voters on July 3, 1986, on any bonded indebtedness approved by two-thirds of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast of the proposition, but only if certain accountability measurers are included in the proposition. In addition, Article XIIIA requires the approval of two-thirds of all members of the state legislature to change any state taxes for the purpose of increasing tax revenues.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

That portion of annual property tax revenues generated by increases in assessed valuations within each tax rate area within a county, subject to redevelopment agency, if any, claims on tax increment and subject to changes in organizations, if any, of affected jurisdictions, is allocated to each jurisdiction within the tax rate area in the same proportion that the total property tax revenue from the tax rate area for the prior year was allocated to such jurisdictions.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in fiscal year 1981-82, assessors in California no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as $4 per $100 of assessed value. All taxable property is now shown at 100% of assessed value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the State Board of Equalization ("SBE") as part of a "going concern" rather than as individual pieces of real or personal property. State- assessed unitary and certain other property is allocated to the counties by SBE, taxed at special countywide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues" herein.

Article XIIIB of the California Constitution

Article XIIIB of the State Constitution ("Article XIIIB"), as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines

(a) "change in the cost of living" with respect to school districts to mean the percentage change in California per capita income from the preceding year, and

(b) "change in population" with respect to a school district to mean the percentage change in the average daily attendance of the school district from the preceding fiscal year.

For fiscal years beginning on or after December 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986/87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "Propositions 98 and 111" below.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as community college districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one percent *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act, have, however, been modified by

Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K- 12 school districts and community college districts (hereinafter referred to collectively as "K- 14 school districts") at a level equal to the greater of (a) the same percentage of General Fund revenues as the percentage appropriated to such districts in 1986-87, or (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period. The current level of guaranteed funding pursuant to Proposition 98 is 34.55% of the State general fund.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K- 14 school districts. Any such transfer to K- 14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget.

Proposition 111

On June 5, 1990, the voters of California approved the "Traffic Congestion Relief and Spending Limitation Act of 1990 ("Proposition 111"), which modified the State Constitution to alter the Article XIIIB spending limit and the education funding provisions of Proposition 98. Proposition 111 took effect on July 1, 1990.

The most significant provisions of Proposition 111 are summarized as follows:

a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess is to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

c. Exclusions from Spending Limit. Two new exceptions have been added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, excluded are all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, excluded are any increases in gasoline taxes above the current nine cents per gallon level, sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990.

d. Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K- 14 school districts were guaranteed the greater of (1) a certain percentage of State general fund revenues (the "first test") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55 percent (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1 percent limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K- 12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1 percent of the value of property. Property taxes may only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to buy or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55 percent vote requirement would apply only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55 percent of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for a high school or elementary school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State can not (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Beginning in 2008-09, the State was allowed to shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions were met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two- thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments with in a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

A fiscal emergency was declared and the suspension of Proposition 1A was passed by the California Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009-10 budget package on July 28, 2009. Under the provision, the State borrowed eight percent of the amount of property tax revenue apportioned to cities, counties and special districts. The state is required to repay those obligations plus interest by June 30, 2013. Also authorized under ABX4 14 and ABX4 15 was the Proposition 1A Securitization Program instituted by California Communities to enable local agencies to sell their respective Proposition 1A Receivables to California Communities. SB 67 clarified specific aspects of ABX4 14 and ABX4 15. Under the Securitization Program, California Communities was allowed to simultaneously purchase Proposition 1A Receivables, issue bonds ("Prop 1A Bonds") and provide each local agency with the cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010 (to coincide with the dates that the State would shift property taxes from local agencies). The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 39, 98 and 111 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

The information in this section concerning the operations of the District and the District's finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the General Fund of the District. The Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. See "THE BONDS – Security and Sources of Payment."

General

The Riverside Community College District, located in Riverside, California, serves western Riverside County which encompasses 440 square miles. It contains the Riverside Unified, Alvord Unified, Corona/Norco Unified, Jurupa Unified, Moreno Valley Unified and Val Verde School Districts. The District was founded in 1916.

The District provides educational services on three campuses, Riverside City, Moreno Valley and Norco. The campuses served approximately 31,566 full-time equivalent students in 2008-09, and approximately 31,696 full-time equivalent students in 2009-10. Estimated enrollment for 2010-11 is 28,5961 full-time equivalent students. There are approximately 2,472 persons employed by the District. The District offers a broad-based curriculum and basic transfer programs to four-year colleges and universities in California. While recognizing the importance of general education, the District also provides specialized programs leading directly to employment and to improving the skill and knowledge of those already employed in the work force. Such efforts include the District's highly successful nursing and automotive technology programs. In addition, the District provides a wide variety of educational and special interest non-credit courses through its Community Education program.

Administration

The District is governed by a five-member Board of Trustees, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their offices and the dates their terms expire, are listed below:

Name	Office	Term Expires
Virginia Blumenthal	President	December 2010
Janet Green	Vice President	December 2010
Mark A. Takano	Secretary	December 2012
Jose Medina	Board Member	December 2010
Mary Figueroa	Board Member	December 2012

Dr. Gregory Gray, the Chancellor of the District, is responsible for administering the affairs of the District in accordance with the policies of the Board. Dr. James L. Buysse is the Vice Chancellor, Administration and Finance.

Enrollment

The following table shows the District's full-time equivalent students ("FTES") for fiscal years 2001-02 through 2009-10, and projected FTES for fiscal year 2010-11:

Year	FTES
2000-01	21,578
2001-02	23,677
2002-03	23,721
2003-04	23,423
2004-05	25,088
2005-06	26,789
2006-07	24,404
2007-08	27,529
2008-09	31,566
2009-10	31,696
2010-11(1)	28,596

(1) Projected
Source: The District.

Labor Relations

The District employs 414 full-time certified professionals and 617 full-time classified employees and managers. In addition, the District employs 1,441 part-time faculty and staff. These employees, except management, confidential and some part-time employees, are represented by two bargaining units as noted below:

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Labor Relations Organizations

Labor Organization	Number of Full Time Employees In Organization	Contract Expiration Date
California School Employees Association	496	June 30, 2011
California Teachers Association	1,344	June 30, 2012

Source: The District

Retirement Programs

The District participates in the State of California Teachers Retirement System ("STRS"). This plan covers all full-time and most part-time certificated employees. The District's contribution to STRS was \$5,560,377 in fiscal year 2008-09, \$5,415,308 in fiscal year 2009-10, and is projected to be \$5,506,936 in fiscal year 2010-11. In order to receive STRS benefits, an employee must be at least 55 years old and have provided five years of service to California public schools.

The District also participates in the State of California Public Employees Retirement System ("PERS"). This plan covers all classified personnel who are employed more than four hours per day. The District's contribution to PERS was \$3,263,162 in fiscal year 2008-09, \$3,560,099 in fiscal year 2009-10, and is projected to be \$4,130,196 in fiscal year 2010-11. In order to receive PERS benefits, an employee must be at least 50 years old and have provided five years of service to California public schools.

Contribution rates to these two retirement systems vary annually depending on changes in actuarial assumptions and other factors, such as changes in benefits. The contribution rates are based on statewide rates set by the STRS and PERS retirement boards. STRS has substantial statewide unfunded liability. Since this liability has not been broken down by each school district, it is impossible to determine the District's share.

Other Postemployment Benefits

The District provides postemployment health care benefits for retired employees in accordance with approved Board policy. The Riverside Community College District Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 65 retirees and beneficiaries currently receiving benefits and 802 active plan members.

The contribution requirements of plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units. For fiscal year 2008-2009, the District contributed \$517,462 to the Plan, all of which was used for current premiums.

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the payments of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding costs) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's net OPEB obligation to the Plan:

Annual required contribution	$1,474,187
Annual OPEB cost (expense)	517,462
Increase in net OPEB obligation	956,725
Net OPEB obligation, July 1, 2008	---
Net OPEB obligation, June 30, 2009	$ 956,725

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 was as follows:

Annual Required Contribution	**Percentage Contributed**	**Net OPEB Obligation**
$1,474,187	35.1%	$956,725

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, follows the notes to the financial statements and presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Since this is the first year of implementation, only the current year information is presented.

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short- term volatility in actuarial accrued liabilities and the actuarial values of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2007, actuarial valuation, the unit credit cost method was used. The actuarial assumptions include healthcare cost trend rates ranged from an initial ten percent to an ultimate rate of five percent. The UAAL is being amortized at a level dollar method. The remaining amortization period at July 1, 2007, was 30 years. The actuarial value of assets was not determined in this actuarial valuation. As of June 30, 2009, the District finances its OPEB contributions using a pay-as-you-go method. The District has not established a plan or equivalent arrangement that contains an irrevocable trust.

Joint Powers Authorities

The District participates in three powers agreements with the following entities (each a "JPA"): the school's Excess Liability Fund, the Riverside Community College - County Superintendent Self- Insurance Program for Employees, and the Riverside Employers/Employees Plan for property and liability, workers' compensation and dental insurance. The relationship between the Riverside Community College District and the JPAs are such that the JPAs are not component units of the Riverside Community College District for financial reporting purposes.

Based upon prior claims experiences, the District believes that it has adequate insurance coverage

DISTRICT FINANCIAL MATTERS

General

The economic position of the District is closely tied to the State of California as State apportionments, and property taxes represent approximately 87.11 percent of the total sources of revenue received within the unrestricted General Fund. The District increased reported FTES during fiscal year 2008-2009. Due to significant declines in apportionment funding from the State in fiscal years 2008-2009 and 2009-2010, the District plans to offer 1,000 fewer sections to reduce costs and the number of unfunded FTES. The District's fiscal year 2009-2010 adopted budget also contains other targeted expenditures reductions to be budgeted totaling approximately $9.0 million to align spending with available funds. The District continues to monitor enrollment and operating costs of the District to ensure ongoing financial stability and retain the reserve levels required by Board Policy and the State System's Office.

District Financial Statements

Excerpts from the audited financial statements of the District for Fiscal Year 2008-09 are attached hereto as APPENDIX B. The financial statements should be read in their entirety. The information set forth herein does not purport to be a summary of the District's financial statements.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the California Education Code, is to be followed by all California community college districts. The Governmental Accounting Standards Board ("GASB") has released (i) Statement No. 34, which makes changes in the annual financial statements for all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted, and (ii) Statement No. 35, which makes changes in the required content and format of annual financial statements for public colleges and universities. These requirements became effective on June 15, 2002 for the District, as well as for any other governmental agency with annual revenues of between $10 million and $100 million. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

Comparative Financial Statements

The following table reflects the District's audited revenues, expenditures and fund balances for fiscal years 2005-06 through 2008-09 and unaudited final results for fiscal year 2009-10.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Summary of General Fund Revenues, Expenditures and Changes in Fund Balances for Fiscal Years 2005-06 through 2009-10

	Audited 2005-06	Audited 2006-07	Audited 2007-08	Audited 2008-09	Unaudited 2009-10
REVENUES:					
Revenue limit sources	$ 67,520,611	$ 88,570,788	$ 89,708,647	$ 92,202,709	$ 93,586,200
Federal revenues	7,830,737	7,689,575	8,185,548	9,463,459	13,180,491
Other state revenues	11,873,262	14,517,905	14,129,194	21,362,113	12,366,273
Other local revenues	51,461,823	48,765,352	52,047,914	52,962,748	48,989,724
TOTAL REVENUES	**$138,686,433**	**$159,543,620**	**$164,071,303**	**$175,991,029**	**$168,122,688**
EXPENDITURES:					
Academic salaries	$ 58,378,896	$ 66,040,348	$ 69,449,942	$ 73,669,433	$ 70,050,847
Classified salaries	29,167,763	34,076,663	37,580,340	40,218,258	41,705,917
Employee benefits	22,765,123	25,264,647	27,232,022	29,843,925	30,747,552
Books and supplies	3,390,317	3,909,654	3,977,553	4,375,418	3,667,176
Services and operating expenditures	15,487,990	17,242,049	17,542,802	24,947,101	17,753,535
Capital Outlay	8,774,817	5,370,011	4,236,134	4,285,417	3,268,276
TOTAL EXPENDITURES	**$137,964,906**	**$151,903,372**	**$160,018,793**	**$177,339,552**	**$167,193,303**
Excess (Deficiency) of revenues over (under) Expenditures	**$721,527**	**$7,640,248**	**$4,052,510**	**($1,348,523)**	**$929,385**
OTHER FINANCING SOURCES (USES)					
Operating transfers in	$ 2,683,431	$ 1,380,996	$ 1,133,065	$ 1,210,241	$ 2,916,110
Operating transfers out	(2,636,491)	(2,531,251)	(2,562,173)	(3,021,556)	(4,545,614)
Other sources	192,008	192,831	271,925	525,605	479,453
Other uses	(336,723)	(344,159)	(350,790)	(364,986)	(334,995)
TOTAL OTHER FINANCING SOURCES (USES)	**($97,775)**	**($1,301,583)**	**($1,507,973)**	**($1,650,696)**	**($1,485,046)**
Excess of revenues and other financing sources over (under) expenditures and other uses	$ 623,752	$ 6,338,665	$ 2,544,537	($ 2,999,219)	($ 555,661)
Beginning Fund balance, July 1	16,289,945	16,913,697	23,252,362	25,796,899	22,797,680
Ending Fund Balance, June 30	**$16,913,697**	**$23,252,362**	**$25,796,899**	**$22,797,680**	**$22,242,019**

Source: The District

For the fiscal years ended June 30, 2003 and later, the District has implemented Government Accounting Standard Board Statements Nos. 34 and 35. Among the changes implemented under these revised accounting rules is a change in the financial reporting format. The revised reporting format provides a comprehensive entity-wide perspective of the District's assets, liabilities, and cash flows and replaces the fund-group perspective previously required. The following table reflects the District's financial data for fiscal years 2006-07 through 2008-09 and unaudited final data for 2009-10 under the revised reporting format:

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Statement of
Revenues, Expenditures and Changes in Net Assets
(Revised Reporting Format)

	Audited 2006-07	Audited 2007-08	Audited 2008-09	Unaudited 2009-10
OPERATING REVENUES				
Tuition and Fees	$18,278,142	$17,220,116	$20,344,186	
Less: Scholarship discounts and allowances	(5,354,970)	(4,726,243)	(6,568,018)	
Net tuition and fees	12,923,172	12,493,873	13,776,168	
Other Operating Revenue	1,631	98,054	21,531	
TOTAL OPERATING REVENUES	**$12,924,803**	**$12,591,927**	**$13,797,699**	
OPERATING EXPENSES				
Salaries	$101,977,931	$110,676,431	$115,416,313	
Employee benefits	22,889,973	24,535,244	28,685,083	
Supplies, materials and other operating expenses and services	29,779,736	29,979,694	39,047,761	
Student Financial Aid	13,680,879	18,458,245	24,837,204	
Equipment, maintenance, and repairs	4,239,456	5,252,176	4,721,534	
Depreciation	5,165,636	5,917,666	8,242,147	
TOTAL OPERATING EXPENSES	**$177,733,611**	**$194,819,456**	**$220,950,042**	
OPERATING LOSS	**($164,808,808)**	**($182,227,529)**	**($207,152,343)**	
NONOPERATING REVENUES (EXPENSES)				
State apportionments, non-capital	88,436,441	89,611,058	92,108,018	
Federal	19,939,276	25,132,430	32,754,061	
State	11,874,851	11,801,545	19,284,379	
Local property taxes levied for general purposes	29,604,089	32,330,029	31,955,768	
Local property taxes levied for capital debt	13,496,402	11,565,586	11,139,248	
State taxes and other revenues	4,529,367	4,287,522	4,072,155	
Investment income, net	4,170,219	7,445,762	3,529,205	
Interest expense on capital related debt	(3,928,624)	(7,839,793)	(7,499,410)	
Interest income on capital asset-related debt, net	412,550	679,403	369,969	
Other non-operating revenues	12,190,417	11,398,245	12,281,649	
TOTAL NONOPERATING REVENUES (EXPENSES)	**$180,724,988**	**$186,411,787**	**$199,995,042**	
GAIN (LOSS) BEFORE OTHER REVENUES	**15,916,180**	**4,184,258**	**(7,157,301)**	
OTHER REVENUES				
State revenues, capital	9,619,978	7,298,445	13,148,656	
Gain (Loss) on disposal of assets	---	(389,862)	---	
TOTAL OTHER REVENUES	**$9,619,978**	**$6,908,583**	**$13,148,656**	
NET INCREASE IN NET ASSETS	25,536,158	11,092,841	5,991,355	
NET ASSETS, BEGINNING OF YEAR	143,927,018	169,463,176	180,556,017	
NET ASSETS, END OF YEAR	**$169,463,176**	**$180,556,017**	**$186,547,372**	

Source: The District.

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as are county, city and special district taxes. Assessed valuations are the same for both District and County taxing purposes.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes are payable in two installments due November 1 and February 1, respectively, and become delinquent on December 10 and April 10 for each respective installment. Taxes on unsecured property (personal property and leasehold) are due on August 31 of each year based on the preceding fiscal year's secured tax rate and become delinquent on October 31.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Future assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The availability of revenue from growth in tax bases to such entities may be affected by the establishment of redevelopment agencies which, under certain circumstances, may be entitled to revenues resulting from the increase in certain property values.

For assessment and collection purposes, property is classified as either "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is the part of the assessment roll containing State-assessed property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property comprises all property not attached to land such as personal property or business property. Boats and airplanes are examples of unsecured property. Unsecured property is assessed on the "unsecured roll."

The following table represents the ten-year history of assessed valuations in the District:

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Assessed Valuations
Fiscal Year 2000-01 through 2010-11

	Local Secured	Utility	Unsecured	Total
2000-01	$31,378,164,982	$52,368,568	$1,887,550,262	$33,318,083,812
2001-02	34,441,981,474	52,420,492	2,191,458,212	36,685,860,178
2002-03	37,741,392,325	50,079,728	2,512,284,792	40,303,756,845
2003-04	41,739,002,603	42,700,414	2,424,297,600	44,206,000,617
2004-05	47,923,316,465	50,568,694	2,533,766,343	50,507,651,502
2005-06	56,723,300,750	40,456,349	2,858,938,378	59,622,695,477
2006-07	69,414,949,841	41,598,811	3,080,320,192	72,536,868,844
2007-08	80,943,923,323	21,271,229	3,468,230,073	84,433,424,625
2008-09	81,907,350,376	20,803,791	3,832,576,268	85,760,730,435
2009-10	72,856,368,535	17,341,229	3,679,778,103	76,553,487,867
2010-11	70,884,555,342	17,070,552	3,510,312,658	74,411,938,552

Source: California Municipal Statistics, Inc.

The following is an analysis of the District's assessed valuation (excluding utility and unsecured property) by land use.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Assessed Valuation and Parcels by Land Use
2010-11

	2010-11 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural	$ 565,247,508	0.80%	1,114	0.42%
Commercial/Office	10,851,269,325	15.31	8,012	3.04
Vacant Commercial	1,577,237,236	2.23	4,518	1.72
Industrial	3,596,253,569	5.07	2,229	0.85
Vacant Industrial	542,152,153	0.76	789	0.30
Recreational	19,863,574	0.03	315	0.12
Government/Social/Institutional	754,936,256	1.07	422	0.16
Miscellaneous	15,893,256	0.02	369	0.14
Subtotal Non-Residential	$17,922,852,877	25.28%	17,768	6.75%
Residential:				
Single Family Residence	$43,437,976,818	61.28%	200,581	76.21%
Condominium/Townhouse	1,633,383,976	2.30	11,681	4.44
Mobile Home	263,596,419	0.37	4,396	1.67
Mobile Home Park	99,542,636	0.14	101	0.04
2+ Residential Units/Apartments	6,003,964,568	8.47	4,213	1.60
Vacant Residential	1,210,781,116	1.71	19,806	7.53
Subtotal Residential	$52,649,245,533	74.27%	240,778	91.48%
Other Vacant	$312,456,932	0.44%	4,645	1.76%
Total	$70,884,555,342	100.00%	263,191	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
JC:($200)
Source: California Municipal Statistics, Inc.

Appeals of Assessed Value

General. There are two types of appeals of assessed values that could adversely impact property tax revenues with the District.

Appeals may be based on Proposition 8 of November 1978 ("Proposition 8"), which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "LIMITATIONS ON TAX REVENUES" below.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by a county assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not significantly reduce the assessed valuation of property within the District.

Principal Taxpayers

The following table lists the major taxpayers in the District in terms of their 2010-11 secured assessed valuations. The District provides educational services to and its boundaries include portions of the County.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Largest 2010-11 Local Secured Taxpayers

	Property Owner	Primary Land Use	2010-11 Assessed Valuation	% of Total [1]
1.	BRE Prop Inc.	Apartments	$ 201,425,450	0.28%
2.	Tyler Mall LP	Shopping Center	185,497,060	0.26
3.	Watson Laboratories Inc.	Industrial	180,712,908	0.25
4.	Castle & Cooke Corona Crossings Inc.	Residential Development	167,371,572	0.24
5.	Lowes HIW Inc.	Industrial	161,562,439	0.23
6.	Walgreen Co.	Industrial	156,831,095	0.22
7.	Prologis California I	Industrial	129,119,126	0.18
8.	Teachers Insurance and Annuity Assoc. of America	Industrial	125,836,517	0.18
9.	Homecoming at Eastvale	Apartments	122,075,888	0.17
10.	Costco Wholesale Corp.	Industrial	120,038,886	0.17
11.	Waterstone Apartments NF	Apartments	118,815,948	0.17
12.	Wal Mart Real Estate Business Trust	Industrial	117,526,706	0.17
13.	AMB Institutional Alliance Fund III	Industrial	116,487,127	0.16
14.	Riverside Healthcare System	Medical Building	105,572,681	0.15
15.	Eastvale Gateway	Industrial	103,032,413	0.15
16.	Ridge Moreno Valley	Industrial	101,585,819	0.14
17.	Metal Container Corp.	Industrial	101,416,402	0.14
18.	DB Reef Perris CA Inc.	Industrial	100,000,000	0.14
19.	Ross Dress for Less Inc.	Industrial	94,806,535	0.13
20.	UPS Supply Chain Solutions General Services Inc.	Industrial	94,333,792	0.13
			$2,604,048,364	3.67%

(1) 2010-11 Local Secured Assessed Valuation: $70,884,555,342
JC: ($450)

Tax Rates

A representative tax rate area located within the District is Tax Rate Area 9-002. The table below demonstrates the total *ad valorem* tax rates levied by all taxing entities in this tax rate area during the seven-year period from 2007-08 through 2009-10.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Typical Tax Rate (TRA 9-002)

	2007-08	2008-09	2009-10
General	1.00000	1.00000	1.00000
City of Riverside	.00627	.00747	.00577
Riverside City Community College District	.01259	.01254	.01242
Riverside Unified School District	.03516	.04120	.05354
Metropolitan Water District	.00450	.00430	.00430
Total	1.05852	1.06551	1.07603

KD: ($25)

Tax Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the District as of the preceding January 1. A supplemental tax is levied when property changes hands or new construction is completed.

A ten percent penalty attaches to any delinquent payment for secured roll taxes. In addition, property on the secured roll with respect to which taxes are delinquent becomes tax-defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty (i.e., interest) to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to auction sale by the County Tax Collector.

In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning December 1 of the fiscal year, and a lien is recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on specific property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on specified property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

The County levies and collects all property taxes for property falling within its taxing boundaries.

Alternative Method of the Apportionment - Teeter Plan

The Board of Supervisors of Riverside County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the tax levying or tax collecting agency.

The Teeter Plan is applicable to all tax levies for which the County acts as the tax levying or tax-collecting agency, or for which the County treasury is the legal depository of the tax collections. As adopted by the County, the Teeter Plan excludes Mello Roos Community Facilities Districts and special assessment districts which provide for accelerated judicial foreclosure of property for which assessments are delinquent.

The *ad valorem* property tax to be levied to pay the interest on and principal of the Bonds will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by a resolution adopted by at least two thirds of the participating revenue districts in the County. In the event the Board of Supervisors is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax levying or tax collecting agency.

District Debt Structure

Long-Term Debt. A schedule of changes in general long-term debt for the year ended June 30, 2009, is shown below:

RIVERSIDE COMMUNITY COLLEGE DISTRICT
SCHEDULE OF LONG TERM DEBT, AS OF JUNE 30, 2009

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Bonds Payable					
General obligation bonds, Series A and B	$ 3,475,000	$ ---	$ ---	$ 3,475,000	$ ---
General obligation bonds, Refunding Bond 2005	56,552,557	666,520	1,260,000	55,959,077	1,495,000
Net unamortized debt premium	4,705,774	---	162,838	4,542,936	---
General obligation bonds, Series 2007 C	83,980,000	---	5,125,000	78,855,000	5,160,000
Net unamortized debt premium	2,640,907	---	176,061	2,464,846	---
Total Bonds Payable	151,354,238	666,520	6,723,899	145,296,859	6,655,000
Other Liabilities					
Compensated absences	2,608,658	246,135	---	2,854,793	713,698
Capital leases	56,250	---	14,674	41,576	14,674
Golden handshake	2,273,357	---	916,229	1,357,128	452,376
Load banking	698,507	350,174	219,946	828,735	---
Other post employment benefits (OPEB)	---	1,474,187	517,462	956,725	---
Total Other Liabilities	5,636,772	2,070,496	1,668,311	6,038,957	1,180,748
Total Long-Term Obligations	$156,991,010	$2,737,016	$8,392,210	$151,335,816	$7,835,748

Source: The District.

General Obligation Bonds. On August 3, 2004 the District issued (i) its General Obligation Bonds, Election of 2004, Series 2004A in the aggregate principal amount of $55,205,000 (the "Series 2004A Bonds") and (ii) its General Obligation Bonds, Election of 2004, Series 2004B in the aggregate principal amount of $9,795,000 (the "Series 2004B Bonds"). On June 8, 2005 the District issued its 2005 General Obligation Refunding Bonds in the aggregate principal amount of $58,386,109.30 (the "2005 Refunding Bonds"), the proceeds of which were used to refund a portion of the Series 2004A Bonds. On June __, 2007, the District issued its General Obligation Bonds, Election of 2004, Series 2007 in the aggregate principal amount of $900,000,000. The following table shows the annual debt service requirements of all the District's general obligation bonded debt, including the Bonds.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
General Obligation Bonds – Consolidated Debt Service Schedule

Period Ending (August 1)	Series 2004B Bonds[1]	2005 Refunding Bonds	Series 2007C Bonds	Series 2010D Bonds*	Total Annual Debt Service*
2011	$646,075.00	$4,152,750.00	$3,425,500.00		
2012	746,075.00	4,313,250.00	3,425,500.00		
2013	896,275.00	4,463,250.00	3,425,500.00		
2014	1,069,475.00	4,613,250.00	3,425,500.00		
2015	44,475.00	5,228,250.00	3,425,500.00		
2016	43,837.50	5,463,250.00	3,425,500.00		
2017	48,087.50	5,710,000.00	3,425,500.00		
2018	47,087.50	5,966,500.00	3,425,500.00		
2019	51,087.50	6,236,250.00	3,425,500.00		
2020	49,837.50	6,517,500.00	3,425,500.00		
2021	53,587.50	6,813,500.00	3,425,500.00		
2022	57,012.50	7,117,250.00	3,425,500.00		
2023	60,175.00	7,442,000.00	3,425,500.00		
2024	63,075.00	7,775,250.00	3,425,500.00		
2025	60,712.50	--	10,750,500.00		
2026	63,350.00	--	11,074,250.00		
2027	70,725.00	--	11,398,500.00		
2028	72,425.00	--	11,741,500.00		
2029	73,850.00	--	12,095,500.00		
2030	--	--	12,538,000.00		
2031	--	--	12,912,500.00		
2032	--	--	1,050,000.00		
Total					

(1) Includes only the Series 2004A Bonds not refunded from proceeds of the 2005 Refunding Bonds.
*Preliminary, subject to change.

Statement of Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and effective as of September 1, 2010. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

RIVERSIDE COMMUNITY COLLEGE DISTRICT
Statement of Direct and Overlapping Bonded Debt

2010-11 Assessed Valuation:	$74,411,938,552	(Riverside County only)
Redevelopment Incremental Valuation:	16,802,550,917	(Preliminary)
Adjusted Assessed Valuation:	$57,609,387,635	

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable (1)	Debt 9/1/10	
Metropolitan Water District	3.234%	$ 8,544,875	
Eastern Municipal Water District Improvement Districts	0.058-100.	6,651,136	
Riverside City Community College District	**100.**	**126,721,109**	(2)
Alvord Unified School District	100.	211,504,394	
Corona-Norco Unified School District	100.	257,292,399	
Jurupa Unified School District	100.	53,007,972	
Moreno Valley Unified School District	100.	44,163,521	
Riverside Unified School District	100.	155,730,000	
Val Verde Unified School District	100.	41,816,948	
City of Riverside	100.	16,640,000	
Community Facilities Districts	Various	1,274,460,804	
1915 Act Bonds	100.	41,665,000	
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,238,198,158	
Less: City of Moreno Valley Community Facilities District No. 87-1 & No. 3 (100% supported from tax increment revenues)		10,815,000	
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,227,383,158	
OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	38.760%	$ 285,420,563	
Riverside County Pension Obligations	38.760	145,388,760	
Riverside County Board of Education Certificates of Participation	38.760	2,806,224	
Corona-Norco Unified School District General Fund Obligations	100.	27,040,000	
Moreno Valley Unified School District Certificates of Participation	100.	21,355,000	
Val Verde Unified School District Certificates of Participation	100.	85,995,000	
Other Unified School District Certificates of Participation	100.	24,997,061	
City of Corona General Fund Obligations	100.	67,815,000	
City of Moreno Valley Certificates of Participation	99.880	79,269,762	
City of Riverside General Fund and Pension Obligations	100.	350,295,000	
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$1,090,382,370	
Less: Riverside County supported obligations		5,861,476	
City of Corona supported obligations		2,800,000	
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$1,081,720,894	
GROSS COMBINED TOTAL DEBT		$3,328,580,528	(3)
NET COMBINED TOTAL DEBT		$3,309,104,052	

(1) Based on 2009-10 ratios.
(2) Excludes issue to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2010-11 Assessed Valuation:
Direct Debt ($126,721,109) 0.17%
Total Gross Overlapping Tax and Assessment Debt.............3.01%
Total Net Overlapping Tax and Assessment Debt.................2.99%

Ratios to Adjusted Assessed Valuation:
Gross Combined Total Debt..5.78%
Net Combined Total Debt...5.74%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: $0

KD:($450)

TAX MATTERS

[TO BE UPDATED FOR SERIES 2010D-1 BONDS]

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income which may affect the alternative minimum tax liability of such corporations.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds).

It is possible that subsequent to the issuance of the Bonds, there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX A.

LEGAL MATTERS

Legality for Investment in California

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code of the State, are eligible security for deposits of public moneys in the State.

Continuing Disclosure

The District has covenanted for the benefit of bondholders (including Beneficial Owners of the Bonds) to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2008-09 Fiscal Year, and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed by the District with each Nationally Recognized Municipal Securities Information Repository (and with the appropriate State information depository, if any). The notices of material events will be filed by the District with each Nationally Recognized Municipal Securities Information Repository (and with the appropriate State information depository, if any). The specific nature of the information to be contained in the Annual Report or the notices of material events is included under the caption "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule").

The District has, in the past, failed to file certain of its required annual reports in a timely manner as required by its prior continuing disclosure obligations. The District has since filed such reports and is current with respect to all filings required under its existing continuing disclosure obligations.

No Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

New Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Legal Opinion

Legal opinions of Bond Counsel, approving the validity of the Tax-Exempt Bonds and the Series 2010D-1 Bonds, will be supplied to the original purchasers of the Bonds without cost. A copy of the proposed form of such legal opinions are attached to this Official Statement as APPENDIX A.

MISCELLANEOUS

Ratings

The Bonds have been assigned ratings of "___" and "___" by Moody's Ratings ("Moody's") and Standard & Poor's, a Division of McGraw Hill Companies ("S&P"), respectively, without regard to the issuance of the Policy.

The ratings reflect only the views of the respective rating agency, and any explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Moody's Ratings, One State Street Plaza, New York, New York 10004 and Standard & Poor's, a Division of McGraw-Hill Companies, 55 Water Street, 45th Floor, New York, NY 10041. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

Underwriting

Piper Jaffray & Co. (the "Underwriter") has agreed, pursuant to a purchase contract between the District and the Underwriter (the "Purchase Contract"), to purchase all of the Tax-Exempt Bonds for a purchase price of $_________ (consisting of the principal amount of the Tax-Exempt Bonds of $___________, plus net original issue premium of $____________, less $_____________ to be used by the Underwriter to pay costs of issuance (including Underwriter's discount) for the Tax-Exempt Bonds.

Piper Jaffray & Co. (the "Underwriter") has agreed, pursuant to a purchase contract between the District and the Underwriter (the "Purchase Contract"), to purchase all of the Series 2010D-1 Bonds for a purchase price of $_________ (consisting of the principal amount of Series 2010D-1 Bonds of $___________, less $_____________ to be used by the Underwriter to pay costs of issuance (including Underwriter's discount) for the Series 2010D-1 Bonds.

The Purchase Contract related to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by Bond Counsel and certain other conditions. The initial offering prices stated on the cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

The Underwriter has entered into an agreement (the "Distribution Agreement") with Advisors Asset Management, Inc. ("AAM") for the distribution of certain municipal securities offerings allocated to the Underwriter at the original offering prices. Under the Distribution Agreement, if applicable to the Bonds, the Underwriter will share with AAM a portion of the fee or commission, exclusive of management fees, paid to the Underwriter.

Additional Information

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolutions providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All data contained herein about the District has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners, beneficial or otherwise, of any of the Bonds.

This Official Statement and the delivery thereof have been duly approved and authorized by the District.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By: ______________________________________

Vice Chancellor, Administration and Finance

APPENDIX A

FORM OF OPINIONS OF BOND COUNSEL

Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds substantially in the following form:

Date of Delivery

APPENDIX B

EXCERPTS FROM THE DISTRICT'S 2009-10 AUDITED FINANCIAL STATEMENTS

APPENDIX C

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Riverside Community College District (the "District") in connection with the issuance of $_________ Election of 2004 General Obligation Bonds, Series 2010D and the $______ Election of 2004 General Obligation Bonds, Series 2010D-1 (Build America Bonds – Direct Payment to District) (Federally Taxable) (together, the "Bonds"). The Bonds are being issued pursuant to a Resolution of the District dated September -__, 2010 (the "Resolution"). The District covenants and agrees as follows:

SECTION 1. <u>Purpose of the Disclosure Certificate.</u> This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. <u>Definitions.</u> In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially the District, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) System and any other Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission can be found at <u>www.sec.gov/info/municipal/nrmsir.htm</u> or <u>www.sec.gov</u>.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 1 5c2- 1 2(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Certificate, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2006-07 Fiscal Year, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repositories to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the District shall send a notice to each Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repositories of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(a) State funding received by the District for the last completed fiscal year;

(b) enrollment of the District for the last completed fiscal year;

(c) outstanding District indebtedness;

(d) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies,

2. non-payment related defaults,

3. modifications to rights of Bondholders,

4. optional, contingent or unscheduled bond calls,

5. defeasances,

6. rating changes,

7. adverse tax opinions or events affecting the tax-exempt status of the Bonds,

8. unscheduled draws on the debt service reserves reflecting financial difficulties,

9. unscheduled draws on the credit enhancements reflecting financial difficulties,

10. substitution of the credit or liquidity providers or their failure to perform, or

11. release, substitution or sale of property securing repayment of the Bonds.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall promptly file a notice of such occurrence with the Repositories or provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repositories. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(b).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repositories. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: October __, 2010

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By: ______________________________________
Vice Chancellor, Administration and Finance

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: RIVERSIDE COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: Election of 2004 General Obligation Bonds, Series 2010D

Date of Issuance: October __, 2010

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by .

Dated: ________________

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By _______[form only; no signature required]_______

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. The information on such websites is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX E

REGIONAL AND COUNTY INFORMATION FOR RIVERSIDE COUNTY

The following information is included only for the purpose of supplying general information regarding the County of Riverside (the "County"). This information is provided only for general informational purposes, and provides prospective investors limited information about the County and the economic base of the District. The Bonds are not a debt of the County, the State or any of its political subdivisions, and neither the County, the State nor any of its political subdivisions is liable therefor.

The economy of the County is currently experiencing a recession as evidenced by an increased unemployment rate, a slowdown in total personal income and taxable sales, a drop in residential building permits, a decline in the rate of home sales and the median price of single-family homes and condominiums and an increase in notices of default on mortgage loans secured by homes and condominiums. The worsening of the economy at the County, State and national levels may not be reflected in the data prevented below, as more recent information has not been made available to the District.

Population

According to the State Department of Finance, Demographic Research Unit, the County's population was estimated at 2,139,535 as of January 1, 2010, representing a 38.4% increase since the 2000 Census or a simple annual average of 3.8%.

The County's population grew by over half a million since 2000, ranking it as one of the major growth areas in the nation. During this period, nine cities and the unincorporated County area each grew by over 20,000 persons. The city of Murrieta added the most residents (over 57,000) to its population. Murrieta is followed by Riverside (48,885), Temecula (47,313), Moreno Valley (46,156), Indio (34,559), Corona (25,450), Beaumont (22,833), Lake Elsinore (22,055) and La Quinta (20,727) by number of residents being added to their populations. The city of Beaumont's population on a percentage basis increased the most since 2000 (185%). Several areas in the unincorporated County area also grew rapidly. These include Eastvale, Temescal Canyon, the El Sobrante/Lake Mathews/Woodcrest area, Winchester, French Valley, and the unincorporated area north of Indio. Much of the growth in the city of Menifee occurred during this period while it was an unincorporated area. Recently, the growth in the County has slowed due to the economy. Between January 1, 2009 and January 1, 2010, the County population increased by 1.4%. Although this rate is far below the County average for the decade, it is above the Statewide average.

The following table sets forth annual population figures as of January 1 of each year for cities located within the County for each of the years listed:

COUNTY OF RIVERSIDE
POPULATION OF CITIES WITHIN THE COUNTY
(As of January 1)

CITY	2000	2005	2006	2007	2008	2009	2010
Banning	23,562	27,996	28,185	28,174	28,148	28,457	28,751
Beaumont	11,384	19,051	23,238	28,209	31,317	32,403	34,217
Blythe	20,465	22,052	22,234	22,608	21,627	21,329	21,812
Calimesa	7,139	7,491	7,475	7,435	7,423	7,498	7,555
Canyon Lake	9,952	10,950	10,983	10,955	10,994	11,128	11,225
Cathedral City	42,647	50,819	51,294	52,045	51,972	52,447	52,841
Coachella	22,724	30,879	35,354	38,437	40,317	41,000	42,591
Corona	124,966	144,600	145,265	145,847	146,698	148,597	150,416
Desert Hot Springs	16,582	20,820	23,459	24,856	25,939	26,552	26,811
Hemet	58,812	67,565	70,728	72,537	73,205	74,361	75,820
Indian Wells	3,816	4,796	4,885	4,934	5,000	5,093	5,144
Indio	49,116	66,358	71,949	77,046	80,962	82,230	83,675
Lake Elsinore	28,930	38,185	41,156	47,568	49,556	50,267	50,983
La Quinta	23,694	36,278	38,500	41,039	42,743	43,778	44,421
Menifee	0	0	0	0	0	67,705	68,905
Moreno Valley	142,379	165,935	175,294	180,228	182,945	186,301	188,537
Murrieta	44,282	85,328	93,221	97,031	99,576	100,714	101,487
Norco	24,157	26,783	27,355	27,329	27,143	27,160	27,370
Palm Desert	41,155	49,490	49,774	49,717	50,686	51,509	52,067
Palm Springs	42,805	45,877	46,629	46,796	47,019	47,601	48,040
Perris	36,189	44,758	47,335	50,597	53,340	54,323	55,133
Rancho Mirage	13,249	16,476	16,740	16,923	16,975	17,180	17,008
Riverside	255,166	286,563	288,984	291,812	296,191	300,430	304,051
San Jacinto	23,779	28,540	31,194	34,297	35,491	36,477	36,933
Temecula	57,716	81,681	93,673	97,141	99,873	102,604	105,029
Wildomar	0	0	0	0	0	31,321	31,907
TOTALS							
Incorporated	1,124,666	1,379,271	1,444,904	1,493,561	1,525,140	1,648,465	1,672,729
Unincorporated	420,721	504,464	517,110	536,754	553,461	459,188	466,806
County-Wide	1,545,387	1,883,735	1,962,014	2,030,315	2,078,601	2,107,653	2,139,535
California	33,873,086	36,676,931	37,086,191	37,472,074	37,883,992	38,292,687	38,648,090

Source: U.S. Census Bureau for 2000, State Department of Finance, Demographic Research Unit (with 2000 DRU Benchmark) for 2007–2010.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other than labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local, nontax payments fines, fees, penalties, etc.) and personal contributions to social security insurance and federal retirement payroll deductions. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the County and the State for the period 2004 through 2008. Figures for 2009 are not available.

RIVERSIDE COUNTY AND CALIFORNIA
TOTAL EFFECTIVE BUYING INCOME, MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME AND PERCENT OF HOUSEHOLDS WITH INCOMES OVER $50,000[1]

	Total Effective Buying Income[2]	Median Household Effective Buying Income	Percent of Households with Income over $50,000
2004			
Riverside County	$ 29,468,208	$40,275	37.1%
California	705,108,410	43,915	42.5
2005			
Riverside County	32,004,418	41,326	38.9
California	720,798,122	44,681	43.7
2006			
Riverside County	35,656,620	43,490	41.8
California	764,120,082	46,275	45.6
2007			
Riverside County	38,631,365	45,310	44.3
California	814,894,437	48,203	47.9
2008			
Riverside County	40,935,407	46,958	46.2
California	832,531,445	48,952	48.8

(1) Estimated.
(2) Dollars in thousands.
Source: "Survey of Buying Power," Sales & Marketing Management Magazine, dated 2004, 2005 and 2008, and Demographics USA, Trade Dimensions for 2006 and 2007.

Industry and Employment

The County is a part of the Riverside-San Bernardino Primary Metropolitan Statistical Area ("PMSA"), which includes all of Riverside and San Bernardino Counties. The following table sets forth the annual average employment by industry for the PMSA.

RIVERSIDE-SAN BERNARDINO-ONTARIO PMSA
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY(1)
(In Thousands)

INDUSTRY	2005	2006	2007	2008	2009
Agriculture	18.3	17.2	16.8	15.9	15.2
Construction	123.3	129.5	112.8	90.7	67.4
Finance, Insurance and Real Estate	49.0	51.8	50.1	46.7	43.6
Government	220.4	224.2	225.7	229.9	227.3
Manufacturing:	121.0	124.0	118.9	106.9	88.5
Nondurables	35.0	36.4	36.4	34.3	30.4
Durables	86.1	87.6	82.5	72.5	58.1
Natural Resources and Mining	1.4	1.4	1.4	1.2	1.2
Retail Trade	165.7	171.5	175.4	168.6	154.9
Prof., Educ. and other Services	416.5	436.2	446.3	440.7	419.6
Trans., Whse. and Utilities	60.2	63.8	66.7	70.2	66.5
Wholesale Trade	49.9	53.8	56.4	54.1	48.3
Information, Pub. and Telecom.	14.5	15.7	15.2	14.9	14.8
Total, All Industries	1,240.3	1,288.4	1,285.5	1,239.7	1,147.1

(1) The employment figures by Industry which are shown above are not directly comparable to the "Total, All Industries" employment figures due to rounded data.

Source: State Employment Development Department, Labor Market Information Division.

The following table sets forth certain of the ten major employers located in the County as of 2008:

COUNTY OF RIVERSIDE
CERTAIN MAJOR EMPLOYERS(1)
(2010)

Company Name	Product/Service	No. of Local Employees(2)
County of Riverside	County Government	18,456
March Air Reserve Base	Government/Military	8,600
University of California, Riverside	Education Institution	7,321
Stater Brothers Markets	Supermarket Retailer	6,900
Wal-Mart	Retail Store	6,550
Riverside Unified School District	School District	5,099
Abbott Vascular	Medical & Biotech Manufacturer	4,500
Pechanga Resort & Casino	Casino/Resort	4,000
Kaiser Permanente Riverside Medical Center	Healthcare	3,600
Temecula Valley Unified School District	School District	2,752

(1) Certain major employers in the County may have been excluded because of the data collection methodology used by The Business Press.

(2) Includes employees within the County; includes, under certain circumstances, temporary, seasonal and per diem employees.

Source: The Business Press 2010 Book of Lists.

Unemployment statistics for the County, the State and the United States are set forth in the following table.

COUNTY OF RIVERSIDE
COUNTY, STATE AND NATIONAL UNEMPLOYMENT DATA

	2005	2006	2007	2008	2009	March
County(1)	5.4%	5.0%	6.0%	8.5%	13.6%	15.1%(2)
California(1)	5.4	4.9	5.3	7.2	11.4	13.0(2)
United States	5.1	4.6	4.6	5.8	9.3	9.7(3)

(1) Data are not seasonally adjusted.
(2) Preliminary.
(3) Data are seasonally adjusted.
Source: State of California Employment Development Department Labor Market Information Division; U.S. Bureau of Labor Statistics.

Commercial Activity

Commercial activity is an important factor in the County's economy. Much of the County's commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are five regional shopping malls in the County: Galleria at Tyler (Riverside), Hemet Valley Mall, Westfield Palm Desert Shopping Center, Moreno Valley Mall, and The Promenade in Temecula. There are also two factory outlet malls (Desert Hills Factory Stores and Lake Elsinore Outlet Center) and over 200 area centers in the County.

Taxable Sales Transactions

The following table sets forth taxable transactions in the County for the years 2004 through 2008. Figures for 2009 are unavailable.

COUNTY OF RIVERSIDE
TAXABLE SALES TRANSACTIONS(1)
(In Thousands)

Types of Business	2004	2005	2006	2007	2008
Apparel Stores	$ 867,276	$ 990,129	$ 1,080,385	$ 1,171,103	$ 1,121,543
General Merchandise Stores	2,756,019	3,021,908	3,250,377	3,272,665	3,081,989
Drug Stores	270,316	282,566	303,177	320,469	307,947
Food Stores	1,079,972	1,197,438	1,309,782	1,352,609	1,254,366
Packaged Liquor Stores					98,338
Eating and Drinking Places	1,940,610	2,157,801	2,316,422	2,338,039	2,340,554
Home Furnishing and Appliances	862,551	964,629	948,217	843,945	816,379
Building Materials and Farm Implements	2,476,092	2,756,280	2,738,153	1,961,911	1,435,337
Auto Dealers Supplies	4,179,940	4,474,566	4,326,040	4,301,385	3,115,036
Service Stations	1,855,263	2,277,082	2,630,716	2,835,690	3,011,476
Other Retail Stores	2,361,182	2,641,985	2,860,181	2,794,790	2,106,283
Retail Stores Total	$18,715,949	$20,839,212	$21,842,345	$21,242,516	$18,689,249
All Other Outlets	6,521,199	7,417,279	7,973,892	7,781,093	7,314,346
Total All Outlets	$25,237,148	$28,256,491	$29,816,237	$29,023,609	$26,003,595

Source: California State Board of Equalization, Research and Statistics Division.

Building and Real Estate Activity

The following tables set forth five-year summaries of building permit valuations and new dwelling units authorized in the County (in both incorporated and unincorporated areas) for the years 2005 through 2009.

COUNTY OF RIVERSIDE
BUILDING PERMIT VALUATIONS
(In Thousands)

	2005	2006	2007	2008	2009
RESIDENTIAL					
New Single-Family	$6,243,790	$4,412,257	$2,207,520	$1,214,752	$891,825
New Multi-Family	407,429	431,579	238,316	243,741	76,717
Alterations and	164,312	158,098	141,996	118,490	85,148
Total Residential	$6,815,531	$5,001,934	$2,587,832	$1,576,983	$1,053,690
NON-RESIDENTIAL					
New Commercial	$ 552,665	$ 648,068	$ 682,331	$ 539,944	$ 94,653
New Industry	120,366	288,353	184,506	70,411	12,278
New Other(1)	344,702	290,010	240,765	138,766	107,334
Alterations &	274,339	303,407	350,539	292,694	162,557
Total Nonresidential	$1,292,072	$1,529,838	$1,458,141	$1,041,815	$ 376,822
TOTAL ALL BUILDING	$8,107,603	$6,531,772	$4,045,973	$2,618,798	$1,430,512

(1) Includes churches and religious buildings, hospitals and institutional buildings, schools and educational buildings, residential garages, public works and utilities buildings and non-residential alterations and additions.
Source: Construction Industry Research Board.

COUNTY OF RIVERSIDE
NUMBER OF NEW DWELLING UNITS

	2005	2006	2007	2008	2009
Single Family	29,994	20,692	9,763	3,815	3,424
Multi-Family	4,140	4,519	2,690	2,104	784
TOTAL	34,134	25,211	12,443	5,919	4,208

The following table sets forth a comparison of median housing prices for Los Angeles County, Riverside County and Southern California as of March 2009 and March 2010.

	March 2009	March 2010	Percent Change
County of Riverside	$187,000	$198,000	5.9%
Los Angeles County	300,000	329,000	9.7%
Southern California(1)	250,000	285,000	14.0%

(1) Southern California comprises Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.
Source: MDA DataQuick Information Systems.

The following table sets forth a comparison of home and condominium foreclosures recorded in Los Angeles County, Riverside County, San Bernardino County and Southern California for the years and quarters indicated.

COUNTY OF RIVERSIDE
COMPARISON OF HOME FORECLOSURES

Year	Los Angeles	Riverside	San Bernardino	Southern California[1]
2005	585	304	402	1,702
2006	1,997	1,778	1,011	7,355
2007	12,466	12,497	7,746	46,086
2008	35,366	32,423	23,557	125,056
2009	30,285	25,500	19,714	100,970

(1) Southern California comprises Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.
(2) First two quarters of 2009
Source: MDA DataQuick Information Systems.

Agriculture

Agriculture remains an important source of income in the County. Principal agricultural products are: nursery, milk, table grapes, eggs, avocados, grapefruit, alfalfa, bell peppers, dates, and lemons. Four areas in the County account for the major portion of agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of the County, the Coachella Valley in the central portion and the Palo Verde Valley near the County's eastern border. The value of agricultural production in the County for the years 2005 through 2009 is set forth in the following table.

COUNTY OF RIVERSIDE
VALUE OF AGRICULTURAL PRODUCTION

	2005	2006	2007	2008	2009
Citrus Fruits	$ 138,244,700	$ 107,897,000	$ 121,387,100	$ 135,759,000	$ 101,652,000
Trees and Vines	188,553,200	191,321,200	189,286,500	173,678,000	191,682,600
Vegetables, Melons, Misc.	261,019,500	213,643,300	234,854,700	266,414,900	221,286,700
Field and Seed Crops	77,687,300	68,611,700	94,492,000	123,545,400	69,699,800
Nursery	229,210,200	270,992,800	272,326,200	230,416,200	206,499,900
Apiculture	2,736,800	3,554,300	3,948,900	5,637,000	5,017,600
Aquaculture Products	13,367,300	13,367,300	9,829,200	12,077,700	5,243,900
Total Crop Valuation	$ 910,819,000	$ 869,387,600	$ 926,124,600	$ 947,529,000	$ 801,082,500
Livestock and Poultry Valuation	257,852,100	234,903,400	338,938,600	321,060,000	214,672,800
Grand Total	$1,168,671,100	$1,104,291,000	$1,265,063,200	$1,268,589,900	$1,015,755,300

Source: Riverside County Agricultural Commissioner.

Transportation

Several major freeways and highways provide access between the County and all parts of Southern California. The Riverside Freeway (State Route 91) extends southwest through Corona and connects with the Orange County freeway network in Fullerton. Interstate 10 traverses the width of the County, the western-most portion of which links up with major cities and freeways in the southern part of San Bernardino County with the eastern part linking to the County's Desert cities and Arizona. Interstates 15 and 215 extend north and then east to Las Vegas, and south to San Diego. State Route 60 provides an alternate (to Interstate 10) east-west link to Los Angeles County.

Currently, MetroLink provides commuter rail service to Los Angeles, San Bernardino and Orange Counties from several stations in the County. Transcontinental passenger rail service is provided by Amtrak with stops in Riverside and Indio. Freight service to major west coast and national markets is provided by three transcontinental railroads — Union Pacific Railroad, Burlington Northern and Santa Fe Railway Company. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. There are also four municipal transit operators in the western County providing services within the cities of Banning, Beaumont, Corona and Riverside. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, including the cities of Palm Springs and Indio. The Palo Verde Valley Transit Authority provided service in the far eastern portion of the County (City of Blythe and surrounding communities).

The County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by the Los Angeles Department of Airports. Four major airlines schedule commercial flight service at Palm Springs Regional Airport. County-operated general aviation airports include those in Thermal, Hemet, Blythe and French Valley. The cities of Riverside, Corona and Banning also operate general aviation airports. There is a military base at March Air Reserve Base, which converted from an active duty base to a reserve-only base on April 1, 1996. Plans for joint military and civilian use of the base thereafter are presently being formulated by the March AFB Joint Powers Authority, comprised of the County and the Cities of Riverside, Moreno Valley and Perris.

Education

There are four elementary school districts, one high school district, eighteen unified (K-12) school districts and four community college districts in the County. Ninety-five percent of all K-12 students attend schools in the unified school districts. The three largest unified school districts are Riverside Unified School District, Moreno Valley Unified School District and Corona-Norco Unified School District.

There are seven two-year community college campuses located in the communities of Riverside, Moreno Valley, Norco, San Jacinto, Menifee, Coachella Valley and Palo Verde Valley. There are also three universities located in the City of Riverside: the University of California at Riverside, La Sierra University and California Baptist University.

APPENDIX F

ACCRETED VALUES TABLE